



**RHB BANK BERHAD**  
**Registration No. 196501000373 (6171-M)**

**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED INCOME STATEMENTS**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022**

	Note	3rd Quarter Ended		Nine Months Ended	
		30 September 2022	30 September 2021	30 September 2022	30 September 2021
Group		RM'000	RM'000	RM'000	RM'000
Interest income	A8	<b>1,937,891</b>	1,575,565	<b>5,203,828</b>	4,725,208
Interest expense	A9	<b>(835,531)</b>	(558,784)	<b>(2,080,299)</b>	(1,693,812)
Net interest income		<b>1,102,360</b>	1,016,781	<b>3,123,529</b>	3,031,396
Other operating income	A10	<b>498,021</b>	549,951	<b>1,215,804</b>	1,487,401
Income from Islamic Banking business	A31(b)	<b>593,237</b>	546,271	<b>1,703,675</b>	1,559,918
Modification loss	A11	<b>-</b>	(172,070)	<b>-</b>	(209,341)
Net income		<b>2,193,618</b>	1,940,933	<b>6,043,008</b>	5,869,374
Other operating expenses	A12	<b>(961,967)</b>	(862,374)	<b>(2,709,594)</b>	(2,611,946)
Operating profit before allowances		<b>1,231,651</b>	1,078,559	<b>3,333,414</b>	3,257,428
Allowance for credit losses on financial assets	A13	<b>(192,349)</b>	(249,759)	<b>(384,760)</b>	(650,918)
Impairment losses made on other non-financial assets		<b>(12)</b>	-	<b>(12)</b>	(314)
Profit before taxation and zakat		<b>1,039,290</b>	828,800	<b>2,948,642</b>	2,606,196
Taxation and zakat	B5	<b>(338,045)</b>	(191,019)	<b>(1,010,562)</b>	(614,325)
Net profit for the financial period		<b>701,245</b>	637,781	<b>1,938,080</b>	1,991,871
Attributable to:					
- Equity holders of the Bank		<b>700,478</b>	635,592	<b>1,935,573</b>	1,987,223
- Non-controlling interests		<b>767</b>	2,189	<b>2,507</b>	4,648
		<b>701,245</b>	637,781	<b>1,938,080</b>	1,991,871
Earnings per share (sen):					
- Profit attributable to equity holders of the Bank					
- Basic	B12	<b>16.6</b>	15.6	<b>46.4</b>	49.3
- Diluted	B12	<b>16.6</b>	15.6	<b>46.4</b>	49.3

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and the Bank for the financial year ended 31 December 2021.



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**INTERIM FINANCIAL STATEMENTS  
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022**

Group	Note	3rd Quarter Ended		Nine Months Ended	
		30 September 2022	30 September 2021	30 September 2022	30 September 2021
		RM'000	RM'000	RM'000	RM'000
Net profit for the financial period		<b>701,245</b>	637,781	<b>1,938,080</b>	1,991,871
Other comprehensive income/(loss) in respect of:					
(i) Items that will not be reclassified to profit or loss:					
(a) Actuarial gain/(loss) on defined benefit plan of subsidiaries		-	(18)	<b>91</b>	1,876
(b) Equity instruments designated at fair value through other comprehensive income ('FVOCI')					
- Unrealised net (loss)/gain on revaluation		<b>2,057</b>	4,755	<b>(17,928)</b>	31,243
(ii) Items that will be reclassified subsequently to profit or loss:					
(a) Foreign currency translation reserves					
- Currency translation differences		<b>121,930</b>	(7,982)	<b>238,027</b>	63,509
- Realisation of translation reserves	B10	-	-	<b>(347)</b>	-
(b) Debt instruments measured at FVOCI					
- Unrealised net loss on revaluation		<b>(256,994)</b>	(231,726)	<b>(1,840,356)</b>	(1,194,917)
- Net transfer to income statements on disposal		<b>(15,867)</b>	(152,899)	<b>(59,010)</b>	(408,974)
- Changes in expected credit losses and exchange differences		<b>(3,320)</b>	(2,887)	<b>9,319</b>	7,578
Income tax relating to components of other comprehensive loss		<b>66,064</b>	92,313	<b>456,655</b>	384,231
Other comprehensive loss, net of tax, for the financial period		<b>(86,130)</b>	(298,444)	<b>(1,213,549)</b>	(1,115,454)
Total comprehensive income for the financial period		<b>615,115</b>	339,337	<b>724,531</b>	876,417
Total comprehensive income attributable to:					
- Equity holders of the Bank		<b>614,286</b>	337,112	<b>721,934</b>	871,742
- Non-controlling interests		<b>829</b>	2,225	<b>2,597</b>	4,675
		<b>615,115</b>	339,337	<b>724,531</b>	876,417

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**Registration No. 196501000373 (6171-M)**

**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED INCOME STATEMENTS**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022**

	Note	3rd Quarter Ended		Nine Months Ended	
		30 September	30 September	30 September	30 September
		2022	2021	2022	2021
		RM'000	RM'000	RM'000	RM'000
<b>Bank</b>					
Interest income	A8	<b>1,889,551</b>	1,560,604	<b>5,154,529</b>	4,657,952
Interest expense	A9	<b>(811,031)</b>	(540,090)	<b>(2,019,058)</b>	(1,641,147)
Net interest income		<b>1,078,520</b>	1,020,514	<b>3,135,471</b>	3,016,805
Other operating income	A10	<b>439,324</b>	386,845	<b>1,258,576</b>	970,084
Income from Islamic Banking business	A31(b)	<b>734</b>	1,255	<b>3,589</b>	4,083
Modification loss	A11	<b>-</b>	(98,578)	<b>-</b>	(115,252)
Net income		<b>1,518,578</b>	1,310,036	<b>4,397,636</b>	3,875,720
Other operating expenses	A12	<b>(603,483)</b>	(584,217)	<b>(1,747,063)</b>	(1,774,428)
Operating profit before allowances		<b>915,095</b>	725,819	<b>2,650,573</b>	2,101,292
Allowance for credit losses on financial assets	A13	<b>(111,939)</b>	(7,871)	<b>1,063</b>	(52,077)
Profit before taxation		<b>803,156</b>	717,948	<b>2,651,636</b>	2,049,215
Taxation	B5	<b>(238,838)</b>	(154,319)	<b>(717,529)</b>	(456,182)
Net profit for the financial period		<b>564,318</b>	563,629	<b>1,934,107</b>	1,593,033

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and the Bank for the financial year ended 31 December 2021.



**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**INTERIM FINANCIAL STATEMENTS  
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022**

	3rd Quarter Ended		Nine Months Ended	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
	RM'000	RM'000	RM'000	RM'000
<b>Bank</b>				
Net profit for the financial period	<b>564,318</b>	563,629	<b>1,934,107</b>	1,593,033
Other comprehensive income/(loss) in respect of:				
(i) Items that will not be reclassified to profit or loss:				
(a) Equity instruments designated at fair value through other comprehensive income ('FVOCI')				
- Unrealised net (loss)/gain on revaluation	<b>1,949</b>	4,829	<b>(19,926)</b>	29,802
(ii) Items that will be reclassified subsequently to profit or loss:				
(a) Foreign currency translation reserves				
- Currency translation differences	<b>30,225</b>	(14,207)	<b>65,296</b>	(1,593)
(b) Debt instruments measured at FVOCI				
- Unrealised net loss on revaluation	<b>(241,391)</b>	(191,460)	<b>(1,639,020)</b>	(984,182)
- Net transfer to income statements on disposal	<b>(7,196)</b>	(127,784)	<b>(45,070)</b>	(317,260)
- Changes in expected credit losses and exchange differences	<b>(592)</b>	(3,297)	<b>8,615</b>	7,504
Income tax relating to components of other comprehensive loss	<b>59,661</b>	76,618	<b>404,182</b>	312,346
Other comprehensive loss, net of tax, for the financial period	<b>(157,344)</b>	(255,301)	<b>(1,225,923)</b>	(953,383)
Total comprehensive income for the financial period	<b>406,974</b>	308,328	<b>708,184</b>	639,650

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**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**INTERIM FINANCIAL STATEMENTS  
UNAUDITED STATEMENTS OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2022**

	Note	Group		Bank	
		As at 30 September 2022 RM'000	As at 31 December 2021 RM'000	As at 30 September 2022 RM'000	As at 31 December 2021 RM'000
<b>ASSETS</b>					
Cash and short-term funds		14,979,845	19,831,323	10,755,068	10,409,623
Securities purchased under resale agreements		106,979	-	885,275	-
Deposits and placements with banks and other financial institutions		2,627,008	3,486,773	5,800,609	7,886,688
Investment account due from designated financial institutions	A14	-	-	9,379,084	10,213,639
Financial assets at fair value through profit or loss ('FVTPL')	A15	2,938,945	2,778,239	1,001,005	840,410
Financial assets at fair value through other comprehensive income ('FVOCI')	A16	38,990,392	41,140,873	33,205,324	34,955,501
Financial investments at amortised cost	A17	28,422,016	17,961,511	18,927,688	11,009,290
Loans, advances and financing	A18	205,702,978	194,896,614	120,272,653	115,045,103
Clients' and brokers' balances		782,545	879,595	-	-
Reinsurance assets		589,422	435,342	-	-
Other assets	A19	2,119,438	1,728,260	2,129,801	1,842,709
Derivative assets	B8	2,994,125	718,615	2,998,175	798,836
Statutory deposits		623,236	635,012	311,499	356,687
Tax recoverable		132,322	131,283	-	61,942
Deferred tax assets		813,294	377,825	625,677	234,795
Investments in subsidiaries		-	-	4,661,013	4,648,681
Investments in associates and joint venture		-	12	-	-
Right-of-use assets		155,323	174,482	74,059	91,368
Property, plant and equipment		1,066,635	1,016,824	803,298	762,684
Goodwill		2,654,122	2,654,122	1,714,913	1,714,913
Intangible assets		725,703	694,753	630,068	603,134
<b>TOTAL ASSETS</b>		<b>306,424,328</b>	<b>289,541,458</b>	<b>214,175,209</b>	<b>201,476,003</b>
<b>LIABILITIES</b>					
Deposits from customers	A20/B7(a)	225,587,577	218,732,585	137,978,447	137,552,576
Deposits and placements of banks and other financial institutions	A21/B7(a)	26,730,789	23,406,827	33,155,036	25,669,599
Obligations on securities sold under repurchase agreements		4,655,069	2,066,068	6,489,918	4,867,026
Investment accounts	A22	1,349,479	581,291	-	-
Bills and acceptances payable		180,283	210,119	173,270	201,832
Clients' and brokers' balances		837,619	948,511	-	-
General insurance contract liabilities		1,254,482	1,068,687	-	-
Other liabilities	A23	3,998,359	4,046,582	2,784,407	2,387,373
Derivative liabilities	B8	2,034,428	887,926	2,176,079	938,061
Recourse obligation on loans sold to Cagamas Berhad ('Cagamas')		3,783,752	2,259,895	2,522,691	1,506,310
Provision for taxation and zakat		558,232	124,163	394,960	-
Deferred tax liabilities		2,299	55	-	-
Lease liabilities		162,686	182,607	74,887	92,935
Borrowings	B7(b)	204,112	127,380	-	-
Senior debt securities	B7(c)	4,025,613	3,646,369	4,025,613	3,646,369
Subordinated obligations	B7(d)	2,985,795	3,221,882	2,018,892	2,265,134
<b>TOTAL LIABILITIES</b>		<b>278,350,574</b>	<b>261,510,947</b>	<b>191,794,200</b>	<b>179,127,215</b>

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**RHB BANK BERHAD**  
 Registration No. 196501000373 (6171-M)

**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 30 SEPTEMBER 2022**

	Note	Group		Bank	
		As at 30 September 2022 RM'000	As at 31 December 2021 RM'000	As at 30 September 2022 RM'000	As at 31 December 2021 RM'000
<b>EQUITY</b>					
Share capital		7,970,162	7,612,612	7,970,162	7,612,612
Reserves		20,074,137	20,385,716	14,410,847	14,736,176
<b>Equity attributable to holders of the Bank</b>		<b>28,044,299</b>	27,998,328	<b>22,381,009</b>	22,348,788
Non-controlling interests ('NCI')		29,455	32,183	-	-
<b>TOTAL EQUITY</b>		<b>28,073,754</b>	28,030,511	<b>22,381,009</b>	22,348,788
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>306,424,328</b>	289,541,458	<b>214,175,209</b>	201,476,003
<b>COMMITMENTS AND CONTINGENCIES</b>	A28(a)	<b>204,666,062</b>	157,777,145	<b>198,001,424</b>	154,105,883
<b>NET ASSETS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK (RM)</b>		<b>6.66</b>	6.76		

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**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**INTERIM FINANCIAL STATEMENTS  
UNAUDITED STATEMENTS OF CHANGES IN EQUITY  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022**

Group	Note	Attributable to equity holders of the Bank						Share-Based Payment Reserves	Retained Profits	Total Shareholders' Equity	Non- controlling Interests	Total Equity
		Share Capital	Statutory Reserves	Regulatory Reserves	FVOCI Reserves	Translation Reserves	Other Reserves					
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>Balance as at 1 January 2022</b>		<b>7,612,612</b>	<b>104,645</b>	<b>328,129</b>	<b>443,003</b>	<b>562,410</b>	<b>23,331</b>	-	<b>18,924,198</b>	<b>27,998,328</b>	<b>32,183</b>	<b>28,030,511</b>
Net profit for the financial period		-	-	-	-	-	-	-	<b>1,935,573</b>	<b>1,935,573</b>	<b>2,507</b>	<b>1,938,080</b>
Foreign currency translation reserves:												
- Currency translation differences		-	<b>11,800</b>	-	-	<b>226,140</b>	-	-	-	<b>237,940</b>	<b>87</b>	<b>238,027</b>
- Realisation of translation reserves	B10	-	-	-	-	<b>(347)</b>	-	-	-	<b>(347)</b>	-	<b>(347)</b>
Financial assets measured at FVOCI:												
- Equity instruments												
- Unrealised net loss on revaluation		-	-	-	<b>(17,928)</b>	-	-	-	-	<b>(17,928)</b>	-	<b>(17,928)</b>
- Debt instruments												
- Unrealised net loss on revaluation		-	-	-	<b>(1,840,356)</b>	-	-	-	-	<b>(1,840,356)</b>	-	<b>(1,840,356)</b>
- Net transfer to income statements on disposal		-	-	-	<b>(59,010)</b>	-	-	-	-	<b>(59,010)</b>	-	<b>(59,010)</b>
- Changes in expected credit losses and exchange differences		-	-	-	<b>9,319</b>	-	-	-	-	<b>9,319</b>	-	<b>9,319</b>
Actuarial gain on defined benefit plan of subsidiaries		-	-	-	-	-	-	-	<b>90</b>	<b>90</b>	<b>1</b>	<b>91</b>
Income tax relating to components of other comprehensive loss		-	-	-	<b>456,425</b>	-	-	-	<b>228</b>	<b>456,653</b>	<b>2</b>	<b>456,655</b>
Other comprehensive (loss)/income, net of tax, for the financial period		-	<b>11,800</b>	-	<b>(1,451,550)</b>	<b>225,793</b>	-	-	<b>318</b>	<b>(1,213,639)</b>	<b>90</b>	<b>(1,213,549)</b>
Total comprehensive income/(loss) for the financial period		-	<b>11,800</b>	-	<b>(1,451,550)</b>	<b>225,793</b>	-	-	<b>1,935,891</b>	<b>721,934</b>	<b>2,597</b>	<b>724,531</b>
Dividends paid		-	-	-	-	-	-	-	<b>(1,035,730)</b>	<b>(1,035,730)</b>	<b>(5,300)</b>	<b>(1,041,030)</b>
Shares issued pursuant to Dividend Reinvestment Plan ('DRP')		<b>357,550</b>	-	-	-	-	-	-	-	<b>357,550</b>	-	<b>357,550</b>
Share-based payment expenses		-	-	-	-	-	-	<b>2,217</b>	-	<b>2,217</b>	-	<b>2,217</b>
Transfer to regulatory reserves		-	-	<b>178,413</b>	-	-	-	-	<b>(178,413)</b>	-	-	-
Disposal of a subsidiary		-	-	-	-	-	-	-	-	-	<b>(25)</b>	<b>(25)</b>
<b>Balance as at 30 September 2022</b>		<b>7,970,162</b>	<b>116,445</b>	<b>506,542</b>	<b>(1,008,547)</b>	<b>788,203</b>	<b>23,331</b>	<b>2,217</b>	<b>19,645,946</b>	<b>28,044,299</b>	<b>29,455</b>	<b>28,073,754</b>

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**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**INTERIM FINANCIAL STATEMENTS  
UNAUDITED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022**

Group	← Attributable to equity holders of the Bank →							Total Shareholders' Equity	Non-controlling Interests	Total Equity
	Share Capital	Statutory Reserves	Regulatory Reserves	FVOCI Reserves	Translation Reserves	Other Reserves	Retained Profits			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Balance as at 1 January 2021</b>	6,994,103	515	51,672	1,855,531	518,376	23,331	17,580,307	27,023,835	32,729	27,056,564
Net profit for the financial period	-	-	-	-	-	-	1,987,223	1,987,223	4,648	1,991,871
Foreign currency translation reserves:										
- Currency translation differences	-	4,105	-	25	59,345	-	-	63,475	34	63,509
Financial assets measured at FVOCI:										
- Equity instruments										
- Net gain on disposal	-	-	-	(19,444)	-	-	19,444	-	-	-
- Unrealised net gain on revaluation	-	-	-	31,243	-	-	-	31,243	-	31,243
- Debt instruments										
- Unrealised net loss on revaluation	-	-	-	(1,194,917)	-	-	-	(1,194,917)	-	(1,194,917)
- Net transfer to income statements on disposal	-	-	-	(408,974)	-	-	-	(408,974)	-	(408,974)
- Changes in expected credit losses and exchange differences	-	-	-	7,578	-	-	-	7,578	-	7,578
Actuarial gain/(loss) on defined benefit plan of subsidiaries	-	-	-	-	-	-	1,881	1,881	(5)	1,876
Income tax relating to components of other comprehensive loss/(income)	-	-	-	384,914	-	-	(681)	384,233	(2)	384,231
Other comprehensive (loss)/income, net of tax, for the financial period	-	4,105	-	(1,199,575)	59,345	-	20,644	(1,115,481)	27	(1,115,454)
Total comprehensive income/(loss) for the financial period	-	4,105	-	(1,199,575)	59,345	-	2,007,867	871,742	4,675	876,417
Dividends paid	-	-	-	-	-	-	(306,768)	(306,768)	(3,975)	(310,743)
Shares issued pursuant to DRP	268,830	-	-	-	-	-	-	268,830	-	268,830
Transfer to statutory reserves	-	100,540	-	-	-	-	(100,540)	-	-	-
Transfer from regulatory reserves	-	-	(4,765)	-	-	-	4,765	-	-	-
<b>Balance as at 30 September 2021</b>	<b>7,262,933</b>	<b>105,160</b>	<b>46,907</b>	<b>655,956</b>	<b>577,721</b>	<b>23,331</b>	<b>19,185,631</b>	<b>27,857,639</b>	<b>33,429</b>	<b>27,891,068</b>

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**INTERIM FINANCIAL STATEMENTS  
UNAUDITED STATEMENTS OF CHANGES IN EQUITY  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022**

	← Non-Distributable →				Distributable		Total Equity
	Share Capital	Regulatory Reserves	FVOCI Reserves	Translation Reserves	Share-Based Payment Reserves	Retained Profits	
<b>Bank</b>	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Balance as at 1 January 2022</b>	7,612,612	227,289	429,544	353,068	-	13,726,275	22,348,788
Net profit for the financial period	-	-	-	-	-	1,934,107	1,934,107
Foreign currency translation reserves:							
- Currency translation differences	-	-	-	65,296	-	-	65,296
Financial assets measured at FVOCI:							
- Equity instruments							
- Unrealised net loss on revaluation	-	-	(19,926)	-	-	-	(19,926)
- Debt instruments							
- Unrealised net loss on revaluation	-	-	(1,639,020)	-	-	-	(1,639,020)
- Net transfer to income statements on disposal	-	-	(45,070)	-	-	-	(45,070)
- Changes in expected credit losses and exchange differences	-	-	8,615	-	-	-	8,615
Income tax relating to components of other comprehensive loss	-	-	404,182	-	-	-	404,182
Other comprehensive (loss)/income, net of tax, for the financial period	-	-	(1,291,219)	65,296	-	-	(1,225,923)
Total comprehensive income/(loss) for the financial period	-	-	(1,291,219)	65,296	-	1,934,107	708,184
Dividends paid	-	-	-	-	-	(1,035,730)	(1,035,730)
Shares issued pursuant to DRP	357,550	-	-	-	-	-	357,550
Share-based payment expenses	-	-	-	-	2,217	-	2,217
Transfer to regulatory reserves	-	103,516	-	-	-	(103,516)	-
<b>Balance as at 30 September 2022</b>	<b>7,970,162</b>	<b>330,805</b>	<b>(861,675)</b>	<b>418,364</b>	<b>2,217</b>	<b>14,521,136</b>	<b>22,381,009</b>

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and the Bank for the financial year ended 31 December 2021.



