



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

INTERIM FINANCIAL STATEMENTS
AUDITED INCOME STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Group	Note	4th Quarter Ended		Twelve Months Ended	
		31 December 2023	Restated 31 December 2022	31 December 2023	Restated 31 December 2022
		RM'000	RM'000	RM'000	RM'000
Interest income	A8	2,493,937	2,178,202	9,473,488	7,382,030
Interest expense	A9	(1,626,716)	(1,127,209)	(5,913,911)	(3,207,380)
Net interest income		867,221	1,050,993	3,559,577	4,174,650
Other operating income	A10	623,220	494,502	1,844,399	1,587,477
Income from Islamic Banking business	A31(b)	533,595	694,381	2,366,449	2,398,056
Net income		2,024,036	2,239,876	7,770,425	8,160,183
Other operating expenses	A11	(980,902)	(983,442)	(3,689,293)	(3,606,274)
Operating profit before allowances		1,043,134	1,256,434	4,081,132	4,553,909
Allowance for credit losses on financial assets	A12	(230,115)	(36,415)	(301,528)	(421,175)
Impairment losses made on other non-financial assets		-	(31)	-	(43)
		813,019	1,219,988	3,779,604	4,132,691
Share of results of associates		(7,265)	25	(26,260)	25
Share of results of joint venture		-	31	-	31
Profit before taxation and zakat		805,754	1,220,044	3,753,344	4,132,747
Taxation and zakat	B5	(218,469)	(447,718)	(942,845)	(1,451,665)
Net profit for the financial period/year		587,285	772,326	2,810,499	2,681,082
Attributable to:					
- Equity holders of the Bank		585,911	770,586	2,806,228	2,678,389
- Non-controlling interests		1,374	1,740	4,271	2,693
		587,285	772,326	2,810,499	2,681,082
Earnings per share (sen):					
- Profit attributable to equity holders of the Bank					
- Basic	B12	13.67	18.20	65.69	63.99
- Diluted	B12	13.64	18.18	65.54	63.92

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 2022.



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

INTERIM FINANCIAL STATEMENTS
AUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	4th Quarter Ended		Twelve Months Ended	
	31 December 2023	Restated 31 December 2022	31 December 2023	Restated 31 December 2022
	RM'000	RM'000	RM'000	RM'000
Group				
Net profit for the financial period/year	587,285	772,326	2,810,499	2,681,082
Other comprehensive income/(loss) in respect of:				
(i) Items that will not be reclassified to profit or loss:				
(a) Actuarial gain on defined benefit plan of subsidiaries	795	1,626	273	1,717
(b) Equity instruments designated at fair value through other comprehensive income ('FVOCI')				
- Net loss on disposal	-	-	(270)	-
- Unrealised net gain/(loss) on revaluation	(574)	(1,716)	32,532	(19,644)
(ii) Items that will be reclassified subsequently to profit or loss:				
(a) Foreign currency translation reserves				
- Currency translation differences	(23,252)	(110,649)	189,192	127,378
- Realisation of translation reserves	-	-	-	(347)
(b) Debt instruments measured at FVOCI				
- Unrealised net gain/(loss) on revaluation	598,725	603,830	989,608	(1,236,526)
- Net transfer to income statements on disposal	(60,532)	(794)	(143,810)	(59,804)
- Changes in expected credit losses and exchange differences	(7,953)	5,699	(20,804)	15,018
Income tax relating to components of other comprehensive (income)/loss	(129,165)	(145,183)	(203,357)	311,472
Other comprehensive income/(loss), net of tax, for the financial period/year	378,044	352,813	843,364	(860,736)
Total comprehensive income for the financial period/year	965,329	1,125,139	3,653,863	1,820,346
Total comprehensive income attributable to:				
- Equity holders of the Bank	963,794	1,123,533	3,649,482	1,817,697
- Non-controlling interests	1,535	1,606	4,381	2,649
	965,329	1,125,139	3,653,863	1,820,346

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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 2023

	Note	4th Quarter Ended		Twelve Months Ended	
		31 December	31 December	31 December	31 December
		2023	2022	2023	2022
		RM'000	RM'000	RM'000	RM'000
Bank					
Interest income	A8	2,489,637	2,201,459	9,444,057	7,355,988
Interest expense	A9	(1,583,716)	(1,093,716)	(5,746,064)	(3,112,774)
Net interest income		905,921	1,107,743	3,697,993	4,243,214
Other operating income	A10	422,704	312,224	1,804,170	1,570,800
Income from Islamic Banking business	A31(b)	(4,375)	(4,049)	(19,156)	(460)
Net income		1,324,250	1,415,918	5,483,007	5,813,554
Other operating expenses	A11	(665,627)	(646,923)	(2,525,858)	(2,393,986)
Operating profit before allowances		658,623	768,995	2,957,149	3,419,568
Allowance for credit losses on financial assets	A12	(243,019)	88,925	(332,953)	89,988
Profit before taxation		415,604	857,920	2,624,196	3,509,556
Taxation	B5	(138,108)	(308,526)	(583,126)	(1,026,055)
Net profit for the financial period/year		277,496	549,394	2,041,070	2,483,501

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 2022.



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

INTERIM FINANCIAL STATEMENTS
AUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	4th Quarter Ended		Twelve Months Ended	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	RM'000	RM'000	RM'000	RM'000
Bank				
Net profit for the financial period/year	277,496	549,394	2,041,070	2,483,501
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 gain/(loss) on revaluation	(627)	(1,799)	30,268	(21,725)
(ii) Items that will be reclassified subsequently to profit or loss:				
(a) Foreign currency translation reserves				
- Currency translation differences	14,636	2,769	102,690	68,065
(b) Debt instruments measured at FVOCI				
- Unrealised net gain/(loss) on revaluation	549,748	513,508	854,299	(1,125,512)
- Net transfer to income statements on disposal	(48,396)	(794)	(114,991)	(45,864)
- Changes in expected credit losses and exchange differences	(7,734)	2,647	(16,868)	11,262
Income tax relating to components of other comprehensive (income)/loss	(120,325)	(123,052)	(177,434)	281,130
Other comprehensive income/(loss), net of tax, for the financial period/year	387,302	393,279	677,964	(832,644)
Total comprehensive income for the financial period/year	664,798	942,673	2,719,034	1,650,857

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RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**INTERIM FINANCIAL STATEMENTS
AUDITED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023**

	Note	Group			Bank	
		As at	Restated	Restated	As at	As at
		31 December	As at	As at	31 December	31 December
		2023	2022	1 January	2023	2022
		RM'000	RM'000	RM'000	RM'000	RM'000
ASSETS						
Cash and short-term funds		14,145,414	19,134,835	19,831,323	10,306,573	11,494,906
Securities purchased under resale agreements		-	101,258	-	369,585	890,539
Deposits and placements with banks and other financial institutions		888,940	652,365	3,486,773	8,798,866	6,740,026
Investment account due from designated financial institutions	A13	-	-	-	6,258,830	8,351,236
Financial assets at fair value through profit or loss ('FVTPL')	A14	3,718,491	3,089,411	2,778,239	1,327,294	1,080,766
Financial assets at fair value through other comprehensive income ('FVOCI')	A15	47,976,929	38,973,689	41,140,873	41,527,907	32,992,301
Financial investments at amortised cost	A16	28,214,643	27,006,708	17,961,511	18,083,039	18,264,654
Loans, advances and financing	A17	219,562,603	208,378,584	194,896,614	127,848,563	121,101,501
Clients' and brokers' balances		1,203,013	741,140	879,595	-	-
Insurance/reinsurance contract assets		573,036	519,703	417,867	-	-
Other assets	A18	1,640,091	1,396,410	1,674,612	3,114,931	1,912,440
Derivative assets	B8	1,675,723	1,960,479	718,615	1,699,427	1,987,476
Statutory deposits		3,911,810	3,429,582	635,012	1,947,787	1,686,475
Tax recoverable		104,249	121,033	131,283	12,292	-
Deferred tax assets		344,872	619,508	374,554	249,249	472,759
Investments in subsidiaries		-	-	-	4,674,312	4,661,589
Investments in associates and joint venture		56,036	25	12	74,000	-
Right-of-use assets		142,763	152,305	174,482	88,389	92,372
Property, plant and equipment		1,066,201	1,060,577	1,016,824	802,429	811,414
Goodwill		2,654,122	2,654,122	2,654,122	1,714,913	1,714,913
Intangible assets		813,175	760,340	694,753	708,508	647,903
TOTAL ASSETS		328,692,111	310,752,074	289,467,064	229,606,894	214,903,270
LIABILITIES						
Deposits from customers	A19/B7(a)	245,083,070	227,159,762	218,732,585	148,641,495	136,089,471
Deposits and placements of banks and other financial institutions	A20/B7(a)	17,022,398	24,593,869	23,406,827	27,223,482	32,445,462
Obligations on securities sold under repurchase agreements		8,970,584	7,298,911	2,066,068	10,415,735	7,875,962
Investment accounts	A21	507,774	1,246,026	581,291	-	-
Bills and acceptances payable		810,216	249,679	210,119	800,375	242,258
Clients' and brokers' balances		1,285,362	776,789	948,511	-	-
Insurance/reinsurance contract liabilities		1,185,982	1,111,779	974,537	-	-
Other liabilities	A22	3,903,762	4,081,126	4,007,550	2,961,127	2,868,404
Derivative liabilities	B8	1,787,728	1,939,391	887,926	1,795,186	2,018,925
Recourse obligation on loans sold to Cagamas Berhad ('Cagamas')		4,332,027	4,786,746	2,259,895	2,720,286	3,021,685
Provision for taxation and zakat		53,691	396,041	124,163	-	261,391
Deferred tax liabilities		30,196	2,368	9,647	-	-
Lease liabilities		151,417	160,632	182,607	89,982	93,974
Borrowings	B7(b)	2,261,224	1,476,185	127,380	1,337,921	1,263,576
Senior debt securities	B7(c)	7,018,453	3,841,190	3,646,369	7,018,453	3,841,190
Subordinated obligations	B7(d)	3,377,163	2,867,083	3,221,882	2,521,693	2,011,558
TOTAL LIABILITIES		297,781,047	281,987,577	261,387,357	205,525,735	192,033,856

