



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

INTERIM FINANCIAL STATEMENTS
AUDITED INCOME STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

Group	Note	4th Quarter Ended		Twelve Months Ended	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
		RM'000	RM'000	RM'000	RM'000
Interest income	A8	2,178,202	1,603,285	7,382,030	6,328,493
Interest expense	A9	(1,127,235)	(572,652)	(3,207,534)	(2,266,464)
Net interest income		1,050,967	1,030,633	4,174,496	4,062,029
Other operating income	A10	520,397	389,040	1,736,201	1,876,441
Income from Islamic Banking business	A32(b)	694,381	535,173	2,398,056	2,095,091
Modification loss	A11	-	(35,554)	-	(244,895)
Net income		2,265,745	1,919,292	8,308,753	7,788,666
Other operating expenses	A12	(1,007,213)	(910,439)	(3,716,807)	(3,522,385)
Operating profit before allowances		1,258,532	1,008,853	4,591,946	4,266,281
Allowance for credit losses on financial assets	A13	(36,415)	(86,296)	(421,175)	(737,214)
Impairment losses made on other non-financial assets		(31)	-	(43)	(314)
		1,222,086	922,557	4,170,728	3,528,753
Share of results of associates		25	-	25	-
Share of results of joint venture		31	-	31	-
Profit before taxation and zakat		1,222,142	922,557	4,170,784	3,528,753
Taxation and zakat	B5	(448,201)	(291,296)	(1,458,763)	(905,621)
Net profit for the financial period/year		773,941	631,261	2,712,021	2,623,132
Attributable to:					
- Equity holders of the Bank		772,115	631,165	2,707,688	2,618,388
- Non-controlling interests		1,826	96	4,333	4,744
		773,941	631,261	2,712,021	2,623,132
Earnings per share (sen):					
- Profit attributable to equity holders of the Bank					
- Basic	B12	18.2	15.3	64.7	64.7
- Diluted	B12	18.2	15.3	64.7	64.7

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
AUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

	Note	4th Quarter Ended		Twelve Months Ended	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
Group		RM'000	RM'000	RM'000	RM'000
Net profit for the financial period/year		773,941	631,261	2,712,021	2,623,132
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		1,626	(1,125)	1,717	751
(b) Equity instruments designated at fair value through other comprehensive income ('FVOCI')					
- Unrealised net (loss)/gain on revaluation		(1,716)	(169)	(19,644)	31,074
(ii) Items that will be reclassified subsequently to profit or loss:					
(a) Foreign currency translation reserves					
- Currency translation differences		(110,649)	(15,834)	127,378	47,675
- Realisation of translation reserves	B10	-	-	(347)	-
(b) Debt instruments measured at FVOCI					
- Unrealised net (loss)/gain on revaluation		603,830	(258,008)	(1,236,526)	(1,452,925)
- Net transfer to income statements on disposal		(794)	(10,825)	(59,804)	(419,799)
- Changes in expected credit losses and exchange differences		5,699	(8,468)	15,018	(890)
Income tax relating to components of other comprehensive loss/(gain)		(145,183)	64,512	311,472	448,743
Other comprehensive (loss)/gain, net of tax, for the financial period/year		352,813	(229,917)	(860,736)	(1,345,371)
Total comprehensive income for the financial period/year		1,126,754	401,344	1,851,285	1,277,761
Total comprehensive income attributable to:					
- Equity holders of the Bank		1,125,062	401,265	1,846,996	1,273,007
- Non-controlling interests		1,692	79	4,289	4,754
		1,126,754	401,344	1,851,285	1,277,761

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

INTERIM FINANCIAL STATEMENTS
AUDITED INCOME STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	4th Quarter Ended		Twelve Months Ended	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
		RM'000	RM'000	RM'000	RM'000
Bank					
Interest income	A8	2,201,459	1,584,635	7,355,988	6,242,587
Interest expense	A9	(1,093,716)	(552,789)	(3,112,774)	(2,193,936)
Net interest income		1,107,743	1,031,846	4,243,214	4,048,651
Other operating income	A10	312,224	209,646	1,570,800	1,179,730
Income from Islamic Banking business	A32(b)	(4,049)	1,367	(460)	5,450
Modification loss	A11	-	(11,122)	-	(126,374)
Net income		1,415,918	1,231,737	5,813,554	5,107,457
Other operating expenses	A12	(646,923)	(676,736)	(2,393,986)	(2,451,164)
Operating profit before allowances		768,995	555,001	3,419,568	2,656,293
Allowance for credit losses on financial assets	A13	88,925	(58,048)	89,988	(110,125)
Profit before taxation		857,920	496,953	3,509,556	2,546,168
Taxation	B5	(308,526)	(107,598)	(1,026,055)	(563,780)
Net profit for the financial period/year		549,394	389,355	2,483,501	1,982,388

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
AUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	4th Quarter Ended		Twelve Months Ended	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	RM'000	RM'000	RM'000	RM'000
Bank				
Net profit for the financial period/year	549,394	389,355	2,483,501	1,982,388
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	(1,799)	(160)	(21,725)	29,642
(ii) Items that will be reclassified subsequently to profit or loss:				
(a) Foreign currency translation reserves				
- Currency translation differences	2,769	4,989	68,065	3,396
(b) Debt instruments measured at FVOCI				
- Unrealised net (loss)/gain on revaluation	513,508	(213,419)	(1,125,512)	(1,197,601)
- Net transfer to income statements on disposal	(794)	(10,695)	(45,864)	(327,955)
- Changes in expected credit losses and exchange differences	2,647	(8,730)	11,262	(1,226)
Income tax relating to components of other comprehensive loss/(gain)	(123,052)	53,787	281,130	366,133
Other comprehensive (loss)/gain, net of tax, for the financial period/year	393,279	(174,228)	(832,644)	(1,127,611)
Total comprehensive income for the financial period/year	942,673	215,127	1,650,857	854,777

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
AUDITED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	Group		Bank	
		As at 31 December 2022 RM'000	As at 31 December 2021 RM'000	As at 31 December 2022 RM'000	As at 31 December 2021 RM'000
ASSETS					
Cash and short-term funds		19,134,835	19,831,323	11,494,906	10,409,623
Securities purchased under resale agreements		101,258	-	890,539	-
Deposits and placements with banks and other financial institutions		652,365	3,486,773	6,740,026	7,886,688
Investment account due from designated financial institutions	A14	-	-	8,351,236	10,213,639
Financial assets at fair value through profit or loss ('FVTPL')	A15	3,089,411	2,778,239	1,080,766	840,410
Financial assets at fair value through other comprehensive income ('FVOCI')	A16	38,973,689	41,140,873	32,992,301	34,955,501
Financial investments at amortised cost	A17	27,006,708	17,961,511	18,264,654	11,009,290
Loans, advances and financing	A18	208,378,584	194,896,614	121,101,501	115,045,103
Clients' and brokers' balances		741,140	879,595	-	-
Reinsurance assets		505,600	435,342	-	-
Other assets	A19	1,441,036	1,728,260	1,912,440	1,842,709
Derivative assets	B8	1,960,479	718,615	1,987,476	798,836
Statutory deposits		3,429,582	635,012	1,686,475	356,687
Tax recoverable		121,033	131,283	-	61,942
Deferred tax assets		625,092	377,825	472,759	234,795
Investments in subsidiaries		-	-	4,661,589	4,648,681
Investments in associates and joint venture		25	12	-	-
Right-of-use assets		152,305	174,482	92,372	91,368
Property, plant and equipment		1,060,577	1,016,824	811,414	762,684
Goodwill		2,654,122	2,654,122	1,714,913	1,714,913
Intangible assets		760,340	694,753	647,903	603,134
TOTAL ASSETS		310,788,181	289,541,458	214,903,270	201,476,003
LIABILITIES					
Deposits from customers	A20/B7(a)	227,159,762	218,732,585	136,089,471	137,552,576
Deposits and placements of banks and other financial institutions	A21/B7(a)	24,593,869	23,406,827	32,445,462	25,669,599
Obligations on securities sold under repurchase agreements		7,298,911	2,066,068	7,875,962	4,867,026
Investment accounts	A22	1,246,026	581,291	-	-
Bills and acceptances payable		249,679	210,119	242,258	201,832
Clients' and brokers' balances		776,789	948,511	-	-
General insurance contract liabilities		1,171,546	1,068,687	-	-
Other liabilities	A23	4,075,904	4,046,582	2,868,404	2,387,373
Derivative liabilities	B8	1,939,391	887,926	2,018,925	938,061
Recourse obligation on loans sold to Cagamas Berhad ('Cagamas')		4,786,746	2,259,895	3,021,685	1,506,310
Provision for taxation and zakat		396,041	124,163	261,391	-
Deferred tax liabilities		2,187	55	-	-
Lease liabilities		160,632	182,607	93,974	92,935
Borrowings	B7(b)	1,476,185	127,380	1,263,576	-
Senior debt securities	B7(c)	3,841,190	3,646,369	3,841,190	3,646,369
Subordinated obligations	B7(d)	2,867,083	3,221,882	2,011,558	2,265,134
TOTAL LIABILITIES		282,041,941	261,510,947	192,033,856	179,127,215

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RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

INTERIM FINANCIAL STATEMENTS

AUDITED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2022

	Note	Group		Bank	
		As at	As at	As at	As at
		31 December	31 December	31 December	31 December
		2022	2021	2022	2021
		RM'000	RM'000	RM'000	RM'000
EQUITY					
Share capital		8,145,585	7,612,612	8,145,585	7,612,612
Reserves		20,569,508	20,385,716	14,723,829	14,736,176
Equity attributable to holders of the Bank		28,715,093	27,998,328	22,869,414	22,348,788
Non-controlling interests ('NCI')		31,147	32,183	-	-
TOTAL EQUITY		28,746,240	28,030,511	22,869,414	22,348,788
TOTAL LIABILITIES AND EQUITY		310,788,181	289,541,458	214,903,270	201,476,003
COMMITMENTS AND CONTINGENCIES	A28(a)	206,796,408	157,777,145	199,316,377	154,105,883
NET ASSETS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK (RM)		6.76	6.76		

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RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**INTERIM FINANCIAL STATEMENTS
AUDITED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 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	
Balance as at 1 January 2022		7,612,612	104,645	328,129	443,003	562,410	23,331	-	18,924,198	27,998,328	32,183	28,030,511
Net profit for the financial year		-	-	-	-	-	-	-	2,707,688	2,707,688	4,333	2,712,021
Foreign currency translation reserves:												
- Currency translation differences		-	6,015	-	-	121,428	-	-	-	127,443	(65)	127,378
- Realisation of translation reserves	B10	-	-	-	-	(347)	-	-	-	(347)	-	(347)
Financial assets measured at FVOCI:												
- Equity instruments												
- Unrealised net loss on revaluation		-	-	-	(19,644)	-	-	-	-	(19,644)	-	(19,644)
- Debt instruments												
- Unrealised net loss on revaluation		-	-	-	(1,236,526)	-	-	-	-	(1,236,526)	-	(1,236,526)
- Net transfer to income statements on disposal		-	-	-	(59,804)	-	-	-	-	(59,804)	-	(59,804)
- Changes in expected credit losses and exchange differences		-	-	-	15,018	-	-	-	-	15,018	-	15,018
Actuarial gain on defined benefit plan of subsidiaries		-	-	-	-	-	-	-	1,698	1,698	19	1,717
Income tax relating to components of other comprehensive loss		-	-	-	311,241	-	-	-	229	311,470	2	311,472
Other comprehensive (loss)/income, net of tax, for the financial year		-	6,015	-	(989,715)	121,081	-	-	1,927	(860,692)	(44)	(860,736)
Total comprehensive income/(loss) for the financial year		-	6,015	-	(989,715)	121,081	-	-	2,709,615	1,846,996	4,289	1,851,285
Dividends paid		-	-	-	-	-	-	-	(1,667,541)	(1,667,541)	(5,300)	(1,672,841)
Shares issued pursuant to Dividend Reinvestment Plan ('DRP')		532,973	-	-	-	-	-	-	-	532,973	-	532,973
Share-based payment expenses		-	-	-	-	-	-	4,337	-	4,337	-	4,337
Transfer to statutory reserves		-	543	-	-	-	-	-	(543)	-	-	-
Transfer to regulatory reserves		-	-	554,016	-	-	-	-	(554,016)	-	-	-
Disposal of a subsidiary		-	-	-	-	-	-	-	-	-	(25)	(25)
Balance as at 31 December 2022		8,145,585	111,203	882,145	(546,712)	683,491	23,331	4,337	19,411,713	28,715,093	31,147	28,746,240

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RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**INTERIM FINANCIAL STATEMENTS
AUDITED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 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
Balance as at 1 January 2021	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 year	-	-	-	-	-	-	2,618,388	2,618,388	4,744	2,623,132
Foreign currency translation reserves:										
- Currency translation differences	-	3,590	-	23	44,034	-	-	47,647	28	47,675
Financial assets measured at FVOCI:										
- Equity instruments										
- Net gain on disposal	-	-	-	(19,444)	-	-	19,444	-	-	-
- Unrealised net gain on revaluation	-	-	-	31,074	-	-	-	31,074	-	31,074
- Debt instruments										
- Unrealised net loss on revaluation	-	-	-	(1,452,925)	-	-	-	(1,452,925)	-	(1,452,925)
- Net transfer to income statements on disposal	-	-	-	(419,799)	-	-	-	(419,799)	-	(419,799)
- Changes in expected credit losses and exchange differences	-	-	-	(890)	-	-	-	(890)	-	(890)
Actuarial gain/(loss) on defined benefit plan of subsidiaries	-	-	-	-	-	-	767	767	(16)	751
Income tax relating to components of other comprehensive loss/(income)	-	-	-	449,433	-	-	(688)	448,745	(2)	448,743
Other comprehensive (loss)/income, net of tax, for the financial year	-	3,590	-	(1,412,528)	44,034	-	19,523	(1,345,381)	10	(1,345,371)
Total comprehensive income/(loss) for the financial year	-	3,590	-	(1,412,528)	44,034	-	2,637,911	1,273,007	4,754	1,277,761
Dividends paid	-	-	-	-	-	-	(917,023)	(917,023)	(5,300)	(922,323)
Shares issued pursuant to DRP	618,509	-	-	-	-	-	-	618,509	-	618,509
Transfer to statutory reserves	-	100,540	-	-	-	-	(100,540)	-	-	-
Transfer to regulatory reserves	-	-	276,457	-	-	-	(276,457)	-	-	-
Balance as at 31 December 2021	7,612,612	104,645	328,129	443,003	562,410	23,331	18,924,198	27,998,328	32,183	28,030,511