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**INTERIM FINANCIAL STATEMENTS  
UNAUDITED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022**

	← Non-Distributable →			Distributable		Total Equity
	Share Capital	Regulatory Reserves	FVOCI Reserves	Translation Reserves	Retained Profits	
<b>Bank</b>	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Balance as at 1 January 2021</b>	6,994,103	-	1,578,045	349,672	12,870,705	21,792,525
Net profit for the financial period	-	-	-	-	1,593,033	1,593,033
Foreign currency translation reserves:						
- Currency translation differences	-	-	-	(1,593)	-	(1,593)
Financial assets measured at FVOCI:						
- Equity instruments						
- Net gain on disposal	-	-	(17,494)	-	17,494	-
- Unrealised net gain on revaluation	-	-	29,802	-	-	29,802
- Debt instruments						
- Unrealised net loss on revaluation	-	-	(984,182)	-	-	(984,182)
- Net transfer to income statements on disposal	-	-	(317,260)	-	-	(317,260)
- Changes in expected credit losses and exchange differences	-	-	7,504	-	-	7,504
Income tax relating to components of other comprehensive loss	-	-	312,346	-	-	312,346
Other comprehensive (loss)/income, net of tax, for the financial period	-	-	(969,284)	(1,593)	17,494	(953,383)
Total comprehensive income/(loss) for the financial period	-	-	(969,284)	(1,593)	1,610,527	639,650
Dividends paid	-	-	-	-	(306,768)	(306,768)
Shares issued pursuant to DRP	268,830	-	-	-	-	268,830
<b>Balance as at 30 September 2021</b>	<b>7,262,933</b>	<b>-</b>	<b>608,761</b>	<b>348,079</b>	<b>14,174,464</b>	<b>22,394,237</b>

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and the Bank for the financial year ended 31 December 2021.



**RHB BANK BERHAD**

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**INTERIM FINANCIAL STATEMENTS  
UNAUDITED STATEMENTS OF CASH FLOWS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022**

<b>Group</b>	<b>Nine Months Ended</b>	
	<b>30 September 2022</b>	<b>30 September 2021</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before taxation and zakat	2,948,642	2,606,196
Adjustments for:		
Allowance for credit losses on loans, advances and financing	666,739	896,379
Allowance for credit losses on other financial assets	(6,244)	(6,608)
Property, plant and equipment:		
- Depreciation	100,460	89,143
- Gain on disposal	(416)	(16,703)
- Written off	166	441
- Impairment losses	-	193
Intangible assets:		
- Amortisation	114,401	92,625
Right-of-use assets:		
- Depreciation	53,984	53,118
- Gain on modification	(7)	-
- Impairment losses	-	121
Impairment losses on investment in a joint venture	12	-
Share-based payment expenses	2,217	-
Net allowance made on financial assets at FVOCI and financial investments at amortised cost	16,699	6,873
Gain on disposal of subsidiaries	(24,595)	(752)
Net gain on financial instruments	(124,879)	(317,091)
Dividend income from financial assets at FVTPL and financial assets at FVOCI	(33,725)	(45,101)
Net modification loss	-	209,341
Interest expense on borrowings, senior debt securities, subordinated obligations and lease liabilities	175,252	194,594
Other non-cash items	(1,336,333)	(1,289,891)
Operating profit before working capital changes	<u>2,552,373</u>	<u>2,472,878</u>
Decrease/(Increase) in operating assets:		
Securities purchased under resale agreements	(106,979)	-
Deposits and placements with banks and other financial institutions	1,061,190	1,705,554
Financial assets at FVTPL	(203,570)	1,386,158
Loans, advances and financing	(10,995,220)	(9,244,581)
Clients' and brokers' balances	100,391	283,836
Other assets	(2,661,173)	685,720
Statutory deposits	39,876	46,147
	<u>(12,765,485)</u>	<u>(5,137,166)</u>
Increase/(Decrease) in operating liabilities:		
Deposits from customers	6,283,477	10,147,255
Deposits and placements of banks and other financial institutions	3,246,984	(2,931,312)
Obligations on securities sold under repurchase agreements	2,586,375	1,105,446
Investment accounts	768,188	348,966
Bills and acceptances payable	(30,130)	(14,582)
Clients' and brokers' balances	(110,892)	(218,511)
Other liabilities	1,283,215	(890,700)
Recourse obligation on loans sold to Cagamas	1,523,857	(993,225)
	<u>15,551,074</u>	<u>6,553,337</u>

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and the Bank for the financial year ended 31 December 2021.



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**INTERIM FINANCIAL STATEMENTS  
UNAUDITED STATEMENTS OF CASH FLOWS (CONTINUED)  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022**

Group	Nine Months Ended	
	30 September 2022	30 September 2021
	RM'000	RM'000
<b>Cash flows from operating activities (continued)</b>		
Cash generated from operations	5,337,962	3,889,049
Interest/Profit paid	(156,174)	(162,043)
Net tax and zakat paid	(554,707)	(338,230)
Net cash generated from operating activities	<u>4,627,081</u>	<u>3,388,776</u>
<b>Cash flows from investing activities</b>		
Net (purchase)/proceeds of financial assets at FVOCI and financial investments at amortised	(9,899,268)	1,232,520
Property, plant and equipment:		
- Purchase	(149,636)	(79,883)
- Proceeds from disposal	423	23,905
Intangible assets:		
- Purchase	(136,449)	(138,157)
Financial assets at FVOCI and financial investments at amortised cost:		
- Interest/Income received	1,136,675	1,151,601
- Investment income received	267,288	317,790
Dividend income received from financial assets at FVTPL and financial assets at FVOCI	33,725	45,101
Net cash inflow from disposal of subsidiaries	26,652	494
Contingent consideration received arising from disposal of a subsidiary	-	219
Net cash (used in)/generated from investing activities	<u>(8,720,590)</u>	<u>2,553,590</u>
<b>Cash flows from financing activities</b>		
Net drawdown/(repayment) of borrowings	77,452	(440,167)
Proceeds from issuance of senior debt securities	-	2,075,557
Proceeds from issuance of subordinated notes/sukuk	750,000	500,000
Redemption of subordinated notes/sukuk	(1,000,000)	-
Dividends paid to equity holders of the Bank	(678,180)	(438,943)
Dividends paid to NCI	(5,300)	(3,975)
Principal lease payments	(59,775)	(65,779)
Net cash (used in)/generated from financing activities	<u>(915,803)</u>	<u>1,626,693</u>
Net (decrease)/increase in cash and cash equivalents	(5,009,312)	7,569,059
Effects of exchange rate differences	157,834	69,140
Cash and cash equivalents:		
- at the beginning of the financial period	19,831,323	8,904,285
- at the end of the financial period	<u>14,979,845</u>	<u>16,542,484</u>
Cash and cash equivalents comprise the following:		
- Cash and short term funds	<u>14,979,845</u>	<u>16,542,484</u>

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and the Bank for the financial year ended 31 December 2021.



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**INTERIM FINANCIAL STATEMENTS  
UNAUDITED STATEMENTS OF CASH FLOWS (CONTINUED)  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022**

	Nine Months Ended	
	30 September 2022	30 September 2021
	RM'000	RM'000
<b>Bank</b>		
<b>Cash flows from operating activities</b>		
Profit before taxation	2,651,636	2,049,215
Adjustments for:		
Allowance for credit losses on loans, advances and financing	245,778	274,149
Allowance for credit losses on other financial assets	138	(280)
Property, plant and equipment:		
- Depreciation	82,869	72,869
- Gain on disposal	(416)	(144)
- Written off	44	28
Intangible assets:		
- Amortisation	97,527	79,521
Right-of-use assets:		
- Depreciation	42,305	40,570
Share-based payment expenses	1,563	-
Net allowance made on financial assets at FVOCI and financial investments at amortised cost	12,210	6,360
Net gain on financial instruments	(174,257)	(213,834)
Loss on liquidation of a subsidiary	6	52
Dividend income from financial assets at FVOCI	(3,673)	(4,099)
Dividend income from subsidiaries	(529,385)	(221,228)
Net modification loss	-	115,252
Interest expense on borrowings, senior debt securities, subordinated obligations and lease liabilities	138,253	152,290
Other non-cash items	(959,288)	(932,045)
Operating profit before working capital changes	<u>1,605,310</u>	<u>1,418,676</u>
(Increase)/Decrease in operating assets:		
Securities purchased under resale agreements	(885,275)	-
Deposits and placements with banks and other financial institutions	2,219,709	(433,497)
Investment account due from designated financial institutions	834,555	(111,211)
Financial assets at FVTPL	(166,559)	1,055,940
Loans, advances and financing	(4,405,744)	(5,078,496)
Other assets	(2,306,508)	1,036,613
Statutory deposits	50,850	(76,621)
	<u>(4,658,972)</u>	<u>(3,607,272)</u>
Increase/(Decrease) in operating liabilities:		
Deposits from customers	(827,658)	3,681,394
Deposits and placements of banks and other financial institutions	7,237,271	(2,774,603)
Obligations on securities sold under repurchase agreements	1,603,465	(73,888)
Bills and acceptances payable	(31,746)	(10,621)
Other liabilities	1,451,732	(699,101)
Recourse obligation on loans sold to Cagamas	1,016,381	-
	<u>10,449,445</u>	<u>123,181</u>

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and the Bank for the financial year ended 31 December 2021.



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**INTERIM FINANCIAL STATEMENTS  
UNAUDITED STATEMENTS OF CASH FLOWS (CONTINUED)  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022**

	Nine Months Ended	
	30 September 2022	30 September 2021
	<u>RM'000</u>	<u>RM'000</u>
<b>Bank</b>		
<b>Cash flows from operating activities (continued)</b>		
Cash generated from/(used in) operations	7,395,783	(2,065,415)
Interest paid	(132,304)	(134,685)
Net tax paid	(247,171)	(166,983)
Net cash generated from/(used in) operating activities	<u>7,016,308</u>	<u>(2,367,083)</u>
<b>Cash flows from investing activities</b>		
Net (purchase)/proceeds of financial assets at FVOCI and financial investments at amortised	(7,229,374)	904,682
Property, plant and equipment:		
- Purchase	(121,009)	(58,433)
- Proceeds from disposal	419	146
Intangible assets:		
- Purchase	(124,646)	(114,321)
Interest received from financial assets at FVOCI and financial investments at amortised cost	1,123,056	1,141,009
Dividend income received from subsidiaries	530,585	221,228
Dividend income received from financial assets at FVOCI	3,673	4,099
Capital reduction in a subsidiary	-	267,773
Proceeds received from liquidation of a subsidiary	-	527
Additional investment in a subsidiary	(11,684)	-
Net cash (used in)/generated from investing activities	<u>(5,828,980)</u>	<u>2,366,710</u>
<b>Cash flows from financing activities</b>		
Net repayment of borrowings	-	(201,079)
Proceeds from issuance of senior debt securities	-	2,075,557
Proceeds from issuance of subordinated notes	500,000	500,000
Redemption of subordinated notes	(750,000)	-
Dividends paid to equity holders of the Bank	(678,180)	(438,943)
Principal lease payments	(44,625)	(42,988)
Net cash (used in)/generated from financing activities	<u>(972,805)</u>	<u>1,892,547</u>
Net increase in cash and cash equivalents	214,523	1,892,174
Effects of exchange rate differences	130,922	6,411
Cash and cash equivalents:		
- at the beginning of the financial period	10,409,623	7,905,636
- at the end of the financial period	<u>10,755,068</u>	<u>9,804,221</u>
Cash and cash equivalents comprise the following:		
- Cash and short term funds	<u>10,755,068</u>	<u>9,804,221</u>

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and the Bank for the financial year ended 31 December 2021.



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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022**

**A1. Basis Of Preparation**

The interim financial statements are unaudited and have been prepared in compliance with Malaysian Financial Reporting Standard ('MFRS') 134, 'Interim Financial Reporting' issued by Malaysian Accounting Standards Board ('MASB') and should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2021.

The accounting policies and presentation adopted by the Group and the Bank for the interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2021, except for the adoption of the following during the current financial period:

(a) Accounting standards, annual improvements and amendments to MFRS which are effective and applicable for the Group and the Bank for financial period beginning on or after 1 January 2022:

- Amendment to MFRS 16 'COVID-19 - Related Rent Concessions' beyond 30 June 2021
- Amendments to MFRS 116 'Proceeds Before Intended Use'
- Amendments to MFRS 3 'Reference to the Conceptual Framework'
- Annual Improvements to MFRS 1 'Subsidiary as First-time Adopter'
- Annual Improvements to Illustrative Example accompanying MFRS 16 'Leases: Lease Incentives'
- Annual Improvements to MFRS 9 'Fees in the '10 Percent' Test for Derecognition of Financial Liabilities'
- Amendments to MFRS 137 'Onerous Contracts – Cost of Fulfilling a Contract'

The adoption of the above accounting standards, annual improvements and amendments do not give rise to any material financial impact to the Group and the Bank.

(b) MFRS 2 'Share-based Payment' in line with the establishment of Share Grant Scheme ('SGS') by the Bank as further disclosed in Note B6(c).

**A2. Auditors' Report**

The auditors' report for the financial year ended 31 December 2021 was not subject to any qualification.

**A3. Seasonal Or Cyclical Factors**

The business operations of the Group and the Bank have not been affected by any material seasonal or cyclical factors.

**A4. Exceptional Or Unusual Items**

There were no exceptional or unusual items for the nine months ended 30 September 2022.

**A5. Changes In Estimates**

There were no material changes in estimates of amounts reported in prior financial years that have a material effect for the nine months ended 30 September 2022.



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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022**

**A6. Changes In Debt and Equity Securities**

There were no issuances and repayments of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the nine months ended 30 September 2022, other than as disclosed below:

(a) Share capital

The Bank has on 16 June 2022 increased its issued and paid up share capital from RM7,612,611,635 to RM7,970,161,835 via the issuance of 69,158,646 new ordinary shares at RM5.17 per share arising from the DRP relating to the single-tier final dividend of 25.0 sen per share in respect of the financial year ended 31 December 2021, of which the shareholders may elect to reinvest up to 10.0 sen per RHB Bank Share. The new ordinary shares issued during the financial period rank pari passu in all respects with the existing shares of the Bank.

(b) Subordinated obligations

- (i) RHB Islamic Bank Berhad ('RHB Islamic Bank'), a wholly-owned subsidiary of the Bank, had on 21 April 2022 issued Subordinated Sukuk Murabahah of RM250 million in nominal value under a RM5.0 billion programme. The Subordinated Sukuk Murabahah is issued for a tenure of 10 non-callable 5 years with a fixed profit rate of 4.06% per annum, payable semi-annually in arrears throughout the entire tenure;
- (ii) RHB Islamic Bank, had on 27 April 2022 fully redeemed RM250 million in nominal value of Subordinated Sukuk Murabahah issued on 27 April 2017;
- (iii) The Bank had on 27 September 2022 fully redeemed its existing subordinated notes of RM750 million in nominal value under a RM5 billion multi-currency medium term note programme which was issued on 27 September 2017; and
- (iv) The Bank had on 28 September 2022 issued Subordinated Notes of RM500 million in nominal value under a RM5 billion (or its equivalent in other currencies) multi-currency medium term note programme. The Subordinated Notes is issued for a tenure of 10 non-callable 5 years with a fixed coupon rate of 4.40% per annum, payable semi-annually in arrears throughout the entire tenure.

**A7. Dividends Paid**

- (a) A final single-tier dividend of 25.0 sen per share in respect of the financial year ended 31 December 2021, amounting to RM1,035,729,627 was approved by the shareholders at the Annual General Meeting held on 27 April 2022. This final dividend consists of cash portion of 15.0 sen per share and an electable portion of 10.0 sen per share which can be elected to be reinvested into new ordinary shares in accordance with the DRP. The reinvestment rate subsequent to the completion of the DRP was 86.3% and the total cash dividend of RM678,179,427 was paid on 16 June 2022.
- (b) An interim single-tier dividend of 15.0 sen per share in respect of the financial year ending 31 December 2022, amounting to RM631,811,573, consisting of cash portion of 10.0 sen per share and an electable portion of 5.0 sen per share has been declared by the Board of Directors. The Board of Directors in its absolute discretion, recommends that the shareholders of the Bank be given an option to elect to reinvest the electable portion of the interim dividend into new ordinary shares of the Bank in accordance with the DRP of the Bank.

The Bank had on 15 September 2022, submitted an application to Bursa Securities Malaysia Berhad ('Bursa Securities') for the listing and quotation of new ordinary shares to be issued pursuant to the DRP on the main market of Bursa Securities.





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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022**

**A7. Dividends Paid (continued)**

- (b) On 21 September 2022, RHB Investment Bank Berhad ('RHB Investment Bank'), on behalf of the Bank, announced that Bursa Securities had vide its letter dated 20 September 2022, approved the listing and quotation of up to 57,229,309 new ordinary shares to be issued pursuant to the DRP subject to the following conditions:
- (i) The Bank and RHB Investment Bank must fully comply with the relevant provisions under the Main Market Listing Requirements pertaining to the implementation of the DRP;
  - (ii) The Bank and RHB Investment Bank to inform Bursa Securities upon completion of the DRP;
  - (iii) The Bank to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the DRP is completed; and
  - (iv) Payment of additional listing fee, if any, based on the final issue price together with a copy of the details of the computation of the amount of listing fees payable.

On 26 September 2022, the issue price of the new RHB Bank Shares to be issued pursuant to the DRP for the interim dividend has been fixed at RM4.97 per new RHB Bank Share. On even date, the book closure date pursuant to the interim dividend and the DRP has been fixed for 11 October 2022.

On 3 November 2022, RHB Investment Bank, on behalf of the Bank, announced that the Bank would be issuing 35,296,474 new RHB Bank shares, representing 83.3% of the total number of 42,367,077 new RHB Bank shares that would have been issued pursuant to the DRP for the Interim Dividend, had all the entitled shareholders elect to reinvest their respective electable portions of the Interim Dividend into new RHB Bank shares.

The new RHB Bank Shares arising from the DRP has been issued and allotted on 7 November 2022, and are listed on the Main Market of Bursa Securities on 8 November 2022.