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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 2023

	Note	Group			Bank	
		As at 31 December 2023 RM'000	Restated As at 31 December 2022 RM'000	Restated As at 1 January 2022 RM'000	As at 31 December 2023 RM'000	As at 31 December 2022 RM'000
EQUITY						
Share capital		8,330,324	8,145,585	7,612,612	8,330,324	8,145,585
Reserves		22,544,243	20,586,797	20,432,304	15,750,835	14,723,829
Equity attributable to holders of the Bank		30,874,567	28,732,382	28,044,916	24,081,159	22,869,414
Non-controlling interests ('NCI')		36,497	32,115	34,791	-	-
TOTAL EQUITY		30,911,064	28,764,497	28,079,707	24,081,159	22,869,414
TOTAL LIABILITIES AND EQUITY		328,692,111	310,752,074	289,467,064	229,606,894	214,903,270
COMMITMENTS AND CONTINGENCIES	A27(a)	246,063,350	206,796,408	157,777,145	239,349,087	199,316,377
NET ASSETS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK (RM)		7.20	6.76	6.77		

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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 2023**

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 2023												
-		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
-	B10	-	-	-	-	-	-	-	17,289	17,289	968	18,257
-		8,145,585	111,203	882,145	(546,712)	683,491	23,331	4,337	19,429,002	28,732,382	32,115	28,764,497
		-	-	-	-	-	-	-	2,806,228	2,806,228	4,271	2,810,499
Foreign currency translation reserves:												
-		-	4,704	-	-	184,364	-	8	-	189,076	116	189,192
Financial assets measured at FVOCI:												
-		-	-	-	-	-	-	-	(270)	(270)	-	(270)
-		-	-	-	32,532	-	-	-	-	32,532	-	32,532
-		-	-	-	989,608	-	-	-	-	989,608	-	989,608
-		-	-	-	(143,810)	-	-	-	-	(143,810)	-	(143,810)
-		-	-	-	(20,804)	-	-	-	-	(20,804)	-	(20,804)
		-	-	-	-	-	-	-	277	277	(4)	273
		-	-	-	(203,118)	-	-	-	(237)	(203,355)	(2)	(203,357)
		-	4,704	-	654,408	184,364	-	8	(230)	843,254	110	843,364
		-	4,704	-	654,408	184,364	-	8	2,805,998	3,649,482	4,381	3,653,863
		-	-	-	-	-	-	-	(1,704,796)	(1,704,796)	-	(1,704,796)
		184,739	-	-	-	-	-	-	-	184,739	-	184,739
		-	-	-	-	-	-	12,760	-	12,760	1	12,761
		-	-	898,221	-	-	-	-	(898,221)	-	-	-
		-	-	-	-	-	2,644	-	(2,644)	-	-	-
		8,330,324	115,907	1,780,366	107,696	867,855	25,975	17,105	19,629,339	30,874,567	36,497	30,911,064

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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 2023**

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												
- As previously reported		7,612,612	104,645	328,129	443,003	562,410	23,331	-	18,924,198	27,998,328	32,183	28,030,511
- Effect of adoption of MFRS 17	B10	-	-	-	-	-	-	-	46,588	46,588	2,608	49,196
- As restated		7,612,612	104,645	328,129	443,003	562,410	23,331	-	18,970,786	28,044,916	34,791	28,079,707
Net profit for the financial year		-	-	-	-	-	-	-	2,678,389	2,678,389	2,693	2,681,082
Foreign currency translation reserves:												
- Currency translation differences		-	6,015	-	-	121,428	-	-	-	127,443	(65)	127,378
- Realisation of translation reserves		-	-	-	-	(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	-	-	2,680,316	1,817,697	2,649	1,820,346
Dividends paid		-	-	-	-	-	-	-	(1,667,541)	(1,667,541)	(5,300)	(1,672,841)
Shares issued pursuant to 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	19,429,002	28,732,382	32,115	28,764,497

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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 2023**

	← 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 2023	8,145,585	561,654	(471,165)	421,133	4,337	14,207,870	22,869,414
Net profit for the financial year	-	-	-	-	-	2,041,070	2,041,070
Foreign currency translation reserves:							
- Currency translation differences	-	-	-	102,690	-	-	102,690
Financial assets measured at FVOCI:							
- Equity instruments							
- Unrealised net gain on revaluation	-	-	30,268	-	-	-	30,268
- Debt instruments							
- Unrealised net gain on revaluation	-	-	854,299	-	-	-	854,299
- Net transfer to income statements on disposal	-	-	(114,991)	-	-	-	(114,991)
- Changes in expected credit losses and exchange differences	-	-	(16,868)	-	-	-	(16,868)
Income tax relating to components of other comprehensive income	-	-	(177,434)	-	-	-	(177,434)
Other comprehensive income, net of tax, for the financial year	-	-	575,274	102,690	-	-	677,964
Total comprehensive income for the financial year	-	-	575,274	102,690	-	2,041,070	2,719,034
Dividends paid	-	-	-	-	-	(1,704,796)	(1,704,796)
Shares issued pursuant to DRP	184,739	-	-	-	-	-	184,739
Share-based payment expenses	-	-	-	-	12,768	-	12,768
Transfer to regulatory reserves	-	381,143	-	-	-	(381,143)	-
Balance as at 31 December 2023	8,330,324	942,797	104,109	523,823	17,105	14,163,001	24,081,159

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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 2023**

	← 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

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 2022.