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RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**INTERIM FINANCIAL STATEMENTS
AUDITED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

	← Non-Distributable →				Distributable		Total Equity
	Share Capital	Regulatory Reserves	FVOCI Reserves	Translation Reserves	Share-Based Payment Reserves	Retained Profits	
Bank	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2022	7,612,612	227,289	429,544	353,068	-	13,726,275	22,348,788
Net profit for the financial year	-	-	-	-	-	2,483,501	2,483,501
Foreign currency translation reserves:							
- Currency translation differences	-	-	-	68,065	-	-	68,065
Financial assets measured at FVOCI:							
- Equity instruments							
- Unrealised net loss on revaluation	-	-	(21,725)	-	-	-	(21,725)
- Debt instruments							
- Unrealised net loss on revaluation	-	-	(1,125,512)	-	-	-	(1,125,512)
- Net transfer to income statements on disposal	-	-	(45,864)	-	-	-	(45,864)
- Changes in expected credit losses and exchange differences	-	-	11,262	-	-	-	11,262
Income tax relating to components of other comprehensive loss	-	-	281,130	-	-	-	281,130
Other comprehensive (loss)/income, net of tax, for the financial year	-	-	(900,709)	68,065	-	-	(832,644)
Total comprehensive income/(loss) for the financial year	-	-	(900,709)	68,065	-	2,483,501	1,650,857
Dividends paid	-	-	-	-	-	(1,667,541)	(1,667,541)
Shares issued pursuant to DRP	532,973	-	-	-	-	-	532,973
Share-based payment expenses	-	-	-	-	4,337	-	4,337
Transfer to regulatory reserves	-	334,365	-	-	-	(334,365)	-
Balance as at 31 December 2022	8,145,585	561,654	(471,165)	421,133	4,337	14,207,870	22,869,414

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RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**INTERIM FINANCIAL STATEMENTS
AUDITED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

Bank	Non-Distributable			Distributable		Total Equity
	Share Capital	Regulatory Reserves	FVOCI Reserves	Translation Reserves	Retained Profits	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2021	6,994,103	-	1,578,045	349,672	12,870,705	21,792,525
Net profit for the financial year	-	-	-	-	1,982,388	1,982,388
Foreign currency translation reserves:						
- Currency translation differences	-	-	-	3,396	-	3,396
Financial assets measured at FVOCI:						
- Equity instruments						
- Net gain on disposal	-	-	(17,494)	-	17,494	-
- Unrealised net gain on revaluation	-	-	29,642	-	-	29,642
- Debt instruments						
- Unrealised net loss on revaluation	-	-	(1,197,601)	-	-	(1,197,601)
- Net transfer to income statements on disposal	-	-	(327,955)	-	-	(327,955)
- Changes in expected credit losses and exchange differences	-	-	(1,226)	-	-	(1,226)
Income tax relating to components of other comprehensive loss	-	-	366,133	-	-	366,133
Other comprehensive (loss)/income, net of tax, for the financial year	-	-	(1,148,501)	3,396	17,494	(1,127,611)
Total comprehensive income/(loss) for the financial year	-	-	(1,148,501)	3,396	1,999,882	854,777
Dividends paid	-	-	-	-	(917,023)	(917,023)
Shares issued pursuant to DRP	618,509	-	-	-	-	618,509
Transfer to regulatory reserves	-	227,289	-	-	(227,289)	-
Balance as at 31 December 2021	7,612,612	227,289	429,544	353,068	13,726,275	22,348,788

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RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**INTERIM FINANCIAL STATEMENTS
AUDITED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

Group	Twelve Months Ended	
	31 December 2022	31 December 2021
	RM'000	RM'000
Cash flows from operating activities		
Profit before taxation and zakat	4,170,784	3,528,753
Adjustments for:		
Allowance for credit losses on loans, advances and financing	675,351	926,211
Allowance for credit losses on other financial assets	(6,674)	(12,160)
Property, plant and equipment:		
- Depreciation	135,780	122,342
- Gain on disposal	(534)	(16,722)
- Written off	184	443
- Impairment losses	-	193
Intangible assets:		
- Amortisation	154,867	128,511
- Written off	-	1,209
Right-of-use assets:		
- Depreciation	71,448	72,104
- Gain on modification	(7)	(38)
- Impairment losses	-	121
Impairment losses on investment in a joint venture	43	-
Share-based payment expenses	4,337	-
Net allowance made on financial assets at FVOCI and financial investments at amortised cost	118,981	174,486
Gain on disposal of subsidiaries	(24,595)	(752)
Net gain on financial instruments	(230,666)	(289,599)
Dividend income from financial assets at FVTPL and financial assets at FVOCI	(42,266)	(54,876)
Modification loss	-	244,895
Interest expense on borrowings, senior debt securities, subordinated obligations and lease liabilities	241,279	253,946
Other non-cash items	(1,935,153)	(2,009,515)
Operating profit before working capital changes	3,333,159	3,069,552
Decrease/(Increase) in operating assets:		
Securities purchased under resale agreements	(101,258)	-
Deposits and placements with banks and other financial institutions	2,877,739	2,741,780
Financial assets at FVTPL	(318,156)	1,679,479
Loans, advances and financing	(13,899,787)	(13,369,630)
Clients' and brokers' balances	139,696	464,368
Other assets	(822,950)	597,010
Statutory deposits	(2,779,946)	(9,312)
	(14,904,662)	(7,896,305)
Increase/(Decrease) in operating liabilities:		
Deposits from customers	8,112,476	14,896,587
Deposits and placements of banks and other financial institutions	1,138,265	2,325,201
Obligations on securities sold under repurchase agreements	5,230,217	1,090,031
Investment accounts	664,735	581,291
Bills and acceptances payable	39,266	22,623
Clients' and brokers' balances	(171,722)	(223,419)
Other liabilities	1,205,973	(494,768)
Recourse obligation on loans sold to Cagamas	2,526,851	(763,865)
	18,746,061	17,433,681

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
AUDITED STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

	Twelve Months Ended	
	31 December 2022	31 December 2021
Group	RM'000	RM'000
Cash flows from operating activities (continued)		
Cash generated from operations	7,174,558	12,606,928
Interest/Profit paid	(235,322)	(254,927)
Net tax and zakat paid	(1,110,186)	(749,187)
Net cash generated from operating activities	<u>5,829,050</u>	<u>11,602,814</u>
Cash flows from investing activities		
Net purchase of financial assets at FVOCI and financial investments at amortised cost	(7,954,631)	(1,723,260)
Property, plant and equipment:		
- Purchase	(183,864)	(127,619)
- Proceeds from disposal	540	23,977
Intangible assets:		
- Purchase	(205,538)	(191,640)
Financial assets at FVOCI and financial investments at amortised cost:		
- Interest income received	1,603,208	1,552,428
- Investment income received	318,752	415,516
Dividend income received from financial assets at FVTPL and financial assets at FVOCI	42,266	54,876
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>(6,352,615)</u>	<u>4,991</u>
Cash flows from financing activities		
Net drawdown/(repayment) of borrowings	1,320,835	(522,955)
Proceeds from issuance of senior debt securities	-	2,075,557
Redemption of senior debt securities	-	(2,092,558)
Proceeds from issuance of subordinated notes/sukuk	850,000	500,000
Redemption of subordinated notes/sukuk	(1,200,000)	-
Dividends paid to equity holders of the Bank	(1,134,568)	(699,519)
Dividends paid to NCI	(5,300)	(5,300)
Principal lease payments	(79,178)	(71,990)
Net cash used in from financing activities	<u>(248,211)</u>	<u>(816,765)</u>
Net (decrease)/increase in cash and cash equivalents	(771,776)	10,791,040
Effects of exchange rate differences	75,288	135,998
Cash and cash equivalents:		
- at the beginning of the financial year	19,831,323	8,904,285
- at the end of the financial year	<u>19,134,835</u>	<u>19,831,323</u>
Cash and cash equivalents comprise the following:		
- Cash and short term funds	<u>19,134,835</u>	<u>19,831,323</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
AUDITED STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

	Twelve Months Ended	
	31 December 2022	31 December 2021
	RM'000	RM'000
Bank		
Cash flows from operating activities		
Profit before taxation	3,509,556	2,546,168
Adjustments for:		
Allowance for credit losses on loans, advances and financing	129,497	259,344
Allowance for credit losses on other financial assets	1,774	(1,398)
Property, plant and equipment:		
- Depreciation	112,067	100,459
- Gain on disposal	(424)	(214)
- Written off	61	29
Intangible assets:		
- Amortisation	131,505	110,350
- Written off	-	1,209
Right-of-use assets:		
- Depreciation	55,804	55,299
Share-based payment expenses	3,107	-
Net allowance made on financial assets at FVOCI and financial investments at amortised cost	103,962	178,352
Net gain on financial instruments	(253,228)	(221,920)
Loss on liquidation of subsidiaries	6	52
Dividend income from financial assets at FVOCI	(3,673)	(4,099)
Dividend income from subsidiaries	(530,357)	(247,903)
Modification loss	-	126,374
Interest expense on borrowings, senior debt securities, subordinated obligations and lease liabilities	192,588	198,699
Other non-cash items	(1,452,447)	(1,528,563)
Operating profit before working capital changes	<u>1,999,798</u>	<u>1,572,238</u>
(Increase)/Decrease in operating assets:		
Securities purchased under resale agreements	(890,539)	-
Deposits and placements with banks and other financial institutions	1,171,012	1,702,129
Investment account due from designated financial institutions	1,862,403	(1,372,781)
Financial assets at FVTPL	(206,936)	1,392,285
Loans, advances and financing	(4,816,197)	(5,759,756)
Other assets	(1,062,789)	342,140
Statutory deposits	(1,322,299)	(126,816)
	<u>(5,265,345)</u>	<u>(3,822,799)</u>
Increase/(Decrease) in operating liabilities:		
Deposits from customers	(2,984,390)	2,984,024
Deposits and placements of banks and other financial institutions	6,501,532	1,052,455
Obligations on securities sold under repurchase agreements	2,965,193	123,471
Bills and acceptances payable	36,586	26,528
Other liabilities	1,332,563	(502,999)
Recourse obligation on loans sold to Cagamas	1,515,375	1,506,310
	<u>9,366,859</u>	<u>5,189,789</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
AUDITED STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

	Twelve Months Ended	
	31 December 2022	31 December 2021
	<u>RM'000</u>	<u>RM'000</u>
Bank		
Cash flows from operating activities (continued)		
Cash generated from operations	6,101,312	2,939,228
Interest paid	(189,176)	(204,988)
Net tax paid	(659,748)	(393,722)
Net cash generated from operating activities	<u>5,252,388</u>	<u>2,340,518</u>
Cash flows from investing activities		
Net purchase of financial assets at FVOCI and financial investments at amortised cost	(5,911,724)	(1,255,791)
Property, plant and equipment:		
- Purchase	(152,549)	(93,098)
- Proceeds from disposal	471	215
Intangible assets:		
- Purchase	(181,260)	(152,893)
Interest received from financial assets at FVOCI and financial investments at amortised cost	1,586,691	1,539,464
Dividend income received from subsidiaries	530,585	246,703
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)	(15,645)
Net cash (used in)/generated from investing activities	<u>(4,135,797)</u>	<u>541,354</u>
Cash flows from financing activities		
Net drawdown/(repayment) of borrowings	1,235,877	(201,079)
Proceeds from issuance of senior debt securities	-	2,075,557
Redemption of senior debt securities	-	(2,092,558)
Proceeds from issuance of subordinated notes	500,000	500,000
Redemption of subordinated notes	(750,000)	-
Dividends paid to equity holders of the Bank	(1,134,568)	(699,519)
Principal lease payments	(58,048)	(55,310)
Net cash used in financing activities	<u>(206,739)</u>	<u>(472,909)</u>
Net increase in cash and cash equivalents	909,852	2,408,963
Effects of exchange rate differences	175,431	95,024
Cash and cash equivalents:		
- at the beginning of the financial year	10,409,623	7,905,636
- at the end of the financial year	<u>11,494,906</u>	<u>10,409,623</u>
Cash and cash equivalents comprise the following:		
- Cash and short term funds	<u>11,494,906</u>	<u>10,409,623</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 AUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

A1. Basis Of Preparation

The interim financial statements are audited 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 year:

- (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 A12.

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 financial year ended 31 December 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 financial year ended 31 December 2022.



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**NOTES TO AUDITED INTERIM FINANCIAL STATEMENTS
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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 financial year ended 31 December 2022, other than as disclosed below:

(a) Share capital

- (i) 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; and
- (ii) The Bank has on 7 November 2022 increased its issued and paid up share capital from RM7,970,161,835 to RM8,145,585,311 via the issuance of 35,296,474 new ordinary shares at RM4.97 per share arising from the DRP relating to the single-tier interim dividend of 15.0 sen per share in respect of the financial year ended 31 December 2022, of which the shareholders may elect to reinvest up to 5.0 sen per RHB Bank Share.

The new ordinary shares issued during the financial year 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 its existing 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 issued on 27 September 2017;
- (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;
- (v) RHB Investment Bank Berhad ('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
- (vi) 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 issued on 11 October 2017.

A7. Dividends Paid/Declared

- (a) A final single-tier dividend of 25.0 sen per share in respect of the financial year ended 31 December 2021, amounting to RM1,035,730,000 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 RM678,180,000 was paid on 16 June 2022.



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A7. Dividends Paid/Declared (continued)

- (b) An interim single-tier dividend of 15.0 sen per share in respect of the financial year ended 31 December 2022, amounting to RM631,811,000, 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 reinvestment rate subsequent to the completion of the DRP was 83.3% and the total cash dividend of RM456,388,000 was paid on 7 November 2022.
- (c) A second interim single-tier dividend of 25.0 sen per share in respect of the financial year ended 31 December 2022, amounting RM1,061,843,000, consisting of cash portion of 20.0 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 second interim single-tier dividend into new ordinary shares in the Bank in accordance with the approved DRP scheme of the Bank.