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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022**

**A8. Interest Income**

Group	3rd Quarter Ended		Nine Months Ended	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
	RM'000	RM'000	RM'000	RM'000
Loans and advances	1,430,898	1,178,787	3,829,829	3,485,029
Money at call and deposits and placements with banks and other financial institutions	62,115	21,630	139,444	69,281
Securities purchased under resale agreements	654	-	982	-
Financial assets at FVTPL	11,586	8,351	42,564	37,142
Financial assets at FVOCI - debt instruments	273,429	267,509	795,707	836,092
Financial investments at amortised cost	153,261	95,376	385,271	285,324
Others	5,948	3,912	10,031	12,340
	<b>1,937,891</b>	<b>1,575,565</b>	<b>5,203,828</b>	<b>4,725,208</b>
Of which:				
Interest income accrued on impaired financial assets	<b>18,325</b>	15,902	<b>48,302</b>	63,894
<b>Bank</b>				
Loans and advances	1,301,997	1,090,091	3,527,591	3,221,402
Money at call and deposits and placements with banks and other financial institutions	101,861	49,591	237,245	128,155
Investment account due from designated financial institutions	54,245	65,537	201,609	198,557
Securities purchased under resale agreements	5,264	-	7,357	-
Financial assets at FVTPL	11,586	8,314	42,549	37,047
Financial assets at FVOCI - debt instruments	270,453	262,283	784,094	820,328
Financial investments at amortised cost	139,923	84,083	347,960	250,920
Others	4,222	705	6,124	1,543
	<b>1,889,551</b>	<b>1,560,604</b>	<b>5,154,529</b>	<b>4,657,952</b>
Of which:				
Interest income accrued on impaired financial assets	<b>17,425</b>	15,047	<b>45,732</b>	61,139



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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
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**A9. Interest Expense**

Group	3rd Quarter Ended		Nine Months Ended	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	108,576	37,777	224,016	124,872
Deposits from customers	619,211	443,987	1,591,862	1,367,160
Obligations on securities sold under repurchase agreements	25,923	4,853	40,761	11,114
Recourse obligation on loans sold to Cagamas	16,497	-	39,710	-
Subordinated obligations	24,309	24,424	72,365	66,613
Senior debt securities	24,672	36,723	71,648	90,738
Borrowings	828	1,547	2,210	6,931
Others	15,515	9,473	37,727	26,384
	<b>835,531</b>	<b>558,784</b>	<b>2,080,299</b>	<b>1,693,812</b>
<b>Bank</b>				
Deposits and placements of banks and other financial institutions	141,823	44,296	272,158	148,880
Deposits from customers	554,080	414,798	1,459,916	1,274,594
Obligations on securities sold under repurchase agreements	37,827	13,943	76,327	44,681
Recourse obligation on loans sold to Cagamas	16,497	-	39,710	-
Subordinated obligations	21,839	21,953	65,035	59,283
Senior debt securities	24,672	36,723	71,648	90,738
Borrowings	-	-	-	485
Others	14,293	8,377	34,264	22,486
	<b>811,031</b>	<b>540,090</b>	<b>2,019,058</b>	<b>1,641,147</b>



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**A10. Other Operating Income**

Group	3rd Quarter Ended		Nine Months Ended	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
	RM'000	RM'000	RM'000	RM'000
<b>Fee income</b>				
- Service charges and fees	51,338	31,311	127,609	105,055
- Commission	45,043	44,396	142,762	154,687
- Guarantee fees	8,537	9,875	25,089	24,373
- Commitment fees	10,330	10,664	30,384	31,941
- Brokerage income	42,565	83,053	147,359	316,982
- Fund management fees	58,868	75,699	182,447	220,014
- Unit trust fee income	11,273	38,824	30,055	152,844
- Corporate advisory fees	8,532	6,347	15,892	29,911
- Underwriting and arrangement fees	3,162	5,044	4,647	8,098
- Other fee income	20,155	23,320	57,545	65,289
	<u>259,803</u>	<u>328,533</u>	<u>763,789</u>	<u>1,109,194</u>
- Fee and commission expenses	(32,978)	(77,286)	(104,067)	(263,843)
	<u>226,825</u>	<u>251,247</u>	<u>659,722</u>	<u>845,351</u>
<b>Net (loss)/gain arising from financial assets at FVTPL</b>				
- Net loss on disposal	(14,930)	(3,939)	(68,584)	(53,001)
- Unrealised net (loss)/gain on revaluation	12,663	36,017	(47,872)	4,487
- Dividend income	11,775	9,989	29,515	40,310
	<u>9,508</u>	<u>42,067</u>	<u>(86,941)</u>	<u>(8,204)</u>
<b>Net gain/(loss) on revaluation of derivatives</b>	98,320	(8,979)	206,681	(54,149)
<b>Net (loss)/gain on fair value hedges</b>	184	(8)	(774)	407
<b>Net gain on derecognition of hedging</b>	86	-	86	-
<b>Net gain arising from derecognition of financial investments at amortised cost</b>	633	-	839	14,924
<b>Net gain arising from financial assets at FVOCI</b>				
- Net gain on debt instruments on disposal	7,228	127,633	45,379	317,244
- Dividend income	1,216	1,320	4,210	4,791
	<u>8,444</u>	<u>128,953</u>	<u>49,589</u>	<u>322,035</u>
<b>Other income</b>				
Net foreign exchange gain	98,146	43,669	160,029	124,971
Insurance underwriting surplus before management expenses	44,444	75,085	164,811	194,838
Gain on disposal of property, plant and equipment	249	11,859	416	16,735
Gain on disposal of subsidiaries	-	-	24,595	752
Gain on modification of right-of-use assets	2	-	6	-
Rental income	1,474	484	1,591	1,543
Other operating income	6,443	3,803	22,002	16,141
Other non-operating income	3,263	1,771	13,152	12,057
	<u>154,021</u>	<u>136,671</u>	<u>386,602</u>	<u>367,037</u>
	<u>498,021</u>	<u>549,951</u>	<u>1,215,804</u>	<u>1,487,401</u>



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**A10. Other Operating Income (continued)**

	3rd Quarter Ended		Nine Months Ended	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
Bank	RM'000	RM'000	RM'000	RM'000
<b>Fee income</b>				
- Service charges and fees	48,466	27,666	116,935	93,613
- Commission	53,197	55,622	160,900	193,051
- Guarantee fees	8,322	9,818	24,792	24,264
- Commitment fees	9,757	10,239	29,245	30,802
- Corporate advisory fees	907	1,637	1,526	4,919
- Underwriting and arrangement fees	16	465	266	465
- Other fee income	4,528	4,331	14,644	14,311
	<u>125,193</u>	<u>109,778</u>	<u>348,308</u>	<u>361,425</u>
<b>Net (loss)/gain arising from financial assets at FVTPL</b>				
- Net loss on disposal	(3,631)	(1,740)	(36,646)	(90,189)
- Unrealised net (loss)/gain on revaluation	8,708	3,949	(14,823)	(5,025)
	<u>5,077</u>	<u>2,209</u>	<u>(51,469)</u>	<u>(95,214)</u>
<b>Net gain/(loss) on revaluation of derivatives</b>	89,627	(6,259)	181,193	(23,307)
<b>Net (loss)/gain on fair values hedges</b>	(418)	(8)	(1,376)	407
<b>Net gain on derecognition of hedging</b>	86	-	86	-
<b>Net gain arising from derecognition of financial investments at amortised cost</b>	633	-	839	14,924
<b>Net gain arising from financial assets at FVOCI</b>				
- Net gain on debt instruments on disposal	7,196	127,548	45,070	317,024
- Dividend income	913	897	3,673	4,099
	<u>8,109</u>	<u>128,445</u>	<u>48,743</u>	<u>321,123</u>
<b>Dividend income from subsidiaries</b>	100,406	100,000	529,385	221,228
<b>Other income</b>				
Net foreign exchange gain	97,525	45,707	159,756	136,894
Gain on disposal of property, plant and equipment	249	9	416	144
Loss on liquidation of a subsidiary	(6)	(52)	(6)	(52)
Rental income	2,892	2,847	8,543	8,574
Other operating income	6,771	3,532	20,642	14,610
Other non-operating income	3,180	637	13,516	9,328
	<u>110,611</u>	<u>52,680</u>	<u>202,867</u>	<u>169,498</u>
	<u>439,324</u>	<u>386,845</u>	<u>1,258,576</u>	<u>970,084</u>

**A11. Modification Loss**

In connection with the Covid-19 pandemic, BNM and the Ministry of Finance have introduced several relief measures to customers/borrowers. As a result, the Group and the Bank have recognised a loss arising from the modification of cash flows of the loan/financing. The net modification loss is unwound through the income statements over the remaining tenure of the loan/financing and funding.



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**A12. Other Operating Expenses**

Group	3rd Quarter Ended		Nine Months Ended	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
	RM'000	RM'000	RM'000	RM'000
<b>Personnel costs</b>				
- Salaries, allowances and bonuses	471,846	414,830	1,340,590	1,298,032
- Defined contribution plan	63,250	59,057	187,140	181,378
- Share-based expenses	2,217	-	2,217	-
- Other staff related costs	48,274	57,100	128,359	132,635
	<u>585,587</u>	<u>530,987</u>	<u>1,658,306</u>	<u>1,612,045</u>
<b>Establishment costs</b>				
- Property, plant and equipment:				
- Depreciation	34,357	31,329	100,460	89,143
- Written off	54	8	166	441
- Intangible assets:				
- Amortisation	38,257	32,458	114,401	92,625
- Right-of-use assets:				
- Depreciation	17,808	18,418	53,984	53,118
- Rental of premises	7,262	5,941	19,773	18,603
- Rental of equipment	2,692	2,413	7,569	7,574
- Insurance	9,995	4,936	29,563	14,851
- Water and electricity	6,985	5,624	19,168	17,153
- Repair and maintenance	10,188	7,058	27,236	21,945
- Security and escorting expenses	11,656	10,314	33,343	32,884
- Information technology expenses	70,632	70,416	206,014	208,155
- Others	1,447	2,587	4,990	11,341
	<u>211,333</u>	<u>191,502</u>	<u>616,667</u>	<u>567,833</u>
<b>Marketing expenses</b>				
- Sales commission	25,214	27,679	69,946	90,559
- Advertisement and publicity	15,566	13,781	35,058	35,454
- Others	23,940	12,134	62,960	46,943
	<u>64,720</u>	<u>53,594</u>	<u>167,964</u>	<u>172,956</u>
<b>Administration and general expenses</b>				
- Communication expenses	37,216	33,167	108,466	106,572
- Legal and professional fees	18,009	10,501	44,192	32,625
- Others	45,102	42,623	113,999	119,915
	<u>100,327</u>	<u>86,291</u>	<u>266,657</u>	<u>259,112</u>
	<u>961,967</u>	<u>862,374</u>	<u>2,709,594</u>	<u>2,611,946</u>



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**A12. Other Operating Expenses (continued)**

Bank	3rd Quarter Ended		Nine Months Ended	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
	RM'000	RM'000	RM'000	RM'000
<b>Personnel costs</b>				
- Salaries, allowances and bonuses	349,891	323,333	1,036,164	977,984
- Defined contribution plan	52,703	48,870	155,953	150,203
- Share-based expenses	1,563	-	1,563	-
- Other staff related costs	37,670	29,421	95,290	84,981
	<b>441,827</b>	<b>401,624</b>	<b>1,288,970</b>	<b>1,213,168</b>
<b>Establishment costs</b>				
- Property, plant and equipment:				
- Depreciation	28,471	25,875	82,869	72,869
- Written off	18	-	44	28
- Intangible assets:				
- Amortisation	32,495	27,812	97,527	79,521
- Right-of-use assets:				
- Depreciation	13,900	14,348	42,305	40,570
- Rental of premises	6,273	4,868	16,991	14,692
- Rental of equipment	2,678	2,403	7,527	7,533
- Insurance	9,885	6,485	29,470	18,850
- Water and electricity	4,742	3,883	13,347	12,015
- Repair and maintenance	8,087	5,359	21,639	17,242
- Security and escorting expenses	12,420	11,435	36,103	35,045
- Information technology expenses	54,676	54,344	158,195	155,508
	<b>173,645</b>	<b>156,812</b>	<b>506,017</b>	<b>453,873</b>
<b>Marketing expenses</b>				
- Sales commission	21,412	23,985	51,595	78,866
- Advertisement and publicity	12,205	10,662	25,934	28,623
- Others	16,335	7,876	42,245	27,104
	<b>49,952</b>	<b>42,523</b>	<b>119,774</b>	<b>134,593</b>
<b>Administration and general expenses</b>				
- Communication expenses	26,075	24,757	78,510	78,502
- Legal and professional fees	29,046	13,436	55,982	59,733
- Others	33,390	23,000	84,252	73,705
	<b>88,511</b>	<b>61,193</b>	<b>218,744</b>	<b>211,940</b>
<b>Operating expenses allocated to subsidiaries</b>	<b>(150,452)</b>	<b>(77,935)</b>	<b>(386,442)</b>	<b>(239,146)</b>
	<b>603,483</b>	<b>584,217</b>	<b>1,747,063</b>	<b>1,774,428</b>



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**A13. Allowance for Credit Losses on Financial Assets**

Group	3rd Quarter Ended		Nine Months Ended	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
	RM'000	RM'000	RM'000	RM'000
<u>Charge/(Writeback)</u>				
Loans, advances and financing:				
- Net charge	246,928	286,988	552,931	776,924
- Bad debts recovered	(89,397)	(76,318)	(292,434)	(245,726)
- Bad debts written off	52,162	41,431	113,808	119,455
	<b>209,693</b>	252,101	<b>374,305</b>	650,653
Financial assets at FVOCI	(3,494)	(2,744)	8,755	7,461
Financial investments at amortised cost	(5,824)	2,927	7,944	(588)
Other financial assets	(8,026)	(2,525)	(6,244)	(6,608)
	<b>192,349</b>	249,759	<b>384,760</b>	650,918

**Bank**

Charge/(Writeback)

Loans, advances and financing:				
- Net charge/(writeback)	162,729	54,556	166,320	177,789
- Bad debts recovered	(78,318)	(71,981)	(259,189)	(228,152)
- Bad debts written off	35,349	28,093	79,458	96,360
	<b>119,760</b>	10,668	<b>(13,411)</b>	45,997
Financial assets at FVOCI	(766)	(3,154)	8,051	7,387
Financial investments at amortised cost	(4,721)	3,042	4,159	(1,027)
Other financial assets	(2,334)	(2,685)	138	(280)
	<b>111,939</b>	7,871	<b>(1,063)</b>	52,077

**A14. Investment Account Due From Designated Financial Institutions**

This investment account which is exposure to Restricted Profit Sharing Investment Account ('RPSIA'), is an arrangement by the Bank with its wholly-owned subsidiary, RHB Islamic Bank.

The underlying assets of RHB Islamic Bank for the RPSIA are as follows:

	Bank	
	As at 30 September 2022	As at 31 December 2021
	RM'000	RM'000
<u>Principal</u>		
Personal financing	1,500,000	1,500,000
Other term financing	6,544,981	7,064,457
Short-term funds	141,000	490,000
Unquoted securities	1,009,105	1,009,105
	<b>9,195,086</b>	10,063,562





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**A15. Financial Assets at Fair Value Through Profit or Loss ('FVTPL')**

	Group		Bank	
	As at 30 September 2022 RM'000	As at 31 December 2021 RM'000	As at 30 September 2022 RM'000	As at 31 December 2021 RM'000
<b>Mandatory measured at fair value</b>				
<b><u>Money market instruments:</u></b>				
Malaysian Government Securities	60,110	204,324	60,110	204,324
Malaysian Government Investment Issues	586,625	426,309	515,473	374,216
Malaysian Government Treasury Bills	146,827	-	146,827	-
<b><u>Quoted securities:</u></b>				
<b>In Malaysia</b>				
Shares, exchange traded funds and warrants	43,248	74,375	-	-
Unit trusts	30,100	37,850	-	-
Corporate bond/sukuk	2,300	2,351	2,300	2,351
<b>Outside Malaysia</b>				
Shares, exchange traded funds and warrants	81,525	94,946	265	-
Unit trusts	25,352	24,386	-	-
<b><u>Unquoted securities:</u></b>				
<b>In Malaysia</b>				
Corporate bond/sukuk	162,560	83,095	162,556	79,677
Unit trusts	972,567	1,024,098	-	-
Commercial paper	-	64,766	-	64,766
<b>Outside Malaysia</b>				
Corporate bond/sukuk	113,474	115,076	113,474	115,076
Private equity funds	714,257	626,663	-	-
	<b>2,938,945</b>	<b>2,778,239</b>	<b>1,001,005</b>	<b>840,410</b>



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**A16. Financial Assets at Fair Value Through Other Comprehensive Income ('FVOCI')**

	Group		Bank	
	As at 30 September 2022	As at 31 December 2021	As at 30 September 2022	As at 31 December 2021
At fair value	RM'000	RM'000	RM'000	RM'000
(a) Debt instruments	<b>38,248,256</b>	40,380,841	<b>32,504,500</b>	34,234,752
(b) Equity instruments	<b>742,136</b>	760,032	<b>700,824</b>	720,749
	<b>38,990,392</b>	41,140,873	<b>33,205,324</b>	34,955,501
<b>(a) Debt instruments</b>				
<b><u>Money market instruments:</u></b>				
Malaysian Government Securities	<b>3,195,125</b>	2,764,067	<b>3,136,444</b>	2,631,159
Malaysian Government Investment Issues	<b>7,896,087</b>	7,813,683	<b>6,072,546</b>	6,212,432
Khazanah bonds	<b>66,437</b>	119,450	<b>66,437</b>	70,082
Negotiable instruments of deposits	<b>2,594,393</b>	1,699,602	<b>2,592,008</b>	1,401,075
Other foreign government investment issues	<b>92,555</b>	97,221	<b>92,555</b>	97,221
Sukuk Perumahan Kerajaan	<b>71,396</b>	71,888	-	-
Singapore Government Securities	<b>964,689</b>	985,101	<b>964,689</b>	985,101
Thailand Government Securities	<b>622,587</b>	629,542	<b>622,587</b>	629,542
Singapore Government Treasury Bills	<b>323,151</b>	2,126,537	<b>323,151</b>	2,126,537
Thailand Central Bank Bonds	-	25,151	-	25,151
Singapore Housing Development Board	<b>481,214</b>	689,032	<b>481,214</b>	689,032
<b><u>Unquoted securities:</u></b>				
<b><u>In Malaysia</u></b>				
Corporate bond/sukuk	<b>15,621,603</b>	18,265,619	<b>11,833,850</b>	14,273,472
Perpetual notes	<b>50,080</b>	51,111	<b>50,080</b>	51,111
<b><u>Outside Malaysia</u></b>				
Corporate bond/sukuk	<b>6,268,939</b>	5,042,837	<b>6,268,939</b>	5,042,837
	<b>38,248,256</b>	40,380,841	<b>32,504,500</b>	34,234,752
<b>(b) Equity instruments</b>				
<b><u>Quoted securities:</u></b>				
<b><u>Outside Malaysia</u></b>				
Shares	<b>2,392</b>	2,218	-	-
<b><u>Unquoted securities:</u></b>				
<b><u>In Malaysia</u></b>				
Shares	<b>739,339</b>	757,418	<b>700,822</b>	720,748
<b><u>Outside Malaysia</u></b>				
Shares	<b>405</b>	396	<b>2</b>	1
	<b>742,136</b>	760,032	<b>700,824</b>	720,749

Included in financial investments at FVOCI of the Group and the Bank are corporate bond/sukuk, which are pledged as collateral for obligations on securities sold under repurchase agreements amounting to RM1,673,000,000 (31 December 2021: RM1,552,000,000) and RM1,673,000,000 (31 December 2021: RM1,921,000,000) respectively.



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**A16. Financial Assets at Fair Value Through Other Comprehensive Income ('FVOCI') (continued)**

**(a) Movement in credit impaired financial assets at FVOCI**

	Group and Bank	
	As at 30 September 2022 RM'000	As at 31 December 2021 RM'000
Balance as at the beginning of the financial period/year	1,020	1,020
Derecognition	(1,020)	-
Balance as at the end of the financial period/year	<u>-</u>	<u>1,020</u>

**(b) Movement in allowance for credit losses recognised in FVOCI reserves**

Group	12-month ECL (Stage 1) RM'000	Lifetime ECL not credit impaired (Stage 2) RM'000	Lifetime ECL credit impaired (Stage 3) RM'000	Total RM'000
	<b>30 September 2022</b>			
Balance as at the beginning of the financial period	36,896	77	-	36,973
Transfer to 12-month ECL (Stage 1)	69	(69)	-	-
Transfer to lifetime ECL not credit impaired (Stage 2)	(64)	64	-	-
Changes in credit risk	3,064	3,375	-	6,439
Purchases and origination	9,815	-	-	9,815
Derecognition and disposal	(7,491)	(8)	-	(7,499)
Exchange differences	564	-	-	564
Balance as at the end of the financial period	<u>42,853</u>	<u>3,439</u>	<u>-</u>	<u>46,292</u>
<b>31 December 2021</b>				
Balance as at the beginning of the financial year	37,729	134	-	37,863
Changes in credit risk	(15,323)	(43)	-	(15,366)
Purchases and origination	13,759	-	-	13,759
Changes to model methodologies	6,168	-	-	6,168
Derecognition and disposal	(5,664)	(14)	-	(5,678)
Exchange differences	227	-	-	227
Balance as at the end of the financial year	<u>36,896</u>	<u>77</u>	<u>-</u>	<u>36,973</u>



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**A16. Financial Assets at Fair Value Through Other Comprehensive Income ('FVOCI') (continued)**

**(b) Movement in allowance for credit losses recognised in FVOCI reserves (continued)**

<b>Bank</b>	<b>12-month ECL (Stage 1)</b>	<b>Lifetime ECL not credit impaired (Stage 2)</b>	<b>Lifetime ECL credit impaired (Stage 3)</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>30 September 2022</b>				
Balance as at the beginning of the financial period	34,554	77	-	34,631
Transfer to 12-month ECL (Stage 1)	69	(69)	-	-
Transfer to lifetime ECL not credit impaired (Stage 2)	(64)	64	-	-
Changes in credit risk	2,401	3,375	-	5,776
Purchases and origination	9,145	-	-	9,145
Derecognition and disposal	(6,862)	(8)	-	(6,870)
Exchange differences	564	-	-	564
Balance as at the end of the financial period	<u>39,807</u>	<u>3,439</u>	<u>-</u>	<u>43,246</u>
<b>31 December 2021</b>				
Balance as at the beginning of the financial year	35,723	134	-	35,857
Changes in credit risk	(15,297)	(43)	-	(15,340)
Purchases and origination	12,791	-	-	12,791
Changes to model methodologies	6,168	-	-	6,168
Derecognition and disposal	(5,058)	(14)	-	(5,072)
Exchange differences	227	-	-	227
Balance as at the end of the financial year	<u>34,554</u>	<u>77</u>	<u>-</u>	<u>34,631</u>



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**A17. Financial Investments at Amortised Cost**

	Group		Bank	
	As at 30 September 2022	As at 31 December 2021	As at 30 September 2022	As at 31 December 2021
	RM'000	RM'000	RM'000	RM'000
<b>At amortised cost</b>				
<b><u>Money market instruments:</u></b>				
Malaysian Government Securities	3,305,772	700,667	2,888,452	607,910
Malaysian Government Investment Issues	5,819,927	2,739,575	3,076,275	2,069,843
Malaysian Government Treasury Bills	244,555	-	244,555	-
Cagamas bonds	1,283,532	622,800	1,046,618	607,715
Khazanah bonds	161,852	158,182	21,207	20,694
Negotiable instruments of deposits	500,656	500,595	-	-
Sukuk Perumahan Kerajaan	111,039	110,981	100,888	100,934
Bank Negara Malaysia Monetary Notes	796,176	-	646,687	-
Singapore Government Treasury Bills	2,124,174	648,047	2,124,174	648,047
Singapore Government Securities	125,236	-	125,236	-
Singapore Central Bank Bills	1,159,358	-	1,159,358	-
Thailand Government Bonds	90,634	-	90,634	-
Sukuk (Brunei) Incorporation	48,105	30,872	48,105	30,872
Brunei Central Bank Bills	-	15,439	-	15,439
<b><u>Unquoted securities:</u></b>				
<b><u>In Malaysia</u></b>				
Corporate bond/sukuk	13,176,437	13,008,637	7,853,098	7,427,355
Corporate loan stocks	23,835	23,835	-	-
<b><u>Outside Malaysia</u></b>				
Corporate bond/sukuk	55,641	-	24,797	-
	<b>29,026,929</b>	18,559,630	<b>19,450,084</b>	11,528,809
Allowance for credit losses	(604,913)	(598,119)	(522,396)	(519,519)
	<b>28,422,016</b>	17,961,511	<b>18,927,688</b>	11,009,290

- (i) Included in financial investments at amortised cost of the Group and the Bank are corporate bond/sukuk, which are pledged as collateral for obligations on securities sold under repurchase agreements amounting to RM2,562,000,000 (31 December 2021: RM384,000,000) and RM4,358,000,000 (31 December 2021: RM2,750,000,000) respectively.
- (ii) Included in financial investments at amortised cost of the Group are exposures to Restricted Investment Account ('RIA'), as part of the arrangement between RHB Islamic Bank and other investors based on Mudharabah concept. The investors will provide capital and the business venture is managed solely by RHB Islamic Bank. The profit of the business venture will be shared based on pre-agreed ratios with RHB Islamic Bank as Mudharib (manager or manager of funds), and losses shall be borne solely by investors. As at 30 September 2022, gross exposure to RIA financing funded by investors at the Group is RM387,323,000 (31 December 2021: RM357,870,000). The portfolio expected credit losses for financial investments at amortised cost relating to RIA is borne solely by the investors.