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**INTERIM FINANCIAL STATEMENTS
AUDITED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

	Twelve Months Ended	
	31 December 2023	Restated 31 December 2022
Group	RM'000	RM'000
Cash flows from operating activities		
Profit before taxation and zakat	3,753,344	4,132,747
Adjustments for:		
Allowance for credit losses on loans, advances and financing	649,850	675,351
Allowance for credit losses on foreclosed properties	7,509	-
Allowance for credit losses on other financial assets	(11,104)	(6,674)
Property, plant and equipment:		
- Depreciation	146,776	135,780
- Gain on disposal	(1,042)	(534)
- Written off	69	184
Intangible assets:		
- Amortisation	177,902	154,867
- Written off	670	-
Right-of-use assets:		
- Depreciation	65,914	71,448
- Gain on modification	(236)	(7)
Impairment losses on investment in a joint venture	-	43
Share-based payment expenses	12,761	4,337
Net allowance (written back)/made on financial assets at FVOCI and financial investments at amortised cost	(50,687)	118,981
Share of results of associates and joint venture	26,260	-
Gain on disposal of a subsidiary	-	(24,595)
Net gain on financial instruments	(465,350)	(230,671)
Dividend income from financial assets at FVTPL and financial assets at FVOCI	(72,786)	(42,266)
Interest expense on borrowings, senior debt securities, subordinated obligations and lease liabilities	357,698	241,279
Other non-cash items	(2,808,573)	(1,935,153)
Operating profit before working capital changes	<u>1,788,975</u>	<u>3,295,117</u>
Decrease/(Increase) in operating assets:		
Securities purchased under resale agreements	101,258	(101,258)
Deposits and placements with banks and other financial institutions	(183,223)	2,877,739
Financial assets at FVTPL	(453,919)	(318,156)
Loans, advances and financing	(11,574,010)	(13,899,787)
Clients' and brokers' balances	(456,206)	139,696
Other assets	145,759	(863,545)
Statutory deposits	(469,827)	(2,779,946)
	<u>(12,890,168)</u>	<u>(14,945,257)</u>
Increase/(Decrease) in operating liabilities:		
Deposits from customers	17,757,321	8,112,476
Deposits and placements of banks and other financial institutions	(7,599,206)	1,138,265
Obligations on securities sold under repurchase agreements	1,669,047	5,230,217
Investment accounts	(738,252)	664,735
Bills and acceptances payable	560,243	39,266
Clients' and brokers' balances	508,573	(171,722)
Other liabilities	(223,291)	1,284,610
Recourse obligation on loans sold to Cagamas	(454,719)	2,526,851
	<u>11,479,716</u>	<u>18,824,698</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 2022.



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**INTERIM FINANCIAL STATEMENTS
AUDITED STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

	Twelve Months Ended	
	31 December 2023	Restated 31 December 2022
Group	RM'000	RM'000
Cash flows from operating activities (continued)		
Cash generated from operations	378,523	7,174,558
Interest paid	(305,225)	(235,322)
Net tax and zakat paid	(1,167,241)	(1,110,186)
Net cash (used in)/generated from operating activities	<u>(1,093,943)</u>	<u>5,829,050</u>
Cash flows from investing activities		
Net purchase of financial assets at FVOCI and financial investments at amortised cost	(8,578,781)	(7,954,631)
Property, plant and equipment:		
- Purchase	(137,665)	(183,864)
- Proceeds from disposal	1,407	540
Intangible assets:		
- Purchase	(230,126)	(205,538)
Financial assets at FVOCI and financial investments at amortised cost:		
- Interest income received	1,875,638	1,603,208
- Investment income received	416,208	318,752
Dividend income received from financial assets at FVTPL and financial assets at FVOCI	72,786	42,266
Net cash inflow from disposal of a subsidiary	-	26,652
Capital injection in associates	(82,271)	-
Net cash used in investing activities	<u>(6,662,804)</u>	<u>(6,352,615)</u>
Cash flows from financing activities		
Net drawdown of borrowings	709,909	1,320,835
Proceeds from issuance of subordinated notes/sukuk	500,000	850,000
Redemption of subordinated notes/sukuk	-	(1,200,000)
Proceeds from issuance of senior debt securities	3,000,000	-
Dividends paid to equity holders of the Bank	(1,520,057)	(1,134,568)
Dividends paid to NCI	-	(5,300)
Principal lease payments	(76,097)	(79,178)
Net cash generated from/(used in) financing activities	<u>2,613,755</u>	<u>(248,211)</u>
Net decrease in cash and cash equivalents	(5,142,992)	(771,776)
Effects of exchange rate differences	153,571	75,288
Cash and cash equivalents:		
- at the beginning of the financial year	19,134,835	19,831,323
- at the end of the financial year	<u>14,145,414</u>	<u>19,134,835</u>
Cash and cash equivalents comprise the following:		
- Cash and short-term funds	<u>14,145,414</u>	<u>19,134,835</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 2022.



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**INTERIM FINANCIAL STATEMENTS
AUDITED STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

	Twelve Months Ended	
	31 December 2023	31 December 2022
	RM'000	RM'000
Bank		
Cash flows from operating activities		
Profit before taxation	2,624,196	3,509,556
Adjustments for:		
Allowance for credit losses on loans, advances and financing	619,587	129,497
Allowance for credit losses on foreclosed properties	7,509	-
Allowance for credit losses on other financial assets	(3,719)	1,774
Property, plant and equipment:		
- Depreciation	122,141	112,067
- Gain on disposal	(4)	(424)
- Written off	27	61
Intangible assets:		
- Amortisation	150,920	131,505
- Written off	433	-
Right-of-use assets:		
- Depreciation	54,423	55,804
- Gain on modification	(231)	-
Share-based payment expenses	8,986	3,107
Net allowance (written back)/made on financial assets at FVOCI and financial investments at amortised cost	(30,709)	103,962
Net gain on financial instruments	(279,488)	(253,228)
Loss on liquidation of subsidiaries	14	6
Dividend income from financial assets at FVOCI	(3,346)	(3,673)
Dividend income from subsidiaries	(437,012)	(530,357)
Interest expense on borrowings, senior debt securities, subordinated obligations and lease liabilities	309,979	192,588
Other non-cash items	(2,134,319)	(1,452,447)
Operating profit before working capital changes	<u>1,009,387</u>	<u>1,999,798</u>
(Increase)/Decrease in operating assets:		
Securities purchased under resale agreements	520,954	(890,539)
Deposits and placements with banks and other financial institutions	(1,985,960)	1,171,012
Investment account due from designated financial institutions	2,092,406	1,862,403
Financial assets at FVTPL	(145,450)	(206,936)
Loans, advances and financing	(5,884,195)	(4,816,197)
Other assets	(814,722)	(1,062,789)
Statutory deposits	(253,696)	(1,322,299)
	<u>(6,470,663)</u>	<u>(5,265,345)</u>
Increase/(Decrease) in operating liabilities:		
Deposits from customers	11,002,093	(2,984,390)
Deposits and placements of banks and other financial institutions	(5,540,258)	6,501,532
Obligations on securities sold under repurchase agreements	2,495,288	2,965,193
Bills and acceptances payable	554,208	36,586
Other liabilities	(387,422)	1,332,563
Recourse obligation on loans sold to Cagamas	(301,399)	1,515,375
	<u>7,822,510</u>	<u>9,366,859</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 2022.



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**INTERIM FINANCIAL STATEMENTS
AUDITED STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

	Twelve Months Ended	
	31 December 2023	31 December 2022
	RM'000	RM'000
Bank		
Cash flows from operating activities (continued)		
Cash generated from operations	2,361,234	6,101,312
Interest paid	(264,935)	(189,176)
Net tax paid	(805,824)	(659,748)
Net cash generated from operating activities	<u>1,290,475</u>	<u>5,252,388</u>
Cash flows from investing activities		
Net purchase of financial assets at FVOCI and financial investments at amortised cost	(6,539,773)	(5,911,724)
Property, plant and equipment:		
- Purchase	(108,554)	(152,549)
- Proceeds from disposal	7	471
Intangible assets:		
- Purchase	(212,285)	(181,260)
Interest received from financial assets at FVOCI and financial investments at amortised cost	1,855,933	1,586,691
Dividend income received from subsidiaries	436,860	530,585
Dividend income received from financial assets at FVOCI	3,346	3,673
Proceeds received from liquidation of a subsidiary	1	-
Capital injection in an associate	(74,000)	-
Additional investment in a subsidiary	(8,956)	(11,684)
Net cash used in investing activities	<u>(4,647,421)</u>	<u>(4,135,797)</u>
Cash flows from financing activities		
Net drawdown of borrowings	-	1,235,877
Proceeds from issuance of subordinated notes	500,000	500,000
Redemption of subordinated notes	-	(750,000)
Proceeds from issuance of senior debt securities	3,000,000	-
Dividends paid to equity holders of the Bank	(1,520,057)	(1,134,568)
Principal lease payments	(58,828)	(58,048)
Net cash generated from/(used in) financing activities	<u>1,921,115</u>	<u>(206,739)</u>
Net (decrease)/increase in cash and cash equivalents	(1,435,831)	909,852
Effects of exchange rate differences	247,498	175,431
Cash and cash equivalents:		
- at the beginning of the financial year	11,494,906	10,409,623
- at the end of the financial year	<u>10,306,573</u>	<u>11,494,906</u>
Cash and cash equivalents comprise the following:		
- Cash and short-term funds	<u>10,306,573</u>	<u>11,494,906</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 2022.



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**NOTES TO AUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

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 2022.