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A8. Interest Income

Group	4th Quarter Ended		Twelve Months Ended	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	RM'000	RM'000	RM'000	RM'000
Loans and advances	1,600,077	1,191,551	5,429,906	4,676,580
Money at call and deposits and placements with banks and other financial institutions	80,183	29,828	219,627	99,109
Securities purchased under resale agreements	362	-	1,344	-
Financial assets at FVTPL	14,198	9,285	56,762	46,427
Financial assets at FVOCI - debt instruments	282,694	263,028	1,078,401	1,099,120
Financial investments at amortised cost	189,163	106,612	574,434	391,936
Others	11,525	2,981	21,556	15,321
	2,178,202	1,603,285	7,382,030	6,328,493
Of which:				
Interest income accrued on impaired financial assets	18,016	12,626	70,439	76,520
Bank				
Loans and advances	1,514,732	1,096,027	5,042,323	4,317,429
Money at call and deposits and placements with banks and other financial institutions	123,216	58,983	360,461	187,138
Investment account due from designated financial institutions	79,059	69,742	280,668	268,299
Securities purchased under resale agreements	5,265	-	12,622	-
Financial assets at FVTPL	14,192	9,243	56,741	46,290
Financial assets at FVOCI - debt instruments	280,523	257,962	1,064,617	1,078,290
Financial investments at amortised cost	174,821	92,068	522,781	342,988
Others	9,651	610	15,775	2,153
	2,201,459	1,584,635	7,355,988	6,242,587
Of which:				
Interest income accrued on impaired financial assets	17,094	11,795	66,947	72,934



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A9. Interest Expense

Group	4th Quarter Ended		Twelve Months Ended	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	162,540	47,647	386,556	172,519
Deposits from customers	814,336	454,627	2,406,198	1,821,787
Obligations on securities sold under repurchase agreements	51,900	4,858	92,661	15,972
Recourse obligation on loans sold to Cagamas	22,463	6,309	62,173	6,309
Subordinated obligations	19,751	24,425	92,116	91,038
Senior debt securities	24,789	23,749	96,437	114,487
Borrowings	12,004	930	14,214	7,861
Others	19,452	10,107	57,179	36,491
	1,127,235	572,652	3,207,534	2,266,464
Bank				
Deposits and placements of banks and other financial institutions	252,565	50,648	524,723	199,528
Deposits from customers	688,429	424,612	2,148,345	1,699,206
Obligations on securities sold under repurchase agreements	58,114	16,612	134,441	61,293
Recourse obligation on loans sold to Cagamas	22,463	6,309	62,173	6,309
Subordinated obligations	18,358	21,955	83,393	81,238
Senior debt securities	24,789	23,749	96,437	114,487
Borrowings	10,497	-	10,497	485
Others	18,501	8,904	52,765	31,390
	1,093,716	552,789	3,112,774	2,193,936



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A10. Other Operating Income

Group	4th Quarter Ended		Twelve Months Ended	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	RM'000	RM'000	RM'000	RM'000
Fee income				
- Service charges and fees	47,422	38,251	175,031	143,306
- Commission	37,743	45,472	180,505	200,159
- Guarantee fees	8,658	6,856	33,747	31,229
- Commitment fees	10,117	10,770	40,501	42,711
- Brokerage income	42,683	65,090	190,042	382,072
- Fund management fees	56,441	73,153	238,888	293,167
- Unit trust fee income	3,941	29,627	33,996	182,471
- Corporate advisory fees	7,047	4,714	22,939	34,625
- Underwriting and arrangement fees	641	4,608	5,288	12,706
- Other fee income	19,416	34,592	76,961	99,881
	234,109	313,133	997,898	1,422,327
- Fee and commission expenses	(27,356)	(64,167)	(131,423)	(328,010)
	206,753	248,966	866,475	1,094,317
Net (loss)/gain arising from financial assets at FVTPL				
- Net loss on disposal	(11,867)	(11,654)	(80,451)	(64,655)
- Unrealised net gain on revaluation	57,450	10,204	9,578	14,691
- Dividend income	8,541	9,770	38,056	50,080
	54,124	8,320	(32,817)	116
Net gain/(loss) on revaluation of derivatives	58,285	3,715	264,966	(50,434)
Net (loss)/gain on fair value hedges	(385)	(396)	(1,159)	11
Net gain on derecognition of hedging	426	-	512	-
Net gain arising from derecognition of financial investments at amortised cost	-	-	839	14,924
Net gain arising from financial assets at FVOCI				
- Net gain on debt instruments on disposal	1,031	10,860	46,410	328,104
- Dividend income	-	5	4,210	4,796
	1,031	10,865	50,620	332,900
Other income				
Net foreign exchange gain	131,268	64,740	291,297	189,711
Insurance underwriting surplus before management expenses	44,161	40,184	208,972	235,022
Gain on disposal of property, plant and equipment	118	17	534	16,752
Gain on disposal of subsidiaries	-	-	24,595	752
Gain on modification of right-of-use assets	-	-	6	-
Rental income	898	430	2,489	1,973
Other operating income	5,772	7,817	27,774	23,958
Other non-operating income	17,946	4,382	31,098	16,439
	200,163	117,570	586,765	484,607
	520,397	389,040	1,736,201	1,876,441



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A10. Other Operating Income (continued)

	4th Quarter Ended		Twelve Months Ended	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Bank	RM'000	RM'000	RM'000	RM'000
Fee income				
- Service charges and fees	44,211	37,388	161,146	131,001
- Commission	42,792	53,286	203,692	246,337
- Guarantee fees	8,578	6,802	33,370	31,066
- Commitment fees	9,730	10,368	38,975	41,170
- Corporate advisory fees	741	163	2,267	5,082
- Underwriting and arrangement fees	-	-	266	465
- Other fee income	4,454	4,708	19,098	19,019
	110,506	112,715	458,814	474,140
Net (loss)/gain arising from financial assets at FVTPL				
- Net loss on disposal	(2,454)	(7,645)	(39,100)	(97,834)
- Unrealised net gain/(loss) on revaluation	26,269	973	11,446	(4,052)
	23,815	(6,672)	(27,654)	(101,886)
Net gain/(loss) on revaluation of derivatives	54,093	4,458	235,286	(18,849)
Net (loss)/gain on fair values hedges	269	(396)	(1,107)	11
Net gain on derecognition of hedging	426	-	512	-
Net gain arising from derecognition of financial investments at amortised cost	-	-	839	14,924
Net gain arising from financial assets at FVOCI				
- Net gain on debt instruments on disposal	794	10,696	45,864	327,720
- Dividend income	-	-	3,673	4,099
	794	10,696	49,537	331,819
Dividend income from subsidiaries	972	26,675	530,357	247,903
Other income				
Net foreign exchange gain	105,214	50,565	264,970	187,459
Gain on disposal of property, plant and equipment	8	70	424	214
Loss on liquidation of subsidiaries	-	-	(6)	(52)
Rental income	3,094	601	11,637	9,175
Other operating income	5,075	6,644	25,717	21,254
Other non-operating income	7,958	4,290	21,474	13,618
	121,349	62,170	324,216	231,668
	312,224	209,646	1,570,800	1,179,730

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	Note	4th Quarter Ended		Twelve Months Ended	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
		RM'000	RM'000	RM'000	RM'000
Personnel costs					
- Salaries, allowances and bonuses		477,520	423,283	1,818,110	1,721,315
- Defined contribution plan		65,063	67,771	252,203	249,149
- Share-based expenses	(a)	2,120	-	4,337	-
- Other staff related costs		47,202	34,570	175,561	167,205
		<u>591,905</u>	<u>525,624</u>	<u>2,250,211</u>	<u>2,137,669</u>
Establishment costs					
- Property, plant and equipment:					
- Depreciation		35,320	33,199	135,780	122,342
- Written off		18	2	184	443
- Intangible assets:					
- Amortisation		40,466	35,886	154,867	128,511
- Written off		-	1,209	-	1,209
- Right-of-use assets:					
- Depreciation		17,464	18,986	71,448	72,104
- Rental of premises		4,625	5,124	24,398	23,727
- Rental of equipment		2,790	2,418	10,359	9,992
- Insurance		9,074	6,448	38,637	21,299
- Water and electricity		7,098	6,019	26,266	23,172
- Repair and maintenance		12,133	10,493	39,369	32,438
- Security and escorting expenses		13,048	11,025	46,391	43,909
- Information technology expenses		75,280	72,041	281,294	280,196
- Others		1,504	2,160	6,494	13,501
		<u>218,820</u>	<u>205,010</u>	<u>835,487</u>	<u>772,843</u>
Marketing expenses					
- Sales commission		28,746	26,740	98,692	117,299
- Advertisement and publicity		30,105	24,136	65,163	59,590
- Others		23,694	17,470	86,654	64,413
		<u>82,545</u>	<u>68,346</u>	<u>250,509</u>	<u>241,302</u>
Administration and general expenses					
- Communication expenses		47,846	35,201	156,312	141,773
- Legal and professional fees		25,307	42,230	69,499	74,855
- Others		40,790	34,028	154,789	153,943
		<u>113,943</u>	<u>111,459</u>	<u>380,600</u>	<u>370,571</u>
		<u>1,007,213</u>	<u>910,439</u>	<u>3,716,807</u>	<u>3,522,385</u>



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A12. Other Operating Expenses (continued)

	Note	4th Quarter Ended		Twelve Months Ended	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
Bank		RM'000	RM'000	RM'000	RM'000
Personnel costs					
- Salaries, allowances and bonuses		370,060	364,779	1,406,224	1,342,763
- Defined contribution plan		55,126	54,676	211,079	204,879
- Share-based expenses	(a)	1,544	-	3,107	-
- Other staff related costs		39,824	38,874	135,114	123,855
		466,554	458,329	1,755,524	1,671,497
Establishment costs					
- Property, plant and equipment:					
- Depreciation		29,198	27,590	112,067	100,459
- Written off		17	1	61	29
- Intangible assets:					
- Amortisation		33,978	30,829	131,505	110,350
- Written off		-	1,209	-	1,209
- Right-of-use assets:					
- Depreciation		13,499	14,729	55,804	55,299
- Rental of premises		4,655	4,703	21,646	19,395
- Rental of equipment		2,771	2,403	10,298	9,936
- Insurance		9,317	7,905	38,787	26,755
- Water and electricity		4,691	4,125	18,038	16,140
- Repair and maintenance		9,200	8,292	30,839	25,534
- Security and escorting expenses		13,861	11,942	49,964	46,987
- Information technology expenses		59,631	58,966	217,826	214,474
		180,818	172,694	686,835	626,567
Marketing expenses					
- Sales commission		21,028	32,696	72,623	111,562
- Advertisement and publicity		26,522	21,058	52,456	49,681
- Others		18,482	10,718	60,727	37,822
		66,032	64,472	185,806	199,065
Administration and general expenses					
- Communication expenses		32,124	23,245	110,634	101,747
- Legal and professional fees		23,841	44,083	79,823	103,816
- Others		28,830	24,955	113,082	98,660
		84,795	92,283	303,539	304,223
Operating expenses allocated to subsidiaries		(151,276)	(111,042)	(537,718)	(350,188)
		646,923	676,736	2,393,986	2,451,164



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A12. Other Operating Expenses (continued)

- (a) The Group and the Bank has on 2 June 2022 established and implemented the SGS, which was approved by the shareholders at an extraordinary general meeting 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. As at 31 December 2022, the balance of SGS shares outstanding stood at 4,557,000. The SGS related expenses is recognised in the financial statements from the effective offer date in accordance with MFRS 2 'Share-based Payment'.

A13. Allowance for Credit Losses on Financial Assets

	4th Quarter Ended		Twelve Months Ended	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Group	RM'000	RM'000	RM'000	RM'000
<u>Charge/(Writeback)</u>				
Loans, advances and financing:				
- Net charge/(writeback)	(42,200)	(16,742)	510,731	760,182
- Bad debts recovered	(74,049)	(105,597)	(366,483)	(351,323)
- Bad debts written off	50,812	46,574	164,620	166,029
	(65,437)	(75,765)	308,868	574,888
Financial assets at FVOCI	5,558	(8,578)	14,313	(1,117)
Financial investments at amortised cost	96,724	176,191	104,668	175,603
Other financial assets	(430)	(5,552)	(6,674)	(12,160)
	36,415	86,296	421,175	737,214
Bank				
<u>Charge/(Writeback)</u>				
Loans, advances and financing:				
- Net charge/(writeback)	(148,877)	(39,319)	17,443	138,470
- Bad debts recovered	(66,032)	(98,021)	(325,221)	(326,173)
- Bad debts written off	32,596	24,514	112,054	120,874
	(182,313)	(112,826)	(195,724)	(66,829)
Financial assets at FVOCI	2,506	(8,840)	10,557	(1,453)
Financial investments at amortised cost	89,246	180,832	93,405	179,805
Other financial assets	1,636	(1,118)	1,774	(1,398)
	(88,925)	58,048	(89,988)	110,125



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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 31 December 2022	As at 31 December 2021
	RM'000	RM'000
<u>Principal</u>		
Personal financing	1,000,000	1,500,000
Other term financing	6,238,222	7,064,457
Short-term funds	33,000	490,000
Unquoted securities	1,008,105	1,009,105
	8,279,327	10,063,562

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

	Group		Bank	
	As at 31 December 2022	As at 31 December 2021	As at 31 December 2022	As at 31 December 2021
	RM'000	RM'000	RM'000	RM'000
Mandatory measured at fair value				
<u>Money market instruments:</u>				
Malaysian Government Securities	49,879	204,324	49,879	204,324
Malaysian Government Investment Issues	803,720	426,309	711,723	374,216
Singapore Housing Development Board	23,503	-	23,503	-
<u>Quoted securities:</u>				
In Malaysia				
Shares, exchange traded funds and warrants	36,970	74,375	-	-
Unit trusts	36,921	37,850	-	-
Corporate bond/sukuk	2,270	2,351	2,270	2,351
Outside Malaysia				
Shares, exchange traded funds and warrants	102,034	94,946	258	-
Unit trusts	24,849	24,386	-	-
<u>Unquoted securities:</u>				
In Malaysia				
Corporate bond/sukuk	199,474	83,095	199,472	79,677
Unit trusts	1,026,646	1,024,098	-	-
Commercial paper	-	64,766	-	64,766
Outside Malaysia				
Corporate bond/sukuk	93,661	115,076	93,661	115,076
Private equity funds	689,484	626,663	-	-
	3,089,411	2,778,239	1,080,766	840,410