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**A17. Financial investments at amortised cost (continued)**

**(a) Movement in credit impaired financial investments at amortised cost**

	Group		Bank	
	As at 30 September 2022 RM'000	As at 31 December 2021 RM'000	As at 30 September 2022 RM'000	As at 31 December 2021 RM'000
Balance as at the beginning of the financial period/year	1,236,638	140,252	59,832	62,805
Transfer to lifetime ECL credit impaired (Stage 3)	-	608,076	-	-
Purchases and origination	48,862	496,948	-	-
Derecognition	(3,784)	(8,925)	(3,784)	(3,260)
Exchange differences	888	287	888	287
Balance as at the end of the financial period/year	<u>1,282,604</u>	<u>1,236,638</u>	<u>56,936</u>	<u>59,832</u>

The credit impaired financial investments at amortised cost relate to certain exposures to RIA, of which exposure with other investors amounted to RM387,323,000 (31 December 2021: RM357,870,000).

**(b) Movement in allowance for credit losses**

Group	12-month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
	RM'000	RM'000	RM'000	RM'000
<b>30 September 2022</b>				
Balance as at the beginning of the financial period	18,599	1,778	577,742	598,119
Changes in credit risk	3,017	(243)	-	2,774
Purchases and origination	6,094	3,236	-	9,330
Derecognition	(3,107)	-	(1,053)	(4,160)
Bad debts written off	-	-	(2,170)	(2,170)
Exchange differences	132	-	888	1,020
Balance as at the end of the financial period	<u>24,735</u>	<u>4,771</u>	<u>575,407</u>	<u>604,913</u>
<b>31 December 2021</b>				
Balance as at the beginning of the financial year	11,871	220,148	139,690	371,709
Transfer to 12-month ECL (Stage 1)	123	(123)	-	-
Transfer to lifetime ECL not credit impaired (Stage 2)	(238)	238	-	-
Transfer to lifetime ECL credit impaired (Stage 3)	-	(270,509)	270,509	-
Changes in credit risk	5,953	805	167,254	174,012
Purchases and origination	3,354	735	-	4,089
Derecognition	(2,486)	(12)	-	(2,498)
Transfer from loans, advances and financing	-	50,496	-	50,496
Exchange differences	22	-	289	311
Balance as at the end of the financial year	<u>18,599</u>	<u>1,778</u>	<u>577,742</u>	<u>598,119</u>



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**A17. Financial investments at amortised cost (continued)**

**(b) Movement in allowance for credit losses (continued)**

<b>Bank</b>	<b>12-month ECL (Stage 1)</b>	<b>Lifetime ECL not credit impaired (Stage 2)</b>	<b>Lifetime ECL credit impaired (Stage 3)</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>30 September 2022</b>				
Balance as at the beginning of the financial period	13,560	-	505,959	519,519
Changes in credit risk	983	-	-	983
Purchases and origination	2,658	2,922	-	5,580
Derecognition	(1,351)	-	(1,053)	(2,404)
Bad debts written off	-	-	(2,170)	(2,170)
Exchange differences	-	-	888	888
Balance as at the end of the financial period	<u>15,850</u>	<u>2,922</u>	<u>503,624</u>	<u>522,396</u>
<b>31 December 2021</b>				
Balance as at the beginning of the financial year	6,674	220,013	62,242	288,929
Transfer to lifetime ECL credit impaired (Stage 3)	-	(270,509)	270,509	-
Changes in credit risk	6,316	-	172,919	179,235
Purchases and origination	1,706	-	-	1,706
Derecognition	(1,136)	-	-	(1,136)
Transfer from loans, advances and financing	-	50,496	-	50,496
Exchange differences	-	-	289	289
Balance as at the end of the financial year	<u>13,560</u>	<u>-</u>	<u>505,959</u>	<u>519,519</u>



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**A18. Loans, Advances and Financing**

**(a) By type**

	Group		Bank	
	As at 30 September 2022	As at 31 December 2021	As at 30 September 2022	As at 31 December 2021
	RM'000	RM'000	RM'000	RM'000
<b>At amortised cost</b>				
Overdrafts	5,730,747	5,532,681	4,194,067	4,132,651
Term loans/financing				
- Housing loans/financing	76,546,973	71,111,818	47,999,766	46,003,666
- Syndicated term loans/financing	14,258,275	11,045,645	7,800,315	6,556,269
- Hire purchase receivables/financing	10,104,549	9,822,724	452,587	659,328
- Other term loans/financing	77,707,060	78,045,017	43,002,279	42,722,512
Bills receivables	4,708,374	5,466,845	4,385,721	5,084,332
Trust receipts	783,442	653,169	728,230	612,561
Claims on customers under acceptance credits	5,070,112	4,159,728	3,907,020	3,142,641
Share margin financing	2,302,445	2,002,139	527,451	308,609
Staff loans/financing	89,918	98,006	76,072	84,543
Credit/charge card receivables	1,986,486	1,936,629	1,699,920	1,665,110
Revolving credits/financing	10,451,324	8,637,366	7,734,568	6,426,835
Gross loans, advances and financing	209,739,705	198,511,767	122,507,996	117,399,057
Fair value changes arising from fair value hedges	(143,881)	(5,036)	(26,141)	(3,248)
	209,595,824	198,506,731	122,481,855	117,395,809
Less: Allowance for credit losses	(3,892,846)	(3,610,117)	(2,209,202)	(2,350,706)
Net loans, advances and financing	205,702,978	194,896,614	120,272,653	115,045,103

(i) Included in loans, advances and financing are housing loans/financing sold to Cagamas with recourse to the Group and the Bank amounting to RM3,686,269,000 (31 December 2021: RM2,225,525,000) and RM2,419,953,000 (31 December 2021: RM1,484,141,000) respectively.

(ii) Included in loans, advances and financing of the Group are exposures to Unrestricted Investment Account ('URIA'), as part of the arrangement between RHB Islamic Bank and other investors based on Wakalah concept, a trust-based contract in which a party (muwakkil) appoints another party as his agent (wakil) to perform a particular task, in matters that may be delegated, either voluntarily or with imposition of a fee. The fee shall be recognised based on agreement. Profit generated/losses incurred is based on net distributable income calculated. Net distributable income is derived after deducting Wakalah fee, direct expenses and provisions (if any). Losses (if any) will be borne solely by the investors unless such losses are due to RHB Islamic Bank's misconduct, negligence or breach of specified terms in the contract between the investors and RHB Islamic Bank. As at 30 September 2022, gross exposure to URIA financing funded by investors at the Group is RM926,371,000 (31 December 2021: RM220,670,000). The portfolio expected credit losses for financing and advances relating to URIA is borne solely by the investors.





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**A18. Loans, Advances and Financing (continued)**

**(b) By type of customer**

	Group		Bank	
	As at 30 September 2022	As at 31 December 2021	As at 30 September 2022	As at 31 December 2021
	RM'000	RM'000	RM'000	RM'000
Domestic non-bank financial institutions	3,421,151	3,430,530	1,199,881	666,638
Domestic business enterprises:				
- Small medium enterprises	31,385,783	29,383,897	22,993,017	22,250,233
- Others	32,203,148	32,293,478	16,271,999	16,367,652
Government and statutory bodies	6,183,624	6,283,148	5,006	31,290
Individuals	104,304,042	99,273,422	56,213,087	55,295,411
Other domestic entities	164,986	160,349	29,496	29,323
Foreign entities	32,076,971	27,686,943	25,795,510	22,758,510
	<b>209,739,705</b>	<b>198,511,767</b>	<b>122,507,996</b>	<b>117,399,057</b>

**(c) By geographical distribution**

	Group		Bank	
	As at 30 September 2022	As at 31 December 2021	As at 30 September 2022	As at 31 December 2021
	RM'000	RM'000	RM'000	RM'000
Malaysia	179,221,922	172,332,475	98,250,337	96,258,254
Labuan Offshore	2,422,735	1,746,020	-	-
Singapore	22,525,254	19,445,961	22,525,254	19,445,961
Thailand	1,840,586	1,721,007	1,542,117	1,510,805
Brunei	190,288	184,037	190,288	184,037
Cambodia	3,337,266	2,829,014	-	-
Lao	82,926	119,169	-	-
Indonesia	111,774	131,127	-	-
Vietnam	6,954	2,957	-	-
	<b>209,739,705</b>	<b>198,511,767</b>	<b>122,507,996</b>	<b>117,399,057</b>



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**A18. Loans, Advances and Financing (continued)**

**(d) By interest/profit rate sensitivity**

	Group		Bank	
	As at 30 September 2022	As at 31 December 2021	As at 30 September 2022	As at 31 December 2021
	RM'000	RM'000	RM'000	RM'000
Fixed rate				
- Housing loans/financing	139,491	135,102	100,560	99,571
- Hire purchase receivables/financing	1,227,272	1,766,382	452,606	659,306
- Other fixed rate loans/financing	22,311,955	22,688,406	10,581,852	10,741,916
Variable rate				
- Base lending/financing rate plus	122,043,750	114,224,412	72,130,193	70,246,144
- Cost-plus	48,338,496	47,374,156	25,670,724	24,772,398
- Other variable rates	15,678,741	12,323,309	13,572,061	10,879,722
	<b>209,739,705</b>	<b>198,511,767</b>	<b>122,507,996</b>	<b>117,399,057</b>

**(e) By economic sector**

	Group		Bank	
	As at 30 September 2022	As at 31 December 2021	As at 30 September 2022	As at 31 December 2021
	RM'000	RM'000	RM'000	RM'000
Agriculture, hunting, forestry and fishing	4,675,000	4,610,387	2,636,565	3,033,089
Mining and quarrying	260,110	264,975	153,912	174,710
Manufacturing	11,798,059	10,937,418	8,310,135	8,118,520
Electricity, gas and water	1,594,085	1,364,316	459,511	620,024
Construction	13,431,449	13,550,490	8,236,421	8,002,112
Wholesale and retail trade and restaurant and hotel	21,577,069	19,795,696	16,721,629	15,843,095
Transport, storage and communication	7,585,284	8,335,675	1,717,682	1,666,529
Finance, insurance, real estate and business services	26,242,579	23,542,647	19,040,500	16,772,102
Government and government agencies	3,167,939	3,268,051	5,006	31,290
Education, health and others	6,805,152	6,185,353	2,563,012	2,103,605
Household sector	112,083,919	105,954,813	62,388,373	60,581,296
Others	519,060	701,946	275,250	452,685
	<b>209,739,705</b>	<b>198,511,767</b>	<b>122,507,996</b>	<b>117,399,057</b>



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**A18. Loans, Advances and Financing (continued)**

**(f) By purpose**

	Group		Bank	
	As at 30 September 2022	As at 31 December 2021	As at 30 September 2022	As at 31 December 2021
	RM'000	RM'000	RM'000	RM'000
Purchase of securities	12,467,621	12,233,918	4,680,590	4,948,181
Purchase of transport vehicles	9,926,491	9,576,193	260,524	381,053
Purchase of landed property:				
- Residential	75,532,336	70,018,468	47,818,256	45,760,232
- Non-residential	21,153,713	19,610,259	14,815,124	13,527,848
Purchase of property, plant and equipment other than land and building	1,973,322	2,279,642	1,181,099	1,485,510
Personal use	12,409,852	11,680,382	7,361,797	6,805,381
Credit card	1,986,486	1,936,629	1,699,920	1,665,110
Purchase of consumer durables	7,400	9,085	7,400	9,085
Construction	7,164,164	7,208,836	5,918,825	5,903,401
Working capital	50,912,900	46,478,307	30,150,797	28,036,825
Merger and acquisition	1,677,193	2,662,058	197,349	46,214
Other purposes	14,528,227	14,817,990	8,416,315	8,830,217
	<b>209,739,705</b>	<b>198,511,767</b>	<b>122,507,996</b>	<b>117,399,057</b>

**(g) By remaining contractual maturities**

	Group		Bank	
	As at 30 September 2022	As at 31 December 2021	As at 30 September 2022	As at 31 December 2021
	RM'000	RM'000	RM'000	RM'000
Maturity within one year	38,477,520	36,484,052	28,053,780	27,087,299
One year to three years	10,945,617	11,839,045	5,519,896	5,089,861
Three years to five years	18,256,272	17,100,913	10,005,312	9,831,533
Over five years	142,060,296	133,087,757	78,929,008	75,390,364
	<b>209,739,705</b>	<b>198,511,767</b>	<b>122,507,996</b>	<b>117,399,057</b>



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A18. Loans, Advances and Financing (continued)

(h) Impaired loans, advances and financing

(i) Movement in impaired loans, advances  
and financing

	Group		Bank	
	As at 30 September 2022 RM'000	As at 31 December 2021 RM'000	As at 30 September 2022 RM'000	As at 31 December 2021 RM'000
Balance as at the beginning of the financial period/year	2,950,507	3,181,282	1,744,632	2,354,397
Transfer to 12-month ECL (Stage 1)	(46,884)	(76,826)	(36,567)	(59,146)
Transfer to lifetime ECL not credit impaired (Stage 2)	(100,562)	(413,319)	(76,995)	(359,552)
Transfer to lifetime ECL credit impaired (Stage 3)	1,027,138	1,362,455	610,462	505,604
Purchases and origination	194,031	350,971	109,858	301,989
Derecognition	(361,297)	(338,536)	(227,462)	(250,908)
Modification of contractual cash flow	-	(362)	-	(350)
Amount written off	(503,179)	(1,192,245)	(427,104)	(795,112)
Exchange differences	111,887	20,654	15,405	7,785
Other movements	25,219	56,433	(3,776)	39,925
Balance as at the end of the financial period/year	<u>3,296,860</u>	<u>2,950,507</u>	<u>1,708,453</u>	<u>1,744,632</u>

(ii) By economic sector

	Group		Bank	
	As at 30 September 2022 RM'000	As at 31 December 2021 RM'000	As at 30 September 2022 RM'000	As at 31 December 2021 RM'000
Agriculture, hunting, forestry and fishing	11,591	11,396	6,912	4,919
Mining and quarrying	21,504	2,876	16,738	2,876
Manufacturing	245,843	228,378	195,173	178,040
Electricity, gas and water	9,376	12,606	-	495
Construction	422,143	343,966	327,856	295,349
Wholesale and retail trade and restaurant and hotel	384,101	287,307	242,953	192,431
Transport, storage and communication	39,940	275,606	23,200	260,172
Finance, insurance, real estate and business services	322,631	276,180	273,916	242,405
Education, health and others	880,487	684,197	18,201	5,266
Household sector	909,892	794,530	602,631	560,901
Others	49,352	33,465	873	1,778
	<u>3,296,860</u>	<u>2,950,507</u>	<u>1,708,453</u>	<u>1,744,632</u>



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**A18. Loans, Advances and Financing (continued)**

**(h) Impaired loans, advances and financing (continued)**

**(iii) By purpose**

	Group		Bank	
	As at 30 September 2022	As at 31 December 2021	As at 30 September 2022	As at 31 December 2021
	RM'000	RM'000	RM'000	RM'000
Purchase of securities	30,922	29,901	18,411	18,272
Purchase of transport vehicles	52,201	46,803	10,192	12,520
Purchase of landed property:				
- Residential	660,957	593,169	438,150	422,881
- Non-residential	583,355	385,600	312,405	291,286
Purchase of property, plant and equipment other than land and building	20,794	22,488	17,167	19,254
Personal use	140,849	92,969	116,753	81,577
Credit card	22,705	20,045	19,453	17,844
Purchase of consumer durables	441	588	441	588
Construction	61,238	61,395	61,089	61,021
Working capital	1,542,346	1,535,097	621,939	728,830
Other purposes	181,052	162,452	92,453	90,559
	<b>3,296,860</b>	<b>2,950,507</b>	<b>1,708,453</b>	<b>1,744,632</b>

**(iv) By geographical distribution**

	Group		Bank	
	As at 30 September 2022	As at 31 December 2021	As at 30 September 2022	As at 31 December 2021
	RM'000	RM'000	RM'000	RM'000
Malaysia	1,992,036	1,669,228	1,447,342	1,283,736
Labuan Offshore	781,496	678,850	-	-
Singapore	161,643	372,719	161,643	372,719
Thailand	104,382	94,355	93,129	83,371
Brunei	6,339	4,806	6,339	4,806
Cambodia	248,332	127,567	-	-
Lao	2,632	2,982	-	-
	<b>3,296,860</b>	<b>2,950,507</b>	<b>1,708,453</b>	<b>1,744,632</b>



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**A18. Loans, Advances and Financing (continued)**

**(h) Impaired loans, advances and financing (continued)**

**(v) Movement in allowance for credit losses**

<b>Group</b>	<b>12-month ECL (Stage 1) RM'000</b>	<b>Lifetime ECL not credit impaired (Stage 2) RM'000</b>	<b>Lifetime ECL credit impaired (Stage 3) RM'000</b>	<b>Total RM'000</b>
<b>30 September 2022</b>				
Balance as at the beginning of the financial period	1,015,663	1,186,991	1,407,463	3,610,117
Changes due to financial assets recognised in the opening balance that have been:				
- Transferred to 12-month ECL (Stage 1)	173,162	(159,737)	(13,425)	-
- Transferred to lifetime ECL not credit impaired (Stage 2)	(30,498)	59,777	(29,279)	-
- Transferred to lifetime ECL credit impaired (Stage 3)	(10,656)	(44,378)	55,034	-
	<b>132,008</b>	<b>(144,338)</b>	<b>12,330</b>	<b>-</b>
Changes in credit risk	(36,541)	(15,380)	580,238	528,317
Purchases and origination	102,521	94,235	11,249	208,005
Changes to model methodologies	(103)	(9,374)	(1,304)	(10,781)
Derecognition	(50,075)	(42,388)	(80,147)	(172,610)
Bad debts written off	-	-	(367,204)	(367,204)
Exchange differences	3,769	2,290	65,724	71,783
Other movements	-	-	25,219	25,219
Balance as at the end of the financial period	<b>1,167,242</b>	<b>1,072,036</b>	<b>1,653,568</b>	<b>3,892,846</b>
<b>31 December 2021</b>				
Balance as at the beginning of the financial year	812,037	1,385,283	1,609,038	3,806,358
Changes due to financial assets recognised in the opening balance that have been:				
- Transferred to 12-month ECL (Stage 1)	259,949	(236,692)	(23,257)	-
- Transferred to lifetime ECL not credit impaired (Stage 2)	(51,684)	157,604	(105,920)	-
- Transferred to lifetime ECL credit impaired (Stage 3)	(9,678)	(86,802)	96,480	-
	<b>198,587</b>	<b>(165,890)</b>	<b>(32,697)</b>	<b>-</b>
Changes in credit risk	(37,862)	164,989	953,753	1,080,880
Purchases and origination	115,170	72,551	24,452	212,173
Changes to model methodologies	7,191	(79,599)	3,426	(68,982)
Derecognition	(78,646)	(145,393)	(239,850)	(463,889)
Transfer to financial investments at amortised cost	-	(50,496)	-	(50,496)
Bad debts written off	-	-	(973,008)	(973,008)
Exchange differences	(814)	5,546	5,916	10,648
Other movements	-	-	56,433	56,433
Balance as at the end of the financial year	<b>1,015,663</b>	<b>1,186,991</b>	<b>1,407,463</b>	<b>3,610,117</b>



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**A18. Loans, Advances and Financing (continued)**