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 2022, except for the adoption of the following accounting standards, annual improvements and amendments to MFRS 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 year beginning on or after 1 January 2023:
- Amendments to MFRS 101, MFRS Practice Statement 2 and MFRS 108 on disclosure of accounting policies and definition of accounting estimates
 - Amendments to MFRS 112 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction'
 - MFRS 17 'Insurance Contracts' and its amendments
 - Amendment to MFRS 17 'Insurance Contracts': Initial application of MFRS 17 and MFRS 9 - Comparative information
 - Amendments to MFRS 112 'Income Taxes' on International Tax Reform - Pillar Two Model Rules

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 other than the effects and change in accounting policy arising from the adoption of MFRS 17 as disclosed in Note B10.

A2. Auditors' Report

The auditors' report for the financial year ended 31 December 2022 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 2023.

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 2023.



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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 2023, other than as disclosed below:

(a) Share capital

- (i) The Bank has on 15 May 2023 increased its issued and paid up share capital from RM8,145,585,311 to RM8,330,324,313 via the issuance of 38,974,473 new ordinary shares at RM4.74 per share arising from the DRP relating to the second interim single-tier dividend of 25.0 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) Borrowings

- (i) 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;
- (ii) The Bank had on 25 May 2023 completed its second issuance of RM1.5 billion in nominal value Senior Sukuk based on the Shariah principle of Murabahah (via Tawarruq arrangement) ('Senior Sukuk Murabahah') under the Multi-Currency Islamic Medium Term Notes Programme of up to RM10 billion (or its equivalent in other currencies) in nominal value. The Senior Sukuk Murabahah is issued for a tenure of 3 years with a fixed coupon rate of 3.95% per annum, payable semi-annually in arrears; and
- (iii) The Bank had on 17 November 2023 completed its third issuance of RM1.5 billion in nominal value Senior Sukuk Murabahah under the Multi-Currency Islamic Medium Term Notes Programme of up to RM10 billion (or its equivalent in other currencies) in nominal value. The Senior Sukuk Murabahah is issued for a tenure of 5 years with a fixed coupon rate of 4.38% per annum, payable semi-annually in arrears.

A7. Dividends Paid/Declared

- (a) A second interim single-tier dividend of 25.0 sen per share in respect of the financial year ended 31 December 2022, amounting RM1,061,844,000 has been declared by the Board of Directors. This second interim dividend consists of cash portion of 20.0 sen per share and an electable portion of 5.0 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 87.0% and the total cash dividend of RM877,105,000 was paid on 15 May 2023;
- (b) A single-tier interim dividend of 15.0 sen per share in respect of the financial year ended 31 December 2023, amounting to RM642,952,000 was paid on 12 October 2023; and
- (c) A second interim single-tier dividend of 25.0 sen per share in respect of the financial year ended 31 December 2023, amounting RM1,071,587,000, consisting of cash portion of 15.0 sen per share and an electable portion of 10.0 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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**NOTES TO AUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

A8. Interest Income

Group	4th Quarter Ended		Twelve Months Ended	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	RM'000	RM'000	RM'000	RM'000
Loans and advances	1,810,993	1,600,077	6,920,163	5,429,906
Money at call and deposits and placements with banks and other financial institutions	81,529	80,183	318,822	219,627
Securities purchased under resale agreements	365	362	2,008	1,344
Financial assets at FVTPL	16,883	14,198	65,881	56,762
Financial assets at FVOCI - debt instruments	367,351	282,694	1,327,219	1,078,401
Financial investments at amortised cost	199,286	189,163	787,002	574,434
Others	17,530	11,525	52,393	21,556
	2,493,937	2,178,202	9,473,488	7,382,030
Of which:				
Interest income accrued on impaired financial assets	16,111	18,016	79,991	70,439
Bank				
Loans and advances	1,666,465	1,514,732	6,404,528	5,042,323
Money at call and deposits and placements with banks and other financial institutions	187,807	123,216	601,079	360,461
Investment account due from designated financial institutions	53,451	79,059	269,551	280,668
Securities purchased under resale agreements	3,151	5,265	15,057	12,622
Financial assets at FVTPL	16,887	14,192	65,356	56,741
Financial assets at FVOCI - debt instruments	361,414	280,523	1,313,270	1,064,617
Financial investments at amortised cost	185,691	174,821	733,224	522,781
Others	14,771	9,651	41,992	15,775
	2,489,637	2,201,459	9,444,057	7,355,988
Of which:				
Interest income accrued on impaired financial assets	16,111	17,094	79,457	66,947



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**NOTES TO AUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

A9. Interest Expense

Group	4th Quarter Ended		Twelve Months Ended	
	31 December 2023	Restated 31 December 2022	31 December 2023	Restated 31 December 2022
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	215,798	162,540	798,099	386,556
Deposits from customers	1,181,082	814,336	4,279,053	2,406,198
Obligations on securities sold under repurchase agreements	80,562	51,900	312,599	92,661
Recourse obligation on loans sold to Cagamas	25,785	22,463	106,454	62,173
Subordinated obligations	25,181	19,751	98,771	92,116
Senior debt securities	48,492	24,789	143,544	96,437
Borrowings	22,077	12,004	73,559	14,214
Others	27,739	19,426	101,832	57,025
	1,626,716	1,127,209	5,913,911	3,207,380
Bank				
Deposits and placements of banks and other financial institutions	350,686	252,565	1,223,842	524,723
Deposits from customers	1,000,201	688,429	3,687,053	2,148,345
Obligations on securities sold under repurchase agreements	86,015	58,114	322,760	134,441
Recourse obligation on loans sold to Cagamas	25,785	22,463	106,454	62,173
Subordinated obligations	24,054	18,358	94,313	83,393
Senior debt securities	48,492	24,789	143,544	96,437
Borrowings	21,339	10,497	69,528	10,497
Others	27,144	18,501	98,570	52,765
	1,583,716	1,093,716	5,746,064	3,112,774



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A10. Other Operating Income

Group	Note	4th Quarter Ended		Twelve Months Ended	
		31 December 2023	Restated 31 December 2022	31 December 2023	Restated 31 December 2022
		RM'000	RM'000	RM'000	RM'000
Fee income					
- Service charges and fees		56,679	47,422	187,137	175,031
- Commission		52,478	37,743	190,831	180,505
- Guarantee fees		8,139	8,658	35,203	33,747
- Commitment fees		9,981	10,117	39,440	40,501
- Brokerage income		44,582	42,683	178,515	190,042
- Fund management fees		52,670	56,441	222,387	238,888
- Unit trust fee income		4,126	3,941	25,276	33,996
- Corporate advisory fees		14,130	7,047	32,376	22,939
- Underwriting and arrangement fees		1,974	641	7,360	5,288
- Other fee income		19,364	19,416	67,490	76,961
		264,123	234,109	986,015	997,898
- Fee and commission expenses		(26,783)	(27,356)	(119,604)	(131,423)
		237,340	206,753	866,411	866,475
Net gain/(loss) arising from financial assets at FVTPL					
- Net gain/(loss) on disposal		(13,034)	(11,867)	30,739	(80,451)
- Unrealised net gain on revaluation		28,308	57,450	68,562	9,578
- Dividend income		10,168	8,541	66,381	38,056
		25,442	54,124	165,682	(32,817)
Net gain on revaluation of derivatives		1,693	58,285	197,561	264,966
Net loss on fair value hedges		(616)	(385)	(737)	(1,159)
Net gain on derecognition of hedging		-	426	-	512
Net (loss)/gain arising from derecognition of financial investments at amortised cost		-	-	(2,014)	839
Net gain arising from financial assets at FVOCI					
- Net gain on debt instruments on disposal		48,604	1,031	115,850	46,410
- Dividend income		-	-	6,405	4,210
		48,604	1,031	122,255	50,620
Other income					
Net foreign exchange gain		282,168	131,268	410,975	291,297
Net insurance service/finance results	(a)	19,631	18,266	47,171	60,248
Gain on disposal of property, plant and equipment		78	118	982	534
Gain on disposal of a subsidiary		-	-	-	24,595
Gain on modification of right-of-use assets		11	-	246	6
Rental income		848	898	2,678	2,489
Other operating income		7,144	5,772	26,300	27,774
Other non-operating income		877	17,946	6,889	31,098
		310,757	174,268	495,241	438,041
		623,220	494,502	1,844,399	1,587,477

(a) After netting off insurance service/reinsurance expenses which includes depreciation and amortisation of property, plant and equipment, intangible assets and right-of-use assets.