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

	Group		Bank	
	As at 31 December 2022	As at 31 December 2021	As at 31 December 2022	As at 31 December 2021
At fair value	RM'000	RM'000	RM'000	RM'000
(a) Debt instruments	38,233,244	40,380,841	32,293,277	34,234,752
(b) Equity instruments	740,445	760,032	699,024	720,749
	38,973,689	41,140,873	32,992,301	34,955,501
(a) Debt instruments				
<u>Money market instruments:</u>				
Malaysian Government Securities	3,300,948	2,764,067	3,241,592	2,631,159
Malaysian Government Investment Issues	8,434,385	7,813,683	6,554,541	6,212,432
Cagamas bonds	770,075	-	770,075	-
Khazanah bonds	63,909	119,450	63,909	70,082
Negotiable instruments of deposits	999,506	1,699,602	998,876	1,401,075
Other foreign government investment issues	90,272	97,221	90,272	97,221
Sukuk Perumahan Kerajaan	70,637	71,888	-	-
Singapore Government Securities	997,372	985,101	997,372	985,101
Thailand Government Securities	593,194	629,542	593,194	629,542
Singapore Government Treasury Bills	-	2,126,537	-	2,126,537
Thailand Central Bank Bonds	-	25,151	-	25,151
Singapore Housing Development Board	494,852	689,032	494,852	689,032
<u>Unquoted securities:</u>				
In Malaysia				
Corporate bond/sukuk	16,186,552	18,265,619	12,257,052	14,273,472
Perpetual notes	-	51,111	-	51,111
Outside Malaysia				
Corporate bond/sukuk	6,231,542	5,042,837	6,231,542	5,042,837
	38,233,244	40,380,841	32,293,277	34,234,752
(b) Equity instruments				
<u>Quoted securities:</u>				
Outside Malaysia				
Shares	2,503	2,218	-	-
<u>Unquoted securities:</u>				
In Malaysia				
Shares	737,539	757,418	699,022	720,748
Outside Malaysia				
Shares	403	396	2	1
	740,445	760,032	699,024	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 RM2,841,000,000 (2021: RM1,552,000,000) and RM2,841,000,000 (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 31 December 2022 RM'000	As at 31 December 2021 RM'000
Balance as at the beginning of the financial year	1,020	1,020
Derecognition	(1,020)	-
Balance as at the end of the financial 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
	31 December 2022			
Balance as at the beginning of the financial year	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	8,588	3,312	-	11,900
Purchases and origination	10,215	-	-	10,215
Derecognition and disposal	(7,794)	(8)	-	(7,802)
Exchange differences	705	-	-	705
Balance as at the end of the financial year	<u>48,615</u>	<u>3,376</u>	<u>-</u>	<u>51,991</u>
31 December 2021				
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)

Bank	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
31 December 2022				
Balance as at the beginning of the financial year	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	6,000	3,312	-	9,312
Purchases and origination	8,417	-	-	8,417
Derecognition and disposal	(7,164)	(8)	-	(7,172)
Exchange differences	705	-	-	705
Balance as at the end of the financial year	<u>42,517</u>	<u>3,376</u>	<u>-</u>	<u>45,893</u>
31 December 2021				
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 31 December 2022	As at 31 December 2021	As at 31 December 2022	As at 31 December 2021
	RM'000	RM'000	RM'000	RM'000
At amortised cost				
<u>Money market instruments:</u>				
Malaysian Government Securities	3,725,255	700,667	3,310,259	607,910
Malaysian Government Investment Issues	5,447,600	2,739,575	3,111,955	2,069,843
Malaysian Government Treasury Bills	246,410	-	246,410	-
Cagamas bonds	1,581,202	622,800	1,242,431	607,715
Khazanah bonds	163,108	158,182	21,382	20,694
Negotiable instruments of deposits	-	500,595	-	-
Sukuk Perumahan Kerajaan	110,947	110,981	100,883	100,934
Singapore Government Treasury Bills	2,050,250	648,047	2,050,250	648,047
Singapore Government Securities	127,532	-	127,532	-
Singapore Central Bank Bills	1,143,713	-	1,143,713	-
Thailand Government Bonds	99,126	-	99,126	-
Sukuk (Brunei) Incorporation	32,529	30,872	32,529	30,872
Brunei Central Bank Bills	16,409	15,439	16,409	15,439
<u>Unquoted securities:</u>				
<u>In Malaysia</u>				
Corporate bond/sukuk	12,885,413	13,008,637	7,347,688	7,427,355
Corporate loan stocks	22,652	23,835	-	-
<u>Outside Malaysia</u>				
Corporate bond/sukuk	55,714	-	25,294	-
	27,707,860	18,559,630	18,875,861	11,528,809
Allowance for credit losses	(701,152)	(598,119)	(611,207)	(519,519)
	27,006,708	17,961,511	18,264,654	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 RM4,419,000,000 (2021: RM384,000,000) and RM4,995,000,000 (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 31 December 2022, gross exposure to RIA financing funded by investors at the Group is RM392,980,000 (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 31 December 2022 RM'000	As at 31 December 2021 RM'000	As at 31 December 2022 RM'000	As at 31 December 2021 RM'000
Balance as at the beginning of the financial year	1,236,638	140,252	59,832	62,805
Transfer to lifetime ECL credit impaired (Stage 3)	-	608,076	-	-
Purchases and origination	63,789	496,948	-	-
Derecognition	(6,231)	(8,925)	(4,244)	(3,260)
Exchange differences	453	287	453	287
Balance as at the end of the financial year	<u>1,294,649</u>	<u>1,236,638</u>	<u>56,041</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 RM392,980,000 (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
31 December 2022				
Balance as at the beginning of the financial year	18,599	1,778	577,742	598,119
Changes in credit risk	12,944	(119)	85,227	98,052
Purchases and origination	8,583	3,712	-	12,295
Derecognition	(4,626)	-	(1,053)	(5,679)
Written off	-	-	(2,170)	(2,170)
Exchange differences	82	-	453	535
Balance as at the end of the financial year	<u>35,582</u>	<u>5,371</u>	<u>660,199</u>	<u>701,152</u>
31 December 2021				
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)

Bank	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
31 December 2022				
Balance as at the beginning of the financial year	13,560	-	505,959	519,519
Changes in credit risk	2,737	-	87,214	89,951
Purchases and origination	4,046	3,217	-	7,263
Derecognition	(2,756)	-	(1,053)	(3,809)
Written off	-	-	(2,170)	(2,170)
Exchange differences	-	-	453	453
Balance as at the end of the financial year	<u>17,587</u>	<u>3,217</u>	<u>590,403</u>	<u>611,207</u>
31 December 2021				
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 31 December 2022 RM'000	As at 31 December 2021 RM'000	As at 31 December 2022 RM'000	As at 31 December 2021 RM'000
At amortised cost				
Overdrafts	5,682,506	5,532,681	4,093,249	4,132,651
Term loans/financing:				
- Housing loans/financing	78,216,973	71,111,818	48,658,350	46,003,666
- Syndicated term loans/financing	15,544,484	11,045,645	8,909,063	6,556,269
- Hire purchase receivables/financing	10,315,968	9,822,724	392,188	659,328
- Other term loans/financing	77,332,120	78,045,017	42,640,686	42,722,512
Bills receivables	3,892,128	5,466,845	3,570,030	5,084,332
Trust receipts	807,390	653,169	739,682	612,561
Claims on customers under acceptance credits	5,432,419	4,159,728	4,033,264	3,142,641
Share margin financing	2,382,860	2,002,139	489,720	308,609
Staff loans/financing	92,367	98,006	73,934	84,543
Credit/charge card receivables	2,069,207	1,936,629	1,766,927	1,665,110
Revolving credits/financing	10,431,720	8,637,366	7,716,326	6,426,835
Gross loans, advances and financing	212,200,142	198,511,767	123,083,419	117,399,057
Fair value changes arising from fair value hedges	(111,556)	(5,036)	(19,709)	(3,248)
	212,088,586	198,506,731	123,063,710	117,395,809
Less: Allowance for credit losses	(3,710,002)	(3,610,117)	(1,962,209)	(2,350,706)
Net loans, advances and financing	208,378,584	194,896,614	121,101,501	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 RM4,728,898,000 (2021: RM2,225,525,000) and RM2,908,132,000 (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 31 December 2022, gross exposure to URIA financing funded by investors at the Group is RM802,978,000 (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	As at	As at	As at
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	RM'000	RM'000	RM'000	RM'000
Domestic non-bank financial institutions	3,193,617	3,430,530	1,064,672	666,638
Domestic business enterprises:				
- Small and medium enterprises	31,041,237	29,383,897	22,500,959	22,250,233
- Others	32,799,509	32,293,478	16,418,947	16,367,652
Government and statutory bodies	6,144,478	6,283,148	5,007	31,290
Individuals	106,201,343	99,273,422	56,641,963	55,295,411
Other domestic entities	163,611	160,349	28,550	29,323
Foreign entities	32,656,347	27,686,943	26,423,321	22,758,510
	212,200,142	198,511,767	123,083,419	117,399,057

(c) By geographical distribution

	Group		Bank	
	As at	As at	As at	As at
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	RM'000	RM'000	RM'000	RM'000
Malaysia	181,129,401	172,332,475	98,180,685	96,258,254
Labuan Offshore	2,277,954	1,746,020	-	-
Singapore	23,087,482	19,445,961	23,087,482	19,445,961
Thailand	1,967,516	1,721,007	1,620,513	1,510,805
Brunei	194,739	184,037	194,739	184,037
Cambodia	3,334,856	2,829,014	-	-
Lao	73,585	119,169	-	-
Indonesia	118,223	131,127	-	-
Vietnam	16,386	2,957	-	-
	212,200,142	198,511,767	123,083,419	117,399,057



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A18. Loans, Advances and Financing (continued)

(d) By interest/profit rate sensitivity

	Group		Bank	
	As at 31 December 2022	As at 31 December 2021	As at 31 December 2022	As at 31 December 2021
	RM'000	RM'000	RM'000	RM'000
Fixed rate				
- Housing loans/financing	142,068	135,102	93,267	99,571
- Hire purchase receivables/financing	1,066,701	1,766,382	392,188	659,306
- Other fixed rate loans/financing	21,893,082	22,688,406	10,356,895	10,741,916
Variable rate				
- Base lending/financing rate/base rate plus	123,950,398	114,224,412	72,089,432	70,246,144
- Cost-plus	49,315,685	47,374,156	26,105,488	24,772,398
- Other variable rates	15,832,208	12,323,309	14,046,149	10,879,722
	212,200,142	198,511,767	123,083,419	117,399,057

(e) By economic sector

	Group		Bank	
	As at 31 December 2022	As at 31 December 2021	As at 31 December 2022	As at 31 December 2021
	RM'000	RM'000	RM'000	RM'000
Agriculture, hunting, forestry and fishing	4,629,560	4,610,387	2,631,062	3,033,089
Mining and quarrying	249,354	264,975	141,146	174,710
Manufacturing	11,602,869	10,937,418	8,085,739	8,118,520
Electricity, gas and water	1,541,379	1,364,316	361,740	620,024
Construction	13,347,956	13,550,490	8,447,916	8,002,112
Wholesale and retail trade and restaurant and hotel	21,842,273	19,795,696	17,007,796	15,843,095
Transport, storage and communication	7,843,641	8,335,675	1,659,637	1,666,529
Finance, insurance, real estate and business services	26,757,642	23,542,647	19,252,052	16,772,102
Education, health and others	9,754,308	9,453,404	2,390,554	2,134,895
Household sector	114,176,607	105,954,813	62,875,805	60,581,296
Others	454,553	701,946	229,972	452,685
	212,200,142	198,511,767	123,083,419	117,399,057



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A18. Loans, Advances and Financing (continued)

(f) By purpose

	Group		Bank	
	As at 31 December 2022	As at 31 December 2021	As at 31 December 2022	As at 31 December 2021
	RM'000	RM'000	RM'000	RM'000
Purchase of securities	12,976,360	12,342,007	5,126,878	5,056,270
Purchase of transport vehicles	10,234,231	9,628,845	282,646	433,705
Purchase of landed property:				
- Residential	77,404,367	70,197,769	48,663,045	45,939,533
- Non-residential	25,399,348	24,250,984	19,161,912	18,168,573
Purchase of property, plant and equipment other than land and building	1,595,020	2,039,662	857,259	1,245,530
Personal use	12,019,969	11,325,315	6,863,166	6,450,314
Credit card	2,069,207	1,936,629	1,766,927	1,665,110
Purchase of consumer durables	7,279	9,085	7,279	9,085
Construction	6,567,401	6,629,302	5,303,859	5,323,867
Working capital	54,064,715	49,016,064	32,569,534	30,574,582
Merger and acquisition	1,648,237	2,640,412	176,529	24,568
Other purposes	8,214,008	8,495,693	2,304,385	2,507,920
	212,200,142	198,511,767	123,083,419	117,399,057

Certain comparative balances have been reclassified to conform to current year's presentation which more accurately reflects the loans, advances and financing by purpose.