**(h) Impaired loans, advances and financing (continued)**

**(v) Movement in allowance for credit losses (continued)**

<b>Bank</b>	<b>12-month ECL (Stage 1) RM'000</b>	<b>Lifetime ECL not credit impaired (Stage 2) RM'000</b>	<b>Lifetime ECL credit impaired (Stage 3) RM'000</b>	<b>Total RM'000</b>
<b>30 September 2022</b>				
Balance as at the beginning of the financial period	708,275	848,909	793,522	2,350,706
Changes due to financial assets recognised in the opening balance that have been:				
- Transferred to 12-month ECL (Stage 1)	128,195	(118,773)	(9,422)	-
- Transferred to lifetime ECL not credit impaired (Stage 2)	(23,968)	45,195	(21,227)	-
- Transferred to lifetime ECL credit impaired (Stage 3)	(7,418)	(35,051)	42,469	-
	96,809	(108,629)	11,820	-
Changes in credit risk	(63,535)	(128,899)	330,823	138,389
Purchases and origination	75,389	90,875	7,860	174,124
Changes to model methodologies	29	(8,038)	(1,160)	(9,169)
Derecognition	(35,445)	(36,325)	(65,254)	(137,024)
Bad debts written off	-	-	(323,537)	(323,537)
Exchange differences	8,315	1,072	10,102	19,489
Other movements	-	-	(3,776)	(3,776)
Balance as at the end of the financial period	<u>789,837</u>	<u>658,965</u>	<u>760,400</u>	<u>2,209,202</u>
<b>31 December 2021</b>				
Balance as at the beginning of the financial year	638,222	1,037,670	1,227,613	2,903,505
Changes due to financial assets recognised in the opening balance that have been:				
- Transferred to 12-month ECL (Stage 1)	209,160	(190,921)	(18,239)	-
- Transferred to lifetime ECL not credit impaired (Stage 2)	(40,356)	128,133	(87,777)	-
- Transferred to lifetime ECL credit impaired (Stage 3)	(8,965)	(78,917)	87,882	-
	159,839	(141,705)	(18,134)	-
Changes in credit risk	(131,942)	133,483	416,384	417,925
Purchases and origination	90,684	22,994	17,851	131,529
Changes to model methodologies	18,054	(65,964)	3,371	(44,539)
Derecognition	(67,860)	(88,123)	(210,462)	(366,445)
Transfer to financial investments at amortised cost	-	(50,496)	-	(50,496)
Bad debts written off	-	-	(687,210)	(687,210)
Exchange differences	1,278	1,050	4,184	6,512
Other movements	-	-	39,925	39,925
Balance as at the end of the financial year	<u>708,275</u>	<u>848,909</u>	<u>793,522</u>	<u>2,350,706</u>



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**A19. Other Assets**

	<b>Group</b>		<b>Bank</b>	
	<b>As at 30 September 2022</b>	<b>As at 31 December 2021</b>	<b>As at 30 September 2022</b>	<b>As at 31 December 2021</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Other receivables	720,915	889,136	418,117	277,203
Cash collateral in relation to derivative transactions	1,124,527	417,368	1,124,527	417,368
Deposits	44,147	45,191	33,098	34,910
Prepayments	157,095	168,715	95,382	112,499
Amount receivable for release of units from funds	72,754	207,850	-	-
Amount due from subsidiaries	-	-	458,677	1,000,729
	<b>2,119,438</b>	<b>1,728,260</b>	<b>2,129,801</b>	<b>1,842,709</b>





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**A20. Deposits from Customers**

**(a) By type of deposits**

	Group		Bank	
	As at 30 September 2022 RM'000	As at 31 December 2021 RM'000	As at 30 September 2022 RM'000	As at 31 December 2021 RM'000
Demand deposits	52,932,896	50,781,048	42,741,404	40,926,635
Savings deposits	14,623,534	14,824,462	11,834,082	12,042,346
Fixed/investment deposits	157,551,314	152,875,804	82,923,128	84,332,324
Negotiable instruments of deposits	479,833	251,271	479,833	251,271
	<u>225,587,577</u>	<u>218,732,585</u>	<u>137,978,447</u>	<u>137,552,576</u>

**(b) By type of customer**

	Group		Bank	
	As at 30 September 2022 RM'000	As at 31 December 2021 RM'000	As at 30 September 2022 RM'000	As at 31 December 2021 RM'000
Government and statutory bodies	21,435,264	18,660,846	6,310,385	5,283,361
Business enterprises	118,111,833	114,383,371	73,945,580	75,741,317
Individuals	78,374,752	78,274,077	51,116,140	50,124,540
Others	7,665,728	7,414,291	6,606,342	6,403,358
	<u>225,587,577</u>	<u>218,732,585</u>	<u>137,978,447</u>	<u>137,552,576</u>

**(c) By maturity structure of fixed/investment deposits and negotiable instruments of deposits**

	Group		Bank	
	As at 30 September 2022 RM'000	As at 31 December 2021 RM'000	As at 30 September 2022 RM'000	As at 31 December 2021 RM'000
Due within six months	126,050,973	116,302,584	65,605,718	61,461,628
Six months to one year	28,433,233	34,741,291	15,830,366	22,171,387
One year to three years	2,173,969	1,795,252	1,480,853	685,359
Three years to five years	1,372,972	287,948	486,024	265,221
	<u>158,031,147</u>	<u>153,127,075</u>	<u>83,402,961</u>	<u>84,583,595</u>



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**A21. Deposits and Placements of Banks and Other Financial Institutions**

	Note	Group		Bank	
		As at	As at	As at	As at
		30 September 2022	31 December 2021	30 September 2022	31 December 2021
		RM'000	RM'000	RM'000	RM'000
Licensed banks		20,472,917	16,694,604	27,626,093	20,636,398
Licensed Islamic banks		691,067	1,296,903	3,213	1,773
Licensed investment banks		551,130	651,864	689,376	607,550
BNM/Other central banks	(a)	4,707,714	4,178,053	4,528,393	4,026,170
Other financial institutions		307,961	585,403	307,961	397,708
		<u>26,730,789</u>	<u>23,406,827</u>	<u>33,155,036</u>	<u>25,669,599</u>

(a) Included in deposits and placements by BNM/other central banks are amounts received under the Government scheme as part of the COVID-19 relief measures for the purpose of lending/financing to SMEs at a concessionary rate and with maturity period ranging between two to nine years.

**A22. Investment Accounts**

	Note	Group	
		As at	As at
		30 September 2022	31 December 2021
		RM'000	RM'000
Mudharabah Restricted Investment Account	(a)	412,702	360,520
Wakalah Unrestricted Investment Account	(b)	936,777	220,771
		<u>1,349,479</u>	<u>581,291</u>

**(a) Mudharabah Restricted Investment Account**

By type of counterparty:

- Licensed banks	<u>412,702</u>	<u>360,520</u>
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Investment asset (principal):

- Unquoted securities	<u>387,323</u>	<u>357,870</u>
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**(b) Wakalah Unrestricted Investment Account**

By type of counterparty:

- Business enterprises	<u>936,777</u>	<u>220,771</u>
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Investment asset (principal):

- Personal financing	741,097	176,536
- Housing financing	185,274	44,134
	<u>926,371</u>	<u>220,670</u>



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**A23. Other Liabilities**

	Group		Bank	
	As at 30 September 2022 RM'000	As at 31 December 2021 RM'000	As at 30 September 2022 RM'000	As at 31 December 2021 RM'000
Other creditors and accruals	1,317,880	1,308,668	572,359	853,092
Amount payable for redemption units	114,310	348,404	-	-
Contract liabilities	160,249	205,971	47,250	63,000
Short term employee benefits	341,926	455,763	278,955	361,228
Accrual for operational expenses	228,210	265,925	172,468	197,033
Prepaid instalments	19,101	22,406	19,101	22,406
Cash collateral pledged for derivative transactions	561,603	112,719	561,603	112,719
Structured deposits	1,157,750	771,311	1,117,189	771,311
Remisiers' trust deposits	93,733	97,828	-	-
Amount payable for creation of units due to funds	3,597	457,587	-	-
Amount due to subsidiaries	-	-	15,482	6,584
	<b>3,998,359</b>	<b>4,046,582</b>	<b>2,784,407</b>	<b>2,387,373</b>



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**A24. Segmental Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker, who is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The Group has determined its Management Committee as its chief operating decision-maker.

The Group's business segments can be organised into the following main segments reflecting the Group's internal reporting structure:

(a) Group Community Banking ('GCB')

GCB comprise Group Retail Banking and Group Small and Medium Enterprises ('SME's) Banking.

Group Retail Banking focuses on providing products and services to individual customers. The products and services offered to customers include credit facilities (mortgages, non-residential mortgages, hire purchase, purchase of securities, credit cards and other personal loans and financing), remittances, deposits collection, investment related products, and bancassurance/bancatakaful products.

Group SME Banking focuses on providing financing solutions to SMEs and family-owned enterprises, as well as trade and cash management solutions for SMEs.

(b) Group Wholesale Banking ('GWB')

GWB comprise the following key business portfolio/functional group:

I. Group Treasury & Global Markets; and

II. Group Corporate Banking and Investment Banking ('Group CBIB') which consist of Group Corporate Banking, Group Investment Banking, Group Asset Management, Group Commercial Banking, Group Transaction Banking and Group Economics.

(i) Group Treasury and Global Markets offers a comprehensive suite of treasury products and solutions including foreign exchange ('FX'), derivatives, capital markets, structured products, money market investments and Islamic Treasury products catering to the hedging and investment needs of our diverse customers in Malaysia, Singapore and Thailand. This segment is also responsible for the overall management of the liquidity and funding needs of the Group as well as for investing excess capital and funds to enhance the returns for the Group.

(ii) Group Corporate Banking provides a comprehensive suite of conventional and Shariah-compliant financing solutions to corporate clients whose shares are listed on stock exchanges locally and/or abroad, multinational companies, government and government agencies and government-linked companies. Financial solutions provided include working capital funding, trade financing, foreign currency hedging, project financing and syndication, as well as funding of corporate exercises.

(iii) Group Investment Banking offers a full range of investment banking products and services covering primary markets, such as advisory (corporate and debt restructuring, mergers and acquisitions, takeovers), fundraising via both equity and debt instruments, and secondary markets including securities trading for both institutional and retail clients. This segment leverages on the Group's regional platforms to provide cross-border transactional services to clients across ASEAN.

This segment also offers stockbroking and investment banking products and services to the Group's regional customers in Indonesia, Thailand, Cambodia and Vietnam.



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**A24. Segmental Reporting (continued)**

The Group's business segments can be organised into the following main segments reflecting the Group's internal reporting structure (continued):

(b) Group Wholesale Banking ('GWB') (continued)

- (iv) Group Asset Management manages a full set of investment services and offerings including management of unit trust funds, investment management advisory, private mandates, product development and trustee services.
- (v) Group Commercial Banking offers a wide range of business solutions ranging from financing, deposits, cash management solutions, trade finance, FX and remittance among others for Commercial customers (Mid-size to Large-Size Private Companies).
- (vi) Group Transaction Banking offers a wide range of business solutions ranging from cash management solutions, trade finance and services including supply chain financing solutions among others for SME, Commercial & Large corporates.
- (vii) Group Economics which includes Foreign Exchange and Fixed Income Strategy, provides expert advice on Macroeconomic developments as well as local economic and sectoral trends. This segment is also responsible for engaging with corporate and institutional clients to provide advice on economic developments and trends.

(c) Group International Business

Group International Business primarily focuses on providing commercial and investment banking related products and services tailored to the specific needs of the customers in foreign countries in which the Group has operations. The Group currently has foreign presences in Singapore, Thailand, Brunei, Cambodia and Lao.

(d) Insurance

RHB Insurance Berhad provides general insurance for retail, SME, commercial and corporate customers.

(e) Support Center and Others

Support Center and Others comprise results from other business segments in the Group (nominee services, property investment and rental of premises and other related financial services). The results of these other businesses are not material to the Group and therefore do not render a separate disclosure and are reported in aggregate in the financial statements.

The business segment results are prepared based on the Group's internal management reporting, which reflects the organisation's management reporting structure. Internal allocation of costs, for example, back office support, centralised cost, funding center and the application of transfer pricing, where appropriate, has been used in preparing the segmental reporting.

The corresponding segment operating expenses have been restated to align to current basis of allocation in between the segments.



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A24. Segmental Reporting (continued)

Nine months ended 30 September 2022

	Group Community Banking RM'000	Group Wholesale Banking RM'000	Group International Business RM'000	Insurance RM'000	Support Center and Others RM'000	Inter- Segment Elimination RM'000	Total RM'000
External revenue	2,986,925	2,296,330	607,629	130,187	21,937	-	6,043,008
Inter-segment revenue	-	11,980	1,697	13,417	13,319	(40,413)	-
Segment revenue	2,986,925	2,308,310	609,326	143,604	35,256	(40,413)	6,043,008
Other operating expenses	(1,496,426)	(728,445)	(390,428)	(93,227)	(41,481)	40,413	(2,709,594)
Including:							
- Depreciation of property, plant and equipment	(66,686)	(16,830)	(15,283)	(1,506)	(155)	-	(100,460)
- Depreciation of right-of-use assets	(23,069)	(14,538)	(14,503)	(1,794)	(80)	-	(53,984)
- Amortisation of intangible assets	(75,500)	(23,361)	(12,523)	(3,017)	-	-	(114,401)
Allowance for credit losses on financial assets	(129,091)	(279,628)	23,372	587	-	-	(384,760)
Impairment losses made on other non-financial assets	-	(12)	-	-	-	-	(12)
Profit/(Loss) before taxation and zakat	1,361,408	1,300,225	242,270	50,964	(6,225)	-	2,948,642
Taxation and zakat							(1,010,562)
Net profit for the financial period							1,938,080



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**A24. Segmental Reporting (continued)**

As at 30 September 2022

	<b>Group Community Banking</b>	<b>Group Wholesale Banking</b>	<b>Group International Business</b>	<b>Insurance</b>	<b>Support Center and Others</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Segment assets	130,097,004	129,654,427	41,675,940	1,719,330	1,246,541	304,393,242
Tax recoverable						132,322
Deferred tax assets						813,294
Unallocated assets						1,085,470
Total assets						<u>306,424,328</u>
Segment liabilities	105,038,104	128,086,411	34,389,347	1,325,293	94,016	268,933,171
Provision for taxation and zakat						558,232
Deferred tax liabilities						2,299
Borrowings						204,112
Senior debt securities						4,025,613
Subordinated obligations						2,985,795
Unallocated liabilities						1,641,352
Total liabilities						<u>278,350,574</u>



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**A24. Segmental Reporting (continued)**

**Nine months ended 30 September 2021**

	<b>Group Community Banking RM'000</b>	<b>Group Wholesale Banking RM'000</b>	<b>Group International Business RM'000</b>	<b>Insurance RM'000</b>	<b>Support Center and Others RM'000</b>	<b>Inter- Segment Elimination RM'000</b>	<b>Total RM'000</b>
External revenue	2,774,570	2,688,996	532,238	175,411	(301,841)	-	5,869,374
Inter-segment revenue	-	18,061	937	13,191	12,154	(44,343)	-
Segment revenue	<u>2,774,570</u>	<u>2,707,057</u>	<u>533,175</u>	<u>188,602</u>	<u>(289,687)</u>	<u>(44,343)</u>	<u>5,869,374</u>
Other operating expenses	(1,391,357)	(715,980)	(350,047)	(84,713)	(114,192)	44,343	(2,611,946)
Including:							
- Depreciation of property, plant and equipment	(58,907)	(15,893)	(12,589)	(1,578)	(176)	-	(89,143)
- Depreciation of right-of-use assets	(24,981)	(12,867)	(13,383)	(1,710)	(177)	-	(53,118)
- Amortisation of intangible assets	(59,657)	(20,216)	(10,080)	(2,672)	-	-	(92,625)
Allowance for credit losses on financial assets	(361,544)	(191,693)	(99,928)	2,247	-	-	(650,918)
Impairment losses made on other non-financial assets	-	(314)	-	-	-	-	(314)
Profit/(Loss) before taxation and zakat	<u>1,021,669</u>	<u>1,799,070</u>	<u>83,200</u>	<u>106,136</u>	<u>(403,879)</u>	<u>-</u>	<u>2,606,196</u>
Taxation and zakat							(614,325)
Net profit for the financial period							<u><u>1,991,871</u></u>





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**A24. Segmental Reporting (continued)**

**As at 31 December 2021**

	<b>Group Community Banking RM'000</b>	<b>Group Wholesale Banking RM'000</b>	<b>Group International Business RM'000</b>	<b>Insurance RM'000</b>	<b>Support Center and Others RM'000</b>	<b>Total RM'000</b>
Segment assets	123,340,916	125,483,089	36,326,831	1,598,767	632,391	287,381,994
Investments in associates and joint venture						12
Tax recoverable						131,283
Deferred tax assets						377,825
Unallocated assets						1,650,344
Total assets						<u>289,541,458</u>
Segment liabilities	103,685,123	118,540,352	29,827,870	1,164,185	30,992	253,248,522
Provision for taxation and zakat						124,163
Deferred tax liabilities						55
Borrowings						127,380
Senior debt securities						3,646,369
Subordinated obligations						3,221,882
Unallocated liabilities						1,142,576
Total liabilities						<u>261,510,947</u>



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**A25. Valuation of Property, Plant and Equipment**

The property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

**A26. Events Subsequent to Balance Sheet Date**

There were no significant events subsequent to the balance sheet date that have not been reflected in the financial statements, other than as disclosed below:

- (a) RHB Investment Bank, a wholly-owned subsidiary of the Bank, had on 3 October 2022 issued Subordinated Notes of RM100 million in nominal value under a RM1.0 billion (or its equivalent in other currencies) multi-currency medium term note programme ('MCMTN Programme'). The Subordinated Notes is issued for a tenure of 10 non-callable 5 years with a fixed coupon rate of 4.45% per annum, payable semi-annually in arrears throughout the entire tenure; and
- (b) RHB Investment Bank, had on 11 October 2022 fully redeemed its existing subordinated notes of RM200 million in nominal value under the above MCMTN Programme which was issued on 11 October 2017.

**A27. Changes in the Composition of the Group**

There were no significant changes in the composition of the Group for the nine months ended 30 September 2022 other than the following:

- (a) RHB Wealth Management Hong Kong Limited, an indirect wholly-owned subsidiary of the Bank, had been dissolved on 4 January 2022 pursuant to The Companies (Winding Up and Miscellaneous Provisions) Ordinance of Hong Kong;
- (b) RHB Research Institute Singapore Pte Ltd, a wholly-owned subsidiary of the Bank, had been dissolved on 11 January 2022 pursuant to Section 180(3)(b) of the Insolvency, Restructuring and Dissolution Act 2018 (No. 40 of 2018);
- (c) PT RHB Asset Management Indonesia ceased to be an indirect wholly-owned subsidiary of the Bank with effect from 31 January 2022 following the disposal by PT RHB Sekuritas Indonesia as further disclosed in Note B10;
- (d) RHB Investment Bank had on 9 March 2022, subscribed for 5 million Redeemable Preference Shares ('RPS') in RHB Private Equity Holdings Sdn Bhd ('RHBPEH') amounting to RM10,000,000 for additional working capital purpose. Upon completion of the subscription, the equity interest held by RHB Investment Bank in RHBPEH remains the same;
- (e) Summit Nominees Pte Ltd, a wholly-owned subsidiary of the Bank, had been dissolved on 21 May 2022 pursuant to Section 180(3)(b) of the Insolvency, Restructuring and Dissolution Act 2018 (No. 40 of 2018);
- (f) The Bank has on 23 June 2022 injected additional capital of LAK39.7 billion (equivalent to RM11.7 million) into its wholly owned subsidiary, RHB Bank Lao Sole Co., Ltd ('RHB Bank Lao'). As a result, the issued share capital of RHB Bank Lao increased from LAK420.6 billion to LAK460.3 billion; and
- (g) RHB Nominees Singapore Pte Ltd, a wholly-owned subsidiary of the Bank, had been dissolved on 26 July 2022 pursuant to Section 180(3)(b) of the Insolvency, Restructuring and Dissolution Act 2018 (No. 40 of 2018).



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**A28. Changes In Contingent Liabilities Since The Last Annual Statements Of Financial Position**

**(a) Commitments and Contingencies**

In the normal course of business, the Group and the Bank make various commitments and incurs certain contingent liabilities with legal recourse to its customers. Apart from the allowance for commitments and contingencies already made in the interim financial statements, no material losses are anticipated as a result of these transactions.