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A10. Other Operating Income (continued)

	4th Quarter Ended		Twelve Months Ended	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Bank	RM'000	RM'000	RM'000	RM'000
Fee income				
- Service charges and fees	49,240	44,211	168,957	161,146
- Commission	57,636	42,792	210,215	203,692
- Guarantee fees	7,919	8,578	34,700	33,370
- Commitment fees	9,590	9,730	37,935	38,975
- Corporate advisory fees	4,574	741	7,208	2,267
- Underwriting and arrangement fees	-	-	1,676	266
- Other fee income	4,406	4,454	18,365	19,098
	133,365	110,506	479,056	458,814
Net gain/(loss) arising from financial assets at FVTPL				
- Net gain/(loss) on disposal	(9,472)	(2,454)	34,795	(39,100)
- Unrealised net (loss)/gain on revaluation	15,500	26,269	(3,479)	11,446
	6,028	23,815	31,316	(27,654)
Net gain/(loss) on revaluation of derivatives	(18,408)	54,093	135,984	235,286
Net (loss)/gain on fair values hedges	(616)	269	(789)	(1,107)
Net gain on derecognition of hedging	-	426	-	512
Net (loss)/gain arising from derecognition of financial investments at amortised cost	-	-	(2,014)	839
Net gain arising from financial assets at FVOCI				
- Net gain on debt instruments on disposal	48,396	794	114,991	45,864
- Dividend income	-	-	3,346	3,673
	48,396	794	118,337	49,537
Dividend income from subsidiaries	1,124	972	437,012	530,357
Other income				
Net foreign exchange gain	242,445	105,214	575,866	264,970
Gain on disposal of property, plant and equipment	2	8	4	424
Gain on modification of right-of-use assets	-	-	231	-
Rental income	3,188	3,094	12,283	11,637
Loss on liquidation of subsidiaries	-	-	(14)	(6)
Other operating income	5,474	5,075	11,234	25,717
Other non-operating income	1,706	7,958	5,664	21,474
	252,815	121,349	605,268	324,216
	422,704	312,224	1,804,170	1,570,800



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A11. Other Operating Expenses

Group	Note	4th Quarter Ended		Twelve Months Ended	
		31 December 2023	Restated 31 December 2022	31 December 2023	Restated 31 December 2022
		RM'000	RM'000	RM'000	RM'000
Personnel costs					
- Salaries, allowances and bonuses		445,007	464,074	1,746,613	1,764,511
- Defined contribution plan		65,111	62,886	259,109	243,752
- Share-based expenses	(a)	4,205	2,056	12,334	4,209
- Other staff related costs		52,461	46,439	197,148	171,868
		566,784	575,455	2,215,204	2,184,340
Establishment costs					
- Property, plant and equipment:					
- Depreciation		36,955	34,928	145,234	133,882
- Written off		3	18	69	156
- Intangible assets:					
- Amortisation		45,196	39,277	173,089	150,661
- Written off		2	-	670	-
- Right-of-use assets:					
- Depreciation		17,222	16,859	63,533	69,049
- Rental of premises		6,786	4,601	24,141	24,310
- Rental of equipment		3,391	2,790	12,940	10,359
- Insurance		9,180	9,108	40,099	38,483
- Water and electricity		7,789	7,003	27,811	25,923
- Repair and maintenance		10,151	12,052	36,783	39,098
- Security and escorting expenses		15,236	13,048	54,370	46,391
- Information technology expenses		83,831	74,498	294,833	276,761
- Others		1,696	1,410	6,296	6,118
		237,438	215,592	879,868	821,191
Marketing expenses					
- Sales commission		34,309	28,746	96,240	98,692
- Advertisement and publicity		18,899	28,802	51,846	59,958
- Others		18,735	22,453	86,198	71,968
		71,943	80,001	234,284	230,618
Administration and general expenses					
- Communication expenses		37,801	48,721	158,294	156,456
- Legal and professional fees		26,528	25,103	59,520	67,194
- Others		40,408	38,570	142,123	146,475
		104,737	112,394	359,937	370,125
		980,902	983,442	3,689,293	3,606,274



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A11. Other Operating Expenses (continued)

Bank	Note	4th Quarter Ended		Twelve Months Ended	
		31 December 2023	31 December 2022	31 December 2023	31 December 2022
		RM'000	RM'000	RM'000	RM'000
Personnel costs					
- Salaries, allowances and bonuses		362,833	370,060	1,490,998	1,406,224
- Defined contribution plan		55,933	55,126	223,400	211,079
- Share-based expenses	(a)	3,096	1,544	8,986	3,107
- Other staff related costs		40,905	39,824	157,403	135,114
		<u>462,767</u>	<u>466,554</u>	<u>1,880,787</u>	<u>1,755,524</u>
Establishment costs					
- Property, plant and equipment:					
- Depreciation		31,347	29,198	122,141	112,067
- Written off		2	17	27	61
- Intangible assets:					
- Amortisation		39,613	33,978	150,920	131,505
- Written off		2	-	433	-
- Right-of-use assets:					
- Depreciation		15,418	13,499	54,423	55,804
- Rental of premises		5,941	4,655	20,432	21,646
- Rental of equipment		3,381	2,771	12,884	10,298
- Insurance		9,437	9,317	38,929	38,787
- Water and electricity		4,984	4,691	18,586	18,038
- Repair and maintenance		7,551	9,200	28,074	30,839
- Security and escorting expenses		15,797	13,861	57,474	49,964
- Information technology expenses		67,510	59,631	230,152	217,826
		<u>200,983</u>	<u>180,818</u>	<u>734,475</u>	<u>686,835</u>
Marketing expenses					
- Sales commission		29,347	21,028	79,006	72,623
- Advertisement and publicity		16,599	26,522	42,849	52,456
- Others		15,660	18,482	69,604	60,727
		<u>61,606</u>	<u>66,032</u>	<u>191,459</u>	<u>185,806</u>
Administration and general expenses					
- Communication expenses		28,096	32,124	115,728	110,634
- Legal and professional fees		28,271	23,841	65,112	79,823
- Others		28,723	28,830	108,585	113,082
		<u>85,090</u>	<u>84,795</u>	<u>289,425</u>	<u>303,539</u>
Operating expenses allocated to subsidiaries		(144,819)	(151,276)	(570,288)	(537,718)
		<u>665,627</u>	<u>646,923</u>	<u>2,525,858</u>	<u>2,393,986</u>



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A11. Other Operating Expenses (continued)

- (a) The Share Grant Scheme ('SGS') was established and implemented by the Group and the Bank in June 2022. The SGS is intended to motivate employees, attract talents and retain key employees through the grant of the ordinary shares in the Bank 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 which 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, shall be in force for a period of nine years commencing from the effective implementation date of the SGS, and the vesting period for each grant offered will be 3 years from the offer date.

A12. Allowance for Credit Losses on Financial Assets

	4th Quarter Ended		Twelve Months Ended	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Group	RM'000	RM'000	RM'000	RM'000
<u>Charge/(Writeback)</u>				
Loans, advances and financing:				
- Net charge/(writeback)	252,745	(42,200)	429,776	510,731
- Bad debts recovered	(65,522)	(74,049)	(294,040)	(366,483)
- Bad debts written off	49,774	50,812	220,074	164,620
	236,997	(65,437)	355,810	308,868
Financial assets at FVOCI	(8,185)	5,558	(21,390)	14,313
Financial investments at amortised cost	(6,214)	96,724	(29,297)	104,668
Foreclosed properties	7,509	-	7,509	-
Other financial assets	8	(430)	(11,104)	(6,674)
	230,115	36,415	301,528	421,175
Bank				
<u>Charge/(Writeback)</u>				
Loans, advances and financing:				
- Net charge/(writeback)	268,760	(148,877)	457,071	17,443
- Bad debts recovered	(56,600)	(66,032)	(259,715)	(325,221)
- Bad debts written off	32,652	32,596	162,516	112,054
	244,812	(182,313)	359,872	(195,724)
Financial assets at FVOCI	(7,966)	2,506	(17,454)	10,557
Financial investments at amortised cost	(1,872)	89,246	(13,255)	93,405
Foreclosed properties	7,509	-	7,509	-
Other financial assets	536	1,636	(3,719)	1,774
	243,019	(88,925)	332,953	(89,988)



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A13. 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 Berhad ('RHB Islamic Bank').