(g) By remaining contractual maturities

	Group		Bank	
	As at 31 December 2022	As at 31 December 2021	As at 31 December 2022	As at 31 December 2021
	RM'000	RM'000	RM'000	RM'000
Maturity within one year	38,104,568	36,484,052	27,351,711	27,087,299
One year to three years	12,108,274	11,839,045	5,947,184	5,089,861
Three years to five years	19,327,578	17,100,913	10,728,433	9,831,533
Over five years	142,659,722	133,087,757	79,056,091	75,390,364
	212,200,142	198,511,767	123,083,419	117,399,057



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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 31 December 2022 RM'000	As at 31 December 2021 RM'000	As at 31 December 2022 RM'000	As at 31 December 2021 RM'000
Balance as at the beginning of the financial year	2,950,507	3,181,282	1,744,632	2,354,397
Transfer to 12-month ECL (Stage 1)	(61,383)	(76,826)	(49,481)	(59,146)
Transfer to lifetime ECL not credit impaired (Stage 2)	(100,346)	(413,319)	(81,400)	(359,552)
Transfer to lifetime ECL credit impaired (Stage 3)	1,256,207	1,362,455	765,463	505,604
Purchases and origination	601,612	350,971	483,641	301,989
Derecognition	(784,107)	(338,536)	(630,564)	(250,908)
Modification of contractual cash flow	-	(362)	-	(350)
Amount written off	(683,842)	(1,192,245)	(567,466)	(795,112)
Exchange differences	66,889	20,654	21,598	7,785
Other movements	43,194	56,433	(4,708)	39,925
Balance as at the end of the financial year	3,288,731	2,950,507	1,681,715	1,744,632

(ii) By economic sector

	Group		Bank	
	As at 31 December 2022 RM'000	As at 31 December 2021 RM'000	As at 31 December 2022 RM'000	As at 31 December 2021 RM'000
Agriculture, hunting, forestry and fishing	12,112	11,396	6,912	4,919
Mining and quarrying	20,471	2,876	15,638	2,876
Manufacturing	215,294	228,378	179,477	178,040
Electricity, gas and water	9,965	12,606	-	495
Construction	421,948	343,966	327,228	295,349
Wholesale and retail trade and restaurant and hotel	355,838	287,307	217,473	192,431
Transport, storage and communication	37,677	275,606	23,393	260,172
Finance, insurance, real estate and business services	334,117	276,180	277,813	242,405
Education, health and others	892,141	684,197	52,882	5,266
Household sector	937,738	794,530	580,899	560,901
Others	51,430	33,465	-	1,778
	3,288,731	2,950,507	1,681,715	1,744,632



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A18. Loans, Advances and Financing (continued)

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

(iii) By purpose

	Group		Bank	
	As at 31 December 2022 RM'000	As at 31 December 2021 RM'000	As at 31 December 2022 RM'000	As at 31 December 2021 RM'000
Purchase of securities	31,136	29,901	17,749	18,272
Purchase of transport vehicles	55,148	46,803	8,872	12,520
Purchase of landed property:				
- Residential	733,496	593,169	478,779	422,881
- Non-residential	610,074	385,600	331,844	291,286
Purchase of property, plant and equipment other than land and building	19,906	22,488	16,640	19,254
Personal use	153,747	92,969	123,910	81,577
Credit card	21,407	20,045	18,191	17,844
Purchase of consumer durables	595	588	595	588
Construction	51,858	61,395	51,728	61,021
Working capital	1,417,245	1,535,097	531,368	728,830
Other purposes	194,119	162,452	102,039	90,559
	3,288,731	2,950,507	1,681,715	1,744,632

(iv) By geographical distribution

	Group		Bank	
	As at 31 December 2022 RM'000	As at 31 December 2021 RM'000	As at 31 December 2022 RM'000	As at 31 December 2021 RM'000
Malaysia	2,007,232	1,669,228	1,406,744	1,283,736
Labuan Offshore	756,636	678,850	-	-
Singapore	198,679	372,719	198,679	372,719
Thailand	82,032	94,355	70,319	83,371
Brunei	5,973	4,806	5,973	4,806
Cambodia	234,447	127,567	-	-
Lao	3,732	2,982	-	-
	3,288,731	2,950,507	1,681,715	1,744,632



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A18. Loans, Advances and Financing (continued)

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

(v) Movement in allowance for credit losses

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
31 December 2022				
Balance as at the beginning of the financial year	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)	196,146	(179,726)	(16,420)	-
- Transferred to lifetime ECL not credit impaired (Stage 2)	(31,853)	65,382	(33,529)	-
- Transferred to lifetime ECL credit impaired (Stage 3)	(15,483)	(51,693)	67,176	-
	148,810	(166,037)	17,227	-
Changes in credit risk	(352,433)	9,865	1,191,823	849,255
Purchases and origination	113,114	118,999	27,149	259,262
Changes to model methodologies	(11,434)	(40,369)	(1,303)	(53,106)
Derecognition	(70,097)	(54,600)	(419,983)	(544,680)
Bad debts written off	-	-	(494,580)	(494,580)
Exchange differences	2,478	678	37,384	40,540
Other movements	-	-	43,194	43,194
Balance as at the end of the financial year	846,101	1,055,527	1,808,374	3,710,002
31 December 2021				
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	-
	198,587	(165,890)	(32,697)	-
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	1,015,663	1,186,991	1,407,463	3,610,117



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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)

Bank	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
31 December 2022				
Balance as at the beginning of the financial year	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)	145,689	(134,074)	(11,615)	-
- Transferred to lifetime ECL not credit impaired (Stage 2)	(25,520)	52,232	(26,712)	-
- Transferred to lifetime ECL credit impaired (Stage 3)	(12,182)	(40,540)	52,722	-
	107,987	(122,382)	14,395	-
Changes in credit risk	(292,774)	(149,163)	772,689	330,752
Purchases and origination	81,556	113,587	21,784	216,927
Changes to model methodologies	(7,769)	(25,418)	(1,160)	(34,347)
Derecognition	(51,455)	(47,473)	(396,961)	(495,889)
Bad debts written off	-	-	(428,334)	(428,334)
Exchange differences	8,731	2,891	15,480	27,102
Other movements	-	-	(4,708)	(4,708)
Balance as at the end of the financial year	554,551	620,951	786,707	1,962,209
31 December 2021				
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	708,275	848,909	793,522	2,350,706



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A19. Other Assets

	Group		Bank	
	As at 31 December 2022	As at 31 December 2021	As at 31 December 2022	As at 31 December 2021
	RM'000	RM'000	RM'000	RM'000
Other receivables	672,508	889,136	392,739	277,203
Cash collateral in relation to derivative transactions	514,797	417,368	514,797	417,368
Deposits	44,189	45,191	33,338	34,910
Prepayments	153,469	168,715	101,409	112,499
Amount receivable for release of units from funds	56,073	207,850	-	-
Amount due from subsidiaries	-	-	870,157	1,000,729
	1,441,036	1,728,260	1,912,440	1,842,709



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A20. Deposits from Customers

(a) By type of deposits

	Group		Bank	
	As at 31 December 2022 RM'000	As at 31 December 2021 RM'000	As at 31 December 2022 RM'000	As at 31 December 2021 RM'000
Demand deposits	51,933,661	50,781,048	42,284,487	40,926,635
Savings deposits	14,505,771	14,824,462	11,841,346	12,042,346
Fixed/investment deposits	160,212,605	152,875,804	81,455,913	84,332,324
Negotiable instruments of deposits	507,725	251,271	507,725	251,271
	227,159,762	218,732,585	136,089,471	137,552,576

(b) By type of customer

	Group		Bank	
	As at 31 December 2022 RM'000	As at 31 December 2021 RM'000	As at 31 December 2022 RM'000	As at 31 December 2021 RM'000
Government and statutory bodies	21,460,674	18,660,846	5,592,868	5,283,361
Business enterprises	117,592,692	114,383,371	72,798,795	75,741,317
Individuals	80,503,285	78,274,077	50,975,787	50,124,540
Others	7,603,111	7,414,291	6,722,021	6,403,358
	227,159,762	218,732,585	136,089,471	137,552,576

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

	Group		Bank	
	As at 31 December 2022 RM'000	As at 31 December 2021 RM'000	As at 31 December 2022 RM'000	As at 31 December 2021 RM'000
Due within six months	129,992,709	116,302,584	65,247,406	61,461,628
Six months to one year	26,159,154	34,741,291	14,083,157	22,171,387
One year to three years	3,120,220	1,795,252	2,323,733	685,359
Three years to five years	1,448,247	287,948	309,342	265,221
	160,720,330	153,127,075	81,963,638	84,583,595



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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
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
		RM'000	RM'000	RM'000	RM'000
Licensed banks		17,622,246	16,696,377	26,672,749	20,636,398
Licensed Islamic banks		1,538,161	1,295,130	3,623	1,773
Licensed investment banks		322,526	651,864	1,144,400	607,550
BNM/Other central banks	(a)	4,736,004	4,178,053	4,542,468	4,026,170
Other financial institutions		374,932	585,403	82,222	397,708
		<u>24,593,869</u>	<u>23,406,827</u>	<u>32,445,462</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
		31 December 2022	31 December 2021
		RM'000	RM'000
Mudharabah Restricted Investment Account	(a)	427,640	360,520
Wakalah Unrestricted Investment Account	(b)	818,386	220,771
		<u>1,246,026</u>	<u>581,291</u>

(a) Mudharabah Restricted Investment Account

By type of counterparty:

- Licensed banks	<u>427,640</u>	<u>360,520</u>
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Investment asset (principal):

- Unquoted securities	<u>392,980</u>	<u>357,870</u>
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(b) Wakalah Unrestricted Investment Account

By type of counterparty:

- Business enterprises	<u>818,386</u>	<u>220,771</u>
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Investment asset (principal):

- Personal financing	<u>642,382</u>	<u>176,536</u>
- Housing financing	<u>160,596</u>	<u>44,134</u>
	<u>802,978</u>	<u>220,670</u>



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A23. Other Liabilities

	Group		Bank	
	As at 31 December 2022 RM'000	As at 31 December 2021 RM'000	As at 31 December 2022 RM'000	As at 31 December 2021 RM'000
Other creditors and accruals	1,343,276	1,308,668	844,422	853,092
Amount payable for redemption units	82,211	348,404	-	-
Contract liabilities	147,368	205,971	42,000	63,000
Short term employee benefits	444,087	455,763	311,087	361,228
Accrual for operational expenses	246,929	265,925	191,828	197,033
Prepaid instalments	17,278	22,406	17,278	22,406
Cash collateral pledged for derivative transactions	538,691	112,719	538,691	112,719
Structured deposits	958,666	771,311	917,646	771,311
Remisiers' trust deposits	94,266	97,828	-	-
Amount payable for creation of units due to funds	203,132	457,587	-	-
Amount due to subsidiaries	-	-	5,452	6,584
	4,075,904	4,046,582	2,868,404	2,387,373



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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)

Twelve months ended 31 December 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	4,042,064	3,125,262	831,105	188,978	121,344	-	8,308,753
Inter-segment revenue	-	17,808	(685)	17,743	17,824	(52,690)	-
Segment revenue	4,042,064	3,143,070	830,420	206,721	139,168	(52,690)	8,308,753
Other operating expenses	(2,022,871)	(970,487)	(561,957)	(119,096)	(95,086)	52,690	(3,716,807)
Including:							
- Depreciation of property, plant and equipment	(90,053)	(22,794)	(20,825)	(1,898)	(210)	-	(135,780)
- Depreciation of right-of-use assets	(29,519)	(19,848)	(19,579)	(2,399)	(103)	-	(71,448)
- Amortisation of intangible assets	(101,338)	(31,648)	(17,675)	(4,206)	-	-	(154,867)
Allowance for credit losses on financial assets	(183,178)	(386,211)	146,573	1,641	-	-	(421,175)
Impairment losses made on other non-financial assets	-	(43)	-	-	-	-	(43)
Segment profit	1,836,015	1,786,329	415,036	89,266	44,082	-	4,170,728
Share of results of associates							25
Share of results of joint venture							31
Profit before taxation and zakat							4,170,784
Taxation and zakat							(1,458,763)
Net profit for the financial year							2,712,021



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A24. Segmental Reporting (continued)

As at 31 December 2022

	Group Community Banking	Group Wholesale Banking	Group International Business	Insurance	Support Center and Others	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Segment assets	132,149,149	129,733,543	42,723,470	1,673,312	2,299,556	308,579,030
Investments in associates and joint venture						25
Tax recoverable						121,033
Deferred tax assets						625,092
Unallocated assets						1,463,001
Total assets						<u>310,788,181</u>
Segment liabilities	105,805,400	130,096,002	34,635,756	1,241,432	108,600	271,887,190
Provision for taxation and zakat						396,041
Deferred tax liabilities						2,187
Borrowings						1,476,185
Senior debt securities						3,841,190
Subordinated obligations						2,867,083
Unallocated liabilities						1,572,065
Total liabilities						<u>282,041,941</u>



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A24. Segmental Reporting (continued)

Twelve months ended 31 December 2021

	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	3,709,209	3,466,234	713,920	241,426	(342,123)	-	7,788,666
Inter-segment revenue	-	43,079	1,295	(3,649)	16,464	(57,189)	-
Segment revenue	3,709,209	3,509,313	715,215	237,777	(325,659)	(57,189)	7,788,666
Other operating expenses	(1,951,642)	(995,010)	(488,353)	(119,636)	(24,933)	57,189	(3,522,385)
Including:							
- Depreciation of property, plant and equipment	(81,142)	(21,789)	(17,100)	(2,074)	(237)	-	(122,342)
- Depreciation of right-of-use assets	(33,974)	(17,163)	(18,124)	(2,616)	(227)	-	(72,104)
- Amortisation of intangible assets	(82,898)	(28,045)	(13,864)	(3,704)	-	-	(128,511)
Allowance for credit losses on financial assets	(81,968)	(552,020)	(106,104)	2,878	-	-	(737,214)
Impairment losses made on other non-financial assets	-	(314)	-	-	-	-	(314)
Profit/(Loss) before taxation and zakat	1,675,599	1,961,969	120,758	121,019	(350,592)	-	3,528,753
Taxation and zakat							(905,621)
Net profit for the financial year							<u>2,623,132</u>



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A24. Segmental Reporting (continued)

As at 31 December 2021

	Group Community Banking RM'000	Group Wholesale Banking RM'000	Group International Business RM'000	Insurance RM'000	Support Center and Others RM'000	Total RM'000
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) The Bank had on 19 January 2023 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 4.51% per annum, payable semi-annually in arrears throughout the entire tenure.

A27. Changes in the Composition of the Group

There were no significant changes in the composition of the Group for the financial year ended 31 December 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;
- (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);
- (h) RHB Futures Hong Kong Limited, an indirect wholly-owned subsidiary of the Bank, has on 14 December 2022 commenced the application for member's voluntary winding-up pursuant to The Companies (Winding Up and Miscellaneous Provisions) Ordinance of Hong Kong; and
- (i) RHB Hong Kong Limited and RHB Securities Hong Kong Limited, indirect wholly-owned subsidiaries of the Bank, have on 31 December 2022 commenced the application for member's voluntary winding-up pursuant to The Companies (Winding Up and Miscellaneous Provisions) Ordinance of Hong Kong.