The commitments and contingencies comprise the following:

	Group		Bank	
	As at 30 September 2022	As at 31 December 2021	As at 30 September 2022	As at 31 December 2021
	RM'000	RM'000	RM'000	RM'000
<b>Contingent liabilities</b>				
Direct credit substitutes	1,369,974	1,394,350	1,366,651	1,390,928
Transaction-related contingent items	2,942,357	3,077,649	2,568,427	2,714,070
Short term self-liquidating trade-related contingencies	1,151,971	977,071	809,925	883,894
	<b>5,464,302</b>	<b>5,449,070</b>	<b>4,745,003</b>	<b>4,988,892</b>
<b>Commitments</b>				
Lending of banks' securities or the posting of securities as collateral by banks, including instances where these arise out of repo-style transactions, and commitment to buy-back Islamic securities under Sell and Buy Back Agreement transactions	6,579,429	5,424,754	6,902,069	5,424,754
Forward asset purchases, forward deposits, partly paid shares and securities which represent commitments with certain drawdowns	111,871	35,530	111,871	35,530
Irrevocable commitments to extend credit				
- Maturity less than one year	8,445,568	10,416,569	7,126,953	7,335,607
- Maturity more than one year	26,993,076	24,147,171	16,706,964	15,554,354
Any commitments that are unconditionally cancellable at any time by the Bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	16,068,672	15,415,727	13,274,723	12,815,528
	<b>58,198,616</b>	<b>55,439,751</b>	<b>44,122,580</b>	<b>41,165,773</b>
<b>Derivative financial instruments</b>				
Foreign exchange related contracts^				
- Less than one year	62,922,079	46,065,953	65,405,879	50,314,717
- One year to less than five years	6,160,258	3,904,977	6,160,258	4,009,107
- More than five years	1,383,845	354,724	1,383,845	354,724
Commodity related contracts^				
- Less than one year	153,546	58,332	156,302	58,332
- One year to less than five years	373,908	244,110	377,444	244,110
- More than five years	105,722	100,051	105,722	100,051
Equity related contracts^				
- Less than one year	970,412	1,140,762	971,017	1,140,762
- One year to less than five years	7,328	4,286	7,328	4,286
Interest rate related contracts^				
- Less than one year	14,959,571	6,872,522	16,799,571	9,782,522
- One year to less than five years	47,389,541	31,697,379	50,889,541	33,697,379
- More than five years	6,576,934	6,445,228	6,876,934	8,245,228
	<b>141,003,144</b>	<b>96,888,324</b>	<b>149,133,841</b>	<b>107,951,218</b>
	<b>204,666,062</b>	<b>157,777,145</b>	<b>198,001,424</b>	<b>154,105,883</b>

^ These derivatives are revalued on gross position basis and the unrealised gains or losses have been reflected in the income statements and statements of financial position as derivative assets or derivative liabilities.



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**A28. Changes In Contingent Liabilities Since The Last Annual Statements Of Financial Position (continued)**

**(b) Guarantees Issued by the Group and the Bank**

The Group and the Bank has given a continuing guarantee to Labuan Financial Services Authority to meet the liabilities and financial obligations and requirements of its subsidiary, RHB Bank (L) Ltd, arising from its offshore banking business in the Federal Territory of Labuan.

The Group and the Bank has also given a guarantee to the Bank of Thailand to provide support to meet any legal liabilities which may be incurred in respect of its operations in Thailand.

**(c) Contingent Liabilities**

As at 30 September 2022, the Group has contingent liabilities amounting to approximately RM72 million in respect of litigation. As the cases are still preliminary and the reliable exposure cannot be estimated, no provision is recognised in the financial statements.

**A29. Capital Commitments**

	<b>Group</b>		<b>Bank</b>	
	<b>As at 30 September 2022</b>	<b>As at 31 December 2021</b>	<b>As at 30 September 2022</b>	<b>As at 31 December 2021</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Authorised and contracted for property, plant and equipment	<b>281,132</b>	319,850	<b>249,338</b>	286,744



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**A30. Capital Adequacy Ratio**

BNM Guidelines on capital adequacy requires the Group, the Bank and the banking subsidiaries to maintain an adequate level of capital to withstand any losses which may result from credit and other risks associated with financing operations. The capital adequacy ratio is computed based on the eligible capital in relation to the total risk-weighted assets as determined by BNM.

RHB Bank (Cambodia) Plc ('RHB Bank Cambodia') is subject to National Bank of Cambodia's capital adequacy requirements.

(a) The capital adequacy ratios of the Group and the Bank are as follows:

	Group		Bank <sup>@</sup>	
	As at 30 September 2022 RM'000	As at 31 December 2021 RM'000	As at 30 September 2022 RM'000	As at 31 December 2021 RM'000
<b>Common Equity Tier I ('CET I')/Tier I Capital</b>				
Share capital	7,970,162	7,612,612	7,970,162	7,612,612
Retained profits	18,668,333	18,689,157	14,161,079	13,954,209
Other reserves	944,618	704,808	646,008	491,179
FVOCI reserves	(1,055,450)	406,012	(905,125)	394,726
	<u>26,527,663</u>	<u>27,412,589</u>	<u>21,872,124</u>	<u>22,452,726</u>
<b>Less:</b>				
Goodwill	(2,638,198)	(2,638,198)	(1,714,913)	(1,714,913)
Intangible assets (include associated deferred tax liabilities)	(574,992)	(567,938)	(508,883)	(503,178)
Deferred tax assets	(422,840)	(425,268)	(299,526)	(291,577)
55% of cumulative gains arising from change in value of FVOCI instruments	-	(223,307)	-	(217,099)
Investments in subsidiaries	(102,425)	(102,425)	(4,460,696)	(4,448,364)
Investments in associates and joint venture	-	(12)	-	-
Other deductions <sup>#</sup>	(41,807)	(11,043)	(41,491)	(10,691)
Total CET I Capital	<u>22,747,401</u>	<u>23,444,398</u>	<u>14,846,615</u>	<u>15,266,904</u>
Qualifying non-controlling interests recognised as Tier I Capital	<u>161</u>	<u>170</u>	<u>-</u>	<u>-</u>
Total Tier I Capital	<u>22,747,562</u>	<u>23,444,568</u>	<u>14,846,615</u>	<u>15,266,904</u>
<b>Tier II Capital</b>				
Subordinated obligations meeting all relevant criteria	1,999,518	2,249,289	1,999,518	2,249,289
Qualifying capital instruments of a subsidiary issued to third parties <sup>+</sup>	400,925	398,771	-	-
Surplus eligible provisions over expected losses	515,418	510,312	380,581	375,828
General provisions <sup>^</sup>	354,865	292,712	241,004	210,705
Total Tier II Capital	<u>3,270,726</u>	<u>3,451,084</u>	<u>2,621,103</u>	<u>2,835,822</u>
<b>Total Capital</b>	<u>26,018,288</u>	<u>26,895,652</u>	<u>17,467,718</u>	<u>18,102,726</u>



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A30. Capital Adequacy Ratio (continued)

	Group		Bank <sup>@</sup>	
	As at 30 September 2022	As at 31 December 2021	As at 30 September 2022	As at 31 December 2021
<u>Capital ratios</u>				
Before proposed dividends:				
CET I Capital Ratio	<b>16.728%</b>	17.831%	<b>14.945%</b>	16.094%
Tier I Capital Ratio	<b>16.728%</b>	17.831%	<b>14.945%</b>	16.094%
Total Capital Ratio	<b>19.133%</b>	20.455%	<b>17.584%</b>	19.083%
After proposed dividends and DRP*:				
CET I Capital Ratio	<b>16.392%</b>	17.200%	<b>14.486%</b>	15.220%
Tier I Capital Ratio	<b>16.392%</b>	17.201%	<b>14.486%</b>	15.220%
Total Capital Ratio	<b>18.798%</b>	19.825%	<b>17.125%</b>	18.210%

<sup>@</sup> The capital adequacy ratios of the Bank consist of capital base and risk-weighted assets derived from the Bank and its wholly-owned offshore banking subsidiary, RHB Bank (L) Ltd.

<sup>#</sup> Pursuant to Basel II Market Risk para 5.19 & 5.20 - Valuation Adjustments, the Capital Adequacy Framework (Basel II - RWA) calculation shall account for the ageing, liquidity and holding back adjustments on its trading portfolio.

<sup>+</sup> Qualifying subordinated sukuk that are recognised as Tier II capital instruments held by third parties as prescribed under paragraph 17.6 of the BNM's Guideline on Capital Adequacy Framework (Capital Components) which are issued by a fully consolidated subsidiary of the Bank.

<sup>^</sup> Pursuant to BNM's policy document on Financial Reporting and Financial Reporting for Islamic Banking Institutions, general provision refers to loss allowance measured at an amount equal to 12-month and lifetime expected credit losses as defined under MFRS 9 'Financial Instruments' and regulatory reserves, to the extent they are ascribed to non-credit impaired exposures, determined under standardised approach for credit risk.

Includes the qualifying regulatory reserves of the Group and the Bank of RM141,578,000 (31 December 2021: RM85,609,000) and RM126,642,000 (31 December 2021: RM120,542,000) respectively.

<sup>\*</sup> Under the DRP, the amount of deduction of the interim/final dividend from capital ratio is determined in accordance with BNM's Implementation Guidance on Capital Adequacy Framework (Capital Components) dated 9 December 2020 as follows:

(a) As at 30 September 2022: After interim single-tier dividend of 15.0 sen per share in respect of the financial year ending 31 December 2022 amounting to RM631,812,000, consisting of cash portion of 10.0 sen per share and an electable portion of 5.0 sen per share. In arriving at the capital adequacy ratios, where an irrevocable written undertaking from shareholder has been obtained to reinvest the electable portion of the dividend into new ordinary shares of the Bank as disclosed in Note A7(b), the amount of deduction of the interim dividend may be reduced by the amount used to purchase new ordinary shares issued by the Bank.

(b) As at 31 December 2021: After final single-tier dividend of 25.0 sen per share in respect of the financial year ended 31 December 2021 amounting to RM1,035,730,000, consisting of cash portion of 15.0 per share and an electable portion of 10.0 sen per share. In arriving at the capital adequacy ratios, there is no irrevocable written undertaking from shareholder, hence the amount of the final dividend may be reduced either by the average of the preceding 3-year take-up rates or if less than 3 preceding years, the available average historical take-up rates, subject to the amount being not more than 50% of the total electable portion of the dividend.



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**A30. Capital Adequacy Ratio (continued)**

(b) The capital adequacy ratios of RHB Islamic Bank and RHB Investment Bank are as follows:

	RHB Islamic Bank		RHB Investment Bank	
	As at 30 September 2022 RM'000	As at 31 December 2021 RM'000	As at 30 September 2022 RM'000	As at 31 December 2021 RM'000
<b>CET I/Tier I Capital</b>				
Share capital	1,673,424	1,673,424	1,220,000	1,220,000
Retained profits	3,757,053	3,716,002	379,245	481,289
Other reserves	102	-	362	-
FVOCI reserves	(186,386)	(28,023)	33,415	38,642
	<b>5,244,193</b>	<b>5,361,403</b>	<b>1,633,022</b>	<b>1,739,931</b>
<b>Less:</b>				
Goodwill	-	-	(372,395)	(372,395)
Investments in subsidiaries, associates and joint venture	-	-	(712,332)	(717,155)
Intangible assets (include associated deferred tax liabilities)	(3,951)	(2,976)	(25,518)	(30,183)
Deferred tax assets	(103,911)	(102,565)	(20,550)	(22,684)
55% of cumulative gains arising from change in value of FVOCI instruments	-	-	(18,378)	(21,253)
Other deductions <sup>#</sup>	(372)	(918)	-	(71)
Total CET I Capital/Tier I Capital	<b>5,135,959</b>	<b>5,254,944</b>	<b>483,849</b>	<b>576,190</b>
<b>Tier II Capital</b>				
Subordinated sukuk	750,000	750,000	-	-
Subordinated obligations meeting all relevant criteria	-	-	200,000	200,000
Surplus eligible provisions over expected losses	134,958	134,679	-	-
General provisions <sup>^</sup>	48,577	52,467	8,995	10,428
Total Tier II Capital	<b>933,535</b>	<b>937,146</b>	<b>208,995</b>	<b>210,428</b>
<b>Total Capital</b>	<b>6,069,494</b>	<b>6,192,090</b>	<b>692,844</b>	<b>786,618</b>
<u>Capital ratios</u>				
Before proposed dividends:				
CET I Capital Ratio	17.415%	17.635%	26.409%	29.319%
Tier I Capital Ratio	17.415%	17.635%	26.409%	29.319%
Total Capital Ratio	20.581%	20.780%	37.815%	40.027%
After proposed dividends:				
CET I Capital Ratio	17.415%	16.849%	26.409%	24.231%
Tier I Capital Ratio	17.415%	16.849%	26.409%	24.231%
Total Capital Ratio	20.581%	19.994%	37.815%	34.938%



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**A30. Capital Adequacy Ratio (continued)**

- # Pursuant to Basel II Market Risk para 5.19 & 5.20 - Valuation Adjustments, the Capital Adequacy Framework (Basel II - RWA) calculation shall account for the ageing, liquidity and holding back adjustments on its trading portfolio.
- ^ Pursuant to BNM's policy document on Financial Reporting and Financial Reporting for Islamic Banking Institutions, general provision refers to loss allowance measured at an amount equal to 12-month and lifetime expected credit losses as defined under MFRS 9 'Financial Instruments' and regulatory reserves, to the extent they are ascribed to non-credit impaired exposures, determined under standardised approach for credit risk.

Includes the qualifying regulatory reserves of RHB Islamic Bank and RHB Investment Bank of RM29,191,000 (31 December 2021: RM41,763,000) and RM8,913,000 (31 December 2021: RM10,400,000 ) respectively.

(c) The breakdown of risk-weighted assets in the various categories of risk-weights are as follows;

	<b>Group</b>	<b>Bank<sup>@</sup></b>	<b>RHB Islamic Bank</b>	<b>RHB Investment Bank</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>30 September 2022</b>				
Credit risk	119,226,831	87,816,458	26,379,192	719,629
Market risk	2,997,891	2,514,227	192,116	163,075
Operational risk	13,760,498	9,008,041	2,919,480	949,466
Total risk-weighted assets	<u>135,985,220</u>	<u>99,338,726</u>	<u>29,490,788</u>	<u>1,832,170</u>
<b>31 December 2021</b>				
Credit risk	115,070,774	83,477,653	27,011,235	834,269
Market risk	3,201,115	2,617,689	201,515	162,040
Operational risk	13,211,976	8,766,298	2,585,628	968,930
Total risk-weighted assets	<u>131,483,865</u>	<u>94,861,640</u>	<u>29,798,378</u>	<u>1,965,239</u>

<sup>@</sup> The capital adequacy ratios of the Bank consist of capital base and risk-weighted assets derived from the Bank and its wholly-owned offshore banking subsidiary, RHB Bank (L) Ltd.





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**A30. Capital Adequacy Ratio (continued)**

The total risk-weighted assets of the Group and Bank are computed based on BNM's Guideline on Risk Weighted Capital Adequacy Framework: Internal Ratings Based Approach for Credit Risk and Standardised Approach for Market Risk and Basic Indicator Approach for Operational Risk (Basel II).

The total risk-weighted assets of RHB Islamic Bank are computed based on BNM's Capital Adequacy Framework for Islamic Banks ('CAFIB'): Internal Ratings Based Approach for Credit and Standardised Approach for Market Risk and Basic Indicator Approach for Operational Risk (Basel II).

The total risk-weighted assets of RHB Investment Bank are computed based on BNM's Guideline on Risk Weighted Capital Adequacy Framework: Standardised Approach for Credit and Market Risk and Basic Indicator Approach for Operational Risk (Basel II).

(d) The capital adequacy ratios of RHB Bank Cambodia are as follows:

	<b>As at 30 September 2022 RM'000</b>	<b>As at 31 December 2021 RM'000</b>
Before proposed dividends:		
Solvency ratio	<b>16.134%</b>	17.685%
After proposed dividends:		
Solvency ratio	<b>16.134%</b>	17.685%

The Solvency Ratio of RHB Bank Cambodia is the nearest equivalent regulatory compliance ratio in Cambodia computed in accordance with Prakas B7-00-46, B7-04-206 and B7-07-135 issued by the National Bank of Cambodia. This ratio is derived as RHB Bank Cambodia's net worth divided by its risk-weighted assets and off-balance sheet items. The minimum regulatory solvency ratio requirement in Cambodia is 15%.



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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
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**A31. Operations of Islamic Banking**

**(a) Statement of Financial Position as at 30 September 2022**

	Note	Group		Bank	
		As at	As at	As at	As at
		30 September 2022	31 December 2021	30 September 2022	31 December 2021
		RM'000	RM'000	RM'000	RM'000
<b>ASSETS</b>					
Cash and short-term funds		4,532,691	8,061,955	-	-
Deposits and placements with banks and other financial institutions		1,774,273	2,326,510	-	-
Financial assets at FVTPL		71,152	52,093	-	-
Financial assets at FVOCI		5,483,450	5,587,524	-	-
Financial investments at amortised cost		7,776,479	5,235,191	-	-
Financing and advances		79,684,160	75,232,072	666,905	970,383
Other assets		620,712	555,940	493,447	144,803
Derivative assets		182,514	9,175	-	-
Statutory deposits		25,000	20,000	-	-
Deferred tax assets		162,279	110,860	-	-
Right-of-use assets		1,586	2,528	-	-
Property, plant and equipment		4,606	3,452	-	-
Intangible assets		4,442	3,528	-	-
Total assets		<u>100,323,344</u>	<u>97,200,828</u>	<u>1,160,352</u>	<u>1,115,186</u>
<b>LIABILITIES</b>					
Deposits from customers		74,809,512	71,661,203	-	-
Deposits and placements of banks and other financial institutions		3,463,536	4,539,457	1,082,624	1,048,047
Investment accounts	A22	1,349,479	581,291	-	-
Bills and acceptances payable		7,013	8,287	-	-
Other liabilities		539,291	214,046	-	-
Derivative liabilities		23,332	44,104	-	-
Recourse obligation on financing sold to Cagamas		1,261,061	753,585	-	-
Provision for taxation and zakat		136,456	93,685	-	-
Lease liabilities		1,636	2,548	-	-
Subordinated obligations		762,285	754,573	-	-
Total liabilities		<u>82,353,601</u>	<u>78,652,779</u>	<u>1,082,624</u>	<u>1,048,047</u>
Islamic Banking Funds		17,969,743	18,548,049	77,728	67,139
Total liabilities and Islamic Banking Funds		<u>100,323,344</u>	<u>97,200,828</u>	<u>1,160,352</u>	<u>1,115,186</u>
Commitments and contingencies		<u>18,315,933</u>	<u>19,633,698</u>	<u>13,269</u>	<u>1,032,116</u>



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**A31. Operations of Islamic Banking (continued)**

**(b) Income Statement for the Nine Months Ended 30 September 2022**

	3rd Quarter Ended		Nine Months Ended	
	30 September	30 September	30 September	30 September
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
<b>Group</b>				
Income derived from investment of depositors' funds	860,259	727,742	2,375,295	2,176,701
Income derived from investment account funds	117,800	87,854	345,194	262,846
Income derived from investment of shareholders' funds	70,841	85,326	188,390	204,809
Net modification loss	-	(73,492)	-	(94,089)
Allowance for credit losses	(48,776)	(50,329)	(158,004)	(171,724)
Total distributable income	1,000,124	777,101	2,750,875	2,378,543
Income attributable to depositors	(441,743)	(347,249)	(1,167,971)	(1,069,637)
Profit distributed to investment account holders	(13,920)	(7,402)	(37,233)	(14,801)
	544,461	422,450	1,545,671	1,294,105
Personnel expenses	(6,773)	(6,110)	(20,796)	(20,411)
Other overheads and expenditures	(163,317)	(91,597)	(420,990)	(288,255)
Profit before taxation and zakat	374,371	324,743	1,103,885	985,439
Taxation and zakat	(93,198)	(49,982)	(271,286)	(177,034)
Net profit for the financial period	281,173	274,761	832,599	808,405

**Statement of Comprehensive Income for the Nine Months Ended 30 September 2022**

	3rd Quarter Ended		Nine Months Ended	
	30 September	30 September	30 September	30 September
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
<b>Group</b>				
Net profit for the financial period	281,173	274,761	832,599	808,405
Other comprehensive income/(loss) in respect of items that will be reclassified subsequently to profit or loss:				
(a) Debt instruments measured at FVOCI				
- Unrealised net loss on revaluation	(17,329)	(36,012)	(194,430)	(199,128)
- Net transfer to income statement on disposal	(8,671)	(25,115)	(13,940)	(91,714)
- Changes in expected credit losses	(2,763)	410	1,297	74
Income tax relating to components of other comprehensive loss	6,240	14,671	50,009	69,802
Other comprehensive loss, net of tax, for the financial period	(22,523)	(46,046)	(157,064)	(220,966)
Total comprehensive income for the financial period	258,650	228,715	675,535	587,439



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**A31. Operations of Islamic Banking (continued)**

**(b) Income Statement for the Nine Months Ended 30 September 2022**

	3rd Quarter Ended		Nine Months Ended	
	30 September	30 September	30 September	30 September
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
<b>Bank</b>				
Income derived from investment of depositors' funds	6,884	2,614	14,085	8,117
Income derived from investment of shareholders' funds	-	-	-	15
Allowance for credit losses	719	76	3,539	(194)
Total distributable income	7,603	2,690	17,624	7,938
Income attributable to depositors	(6,150)	(1,359)	(10,496)	(4,049)
Profit before taxation	1,453	1,331	7,128	3,889
Taxation	-	-	-	-
Net profit for the financial period	1,453	1,331	7,128	3,889

**Statement of Comprehensive Income for the Nine Months Ended 30 September 2022**

	3rd Quarter Ended		Nine Months Ended	
	30 September	30 September	30 September	30 September
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
<b>Bank</b>				
Net profit for the financial period	1,453	1,331	7,128	3,889
Total comprehensive income for the financial period	1,453	1,331	7,128	3,889



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**A31. Operations of Islamic Banking (continued)**