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

	Bank	
	As at	As at
	31 December	31 December
	2023	2022
	RM'000	RM'000
<u>Principal</u>		
Personal financing	1,000,000	1,000,000
Other term financing	4,037,480	6,238,222
Short-term funds	129,000	33,000
Unquoted securities	1,004,023	1,008,105
	6,170,503	8,279,327

A14. Financial Assets at Fair Value Through Profit or Loss ('FVTPL')

	Group		Bank	
	As at	As at	As at	As at
	31 December	31 December	31 December	31 December
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Mandatory measured at fair value				
<u>Money market instruments:</u>				
Malaysian Government Securities	399,510	49,879	395,321	49,879
Malaysian Government Investment Issues	672,045	803,720	507,003	711,723
Singapore Housing Development Board	-	23,503	-	23,503
Bank Negara Malaysia Monetary Notes	316,971	-	314,335	-
<u>Quoted securities:</u>				
In Malaysia				
Shares, exchange traded funds and warrants	132,769	36,970	-	-
Unit trusts	55,955	36,921	-	-
Corporate bond/sukuk	1,395	2,270	1,395	2,270
Outside Malaysia				
Shares, exchange traded funds and warrants	55,647	102,034	-	258
Unit trusts	-	24,849	-	-
<u>Unquoted securities:</u>				
In Malaysia				
Corporate bond/sukuk	1,107,905	1,028,698	102,152	199,472
Unit trusts	235,871	197,422	-	-
Outside Malaysia				
Corporate bond/sukuk	7,088	93,661	7,088	93,661
Private equity funds	733,335	689,484	-	-
	3,718,491	3,089,411	1,327,294	1,080,766

Certain comparative balances have been reclassified to conform to current year's presentation which more accurately reflects the investment type.



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A15. Financial Assets at Fair Value Through Other Comprehensive Income ('FVOCI')

	Group		Bank	
	As at 31 December 2023 RM'000	As at 31 December 2022 RM'000	As at 31 December 2023 RM'000	As at 31 December 2022 RM'000
At fair value				
(a) Debt instruments	47,201,673	38,233,244	40,798,615	32,293,277
(b) Equity instruments	775,256	740,445	729,292	699,024
	47,976,929	38,973,689	41,527,907	32,992,301
(a) Debt instruments				
<u>Money market instruments:</u>				
Malaysian Government Securities	4,528,876	3,300,948	4,468,470	3,241,592
Malaysian Government Investment Issues	9,437,643	8,434,385	7,369,220	6,554,541
Cagamas bonds	1,574,912	770,075	1,014,817	770,075
Khazanah bonds	71,018	63,909	71,018	63,909
Negotiable instruments of deposits	-	999,506	-	998,876
Other foreign government investment issues	96,024	90,272	96,024	90,272
Sukuk Perumahan Kerajaan	-	70,637	-	-
Other foreign government securities	7,732	7,245	7,732	7,245
Singapore Government Treasury Bills	513,092	-	513,092	-
Singapore Government Securities	1,860,195	990,127	1,860,195	990,127
Singapore Central Bank Bills	1,349,949	-	1,349,949	-
Thailand Government Securities	638,519	593,194	638,519	593,194
Singapore Housing Development Board	514,439	494,852	514,439	494,852
<u>Unquoted securities:</u>				
In Malaysia				
Corporate bond/sukuk	16,467,747	16,186,552	12,753,613	12,257,052
Outside Malaysia				
Corporate bond/sukuk	10,141,527	6,231,542	10,141,527	6,231,542
	47,201,673	38,233,244	40,798,615	32,293,277
(b) Equity instruments				
<u>Quoted securities:</u>				
Outside Malaysia				
Shares	2,820	2,503	-	-
<u>Unquoted securities:</u>				
In Malaysia				
Shares	769,814	737,539	729,290	699,022
Outside Malaysia				
Shares	2,622	403	2	2
	775,256	740,445	729,292	699,024

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 RM6,220,000,000 (2022: RM3,231,000,000) and RM6,546,000,000 (2022: RM3,231,000,000) respectively.



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A15. 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	As at
	31 December 2023	31 December 2022
	RM'000	RM'000
Balance as at the beginning of the financial year	-	1,020
Derecognition	-	(1,020)
Balance as at the end of the financial year	-	-

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

Group	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 2023				
Balance as at the beginning of the financial year	48,615	3,376	-	51,991
Transfer to 12-month ECL (Stage 1)	3,376	(3,376)	-	-
Changes in credit risk	(10,785)	664	-	(10,121)
Purchases and origination	6,486	-	-	6,486
Changes to model methodologies	(6,953)	(664)	-	(7,617)
Derecognition and disposal	(10,138)	-	-	(10,138)
Exchange differences	586	-	-	586
Balance as at the end of the financial year	31,187	-	-	31,187
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	48,615	3,376	-	51,991



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A15. 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 2023				
Balance as at the beginning of the financial year	42,517	3,376	-	45,893
Transfer to 12-month ECL (Stage 1)	3,376	(3,376)	-	-
Changes in credit risk	(8,221)	664	-	(7,557)
Purchases and origination	5,674	-	-	5,674
Changes to model methodologies	(5,765)	(664)	-	(6,429)
Derecognition and disposal	(9,142)	-	-	(9,142)
Exchange differences	586	-	-	586
Balance as at the end of the financial year	<u>29,025</u>	<u>-</u>	<u>-</u>	<u>29,025</u>
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>



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A16. Financial Investments at Amortised Cost

	Group		Bank	
	As at 31 December 2023	As at 31 December 2022	As at 31 December 2023	As at 31 December 2022
	RM'000	RM'000	RM'000	RM'000
At amortised cost				
<u>Money market instruments:</u>				
Malaysian Government Securities	4,296,854	3,725,255	3,862,417	3,310,259
Malaysian Government Investment Issues	4,104,379	5,447,600	2,285,777	3,111,955
Malaysian Government Treasury Bills	-	246,410	-	246,410
Cagamas bonds	1,857,419	1,581,202	1,353,571	1,242,431
Khazanah bonds	181,134	163,108	124,896	21,382
Bank Negara Malaysia Monetary Notes	853,733	-	-	-
Sukuk Perumahan Kerajaan	-	110,947	-	100,883
Singapore Government Treasury Bills	1,588,608	2,050,250	1,588,608	2,050,250
Singapore Government Securities	66,652	127,532	66,652	127,532
Singapore Central Bank Bills	2,460,843	1,143,713	2,460,843	1,143,713
Thailand Government Bonds	144,515	99,126	144,515	99,126
Sukuk (Brunei) Incorporation	53,564	32,529	53,564	32,529
Brunei Central Bank Bills	-	16,409	-	16,409
<u>Unquoted securities:</u>				
<u>In Malaysia</u>				
Corporate bond/sukuk	13,203,960	12,885,413	6,713,894	7,347,688
Corporate loan stocks	21,505	22,652	-	-
<u>Outside Malaysia</u>				
Corporate bond/sukuk	57,031	55,714	26,614	25,294
	28,890,197	27,707,860	18,681,351	18,875,861
Fair value changes arising from fair value hedges	(3,276)	-	-	-
	28,886,921	27,707,860	18,681,351	18,875,861
Allowance for credit losses	(672,278)	(701,152)	(598,312)	(611,207)
	28,214,643	27,006,708	18,083,039	18,264,654

(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 RM3,671,000,000 (2022: RM4,730,000,000) and RM4,920,000,000 (2022: RM5,374,000,000) respectively.

(ii) Included in financial investments at amortised cost of the Group are exposures to Restricted Investment Account ('RA'), 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 2023, gross exposure to RA financing funded by investors at the Group is RM421,166,000 (2022: RM392,980,000). The portfolio expected credit losses for financial investments at amortised cost relating to RA is borne solely by the investors.



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A16. Financial investments at amortised cost (continued)

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

	Group		Bank	
	As at 31 December 2023 RM'000	As at 31 December 2022 RM'000	As at 31 December 2023 RM'000	As at 31 December 2022 RM'000
Balance as at the beginning of the financial year	1,294,649	1,236,638	56,041	59,832
Purchases and origination	66,412	63,789	-	-
Derecognition	(2,656)	(6,231)	(605)	(4,244)
Exchange differences	359	453	359	453
Balance as at the end of the financial year	<u>1,358,764</u>	<u>1,294,649</u>	<u>55,795</u>	<u>56,041</u>

The credit impaired financial investments at amortised cost relate to certain exposures to RA, of which exposure with other investors amounted to RM421,166,000 (2022: RM392,980,000).