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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 31 December 2022	As at 31 December 2021	As at 31 December 2022	As at 31 December 2021
	RM'000	RM'000	RM'000	RM'000
Contingent liabilities				
Direct credit substitutes	1,410,617	1,394,350	1,405,541	1,390,928
Transaction-related contingent items	2,788,293	3,077,649	2,387,653	2,714,070
Short term self-liquidating trade-related contingencies	984,888	977,071	730,635	883,894
	5,183,798	5,449,070	4,523,829	4,988,892
Commitments				
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	8,573,179	5,424,754	8,777,386	5,424,754
Forward asset purchases, forward deposits, partly paid shares and securities which represent commitments with certain drawdowns	-	35,530	-	35,530
Irrevocable commitments to extend credit:				
- Maturity less than one year	8,480,483	10,416,569	7,136,645	7,335,607
- Maturity more than one year	27,241,322	24,147,171	16,986,025	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	16,329,254	15,415,727	13,695,272	12,815,528
	60,624,238	55,439,751	46,595,328	41,165,773
Derivative financial instruments				
Foreign exchange related contracts [^] :				
- Less than one year	62,316,756	46,065,953	65,135,214	50,314,717
- One year to less than five years	5,647,134	3,904,977	5,647,134	4,009,107
- More than five years	1,169,510	354,724	1,169,510	354,724
Commodity related contracts [^] :				
- Less than one year	267,363	58,332	267,486	58,332
- One year to less than five years	364,149	244,110	364,306	244,110
- More than five years	102,941	100,051	102,941	100,051
Equity related contracts [^] :				
- Less than one year	649,166	1,140,762	649,276	1,140,762
- One year to less than five years	3,090	4,286	3,090	4,286
Interest rate related contracts [^] :				
- Less than one year	18,684,828	6,872,522	19,774,828	9,782,522
- One year to less than five years	45,588,339	31,697,379	48,888,339	33,697,379
- More than five years	6,195,096	6,445,228	6,195,096	8,245,228
	140,988,372	96,888,324	148,197,220	107,951,218
	206,796,408	157,777,145	199,316,377	154,105,883

[^] 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.

(c) Contingent Liabilities

As at 31 December 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

	Group		Bank	
	As at 31 December 2022	As at 31 December 2021	As at 31 December 2022	As at 31 December 2021
	RM'000	RM'000	RM'000	RM'000
Authorised and contracted for property, plant and equipment	<u>284,529</u>	<u>319,850</u>	<u>249,674</u>	<u>286,744</u>



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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 [@]	
	As at 31 December 2022 RM'000	As at 31 December 2021 RM'000	As at 31 December 2022 RM'000	As at 31 December 2021 RM'000
Common Equity Tier I ('CET I')/Tier I Capital				
Share capital	8,145,585	7,612,612	8,145,585	7,612,612
Retained profits	19,196,884	18,689,157	14,479,618	13,954,209
Other reserves	836,784	704,808	610,659	491,179
FVOCI reserves	(599,020)	406,012	(517,256)	394,726
	<u>27,580,233</u>	<u>27,412,589</u>	<u>22,718,606</u>	<u>22,452,726</u>
Less:				
Goodwill	(2,638,198)	(2,638,198)	(1,714,913)	(1,714,913)
Intangible assets (include associated deferred tax liabilities)	(602,106)	(567,938)	(524,689)	(503,178)
Deferred tax assets	(384,052)	(425,268)	(271,633)	(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)	(4,461,272)	(4,448,364)
Investments in associates and joint venture	(25)	(12)	-	-
Other deductions [#]	(30,313)	(11,043)	(29,388)	(10,691)
Total CET I Capital	<u>23,823,114</u>	<u>23,444,398</u>	<u>15,716,711</u>	<u>15,266,904</u>
Qualifying non-controlling interests recognised as Tier I Capital	<u>159</u>	<u>170</u>	<u>-</u>	<u>-</u>
Total Tier I Capital	<u>23,823,273</u>	<u>23,444,568</u>	<u>15,716,711</u>	<u>15,266,904</u>
Tier II Capital				
Subordinated obligations meeting all relevant criteria	1,999,353	2,249,289	1,999,353	2,249,289
Qualifying capital instruments of a subsidiary issued to third parties ⁺	393,975	398,771	-	-
Surplus eligible provisions over expected losses	513,764	510,312	373,005	375,828
General provisions [^]	404,754	292,712	271,763	210,705
Investment in capital instrument of financial and insurance/takaful entities	-	-	(88,116)	-
Total Tier II Capital	<u>3,311,846</u>	<u>3,451,084</u>	<u>2,556,005</u>	<u>2,835,822</u>
Total Capital	<u>27,135,119</u>	<u>26,895,652</u>	<u>18,272,716</u>	<u>18,102,726</u>



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A30. Capital Adequacy Ratio (continued)

	Group		Bank [@]	
	As at 31 December 2022	As at 31 December 2021	As at 31 December 2022	As at 31 December 2021
<u>Capital ratios</u>				
Before proposed dividends:				
CET I Capital Ratio	17.593%	17.831%	16.036%	16.094%
Tier I Capital Ratio	17.593%	17.831%	16.036%	16.094%
Total Capital Ratio	20.039%	20.455%	18.644%	19.083%
After proposed dividends and DRP*:				
CET I Capital Ratio	16.887%	17.200%	15.061%	15.220%
Tier I Capital Ratio	16.887%	17.201%	15.061%	15.220%
Total Capital Ratio	19.333%	19.825%	17.669%	18.210%

[@] 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.

[#] 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.

⁺ Qualifying subordinated sukuk that are recognised as Tier II capital instruments held by third parties as prescribed under paragraph 18.6 of the BNM's Guideline on Capital Adequacy Framework (Capital Components) which are issued by a fully consolidated subsidiary of the Bank.

[^] 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 RM242,061,000 (2021: RM85,609,000) and RM155,937,000 (2021: RM120,542,000) respectively.

* The Board of Directors have declared/proposed the following dividend:

- (a) Second interim single-tier dividend of 25.0 sen per share in respect of the financial year ended 31 December 2022, amounting to RM1,061,843,000, consisting of cash portion of 20.0 sen per share and an electable portion of 5.0 sen per share; and
- (b) Final single-tier dividend of 25.00 sen per share in respect of the financial year ended 31 December 2021, amounting to RM1,035,730,000, consisting of cash portion of 15.00 sen per share and an electable portion of 10.00 sen per share.

There is no irrevocable written undertaking from its shareholders, hence, the amount of the 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, in accordance with the Implementation Guidance on Capital Adequacy Framework (Capital Components) dated 9 December 2020.



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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 31 December 2022 RM'000	As at 31 December 2021 RM'000	As at 31 December 2022 RM'000	As at 31 December 2021 RM'000
CET I/Tier I Capital				
Share capital	1,673,424	1,673,424	1,220,000	1,220,000
Retained profits	4,177,805	3,716,002	426,746	481,289
Other reserves	205	-	685	-
FVOCI reserves	(118,059)	(28,023)	35,060	38,642
	5,733,375	5,361,403	1,682,491	1,739,931
Less:				
Goodwill	-	-	(372,395)	(372,395)
Investments in subsidiaries, associates and joint venture	-	-	(704,352)	(717,155)
Intangible assets (include associated deferred tax liabilities)	(4,227)	(2,976)	(25,592)	(30,183)
Deferred tax assets	(100,598)	(102,565)	(13,300)	(22,684)
55% of cumulative gains arising from change in value of FVOCI instruments	-	-	(19,283)	(21,253)
Other deductions [#]	(941)	(918)	-	(71)
Total CET I Capital/Tier I Capital	5,627,609	5,254,944	547,569	576,190
Tier II Capital				
Subordinated sukuk	750,000	750,000	-	-
Subordinated obligations meeting all relevant criteria	-	-	100,000	200,000
Surplus eligible provisions over expected losses	140,835	134,679	-	-
General provisions [^]	55,462	52,467	7,933	10,428
Total Tier II Capital	946,297	937,146	107,933	210,428
Total Capital	6,573,906	6,192,090	655,502	786,618
<u>Capital ratios</u>				
Before proposed dividends:				
CET I Capital Ratio	17.828%	17.635%	31.348%	29.319%
Tier I Capital Ratio	17.828%	17.635%	31.348%	29.319%
Total Capital Ratio	20.826%	20.780%	37.528%	40.027%
After proposed dividends:				
CET I Capital Ratio	17.033%	16.849%	29.058%	24.231%
Tier I Capital Ratio	17.033%	16.849%	29.058%	24.231%
Total Capital Ratio	20.031%	19.994%	35.238%	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 RM34,664,000 (2021: RM41,763,000) and RM7,850,000 (2021: RM10,400,000) respectively.

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

	Group	Bank[@]	RHB Islamic Bank	RHB Investment Bank
	RM'000	RM'000	RM'000	RM'000
31 December 2022				
Credit risk	118,007,600	85,761,518	28,280,645	634,603
Market risk	3,358,227	3,075,095	170,490	188,204
Operational risk	14,047,918	9,171,749	3,114,515	923,914
Total risk-weighted assets	<u>135,413,745</u>	<u>98,008,362</u>	<u>31,565,650</u>	<u>1,746,721</u>

	Group	Bank[@]	RHB Islamic Bank	RHB Investment Bank
	RM'000	RM'000	RM'000	RM'000
31 December 2021				
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>

[@] 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:

	<u>As at 31 December 2022 RM'000</u>	<u>As at 31 December 2021 RM'000</u>
Before proposed dividends:		
Solvency ratio	16.581%	17.685%
After proposed dividends:		
Solvency ratio	16.581%	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%.

A31. Credit Exposures Arising from Transactions with Connected Parties

	Group		Bank	
	<u>As at 31 December 2022</u>	<u>As at 31 December 2021</u>	<u>As at 31 December 2022</u>	<u>As at 31 December 2021</u>
Outstanding credit exposures with connected parties (RM'000)	<u>13,975,207</u>	<u>13,184,949</u>	<u>8,384,214</u>	<u>8,690,660</u>
Percentage of outstanding credit exposures with connected parties as proportion of total credit exposures (%)	<u>5.51</u>	<u>5.47</u>	<u>5.45</u>	<u>5.82</u>
Percentage of outstanding credit exposures with connected parties which is impaired or in default (%)	<u>-</u>	<u>0.04</u>	<u>-</u>	<u>-</u>

The credit exposures above are derived based on BNM's revised Guidelines on Credit Transactions and Exposures with Connected Parties, which are effective on 1 January 2008.



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A32. Operations of Islamic Banking

(a) Statement of Financial Position as at 31 December 2022

	Note	Group		Bank	
		As at	As at	As at	As at
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
		RM'000	RM'000	RM'000	RM'000
ASSETS					
Cash and short-term funds		7,168,679	8,061,955	-	-
Deposits and placements with banks and other financial institutions		-	2,326,510	-	-
Financial assets at FVTPL		91,997	52,093	-	-
Financial assets at FVOCI		5,700,547	5,587,524	-	-
Financial investments at amortised cost		7,542,997	5,235,191	-	-
Financing and advances		81,616,202	75,232,072	674,093	970,383
Other assets		596,335	555,940	499,798	144,803
Derivative assets		18,181	9,175	-	-
Statutory deposits		1,426,500	20,000	-	-
Deferred tax assets		137,537	110,860	-	-
Right-of-use assets		1,264	2,528	-	-
Property, plant and equipment		6,204	3,452	-	-
Intangible assets		4,567	3,528	-	-
Total assets		104,311,010	97,200,828	1,173,891	1,115,186
LIABILITIES					
Deposits from customers		78,233,590	71,661,203	-	-
Deposits and placements of banks and other financial institutions		3,109,934	4,539,457	1,098,871	1,048,047
Investment accounts	A22	1,246,026	581,291	-	-
Bills and acceptances payable		7,421	8,287	-	-
Other liabilities		303,251	214,046	-	-
Derivative liabilities		210,543	44,104	-	-
Recourse obligation on financing sold to Cagamas		1,765,061	753,585	-	-
Provision for taxation and zakat		111,844	93,685	-	-
Lease liabilities		1,307	2,548	-	-
Subordinated obligations		754,428	754,573	-	-
Total liabilities		85,743,405	78,652,779	1,098,871	1,048,047
Islamic Banking Funds		18,567,605	18,548,049	75,020	67,139
Total liabilities and Islamic Banking Funds		104,311,010	97,200,828	1,173,891	1,115,186
Commitments and contingencies		20,011,594	19,633,698	14,444	1,032,116



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A32. Operations of Islamic Banking (continued)

(b) Income Statement for the Financial Year Ended 31 December 2022

	4th Quarter Ended		Twelve Months Ended	
	31 December	31 December	31 December	31 December
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Group				
Income derived from investment of depositors' funds	1,070,778	759,340	3,446,073	2,936,041
Income derived from investment account funds	136,309	94,851	481,503	357,697
Income derived from investment of shareholders' funds	44,511	45,268	232,901	250,077
Net modification loss	-	(24,432)	-	(118,521)
Allowance for credit losses	(99,151)	25,123	(257,155)	(146,601)
Total distributable income	1,152,447	900,150	3,903,322	3,278,693
Income attributable to depositors	(541,806)	(356,728)	(1,709,777)	(1,426,365)
Profit distributed to investment account holders	(15,411)	(7,558)	(52,644)	(22,359)
	595,230	535,864	2,140,901	1,829,969
Personnel expenses	(6,660)	(13,328)	(27,456)	(33,739)
Other overheads and expenditures	(173,259)	(125,974)	(594,249)	(414,228)
Profit before taxation and zakat	415,311	396,562	1,519,196	1,382,002
Taxation and zakat	(114,803)	(63,993)	(386,089)	(241,027)
Net profit for the financial period/year	300,508	332,569	1,133,107	1,140,975

Statement of Comprehensive Income for the Financial Year Ended 31 December 2022

	4th Quarter Ended		Twelve Months Ended	
	31 December	31 December	31 December	31 December
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Group				
Net profit for the financial period/year	300,508	332,569	1,133,107	1,140,975
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)/gain on revaluation	89,902	(41,883)	(104,528)	(241,011)
- Net transfer to income statement on disposal	-	-	(13,940)	(91,714)
- Changes in expected credit losses	2,645	262	3,942	336
Income tax relating to components of other comprehensive loss/(gain)	(21,577)	10,052	28,432	79,854
Other comprehensive (loss)/gain, net of tax, for the financial period/year	70,970	(31,569)	(86,094)	(252,535)
Total comprehensive income for the financial period/year	371,478	301,000	1,047,013	888,440