**(d) Financing and Advances**

	Group		Bank	
	As at 30 September 2022	As at 31 December 2021	As at 30 September 2022	As at 31 December 2021
	RM'000	RM'000	RM'000	RM'000
<b>At amortised cost</b>				
Cashline	1,213,641	1,020,558	-	-
Term financing				
- Housing financing	27,785,619	24,537,246	-	-
- Syndicated term financing	4,959,802	3,257,874	-	-
- Hire purchase receivables	9,651,962	9,163,396	-	-
- Other term financing	32,456,190	33,803,255	667,499	978,132
Bills receivables	322,653	382,513	-	-
Trust receipts	55,212	40,694	-	-
Claims on customers under acceptance credits	1,163,092	1,017,087	-	-
Share margin financing	11,190	1,752	-	-
Staff financing	13,585	13,180	-	-
Credit/charge card receivables	286,566	271,518	-	-
Revolving financing	2,487,438	2,337,239	-	-
Gross financing and advances	80,406,950	75,846,312	667,499	978,132
Less: Allowance for credit losses	(722,790)	(614,240)	(594)	(7,749)
Net financing and advances	79,684,160	75,232,072	666,905	970,383

**(i) Movements in impaired financing and advances**

Balance as at the beginning of the financial year/period	389,489	435,207	3,689	-
Transfer to 12-month ECL (Stage 1)	(10,283)	(15,496)	-	-
Transfer to lifetime ECL not credit impaired (Stage 2)	(23,567)	(53,767)	-	-
Transfer to lifetime ECL credit impaired (Stage 3)	326,019	157,405	-	-
Purchases and origination	31,377	31,079	-	3,689
Derecognition	(93,798)	(72,445)	-	-
Amount written off	(74,922)	(101,293)	(3,841)	-
Modification of contractual cash flow	-	(12)	-	-
Other movements	228	8,811	-	-
Exchange differences	152	-	152	-
Balance as at the end of the financial year/period	544,695	389,489	-	3,689



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**A31. Operations of Islamic Banking (continued)**

**(d) Financing and Advances (continued)**

**(ii) Movement in allowance for credit losses**

Group	12-month	Lifetime ECL	Lifetime ECL	Total
	ECL	not credit	credit	
	(Stage 1)	(Stage 2)	(Stage 3)	
	RM'000	RM'000	RM'000	RM'000
<b>30 September 2022</b>				
Balance as at the beginning of the financial period	174,674	252,606	186,960	614,240
Changes due to financial assets recognised in the opening balance that have been:				
- Transferred to 12-month ECL (Stage 1)	42,507	(38,504)	(4,003)	-
- Transferred to lifetime ECL not credit impaired (Stage 2)	(5,660)	13,712	(8,052)	-
- Transferred to lifetime ECL credit impaired (Stage 3)	(2,889)	(5,648)	8,537	-
	33,958	(30,440)	(3,518)	-
Changes in credit risk	(59,275)	120,238	92,280	153,243
Purchases and origination	22,021	3,012	2,542	27,575
Changes to model methodologies	(132)	(1,337)	(144)	(1,613)
Derecognition	(9,749)	(4,444)	(13,215)	(27,408)
Bad debts written off	-	-	(43,799)	(43,799)
Exchange differences	168	-	156	324
Other movements	-	-	228	228
Balance as at the end of the financial period	161,665	339,635	221,490	722,790
<b>31 December 2021</b>				
Balance as at the beginning of the financial year	163,558	195,019	179,605	538,182
Changes due to financial assets recognised in the opening balance that have been:				
- Transferred to 12-month ECL (Stage 1)	43,835	(38,816)	(5,019)	-
- Transferred to lifetime ECL not credit impaired (Stage 2)	(11,059)	29,202	(18,143)	-
- Transferred to lifetime ECL credit impaired (Stage 3)	(645)	(5,733)	6,378	-
	32,131	(15,347)	(16,784)	-
Changes in credit risk	(25,566)	88,658	95,463	158,555
Purchases and origination	16,667	5,372	6,106	28,145
Changes to model methodologies	(4,952)	(8,592)	55	(13,489)
Derecognition	(7,269)	(12,504)	(24,307)	(44,080)
Bad debts written off	-	-	(61,989)	(61,989)
Exchange differences	105	-	-	105
Other movements	-	-	8,811	8,811
Balance as at the end of the financial year	174,674	252,606	186,960	614,240



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**A31. Operations of Islamic Banking (continued)**

**(d) Financing and Advances (continued)**

**(ii) Movement in allowance for credit losses (continued)**

<b>Bank</b>	<b>12-month</b>	<b>Lifetime ECL</b>	<b>Lifetime ECL</b>	<b>Total</b>
	<b>ECL</b>	<b>not credit</b>	<b>credit</b>	
	<b>(Stage 1)</b>	<b>impaired</b>	<b>impaired</b>	
	<b>RM'000</b>	<b>(Stage 2)</b>	<b>(Stage 3)</b>	<b>RM'000</b>
<b>30 September 2022</b>				
Balance as at the beginning of the financial period	3,965	-	3,784	7,749
Changes in credit risk	(3,539)	-	-	(3,539)
Bad debts written off	-	-	(3,940)	(3,940)
Exchange differences	168	-	156	324
Balance as at the end of the financial period	<u>594</u>	<u>-</u>	<u>-</u>	<u>594</u>
<b>31 December 2021</b>				
Balance as at the beginning of the financial year	6,922	-	-	6,922
Changes in credit risk	(3,062)	-	3,784	722
Exchange differences	105	-	-	105
Balance as at the end of the financial year	<u>3,965</u>	<u>-</u>	<u>3,784</u>	<u>7,749</u>







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**B1. Review of Group Results**

**(a) Current Financial Period vs Previous Financial Period**

The Group reported a pre-tax profit of RM2,948.6 million for the nine months ended 30 September 2022, 13.1% higher from RM2,606.2 million recorded a year ago. The year-on-year improvement was mainly due to higher net funding income, lower modification loss and lower allowances for credit losses, partly offset by lower non-fund based income and higher operating expenses.

Net fund based income increased by 7.4% to RM4,662.3 million year-on-year on the back of a 11.6% increase in gross fund based income, supported by gross loans and financing growth of 7.8%.

Non-fund based income declined by 20.6% to RM1,380.7 million from a year ago driven by lower brokerage income, lower capital market and wealth management fee income, lower net trading and investment income and lower insurance underwriting surplus, partly offset by higher net gain on foreign exchange and derivatives and higher gain on disposal of a subsidiary.

Operating expenses increased by 3.7% from a year ago at RM2,709.6 million. Cost-to-income ratio at 44.8% compared with 44.5% a year ago.

Allowance for credit losses was at RM384.8 million, 40.9% lower than previous year. Annualised credit charge ratio was at 0.24% compared to 0.45% last year.

Total assets of the Group increased by 5.8% from December 2021 to RM306.4 billion as at 30 September 2022. Net assets per share was at RM6.66, with shareholders' equity at RM28.0 billion as at 30 September 2022.

The Group's gross loans and financing grew by 7.8% year-on-year to RM209.7 billion, mainly supported by growth in mortgage, SME and Singapore. Domestic loans and financing grew 6.6% year-on-year.

Customer deposits increased by 5.4% year-on-year to RM225.6 billion, predominantly attributed to CASA growth of 4.7%, and fixed and money market time deposits of 5.4%. CASA composition stood at 29.9% as at 30 September 2022.

Gross impaired loans was at RM3.3 billion as at 30 September 2022, with gross impaired loans ratio of 1.57% compared with RM3.0 billion and 1.49% at 31 December 2021. Loan loss coverage ratio for the Group, excluding regulatory reserves, remained strong at 118.1% as at end-September 2022.



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**B1. Review of Group Results**

**(b) Performance by Operating Segment**

(i) GCB

GCB reported a pre-tax profit of RM1,361.4 million for the first nine months ended 30 September 2022, 33.3% higher than previous year. This was mainly attributed to higher net fund based income, higher non-fund based income and lower allowances for credit losses, partially offset by higher operating expenses.

Gross loans and financing was at RM131.1 billion, 8.6% higher year-on-year, primarily driven by growth in mortgages, SME and auto financing.

Total deposits increased by 2.7% year-on-year to RM101.7 billion as at 30 September 2022, contributed by growth in fixed deposits and current account.

(ii) GWB

GWB recorded a pre-tax profit of RM1,300.2 million, a decrease of 27.7% from the previous year. This is on the back of lower net fund based income, lower non-fund based income, higher operating expenses and higher expected credit losses.

Gross loans and financing increased by 1.9% year-on-year to RM50.9 billion. Total deposits increased by 7.1% to RM97.2 billion mainly due to increase in money market time deposits and current account, partly offset by decline in fixed deposits.

(iii) Group International Business

RHB Bank Singapore recorded a pre-tax profit of SGD48.4 million compared with pre-tax profit of SGD13.6 million in the previous year. This was mainly due to higher net fund based income, higher non-fund based income and higher expected credit losses written back, partially offset by higher operating expenses.

Singapore loans and advances increased by 10.6% year-on-year to SGD7.0 billion, while deposits increased by 6.8% to SGD7.0 billion.

Group International Business excluding Singapore registered a pre-tax profit of RM89.5 million as compared to RM41.2 million recorded in the previous year. This was mainly due to higher profitability recorded in Lao and Thailand.



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**B2. Current Quarter vs Previous Quarter**

Pre-tax profit of the Group increased by 2.0% to RM1,039.3 million from RM1,018.8 million recorded in the preceding quarter ended 30 June 2022. This was primarily due to higher non-fund based income and higher net fund based income, partly offset by higher allowances for credit losses and higher operating expenses.

**B3. Prospects for Financial Year 2022**

Domestic economic growth is expected to sustain for the rest of the year, supported by positive trajectory of economic activities and private consumption. However, lingering effects of the pandemic and macroeconomic headwinds, such as high inflationary pressures, geopolitical conflicts, supply chain disruption and the effects of aggressive monetary policy in the US continue to cast downside risks to the outlook.

Outlook for the banking industry remains positive with robust capital and liquidity positions, as well as sufficient provisioning buffers. The Group will continue to provide assistance to our customers who are still recovering from the impact of the pandemic, while adjustments to the monetary policy are also expected to continue.

Amid continued challenges in the operating environment, the Group remains committed to strengthening its fundamentals while improving business performance through the three main objectives of the TWP24 strategy - be everyone's primary bank, drive quality growth and prioritise service excellence; in line with its purpose statement "Making Progress Happen for Everyone".

**B4. Variance of Actual Profit from Forecast Profit and Profit Guarantee**

There were no profit forecast or profit guarantee issued by the Group and the Bank.



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**B5. Taxation and Zakat**

	3rd Quarter Ended		Nine Months Ended	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
	RM'000	RM'000	RM'000	RM'000
<b>Group</b>				
Income tax based on profit for the financial period				
- Malaysian income tax	328,606	203,850	979,544	612,338
- Overseas tax	7,108	7,619	15,759	22,558
Deferred tax	10,338	(21,950)	18,569	(25,497)
	<u>346,052</u>	<u>189,519</u>	<u>1,013,872</u>	<u>609,399</u>
(Over)/Under provision in respect of prior financial years	(9,757)	-	(8,560)	558
Tax expense	<u>336,295</u>	<u>189,519</u>	<u>1,005,312</u>	<u>609,957</u>
Zakat	1,750	1,500	5,250	4,368
	<u>338,045</u>	<u>191,019</u>	<u>1,010,562</u>	<u>614,325</u>

The effective tax rate of the Group for the third quarter and nine months ended 30 September 2022 was higher than the statutory tax rate mainly due to non-deductibility of certain expenses for tax purposes.

	3rd Quarter Ended		Nine Months Ended	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
	RM'000	RM'000	RM'000	RM'000
<b>Bank</b>				
Income tax based on profit for the financial period				
- Malaysian income tax	239,031	165,140	711,061	466,624
- Overseas tax	1,138	1,778	1,952	2,159
Deferred tax	2,763	(12,599)	8,299	(10,849)
	<u>242,932</u>	<u>154,319</u>	<u>721,312</u>	<u>457,934</u>
Over provision in respect of prior financial years	(4,094)	-	(3,783)	(1,752)
	<u>238,838</u>	<u>154,319</u>	<u>717,529</u>	<u>456,182</u>

The effective tax rate of the Bank for the third quarter and nine months ended 30 September 2022 was lower than the statutory tax rate mainly due to certain income not subject to tax.



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**B6. Status of Corporate Proposals**

**(a) Proposed cessation of business operations of subsidiaries in Hong Kong**

RHB Hong Kong Limited ('RHB Hong Kong') and its subsidiaries (collectively, 'RHB Hong Kong Group'), had on 4 December 2019 decided that they will commence to cease their business operations ('Proposed Cessation'). RHB Hong Kong is a wholly-owned subsidiary of RHB Investment Bank, which in turn is wholly-owned by the Bank.

Pursuant to the Proposed Cessation, RHB Hong Kong Group will gradually discontinue offering financial services to its existing and potential clients. RHB Investment Bank, being the shareholder of RHB Hong Kong Group will provide the requisite support to ensure an orderly winding down of their business operations.

The increasingly challenging operating broking environment in Hong Kong has resulted in losses being recorded for RHB Hong Kong Group. As a result, it is no longer viable for RHB Hong Kong Group to continue its business operations. The Proposed Cessation would allow RHB Investment Bank to refocus efforts and resources in driving long-term growth in other ASEAN markets in line with the larger RHB Banking Group's strategy.

**(b) Memorandum of understanding ('MOU') with Axiata Group Berhad ('Axiata Group')**

On 2 June 2021, the Bank entered into a MOU with Axiata Group to jointly explore the following potential strategic collaboration opportunities:

- (i) to enhance the joint customer ecosystems offering bundled digital solutions;
- (ii) to jointly apply to BNM for a digital banking license; and
- (iii) to jointly explore other potential opportunities deemed suitable.

The term of the MOU shall be for a period of two years from its commencement date on 2 June 2021 and may be extended on terms to be mutually agreed by parties.

Following the signing of the MOU, the Bank had on the same day entered into a heads of agreement with Boost Holdings Sdn Bhd ('Boost Holdings'), a 75.36% subsidiary of Axiata for the purpose of regulating the terms for joint application to BNM for a digital banking license. The joint application for the digital bank license was submitted to BNM on 30 June 2021.

On 29 April 2022, the Bank has received conditional approval from BNM for the joint application for a digital bank license by Boost Holdings and the Bank, subject to the condition that the proposed digital bank shall commence its banking operations within 24 months from 8 April 2022.

Subject to satisfying the operational readiness requirements by BNM and barring any unforeseen circumstances, the proposed digital bank is targeted to be operational in the second half of 2023, and shall focus on the underserved, unserved and/or unbanked segment primarily within Malaysia with the aim of building a more inclusive financial sector in Malaysia.



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**B6. Status of Corporate Proposals (continued)**

**(c) Establishment of Share Grant Scheme ('SGS')**

The Bank has on 2 June 2022 implemented the SGS, which was approved by the shareholders at an extraordinary general meeting ('EGM') held on 27 April 2022.

The SGS is intended to motivate employees, attract talents and retain key employees through the grant of the ordinary shares in the Bank ('RHB Bank Share(s)') of up to 2% of the total number of issued shares of the Bank (excluding treasury shares, if any) at any point in time during the duration of the SGS for employees and Executive Directors of the Bank and its subsidiaries (excluding subsidiaries which are dormant) who fulfil the eligibility criteria ('Eligible Employees'). The SGS is to be administered by the Board Nominating and Remuneration Committee ('BNRC') comprising such persons as may be appointed by the Board from time to time, and shall be in force for a period of nine years commencing from the effective date of implementation of the SGS.

The Bank has on 4 July 2022, made an offer of 4,685,000 RHB Bank Shares at RM5.71 per share to the Eligible Employees, of which the vesting period of the shares offered will be 3 years from even date. The SGS related expenses is recognised in the financial statements from the effective offer date in accordance with MFRS 2 'Share-based Payment'.



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**B7. Deposits from Customers and Placements of Banks and Other Financial Institutions, Borrowings, Senior Debt Securities and Subordinated Obligations**

**(a) Deposits from customers and placements of banks and other financial institutions**

	Group		Bank	
	As at 30 September 2022 RM'000	As at 31 December 2021 RM'000	As at 30 September 2022 RM'000	As at 31 December 2021 RM'000
Deposits from customers				
- One year or less	222,040,636	216,649,385	136,011,570	136,601,996
- More than one year	3,546,941	2,083,200	1,966,877	950,580
	<u>225,587,577</u>	<u>218,732,585</u>	<u>137,978,447</u>	<u>137,552,576</u>
Deposits and placements of banks and other financial institutions				
- Maturing within one year	22,049,734	18,780,203	28,639,144	21,266,823
- One year to three years	1,282,043	1,858,196	1,243,333	1,732,750
- Three years to five years	1,412,890	1,362,647	1,322,187	1,281,367
- Over five years	1,986,122	1,405,781	1,950,372	1,388,659
	<u>26,730,789</u>	<u>23,406,827</u>	<u>33,155,036</u>	<u>25,669,599</u>

**(b) Borrowings**

	Group	
	As at 30 September 2022 RM'000	As at 31 December 2021 RM'000
<b>Secured</b>		
Term loan:		
- Cambodian Riel	-	11,001
Overdraft:		
- Vietnam Dong	2,036	-
<b>Unsecured</b>		
Promissory note:		
- Indonesia Rupiah	-	14,619
- Thai Baht	202,076	101,760
	<u>204,112</u>	<u>127,380</u>
Scheduled repayment of borrowings:		
- Within one year	<u>204,112</u>	<u>127,380</u>



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**B7. Deposits from Customers and Placements of Banks and Other Financial Institutions, Borrowings, Senior Debt Securities and Subordinated Obligations (continued)**

**(c) Senior debt securities**

	Group and Bank	
	As at 30 September 2022	As at 31 December 2021
	RM'000	RM'000
USD300 million 3.766% senior debt securities due in 2024	1,396,587	1,265,758
RM300 million 2.85% senior Sukuk Murabahah due in 2025	303,742	301,587
USD500 million 1.658% senior debt securities due in 2026	2,325,284	2,079,024
	<b>4,025,613</b>	<b>3,646,369</b>

**(d) Subordinated obligations**

	Group		Bank	
	As at 30 September 2022	As at 31 December 2021	As at 30 September 2022	As at 31 December 2021
	RM'000	RM'000	RM'000	RM'000
4.88% RM250 million Tier II Subordinated Sukuk Murabahah 2017/2027	-	252,206	-	-
4.82% RM750 million Tier II Subordinated Notes 2017/2027	-	759,287	-	759,287
4.90% RM200 million Tier II Subordinated Notes 2017/2027	204,618	202,175	-	-
4.32% RM500 million Tier II Subordinated Sukuk Murabahah 2019/2029	507,752	502,367	-	-
3.35% RM500 million Tier II Subordinated Notes 2020/2030	505,574	501,366	505,574	501,366
3.13% RM500 million Tier II Subordinated Notes 2020/2030	505,531	501,463	505,531	501,463
3.65% RM500 million Tier II Subordinated Notes 2021/2031	507,606	503,018	507,606	503,018
4.06% RM250 million Tier II Subordinated Sukuk Murabahah 2022/2032	254,533	-	-	-
4.40% RM500 million Tier II Subordinated Notes 2022/2032	500,181	-	500,181	-
	<b>2,985,795</b>	<b>3,221,882</b>	<b>2,018,892</b>	<b>2,265,134</b>

The subordinated obligations comprise unsecured liabilities of the Bank and its investment and islamic bank subsidiaries and are subordinated to the senior indebtedness in accordance with their respective terms and conditions of issuance and qualify as Tier II capital (as disclosed in Note A30) for the purpose of determining the capital adequacy ratios of the Bank and the respective subsidiaries.