(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 2023				
Balance as at the beginning of the financial year	35,582	5,371	660,199	701,152
Transfer to 12-month ECL (Stage 1)	2,153	(2,153)	-	-
Changes in credit risk	(18,115)	(245)	-	(18,360)
Purchases and origination	3,464	-	-	3,464
Changes to model methodologies	(5,232)	(1,705)	-	(6,937)
Derecognition	(4,732)	(76)	(2,656)	(7,464)
Exchange differences	63	-	360	423
Balance as at the end of the financial year	<u>13,183</u>	<u>1,192</u>	<u>657,903</u>	<u>672,278</u>
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>



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A16. 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 2023				
Balance as at the beginning of the financial year	17,587	3,217	590,403	611,207
Changes in credit risk	(7,016)	(859)	-	(7,875)
Purchases and origination	856	-	-	856
Changes to model methodologies	(2,579)	(1,091)	-	(3,670)
Derecognition	(1,885)	(76)	(605)	(2,566)
Exchange differences	-	-	360	360
Balance as at the end of the financial year	<u>6,963</u>	<u>1,191</u>	<u>590,158</u>	<u>598,312</u>
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>



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**NOTES TO AUDITED INTERIM FINANCIAL STATEMENTS
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A17. Loans, Advances and Financing

(a) By type

	Group		Bank	
	As at 31 December 2023 RM'000	As at 31 December 2022 RM'000	As at 31 December 2023 RM'000	As at 31 December 2022 RM'000
At amortised cost				
Overdrafts	5,792,478	5,682,506	3,968,487	4,093,249
Term loans/financing:				
- Housing loans/financing	84,380,612	78,216,973	50,920,867	48,658,350
- Syndicated term loans/financing	15,926,831	15,544,484	11,448,100	8,909,063
- Hire purchase receivables/financing	10,986,011	10,315,968	256,126	392,188
- Other term loans/financing	79,351,472	77,332,120	43,653,965	42,640,686
Bills receivables	4,531,450	3,892,128	4,106,201	3,570,030
Trust receipts	1,282,926	807,390	1,197,366	739,682
Claims on customers under acceptance credits	4,968,542	5,432,419	3,656,830	4,033,264
Share margin financing	2,258,304	2,382,860	373,801	489,720
Staff loans/financing	85,999	92,367	64,813	73,934
Credit/charge card receivables	2,361,046	2,069,207	1,994,047	1,766,927
Revolving credits/financing	10,489,934	10,431,720	8,137,560	7,716,326
Gross loans, advances and financing	222,415,605	212,200,142	129,778,163	123,083,419
Fair value changes arising from fair value hedges	(70,407)	(111,556)	(13,083)	(19,709)
	222,345,198	212,088,586	129,765,080	123,063,710
Less: Allowance for credit losses	(2,782,595)	(3,710,002)	(1,916,517)	(1,962,209)
Net loans, advances and financing	219,562,603	208,378,584	127,848,563	121,101,501

(i) Included in loans, advances and financing are housing loans/financing sold to Cagamas with recourse to the Group and the Bank amounting to RM4,207,022,000 (2022: RM4,728,898,000) and RM2,547,499,000 (2022: RM2,908,132,000) respectively.

(ii) Included in loans, advances and financing of the Group are exposures to Unrestricted Investment Account ('UA'), 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 2023, gross exposure to UA financing funded by investors at the Group is RM13,500,000 (2022: RM802,978,000). The portfolio expected credit losses for financing and advances relating to UA is borne solely by the investors.



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A17. Loans, Advances and Financing (continued)

(b) By type of customer

	Group		Bank	
	As at	As at	As at	As at
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	RM'000	RM'000	RM'000	RM'000
Domestic non-bank financial institutions	3,497,812	3,193,617	1,357,342	1,064,672
Domestic business enterprises:				
- Small and medium enterprises	33,378,955	31,041,237	23,076,329	22,500,959
- Others	28,386,968	32,799,509	16,524,514	16,418,947
Government and statutory bodies	6,479,611	6,144,478	-	5,007
Individuals	112,596,745	106,201,343	58,304,201	56,641,963
Other domestic entities	156,950	163,611	25,395	28,550
Foreign entities	37,918,564	32,656,347	30,490,382	26,423,321
	222,415,605	212,200,142	129,778,163	123,083,419

(c) By geographical distribution

	Group		Bank	
	As at	As at	As at	As at
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	RM'000	RM'000	RM'000	RM'000
Malaysia	186,315,513	181,129,401	101,000,194	98,180,685
Labuan Offshore	3,331,226	2,277,954	-	-
Singapore	27,124,830	23,087,482	27,124,830	23,087,482
Thailand	1,668,034	1,967,516	1,435,674	1,620,513
Brunei	217,465	194,739	217,465	194,739
Cambodia	3,509,124	3,334,856	-	-
Lao	95,006	73,585	-	-
Indonesia	138,474	118,223	-	-
Vietnam	15,933	16,386	-	-
	222,415,605	212,200,142	129,778,163	123,083,419



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**NOTES TO AUDITED INTERIM FINANCIAL STATEMENTS
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A17. Loans, Advances and Financing (continued)

(d) By interest/profit rate sensitivity

	Group		Bank	
	As at 31 December 2023	As at 31 December 2022	As at 31 December 2023	As at 31 December 2022
	RM'000	RM'000	RM'000	RM'000
Fixed rate:				
- Housing loans/financing	126,396	142,068	70,940	93,267
- Hire purchase receivables/financing	619,730	1,066,701	256,126	392,188
- Other fixed rate loans/financing	21,384,624	21,893,082	9,502,075	10,356,895
Variable rate:				
- Base lending/financing rate/base rate plus	132,547,302	123,950,398	74,663,959	72,089,432
- Cost-plus	47,719,609	49,315,685	28,145,186	26,105,488
- Other variable rates	20,017,944	15,832,208	17,139,877	14,046,149
	222,415,605	212,200,142	129,778,163	123,083,419

(e) By economic sector

	Group		Bank	
	As at 31 December 2023	As at 31 December 2022	As at 31 December 2023	As at 31 December 2022
	RM'000	RM'000	RM'000	RM'000
Agriculture, hunting, forestry and fishing	4,468,055	4,629,560	2,392,183	2,631,062
Mining and quarrying	267,896	249,354	162,462	141,146
Manufacturing	11,826,760	11,602,869	8,199,341	8,085,739
Electricity, gas and water	2,179,393	1,541,379	603,849	361,740
Construction	10,689,894	13,347,956	8,055,514	8,447,916
Wholesale and retail trade and restaurant and hotel	24,426,148	21,842,273	18,804,546	17,007,796
Transport, storage and communication	5,512,901	7,843,641	1,567,874	1,659,637
Finance, insurance, real estate and business services	32,517,332	26,757,642	22,408,177	19,252,052
Education, health and others	9,496,435	9,754,308	2,844,959	2,390,554
Household sector	120,456,394	114,176,607	64,434,607	62,875,805
Others	574,397	454,553	304,651	229,972
	222,415,605	212,200,142	129,778,163	123,083,419



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**NOTES TO AUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

A17. Loans, Advances and Financing (continued)

(f) By purpose

	Group		Bank	
	As at 31 December 2023	As at 31 December 2022	As at 31 December 2023	As at 31 December 2022
	RM'000	RM'000	RM'000	RM'000
Purchase of securities	11,992,304	12,976,360	4,757,102	5,126,878
Purchase of transport vehicles	10,959,997	10,234,231	166,995	282,646
Purchase of landed property:				
- Residential	83,444,972	77,404,367	50,847,520	48,663,045
- Non-residential	27,258,291	25,399,348	20,984,877	19,161,912
Purchase of property, plant and equipment other than land and building	1,355,284	1,595,020	697,550	857,259
Personal use	12,731,438	12,019,969	6,792,935	6,863,166
Credit card	2,361,046	2,069,207	1,994,047	1,766,927
Purchase of consumer durables	6,840	7,279	6,840	7,279
Construction	6,704,555	6,567,401	5,347,029	5,303,859
Working capital	54,680,824	54,064,715	35,609,155	32,569,534
Merger and acquisition	1,341,026	1,648,237	631,864	176,529
Other purposes	9,579,028	8,214,008	1,942,249	2,304,385
	222,415,605	212,200,142	129,778,163	123,083,419