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A32. Operations of Islamic Banking (continued)

(b) Income Statement for the Financial Year Ended 31 December 2022

	4th Quarter Ended		Twelve Months Ended	
	31 December	31 December	31 December	31 December
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Bank				
Income derived from investment of depositors' funds	6,150	2,698	20,235	10,815
Income derived from investment of shareholders' funds	-	-	-	15
Allowance for credit losses	358	(528)	3,897	(722)
Total distributable income	6,508	2,170	24,132	10,108
Income attributable to depositors	(10,199)	(1,331)	(20,695)	(5,380)
Profit/(Loss) before taxation	(3,691)	839	3,437	4,728
Taxation	-	-	-	-
Net profit/(loss) for the financial period/year	(3,691)	839	3,437	4,728

Statement of Comprehensive Income for the Financial Year Ended 31 December 2022

	4th Quarter Ended		Twelve Months Ended	
	31 December	31 December	31 December	31 December
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Bank				
Net profit/(loss) for the financial period/year	(3,691)	839	3,437	4,728
Total comprehensive income/(loss) for the financial period/year	(3,691)	839	3,437	4,728



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A32. Operations of Islamic Banking (continued)

(d) Financing and Advances

	Group		Bank	
	As at 31 December 2022	As at 31 December 2021	As at 31 December 2022	As at 31 December 2021
	RM'000	RM'000	RM'000	RM'000
At amortised cost				
Cashline	1,247,512	1,020,558	-	-
Term financing				
- Housing financing	28,799,725	24,537,246	-	-
- Syndicated term financing	5,228,649	3,257,874	-	-
- Hire purchase receivables	9,923,780	9,163,396	-	-
- Other term financing	32,506,288	33,803,255	674,389	978,132
Bills receivables	322,098	382,513	-	-
Trust receipts	67,708	40,694	-	-
Claims on customers under acceptance credits	1,399,155	1,017,087	-	-
Share margin financing	9,902	1,752	-	-
Staff financing	14,868	13,180	-	-
Credit/charge card receivables	302,280	271,518	-	-
Revolving financing	2,577,115	2,337,239	-	-
Gross financing and advances	82,399,080	75,846,312	674,389	978,132
Less: Allowance for credit losses	(782,878)	(614,240)	(296)	(7,749)
Net financing and advances	81,616,202	75,232,072	674,093	970,383
(i) Movements in impaired financing and advances				
Balance as at the beginning of the financial year	389,489	435,207	3,689	-
Transfer to 12-month ECL (Stage 1)	(11,868)	(15,496)	-	-
Transfer to lifetime ECL not credit impaired (Stage 2)	(18,946)	(53,767)	-	-
Transfer to lifetime ECL credit impaired (Stage 3)	387,988	157,405	-	-
Purchases and origination	52,482	31,079	-	3,689
Derecognition	(90,088)	(72,445)	-	-
Amount written off	(109,365)	(101,293)	(3,899)	-
Modification of contractual cash flow	-	(12)	-	-
Other movements	586	8,811	-	-
Exchange differences	210	-	210	-
Balance as at the end of the financial year	600,488	389,489	-	3,689



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**NOTES TO AUDITED INTERIM FINANCIAL
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A32. 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
31 December 2022				
Balance as at the beginning of the financial year	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)	47,653	(42,848)	(4,805)	-
- Transferred to lifetime ECL not credit impaired (Stage 2)	(5,976)	12,793	(6,817)	-
- Transferred to lifetime ECL credit impaired (Stage 3)	(2,965)	(6,699)	9,664	-
	38,712	(36,754)	(1,958)	-
Changes in credit risk	(66,122)	174,676	148,855	257,409
Purchases and origination	26,322	5,017	5,256	36,595
Changes to model methodologies	(4,079)	(16,222)	(143)	(20,444)
Derecognition	(12,994)	(5,251)	(21,285)	(39,530)
Bad debts written off	-	-	(66,421)	(66,421)
Exchange differences	228	-	215	443
Other movements	-	-	586	586
Balance as at the end of the financial year	156,741	374,072	252,065	782,878
31 December 2021				
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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A32. Operations of Islamic Banking (continued)

(d) Financing and Advances (continued)

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

Bank	12-month	Lifetime ECL	Lifetime ECL	Total
	ECL	not credit	credit	
	(Stage 1)	impaired	impaired	
	RM'000	(Stage 2)	(Stage 3)	RM'000
31 December 2022				
Balance as at the beginning of the financial year	3,965	-	3,784	7,749
Changes in credit risk	(3,897)	-	-	(3,897)
Bad debts written off	-	-	(3,999)	(3,999)
Exchange differences	228	-	215	443
Balance as at the end of the financial year	<u>296</u>	<u>-</u>	<u>-</u>	<u>296</u>
31 December 2021				
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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A32. Operations of Islamic Banking (continued)

	Group		Bank	
	As at	As at	As at	As at
	31 December	31 December	31 December	31 December
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
(e) Other Assets				
Prepayments	26,241	29,816	-	-
Deposits	1,104	1,088	-	-
Other receivables	568,990	525,036	499,798	144,803
	596,335	555,940	499,798	144,803

	Group	
	As at	As at
	31 December	31 December
	2022	2021
	RM'000	RM'000
(f) Deposits from Customers		
Saving Deposits		
- Qard	2,505,812	2,574,440
Demand Deposits		
- Qard	5,982,666	6,183,489
- Commodity Murabahah	3,448,658	3,134,399
Term Deposits		
- Commodity Murabahah	54,237,696	50,129,731
Specific Investment Account		
- Commodity Murabahah	12,058,549	9,638,797
General Investment Account		
- Mudharabah	209	347
	78,233,590	71,661,203

(g) Other Liabilities		
Sundry creditors	14,869	8,126
Contract liability	99,411	129,683
Short term employee benefits	4,447	6,719
Accrual for operational expenses	34,272	34,201
Structured deposits	41,020	-
Other accruals and payables	109,232	35,317
	303,251	214,046



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B1. Review of Group Results

(a) Current Financial Year vs Previous Financial Year

The Group reported a pre-tax profit of RM4,170.8 million for the financial year ended 31 December 2022, 18.2% higher from RM3,528.8 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 8.6% to RM6,379.3 million year-on-year on the back of a 18.3% increase in gross fund based income, supported by gross loans and financing growth of 6.9%.

Non-fund based income declined by 10.6% to RM1,929.4 million from a year ago driven by lower 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 subsidiary.

Operating expenses increased by 5.5% from a year ago to RM3,716.8 million. Cost-to-income ratio improved to 44.7% compared with 45.2% a year ago.

Allowance for credit losses was at RM421.2 million, 42.9% lower than previous year. Credit charge ratio was at 0.15% compared to 0.29% last year.

Total assets of the Group increased by 7.3% from December 2021 to RM310.8 billion as at 31 December 2022. Net assets per share was at RM6.76, with shareholders' equity at RM28.7 billion as at 31 December 2022.

The Group's gross loans and financing grew by 6.9% year-on-year to RM212.2 billion, mainly supported by growth in mortgage, SME and Singapore. Domestic loans and financing grew 5.3% year-on-year.

Customer deposits increased by 3.9% year-on-year to RM227.2 billion, attributed to growth in fixed and money market time deposits growth of 4.8% and CASA growth of 1.3%. CASA composition stood at 29.2% as at 31 December 2022.

Gross impaired loans was at RM3.3 billion as at 31 December 2022, with gross impaired loans ratio of 1.55% compared with RM3.0 billion and 1.49% at 31 December 2021. Loan loss coverage ratio for the Group, excluding regulatory reserves, remained healthy at 112.8% as at end-December 2022.



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B1. Review of Group Results (continued)

(b) Performance by Operating Segment

(i) GCB

GCB reported a pre-tax profit of RM1,836.0 million for the year, 9.6% higher than previous year. This was mainly attributed to higher net fund based income and higher non-fund based income, partially offset by higher allowances for credit losses and higher operating expenses.

Gross loans and financing was at RM133.2 billion, 7.3% higher year-on-year, primarily driven by growth in mortgages, SME and auto finance.

Total deposits increased by 2.1% year-on-year to RM102.3 billion as at 31 December 2022, contributed by growth in fixed deposits.

(ii) GWB

GWB recorded a pre-tax profit of RM1,786.3 million, a decrease of 9.0% from previous year. This is on the back of lower non-fund based income and lower net fund based income, partly offset by lower expected credit losses and lower operating expenses.

Gross loans and financing increased by 0.7% year-on-year to RM50.7 billion. Total deposits increased by 3.4% to RM96.9 billion mainly due to increase in fixed deposits and current account, partly offset by decline in money market time deposits.

(iii) Group International Business

RHB Bank Singapore recorded a pre-tax profit of SGD94.2 million, 385.6% higher year-on-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 11.7% year-on-year to SGD7.0 billion, while deposits increased by 8.8% to SGD7.3 billion.

Group International Business excluding Singapore registered a pre-tax profit of RM114.6 million as compared to RM61.6 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 17.6% to RM1,221.1 million from RM1,039.3 million recorded in the preceding quarter ended 30 September 2022. This was primarily due to lower allowances for credit losses and higher net fund based income, partly offset by higher operating expenses and lower non-fund based income.

B3. Prospects for Financial Year 2023

Global economic growth is expected to slow down in 2023 as the outlook remains uncertain on the back of continued monetary policy prudence in the US, inflationary pressure, geopolitical tensions and trade protectionism. Domestically, GDP is still expected to grow, albeit at a moderate pace of 4.5%, supported mainly by resilient domestic demand with private consumption remaining as the primary driver of the economic growth for the year.

For the banking sector, loans growth is projected to sustain at 5% in 2023 in tandem with softer GDP growth, whilst interest rate is expected to normalise further to pre-pandemic level. Nevertheless, the banking industry is anticipated to remain resilient with robust capital and liquidity positions, supported by adequate level of provisioning.

As the operating environment continues to be challenging, the Group remains vigilant and committed to maintaining its strong fundamentals through its TWP24 strategy, focusing on achieving quality growth and driving service excellence.

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

	4th Quarter Ended		Twelve Months Ended	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	RM'000	RM'000	RM'000	RM'000
Group				
Income tax based on profit for the financial period				
- Malaysian income tax	381,428	317,651	1,360,972	929,989
- Overseas tax	25,015	4,822	40,774	27,380
Deferred tax	42,580	(34,086)	61,149	(59,583)
	<u>449,023</u>	<u>288,387</u>	<u>1,462,895</u>	<u>897,786</u>
(Over)/Under provision in respect of prior financial years	(3,572)	1,409	(12,132)	1,967
Tax expense	<u>445,451</u>	<u>289,796</u>	<u>1,450,763</u>	<u>899,753</u>
Zakat	2,750	1,500	8,000	5,868
	<u>448,201</u>	<u>291,296</u>	<u>1,458,763</u>	<u>905,621</u>

The effective tax rate of the Group for the fourth quarter and financial year ended 31 December 2022 was higher than the statutory tax rate mainly due to non-deductibility of certain expenses for tax purposes.

	4th Quarter Ended		Twelve Months Ended	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	RM'000	RM'000	RM'000	RM'000
Bank				
Income tax based on profit for the financial period				
- Malaysian income tax	256,541	118,453	967,602	585,077
- Overseas tax	22,331	305	24,283	2,464
Deferred tax	29,654	(11,695)	37,953	(22,544)
	<u>308,526</u>	<u>107,063</u>	<u>1,029,838</u>	<u>564,997</u>
(Over)/Under provision in respect of prior financial years	-	535	(3,783)	(1,217)
	<u>308,526</u>	<u>107,598</u>	<u>1,026,055</u>	<u>563,780</u>

The effective tax rate of the Bank for the fourth quarter ended 31 December 2022 was higher than the statutory tax rate mainly due to non-deductibility of certain expenses for tax purposes.

The effective tax rate of the Bank for the financial year ended 31 December 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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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 31 December 2022 RM'000	As at 31 December 2021 RM'000	As at 31 December 2022 RM'000	As at 31 December 2021 RM'000
Deposits from customers				
- One year or less	222,591,295	216,649,385	133,456,396	136,601,996
- More than one year	4,568,467	2,083,200	2,633,075	950,580
	<u>227,159,762</u>	<u>218,732,585</u>	<u>136,089,471</u>	<u>137,552,576</u>
Deposits and placements of banks and other financial institutions				
- Maturing within one year	19,884,995	18,780,203	27,913,185	21,266,823
- One year to three years	1,286,229	1,858,196	1,244,784	1,732,750
- Three years to five years	1,418,630	1,362,647	1,330,913	1,281,367
- Over five years	2,004,015	1,405,781	1,956,580	1,388,659
	<u>24,593,869</u>	<u>23,406,827</u>	<u>32,445,462</u>	<u>25,669,599</u>

(b) Borrowings

	Group		Bank	
	As at 31 December 2022 RM'000	As at 31 December 2021 RM'000	As at 31 December 2022 RM'000	As at 31 December 2021 RM'000
Secured				
Term loan:				
- Cambodian Riel	-	11,001	-	-
Overdraft:				
- Vietnam Dong	7,312	-	-	-
Unsecured				
Term loan:				
- United States Dollar	442,422	-	442,422	-
- Singapore Dollar	821,154	-	821,154	-
Promissory note:				
- Indonesia Rupiah	28,304	14,619	-	-
- Thai Baht	176,993	101,760	-	-
	<u>1,476,185</u>	<u>127,380</u>	<u>1,263,576</u>	<u>-</u>
Scheduled repayment of borrowings:				
- Within one year	655,031	127,380	442,422	-
- One year to three years	821,154	-	821,154	-
	<u>1,476,185</u>	<u>127,380</u>	<u>1,263,576</u>	<u>-</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 31 December 2022 RM'000	As at 31 December 2021 RM'000
USD300 million 3.766% senior debt securities due in 2024	1,339,419	1,265,758
RM300 million 2.85% senior Sukuk Murabahah due in 2025	301,618	301,587
USD500 million 1.658% senior debt securities due in 2026	2,200,153	2,079,024
	3,841,190	3,646,369