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**B8. Derivative Financial Instruments**

Details of derivative financial instruments outstanding are as follows:

(a) Derivative financial instruments measured at their fair values together with their corresponding contract/notional amounts

Group	As at 30 September 2022			As at 31 December 2021		
	Contract/ Notional Amount	Fair Value		Contract/ Notional Amount	Fair Value	
	RM'000	Assets RM'000	Liabilities RM'000	RM'000	Assets RM'000	Liabilities RM'000
<u>Trading Derivatives:</u>						
Foreign exchange related contracts						
- Forwards/swaps	63,159,926	1,294,558	849,144	44,563,855	155,571	313,681
- Options	223,397	5,061	151	280,615	5,491	29
- Cross-currency interest rate swaps	7,082,859	353,114	300,667	5,481,184	103,111	66,341
	<b>70,466,182</b>	<b>1,652,733</b>	<b>1,149,962</b>	<b>50,325,654</b>	<b>264,173</b>	<b>380,051</b>
Interest rate related contracts						
- Swaps	60,867,937	1,064,616	837,970	36,459,614	354,424	329,372
Commodity related contracts						
- Options	633,176	24,278	24,278	402,493	22,325	22,329
Equity related contracts						
- Options	977,740	1,253	965	1,145,048	1,127	1,112
Futures related contracts						
	79,620	650	489	93,017	911	373
Structured warrants						
	207,248	-	13,790	284,760	-	21,549
<u>Fair Value Hedging Derivatives:</u>						
Interest rate related contracts						
- Swaps	8,058,109	250,595	6,974	8,555,515	75,655	133,140
Total	<b>141,290,012</b>	<b>2,994,125</b>	<b>2,034,428</b>	<b>97,266,101</b>	<b>718,615</b>	<b>887,926</b>



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**B8. Derivative Financial Instruments (continued)**

Details of derivative financial instruments outstanding are as follows: (continued)

(a) Derivative financial instruments measured at their fair values together with their corresponding contract/notional amounts (continued)

Bank	As at 30 September 2022			As at 31 December 2021		
	Contract/ Notional Amount	Fair Value		Contract/ Notional Amount	Fair Value	
	RM'000	Assets RM'000	Liabilities RM'000	RM'000	Assets RM'000	Liabilities RM'000
<u>Trading Derivatives:</u>						
Foreign exchange related contracts						
- Forwards/swaps	65,110,445	1,293,046	865,378	48,437,748	183,224	328,558
- Options	223,397	5,061	151	280,615	5,491	29
- Cross-currency interest rate swaps	7,616,140	352,900	300,667	5,960,185	103,111	66,527
	<b>72,949,982</b>	<b>1,651,007</b>	<b>1,166,196</b>	<b>54,678,548</b>	<b>291,826</b>	<b>395,114</b>
Interest rate related contracts						
- Swaps	70,307,937	1,210,228	984,092	46,969,614	464,897	439,845
Commodity related contracts						
- Options	639,468	24,278	24,278	402,493	22,325	22,329
Equity related contracts						
- Options	978,345	1,253	965	1,145,048	1,127	1,112
<u>Fair Value Hedging Derivatives:</u>						
Interest rate related contracts						
- Swaps	4,258,109	111,409	548	4,755,515	18,661	79,661
<b>Total</b>	<b>149,133,841</b>	<b>2,998,175</b>	<b>2,176,079</b>	<b>107,951,218</b>	<b>798,836</b>	<b>938,061</b>



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**B8. Derivative Financial Instruments (continued)**

Details of derivative financial instruments outstanding are as follows: (continued)

(a) Derivative financial instruments measured at their fair values together with their corresponding contract/notional amounts (continued)

Group	As at 30 September 2022			As at 31 December 2021		
	Contract/ Notional Amount	Fair Value		Contract/ Notional Amount	Fair Value	
	RM'000	Assets RM'000	Liabilities RM'000	RM'000	Assets RM'000	Liabilities RM'000
<b>By remaining period to maturity/next re-pricing date</b>						
<u>Trading Derivatives:</u>						
Foreign exchange related contracts						
- Less than one year	62,922,079	1,287,750	906,765	46,065,953	201,236	314,835
- One year to three years	3,450,966	121,943	149,526	1,985,490	26,404	36,963
- More than three years	4,093,137	243,040	93,671	2,274,211	36,533	28,253
	<u>70,466,182</u>	<u>1,652,733</u>	<u>1,149,962</u>	<u>50,325,654</u>	<u>264,173</u>	<u>380,051</u>
Interest rate related contracts						
- Less than one year	14,959,571	80,555	62,165	6,376,200	18,294	30,918
- One year to three years	22,120,557	326,390	275,292	14,402,212	83,009	80,409
- More than three years	23,787,809	657,671	500,513	15,681,202	253,121	218,045
	<u>60,867,937</u>	<u>1,064,616</u>	<u>837,970</u>	<u>36,459,614</u>	<u>354,424</u>	<u>329,372</u>
Commodity related contracts						
- Less than one year	153,546	1,939	1,939	58,332	148	148
- One year to three years	61,890	1,616	1,616	15,083	12	12
- More than three years	417,740	20,723	20,723	329,078	22,165	22,169
	<u>633,176</u>	<u>24,278</u>	<u>24,278</u>	<u>402,493</u>	<u>22,325</u>	<u>22,329</u>
Equity related contracts						
- Less than one year	970,412	1,253	965	1,140,762	1,127	1,112
- One year to three years	7,328	-	-	4,286	-	-
	<u>977,740</u>	<u>1,253</u>	<u>965</u>	<u>1,145,048</u>	<u>1,127</u>	<u>1,112</u>
Futures related contracts						
- Less than one year	79,620	650	489	93,017	911	373
	<u>79,620</u>	<u>650</u>	<u>489</u>	<u>93,017</u>	<u>911</u>	<u>373</u>
Structured warrants						
- Less than one year	207,248	-	13,790	284,760	-	21,549
	<u>207,248</u>	<u>-</u>	<u>13,790</u>	<u>284,760</u>	<u>-</u>	<u>21,549</u>
<u>Fair Value Hedging Derivatives:</u>						
Interest rate related contracts						
- Less than one year	-	-	-	496,322	413	140
- One year to three years	5,095,818	75,312	6,974	2,753,083	355	63,725
- More than three years	2,962,291	175,283	-	5,306,110	74,887	69,275
	<u>8,058,109</u>	<u>250,595</u>	<u>6,974</u>	<u>8,555,515</u>	<u>75,655</u>	<u>133,140</u>
<b>Total</b>	<b><u>141,290,012</u></b>	<b><u>2,994,125</u></b>	<b><u>2,034,428</u></b>	<b><u>97,266,101</u></b>	<b><u>718,615</u></b>	<b><u>887,926</u></b>



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**B8. Derivative Financial Instruments (continued)**

Details of derivative financial instruments outstanding are as follows: (continued)

(a) Derivative financial instruments measured at their fair values together with their corresponding contract/notional amounts (continued)

Bank	As at 30 September 2022			As at 31 December 2021		
	Contract/ Notional Amount	Fair Value		Contract/ Notional Amount	Fair Value	
	RM'000	Assets RM'000	Liabilities RM'000	RM'000	Assets RM'000	Liabilities RM'000
<b>By remaining period to maturity/next re-pricing date</b>						
<u>Trading Derivatives:</u>						
Foreign exchange related contracts						
- Less than one year	65,405,879	1,286,238	922,999	50,314,717	228,889	329,712
- One year to three years	3,450,967	121,943	149,526	2,089,620	26,404	36,963
- More than three years	4,093,136	242,826	93,671	2,274,211	36,533	28,439
	<b>72,949,982</b>	<b>1,651,007</b>	<b>1,166,196</b>	54,678,548	291,826	395,114
Interest rate related contracts						
- Less than one year	16,799,571	80,555	62,675	9,286,200	18,294	30,918
- One year to three years	25,620,557	350,187	300,965	16,402,212	114,035	111,435
- More than three years	27,887,809	779,486	620,452	21,281,202	332,568	297,492
	<b>70,307,937</b>	<b>1,210,228</b>	<b>984,092</b>	46,969,614	464,897	439,845
Commodity related contracts						
- Less than one year	156,302	1,939	1,939	58,332	148	148
- One year to three years	87,926	1,616	1,616	15,083	12	12
- More than three years	395,240	20,723	20,723	329,078	22,165	22,169
	<b>639,468</b>	<b>24,278</b>	<b>24,278</b>	402,493	22,325	22,329
Equity related contracts						
- Less than one year	971,017	1,253	965	1,140,762	1,127	1,112
- One year to three years	7,328	-	-	4,286	-	-
	<b>978,345</b>	<b>1,253</b>	<b>965</b>	1,145,048	1,127	1,112
<u>Fair Value Hedging Derivatives:</u>						
Interest rate related contracts						
- Less than one year	-	-	-	496,322	413	140
- One year to three years	3,095,818	56,064	548	1,753,084	355	32,699
- More than three years	1,162,291	55,345	-	2,506,109	17,893	46,822
	<b>4,258,109</b>	<b>111,409</b>	<b>548</b>	4,755,515	18,661	79,661
<b>Total</b>	<b>149,133,841</b>	<b>2,998,175</b>	<b>2,176,079</b>	107,951,218	798,836	938,061



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**B8. Derivative Financial Instruments (continued)**

(b) Related accounting policies

Derivative financial instruments and hedge accounting

Derivatives are initially recognised at fair value on the date on which derivative contracts are entered into and are subsequently remeasured at their fair values. All derivatives are carried as assets when fair values are positive and as liabilities when fair values are negative.

The method of recognising the resulting fair value gain or loss depends on whether the derivative is designated and qualifies as a hedging instrument, and if so, the nature of the item being hedged. The Group and the Bank designate certain derivatives as either: (1) hedges of the fair value of recognised assets or liabilities or firm commitments (fair value hedge); or (2) net investment hedge. Hedge accounting is used for derivatives designated in this way provided certain criteria are met.

(i) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statements, together with any changes in the fair value of the hedged assets or liabilities that are attributable to the hedged risk.

The Group and the Bank apply fair value hedge accounting for hedging fixed interest risk on loans, advances and financing and financial assets at FVOCI. The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate loans, advances and financing is recognised in income statements within other operating income. The gain or loss relating to the ineffective portion is recognised in income statements within net gain or loss on fair value hedges.

For fair value hedge of financial assets designated as FVOCI, any changes in fair value of the hedged financial assets FVOCI are recycled from FVOCI reserves to income statements, while the changes in fair value of the derivatives that is related to the effective portion of the hedge is recognised in income statements within other operating income. The ineffective portion of the aforesaid hedging derivatives is recognised in income statements within net gain or loss on fair value changes of derivatives.

For financial instruments measured at amortised cost, if the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to the income statements over the period to maturity and recorded as other operating income. Effective interest rate amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged. If the hedged item is derecognised, the unamortised fair value adjustment is recognised immediately in the income statements.

(ii) Net investment hedge

Net investment hedge is a hedge against the exposure to exchange rate fluctuations on the net assets of the Group's foreign operations/subsidiaries. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised directly in the foreign currency translation reserve in equity via other comprehensive income while any gain or loss relating to the ineffective portion is recognised directly in the income statements. On disposal of the foreign operations/subsidiaries, the cumulative value of any such gains or losses recognised in equity is transferred to the income statements.

(iii) Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the income statements.



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**B9. Fair Value of Financial Instruments**

The Group and the Bank analyses its financial instruments measured at fair value into three categories as described below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Valuations derived from valuation techniques in which significant inputs are not based on observable market data.

The table below analyses financial instruments carried at fair value analysed by level within the fair value hierarchy:

Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>30 September 2022</b>				
<b><u>Financial assets</u></b>				
Financial assets at FVTPL:	182,525	2,027,031	729,389	2,938,945
- Money market instruments	-	793,562	-	793,562
- Quoted securities	182,525	-	-	182,525
- Unquoted securities	-	1,233,469	729,389	1,962,858
Financial assets at FVOCI:	2,392	38,248,256	739,744	38,990,392
- Money market instruments	-	16,307,634	-	16,307,634
- Quoted securities	2,392	-	-	2,392
- Unquoted securities	-	21,940,622	739,744	22,680,366
Derivative assets	-	2,994,125	-	2,994,125
	<u>184,917</u>	<u>43,269,412</u>	<u>1,469,133</u>	<u>44,923,462</u>
<b><u>Financial liabilities</u></b>				
Derivative liabilities	<u>13,790</u>	<u>2,020,638</u>	<u>-</u>	<u>2,034,428</u>
<b>31 December 2021</b>				
<b><u>Financial assets</u></b>				
Financial assets at FVTPL:	233,908	1,903,186	641,145	2,778,239
- Money market instruments	-	630,633	-	630,633
- Quoted securities	233,908	-	-	233,908
- Unquoted securities	-	1,272,553	641,145	1,913,698
Financial assets at FVOCI:	2,218	40,379,822	758,833	41,140,873
- Money market instruments	-	17,021,274	-	17,021,274
- Quoted securities	2,218	-	-	2,218
- Unquoted securities	-	23,358,548	758,833	24,117,381
Derivative assets	-	718,615	-	718,615
	<u>236,126</u>	<u>43,001,623</u>	<u>1,399,978</u>	<u>44,637,727</u>
<b><u>Financial liabilities</u></b>				
Derivative liabilities	<u>21,549</u>	<u>866,377</u>	<u>-</u>	<u>887,926</u>



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**B9. Fair Value of Financial Instruments (continued)**

The table below analyses financial instruments carried at fair value analysed by level within the fair value hierarchy (continued):

<b>Bank</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>30 September 2022</b>				
<b><u>Financial assets</u></b>				
Financial assets at FVTPL:	2,565	983,306	15,134	1,001,005
- Money market instruments	-	722,410	-	722,410
- Quoted securities	2,565	-	-	2,565
- Unquoted securities	-	260,896	15,134	276,030
Financial assets at FVOCI:	-	32,504,500	700,824	33,205,324
- Money market instruments	-	14,351,631	-	14,351,631
- Unquoted securities	-	18,152,869	700,824	18,853,693
Derivative assets	-	2,998,175	-	2,998,175
	<u>2,565</u>	<u>36,485,981</u>	<u>715,958</u>	<u>37,204,504</u>
<b><u>Financial liabilities</u></b>				
Derivative liabilities	-	2,176,079	-	2,176,079
<b>31 December 2021</b>				
<b><u>Financial assets</u></b>				
Financial assets at FVTPL:	2,351	823,577	14,482	840,410
- Money market instruments	-	578,540	-	578,540
- Quoted securities	2,351	-	-	2,351
- Unquoted securities	-	245,037	14,482	259,519
Financial assets at FVOCI:	-	34,233,732	721,769	34,955,501
- Money market instruments	-	14,867,332	-	14,867,332
- Unquoted securities	-	19,366,400	721,769	20,088,169
Derivative assets	-	798,836	-	798,836
	<u>2,351</u>	<u>35,856,145</u>	<u>736,251</u>	<u>36,594,747</u>
<b><u>Financial liabilities</u></b>				
Derivative liabilities	-	938,061	-	938,061

There were no transfers between Level 1 and 2 during the financial year.

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS  
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**B9. Fair Value of Financial Instruments (continued)**

## (i) Valuation techniques

Financial instruments are classified as Level 1 if their value is observable in an active market. Such instruments are valued by reference to unadjusted quoted prices for identical assets or liabilities in active markets where the quoted prices is readily available, and the price represents actual and regularly occurring market transactions. An active market is one in which transactions occur with sufficient volume and frequency to provide pricing information on an on-going basis. These would include quoted securities and unit trusts.

Where fair value is determined using unquoted market prices in less active markets or quoted prices for similar assets and liabilities, such instruments are generally classified as Level 2. In cases where quoted prices are generally not available, the Group and the Bank then determine fair value based upon valuation techniques that use market parameters including but not limited to yield curves, volatilities and foreign exchange rates as inputs. The majority of valuation techniques employ only observable market data. These would include certain bonds, government bonds, corporate debt securities and derivatives.

Financial instruments are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data (unobservable inputs). This category includes unquoted shares held for socio-economic reasons, unquoted private equity funds, non-transferable and non-tradable perpetual notes/sukuk, impaired securities and unquoted corporate loan stocks. Fair values for shares held for socio-economic reasons are based on the net tangible assets of the affected companies. Fair values for unquoted private equity funds are based on enterprise valuation method where the main input include earnings before interest, taxes, depreciation and amortisation ('EBITDA'), comparable companies earning multiple and marketable discount. For unquoted corporate loan stocks, discounted cash flow analysis has been performed to determine the recoverability of the instruments.

## (ii) Reconciliation of fair value movements in Level 3

The following represents the changes in Level 3 instruments for the Group and the Bank:

	Group		Bank	
	As at 30 September 2022	As at 31 December 2021	As at 30 September 2022	As at 31 December 2021
	RM'000	RM'000	RM'000	RM'000
<b>Financial assets at FVTPL</b>				
Balance as at the beginning of the financial period/year	641,145	547,085	14,482	13,657
Total net gain recognised in income statements	11,623	65,563	-	-
Purchases	9,164	35,000	652	825
Settlement/distribution	(4,119)	(25,674)	-	-
Exchange differences	71,576	19,171	-	-
Balance as at the end of the financial period/year	<u>729,389</u>	<u>641,145</u>	<u>15,134</u>	<u>14,482</u>
<b>Financial assets at FVOCI</b>				
Balance as at the beginning of the financial period/year	758,833	753,828	721,769	712,602
Total net (loss)/gain recognised in other comprehensive income	(18,077)	13,864	(19,925)	12,148
Settlement/disposal	(1,020)	(8,850)	(1,020)	(2,981)
Exchange differences	8	(9)	-	-
Balance as at the end of the financial period/year	<u>739,744</u>	<u>758,833</u>	<u>700,824</u>	<u>721,769</u>





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**B10. Disposal of PT RHB Asset Management Indonesia ('RHBAMI')**

PT RHB Sekuritas Indonesia ('RHB Sekuritas'), a wholly-owned subsidiary of RHB Investment Bank which in turn is a wholly-owned subsidiary of the Bank, had on 23 July 2021, entered into a conditional share purchase agreement ('CSPA') with Allianz Global Investors Asia Pacific Limited ('AllianzGI') and PT Asuransi Allianz Life Indonesia ('Allianz Life Indonesia') to dispose its entire 99.62% equity interest in RHBAMI ('Disposal') for a consideration of approximately EUR6.53 million (or approximately RM30.83 million). The Disposal which entailed the disposal by RHB Sekuritas of its entire 98.62% equity interest and 1.00% equity interest in RHBAMI to AllianzGI and Allianz Life Indonesia respectively, was completed on 31 January 2022 and RHBAMI has since then ceased to be an indirect subsidiary of the Bank.

Financial information relating to the Disposal are as follows:

(a) Cash flows and net assets on disposal date

	<b>RM'000</b>
Cash and short-term funds	4,522
Other assets	972
Tax recoverable	285
Deferred tax assets	1,081
Right-of-use assets	1,007
Property, plant and equipment	785
Other intangible assets	355
Other liabilities	(1,493)
Lease liabilities	(1,134)
Tax liabilities	(22)
NCI	(25)
Total net assets derecognised	<u>6,333</u>
Gain on disposal of a subsidiary, gross	24,595
Exchange difference	<u>(101)</u>
Sales consideration received in cash	30,827
Less: Cash and short-term funds of the subsidiary disposed	(4,522)
Gain from realisation of translation reserves	<u>347</u>
Cash inflow on disposal of a subsidiary	26,652
Estimated income tax expense payable	<u>(3,608)</u>
Estimated cash inflow on disposal of a subsidiary	<u><u>23,044</u></u>

(b) Financial performance and cash flow

**Income Statements for the Nine Months Ended 30 September 2022**

	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>30 September 2022</b>	<b>30 September 2021</b>	<b>30 September 2022</b>	<b>30 September 2021</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Interest income	-	79	14	250
Interest expense	-	(36)	(11)	(115)
Net interest income	-	43	3	135
Other operating income	-	1,405	765	4,370
Net income	-	1,448	768	4,505
Other operating expenses	-	(2,338)	(721)	(6,749)
Operating profit/(loss) before allowances	-	(890)	47	(2,244)
Allowance for credit losses on financial assets	-	-	4	-
Profit/(Loss) before taxation	-	(890)	51	(2,244)
Taxation	-	-	(3,798)	(2)
Gain on disposal of a subsidiary, gross	-	-	24,595	-
Net profit/(loss) for the financial period	<u>-</u>	<u>(890)</u>	<u>20,848</u>	<u>(2,246)</u>



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**B10. Disposal of PT RHB Asset Management Indonesia ('RHBAMI') (continued)**

Financial information relating to the Disposal are as follows (continued):

(b) Financial performance and cash flow (continued)

**Statements of Comprehensive Income for the Nine Months Ended 30 September 2022**

	3rd Quarter Ended		Nine Months Ended	
	30 September	30 September	30 September	30 September
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Net profit/(loss) for the financial period	-	(890)	20,848	(2,246)
Other comprehensive income/(loss) in respect of:				
Item that will not be reclassified to profit or loss:				
- Actuarial loss on defined contribution plan of subsidiary	-	-	-	(67)
Item that will be reclassified subsequently to profit or loss:				
- Realisation of translation reserves	-	-	(347)	-
Income tax relating to components of other comprehensive loss/(income)	-	-	353	(51)
Other comprehensive income/(loss), net of tax, for the financial period	-	-	6	(118)
Total comprehensive income/(loss) for the financial period	-	(890)	20,854	(2,364)

**Statements of Cash Flow for the Nine Months Ended 30 September 2022**

	Nine Months Ended	
	30 September	30 September
	2022	2021
	RM'000	RM'000
Net cash (used in)/generated from operating activities	(3,708)	5,850
Net cash used in investing activities	(9)	(23)
Net cash generated from/(used in) financing activities	10	(255)
Net (decrease)/increase in cash and cash equivalents	(3,707)	5,572



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**B11. Dividends**

No dividend has been declared for the third quarter ended 30 September 2022.

**B12. Earnings per Share**

	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>30 September</b>	<b>30 September</b>	<b>30 September</b>	<b>30 September</b>
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Profit attributable to equity holders of the Bank (RM'000)	<b>700,478</b>	635,592	<b>1,935,573</b>	1,987,223
Weighted average number of ordinary shares in issue ('000)	<b>4,212,077</b>	4,063,923	<b>4,170,025</b>	4,028,202
Earnings per share (sen)				
- Basic	<b>16.6</b>	15.6	<b>46.4</b>	49.3
- Diluted	<b>16.6</b>	15.6	<b>46.4</b>	49.3

There were no dilutive potential ordinary shares outstanding as at 30 September 2022. As a result, the diluted earnings per share equal to the basic earnings per share for the financial period ended 30 September 2022.

**BY ORDER OF THE BOARD**

**AZMAN SHAH MD YAMAN**  
(License No. LS0006901)

Company Secretary  
29 November 2022