(d) Subordinated obligations

	Group		Bank	
	As at 31 December 2022 RM'000	As at 31 December 2021 RM'000	As at 31 December 2022 RM'000	As at 31 December 2021 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	-	202,175	-	-
4.32% RM500 million Tier II Subordinated Sukuk Murabahah 2019/2029	502,426	502,367	-	-
3.35% RM500 million Tier II Subordinated Notes 2020/2030	501,408	501,366	501,408	501,366
3.13% RM500 million Tier II Subordinated Notes 2020/2030	501,557	501,463	501,557	501,463
3.65% RM500 million Tier II Subordinated Notes 2021/2031	503,069	503,018	503,069	503,018
4.06% RM250 million Tier II Subordinated Sukuk Murabahah 2022/2032	252,002	-	-	-
4.40% RM500 million Tier II Subordinated Notes 2022/2032	505,524	-	505,524	-
4.45% RM100 million Tier II Subordinated Notes 2022/2032	101,097	-	-	-
	2,867,083	3,221,882	2,011,558	2,265,134

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 31 December 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	61,412,057	626,384	1,027,880	44,563,855	155,571	313,681
- Options	67,140	5,104	1,633	280,615	5,491	29
- Cross-currency interest rate swaps	7,654,203	144,592	166,071	5,481,184	103,111	66,341
	69,133,400	776,080	1,195,584	50,325,654	264,173	380,051
Interest rate related contracts						
- Swaps	62,421,450	950,167	692,863	36,459,614	354,424	329,372
Commodity related contracts						
- Options	734,453	25,173	25,173	402,493	22,325	22,329
Equity related contracts						
- Options	652,256	728	697	1,145,048	1,127	1,112
Futures related contracts						
	78,180	559	301	93,017	911	373
Structured warrants						
	118,315	-	16,917	284,760	-	21,549
<u>Fair Value Hedging Derivatives:</u>						
Interest rate related contracts						
- Swaps	8,046,813	207,772	7,856	8,555,515	75,655	133,140
Total	141,184,867	1,960,479	1,939,391	97,266,101	718,615	887,926



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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 31 December 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
By type						
<u>Trading Derivatives:</u>						
Foreign exchange related contracts						
- Forwards/swaps	63,723,851	646,548	1,010,057	48,437,748	183,224	328,558
- Options	67,140	5,104	1,633	280,615	5,491	29
- Cross-currency interest rate swaps	8,160,867	144,592	166,222	5,960,185	103,111	66,527
	71,951,858	796,244	1,177,912	54,678,548	291,826	395,114
Interest rate related contracts						
- Swaps	70,611,450	1,071,314	814,679	46,969,614	464,897	439,845
Commodity related contracts						
- Options	734,733	25,173	25,173	402,493	22,325	22,329
Equity related contracts						
- Options	652,366	728	697	1,145,048	1,127	1,112
<u>Fair Value Hedging Derivatives:</u>						
Interest rate related contracts						
- Swaps	4,246,813	94,017	464	4,755,515	18,661	79,661
Total	148,197,220	1,987,476	2,018,925	107,951,218	798,836	938,061



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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 31 December 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
By remaining period to maturity/next re-pricing date						
<u>Trading Derivatives:</u>						
Foreign exchange related contracts						
- Less than one year	62,316,756	686,501	1,066,161	46,065,953	201,236	314,835
- One year to three years	3,031,334	21,863	70,317	1,985,490	26,404	36,963
- More than three years	3,785,310	67,716	59,106	2,274,211	36,533	28,253
	<u>69,133,400</u>	<u>776,080</u>	<u>1,195,584</u>	<u>50,325,654</u>	<u>264,173</u>	<u>380,051</u>
Interest rate related contracts						
- Less than one year	18,184,828	70,522	68,977	6,314,438	18,294	30,396
- One year to three years	19,542,889	274,253	247,780	14,345,123	83,009	80,931
- More than three years	24,693,733	605,392	376,106	15,800,053	253,121	218,045
	<u>62,421,450</u>	<u>950,167</u>	<u>692,863</u>	<u>36,459,614</u>	<u>354,424</u>	<u>329,372</u>
Commodity related contracts						
- Less than one year	267,363	3,020	3,020	58,332	148	148
- One year to three years	173,756	5,712	5,712	15,083	12	12
- More than three years	293,334	16,441	16,441	329,078	22,165	22,169
	<u>734,453</u>	<u>25,173</u>	<u>25,173</u>	<u>402,493</u>	<u>22,325</u>	<u>22,329</u>
Equity related contracts						
- Less than one year	649,166	728	697	1,140,762	1,127	1,112
- One year to three years	3,090	-	-	4,286	-	-
	<u>652,256</u>	<u>728</u>	<u>697</u>	<u>1,145,048</u>	<u>1,127</u>	<u>1,112</u>
Futures related contracts						
- Less than one year	78,180	559	301	93,017	911	373
	<u>78,180</u>	<u>559</u>	<u>301</u>	<u>93,017</u>	<u>911</u>	<u>373</u>
Structured warrants						
- Less than one year	118,315	-	16,917	284,760	-	21,549
	<u>118,315</u>	<u>-</u>	<u>16,917</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	500,000	-	932	558,084	413	662
- One year to three years	4,105,000	64,187	4,317	2,810,172	355	63,203
- More than three years	3,441,813	143,585	2,607	5,187,259	74,887	69,275
	<u>8,046,813</u>	<u>207,772</u>	<u>7,856</u>	<u>8,555,515</u>	<u>75,655</u>	<u>133,140</u>
Total	<u>141,184,867</u>	<u>1,960,479</u>	<u>1,939,391</u>	<u>97,266,101</u>	<u>718,615</u>	<u>887,926</u>



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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 31 December 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
By remaining period to maturity/next re-pricing date						
<u>Trading Derivatives:</u>						
Foreign exchange related contracts						
- Less than one year	65,135,214	706,665	1,048,338	50,314,717	228,889	329,712
- One year to three years	2,922,549	21,863	70,317	2,089,620	26,404	36,963
- More than three years	3,894,095	67,716	59,257	2,274,211	36,533	28,439
	71,951,858	796,244	1,177,912	54,678,548	291,826	395,114
Interest rate related contracts						
- Less than one year	19,774,828	71,454	70,578	9,224,438	18,294	30,396
- One year to three years	21,912,889	294,265	267,791	16,345,123	114,035	111,957
- More than three years	28,923,733	705,595	476,310	21,400,053	332,568	297,492
	70,611,450	1,071,314	814,679	46,969,614	464,897	439,845
Commodity related contracts						
- Less than one year	267,486	3,020	3,020	58,332	148	148
- One year to three years	196,413	5,712	5,712	15,083	12	12
- More than three years	270,834	16,441	16,441	329,078	22,165	22,169
	734,733	25,173	25,173	402,493	22,325	22,329
Equity related contracts						
- Less than one year	649,276	728	697	1,140,762	1,127	1,112
- One year to three years	3,090	-	-	4,286	-	-
	652,366	728	697	1,145,048	1,127	1,112
<u>Fair Value Hedging Derivatives:</u>						
Interest rate related contracts						
- Less than one year	-	-	-	558,084	413	662
- One year to three years	2,920,000	48,028	464	1,810,173	355	32,177
- More than three years	1,326,813	45,989	-	2,387,258	17,893	46,822
	4,246,813	94,017	464	4,755,515	18,661	79,661
Total	148,197,220	1,987,476	2,018,925	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	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
31 December 2022				
<u>Financial assets</u>				
Financial assets at FVTPL:	203,044	2,181,525	704,842	3,089,411
- Money market instruments	-	877,102	-	877,102
- Quoted securities	203,044	-	-	203,044
- Unquoted securities	-	1,304,423	704,842	2,009,265
Financial assets at FVOCI:	2,503	38,233,244	737,942	38,973,689
- Money market instruments	-	15,815,150	-	15,815,150
- Quoted securities	2,503	-	-	2,503
- Unquoted securities	-	22,418,094	737,942	23,156,036
Derivative assets	-	1,960,479	-	1,960,479
	205,547	42,375,248	1,442,784	44,023,579
<u>Financial liabilities</u>				
Derivative liabilities	16,917	1,922,474	-	1,939,391
31 December 2021				
<u>Financial assets</u>				
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
	236,126	43,001,623	1,399,978	44,637,727
<u>Financial liabilities</u>				
Derivative liabilities	21,549	866,377	-	887,926



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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):

Bank	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
31 December 2022				
<u>Financial assets</u>				
Financial assets at FVTPL:	2,528	1,062,880	15,358	1,080,766
- Money market instruments	-	785,105	-	785,105
- Quoted securities	2,528	-	-	2,528
- Unquoted securities	-	277,775	15,358	293,133
Financial assets at FVOCI:	-	32,293,277	699,024	32,992,301
- Money market instruments	-	13,804,683	-	13,804,683
- Unquoted securities	-	18,488,594	699,024	19,187,618
Derivative assets	-	1,987,476	-	1,987,476
	<u>2,528</u>	<u>35,343,633</u>	<u>714,382</u>	<u>36,060,543</u>
<u>Financial liabilities</u>				
Derivative liabilities	-	2,018,925	-	2,018,925
31 December 2021				
<u>Financial assets</u>				
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>
<u>Financial liabilities</u>				
Derivative liabilities	-	938,061	-	938,061

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



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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 31 December 2022	As at 31 December 2021	As at 31 December 2022	As at 31 December 2021
	RM'000	RM'000	RM'000	RM'000
Financial assets at FVTPL				
Balance as at the beginning of the financial year	641,145	547,085	14,482	13,657
Total net gain recognised in income statements	22,504	65,563	-	-
Purchases	8,971	35,000	876	825
Settlement/distribution	(3,915)	(25,674)	-	-
Exchange differences	36,137	19,171	-	-
Balance as at the end of the financial year	704,842	641,145	15,358	14,482
Financial assets at FVOCI				
Balance as at the beginning of the financial year	758,833	753,828	721,769	712,602
Total net (loss)/gain recognised in other comprehensive income	(19,877)	13,864	(21,725)	12,148
Settlement/disposal	(1,020)	(8,850)	(1,020)	(2,981)
Exchange differences	6	(9)	-	-
Balance as at the end of the financial year	737,942	758,833	699,024	721,769



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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

	RM'000
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
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 Twelve Months Ended 31 December 2022

	4th Quarter Ended		Twelve Months Ended	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	RM'000	RM'000	RM'000	RM'000
Interest income	-	57	14	307
Interest expense	-	(34)	(11)	(149)
Net interest income	-	23	3	158
Other operating income	-	1,329	765	5,699
Net income	-	1,352	768	5,857
Other operating expenses	-	(259)	(721)	(7,008)
Operating profit/(loss) before allowances	-	1,093	47	(1,151)
Allowance for credit losses on financial assets	-	4	4	4
Profit/(Loss) before taxation	-	1,097	51	(1,147)
Taxation	-	-	(3,798)	(2)
Gain on disposal of a subsidiary, gross	-	-	24,595	-
Net profit/(loss) for the financial period/year	<u>-</u>	<u>1,097</u>	<u>20,848</u>	<u>(1,149)</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 Twelve Months Ended 31 December 2022

	4th Quarter Ended		Twelve Months Ended	
	31 December	31 December	31 December	31 December
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Net profit/(loss) for the financial period/year	-	1,097	20,848	(1,149)
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	-	(1,615)	-	(1,682)
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/year	-	(1,615)	6	(1,733)
Total comprehensive income/(loss) for the financial period/year	-	(518)	20,854	(2,882)

Statements of Cash Flow for the Twelve Months Ended 31 December 2022

	Twelve Months Ended	
	31 December	31 December
	2022	2021
	RM'000	RM'000
Net cash (used in)/generated from operating activities	(3,708)	2,875
Net cash used in investing activities	(9)	(257)
Net cash generated from/(used in) financing activities	10	(341)
Net (decrease)/increase in cash and cash equivalents	(3,707)	2,277



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B11. Dividends

- (a) The Directors have declared a second interim single-tier dividend of 25.0 sen per share, amounting to RM1,061,843,000 in respect of the financial year ended 31 December 2022.
- (i) Amount per share: Second interim single-tier dividend of 25.0 sen per share, consisting of cash portion of 20.0 sen per share and an electable portion of 5.0 sen per share
- (ii) Entitlement date: To be determined and announced later
- (iii) Payment date: To be determined and announced later
- (b) Total dividend per share for the current financial year:
- (i) Interim single-tier dividend of 15.0 sen per share, consisting of cash portion of 10.0 sen per share and an electable portion of 5.0 sen per share; and
- (ii) Second interim single-tier dividend of 25.0 sen per share, consisting of cash portion of 20.0 sen per share and an electable portion of 5.0 sen per share.
- (c) Total dividend paid for the previous financial year ended 31 December 2021:
- (i) Single-tier interim dividend of 15.0 sen per share, consisting of cash portion of 5.0 sen per share and an electable portion of 10.0 sen per share; and
- (ii) Single-tier final dividend of 25.0 sen per share, consisting of cash portion of 15.0 sen per share and an electable portion of 10.0 sen per share.

B12. Earnings per Share ('EPS')

- (a) Basic earnings per share

The basic EPS of the Group is calculated by dividing the net profit for the period/year attributable to equity holders of the Bank by the weighted average number of ordinary shares in issue during the period/year.

	4th Quarter Ended		Twelve Months Ended	
	31 December	31 December	31 December	31 December
	2022	2021	2022	2021
Profit attributable to equity holders of the Bank (RM'000)	<u>772,115</u>	<u>631,165</u>	<u>2,707,688</u>	<u>2,618,388</u>
Weighted average number of ordinary shares in issue ('000)	<u>4,233,178</u>	<u>4,114,554</u>	<u>4,185,943</u>	<u>4,049,968</u>
Basic earnings per share (sen)	<u>18.2</u>	<u>15.3</u>	<u>64.7</u>	<u>64.7</u>



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B12. Earnings per Share ('EPS') (continued)

- (b) Diluted earnings per share

The diluted EPS is equivalent to the basic EPS as the effect of the dilution from SGS is not material.

BY ORDER OF THE BOARD

AZMAN SHAH MD YAMAN
(License No. LS0006901)

Company Secretary
27 February 2023