(g) By remaining contractual maturities

	Group		Bank	
	As at 31 December 2023	As at 31 December 2022	As at 31 December 2023	As at 31 December 2022
	RM'000	RM'000	RM'000	RM'000
Maturity within one year	41,424,260	38,104,568	28,634,221	27,351,711
One year to three years	11,429,962	12,108,274	7,906,636	5,947,184
Three years to five years	21,640,604	19,327,578	12,820,693	10,728,433
Over five years	147,920,779	142,659,722	80,416,613	79,056,091
	222,415,605	212,200,142	129,778,163	123,083,419



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A17. 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 2023 RM'000	As at 31 December 2022 RM'000	As at 31 December 2023 RM'000	As at 31 December 2022 RM'000
Balance as at the beginning of the financial year	3,288,731	2,950,507	1,681,715	1,744,632
Transfer to 12-month ECL (Stage 1)	(85,149)	(61,383)	(55,694)	(49,481)
Transfer to lifetime ECL not credit impaired (Stage 2)	(198,876)	(100,346)	(126,982)	(81,400)
Transfer to lifetime ECL credit impaired (Stage 3)	1,910,235	1,256,207	1,305,845	765,463
Purchases and origination	969,466	601,612	483,569	483,641
Derecognition	(428,774)	(784,107)	(302,717)	(630,564)
Amount written off	(1,676,981)	(683,842)	(712,541)	(567,466)
Exchange differences	66,788	66,889	24,315	21,598
Other movements	33,837	43,194	16,151	(4,708)
Balance as at the end of the financial year	<u>3,879,277</u>	<u>3,288,731</u>	<u>2,313,661</u>	<u>1,681,715</u>

(ii) By economic sector

	Group		Bank	
	As at 31 December 2023 RM'000	As at 31 December 2022 RM'000	As at 31 December 2023 RM'000	As at 31 December 2022 RM'000
Agriculture, hunting, forestry and fishing	49,276	12,112	45,635	6,912
Mining and quarrying	20,314	20,471	15,066	15,638
Manufacturing	261,355	215,294	208,511	179,477
Electricity, gas and water	7,833	9,965	2,040	-
Construction	551,833	421,948	450,578	327,228
Wholesale and retail trade and restaurant and hotel	658,465	355,838	447,956	217,473
Transport, storage and communication	508,776	37,677	44,377	23,393
Finance, insurance, real estate and business services	522,427	334,117	439,128	277,813
Education, health and others	141,733	892,141	46,946	52,882
Household sector	1,104,119	937,738	613,424	580,899
Others	53,146	51,430	-	-
	<u>3,879,277</u>	<u>3,288,731</u>	<u>2,313,661</u>	<u>1,681,715</u>



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**NOTES TO AUDITED INTERIM FINANCIAL STATEMENTS
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A17. Loans, Advances and Financing (continued)

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

(iii) By purpose

	Group		Bank	
	As at 31 December 2023 RM'000	As at 31 December 2022 RM'000	As at 31 December 2023 RM'000	As at 31 December 2022 RM'000
Purchase of securities	18,875	31,136	17,640	17,749
Purchase of transport vehicles	67,209	55,148	5,221	8,872
Purchase of landed property:				
- Residential	880,286	733,496	499,518	478,779
- Non-residential	629,457	610,074	311,416	331,844
Purchase of property, plant and equipment other than land and building	27,760	19,906	24,964	16,640
Personal use	161,657	153,747	125,541	123,910
Credit card	23,747	21,407	20,047	18,191
Purchase of consumer durables	611	595	611	595
Construction	107,215	51,858	107,107	51,728
Working capital	1,725,221	1,417,245	1,060,418	531,368
Other purposes	237,239	194,119	141,178	102,039
	3,879,277	3,288,731	2,313,661	1,681,715

(iv) By geographical distribution

	Group		Bank	
	As at 31 December 2023 RM'000	As at 31 December 2022 RM'000	As at 31 December 2023 RM'000	As at 31 December 2022 RM'000
Malaysia	2,882,420	2,007,232	1,665,567	1,406,744
Labuan Offshore	-	756,636	-	-
Singapore	299,194	198,679	299,194	198,679
Thailand	344,852	82,032	344,852	70,319
Brunei	4,048	5,973	4,048	5,973
Cambodia	342,842	234,447	-	-
Lao	5,921	3,732	-	-
	3,879,277	3,288,731	2,313,661	1,681,715



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A17. 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 2023				
Balance as at the beginning of the financial year	846,101	1,055,527	1,808,374	3,710,002
Changes due to financial assets recognised in the opening balance that have been:				
- Transferred to 12-month ECL (Stage 1)	184,876	(159,840)	(25,036)	-
- Transferred to lifetime ECL not credit impaired (Stage 2)	(34,939)	86,407	(51,468)	-
- Transferred to lifetime ECL credit impaired (Stage 3)	(11,531)	(123,915)	135,446	-
	138,406	(197,348)	58,942	-
Changes in credit risk	(328,330)	(154,670)	912,730	429,730
Purchases and origination	127,406	95,457	66,119	288,982
Changes to model methodologies	(49,488)	(20,304)	761	(69,031)
Derecognition	(45,551)	(72,541)	(101,813)	(219,905)
Bad debts written off	-	-	(1,433,361)	(1,433,361)
Exchange differences	2,716	268	39,357	42,341
Other movements	-	-	33,837	33,837
Balance as at the end of the financial year	691,260	706,389	1,384,946	2,782,595
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



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**NOTES TO AUDITED INTERIM FINANCIAL STATEMENTS
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A17. 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)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
	RM'000	RM'000	RM'000	RM'000
31 December 2023				
Balance as at the beginning of the financial year	554,551	620,951	786,707	1,962,209
Changes due to financial assets recognised in the opening balance that have been:				
- Transferred to 12-month ECL (Stage 1)	121,490	(103,386)	(18,104)	-
- Transferred to lifetime ECL not credit impaired (Stage 2)	(28,084)	58,986	(30,902)	-
- Transferred to lifetime ECL credit impaired (Stage 3)	(10,585)	(81,338)	91,923	-
	82,821	(125,738)	42,917	-
Changes in credit risk	(242,217)	(18,620)	684,752	423,915
Purchases and origination	97,320	81,315	57,272	235,907
Changes to model methodologies	(31,090)	(5,465)	(5,379)	(41,934)
Derecognition	(33,938)	(49,274)	(77,605)	(160,817)
Bad debts written off	-	-	(529,039)	(529,039)
Exchange differences	3,048	(887)	7,964	10,125
Other movements	-	-	16,151	16,151
Balance as at the end of the financial year	430,495	502,282	983,740	1,916,517
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



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**NOTES TO AUDITED INTERIM FINANCIAL STATEMENTS
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A18. Other Assets

	Group			Bank	
	As at 31 December 2023	Restated As at 31 December 2022	Restated As at 1 January 2022	As at 31 December 2023	As at 31 December 2022
	RM'000	RM'000	RM'000	RM'000	RM'000
Other receivables	470,558	605,951	835,488	370,885	370,808
Cash collateral in relation to derivative transactions	784,159	514,797	417,368	784,159	514,797
Deposits	41,024	44,189	45,191	31,076	33,338
Prepayments	167,793	153,469	168,715	104,837	101,409
Foreclosed properties	158,203	21,931	-	158,203	21,931
Amount receivable for release of units from funds	18,354	56,073	207,850	-	-
Amount due from subsidiaries	-	-	-	1,665,771	870,157
	1,640,091	1,396,410	1,674,612	3,114,931	1,912,440



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**NOTES TO AUDITED INTERIM FINANCIAL STATEMENTS
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A19. Deposits from Customers

(a) By type of deposits

	Group		Bank	
	As at 31 December 2023 RM'000	As at 31 December 2022 RM'000	As at 31 December 2023 RM'000	As at 31 December 2022 RM'000
Demand deposits	55,315,947	51,933,661	43,943,952	42,284,487
Savings deposits	13,106,922	14,505,771	10,303,710	11,841,346
Fixed/investment deposits	176,395,214	160,212,605	94,128,846	81,455,913
Negotiable instruments of deposits	264,987	507,725	264,987	507,725
	245,083,070	227,159,762	148,641,495	136,089,471

(b) By type of customer

	Group		Bank	
	As at 31 December 2023 RM'000	As at 31 December 2022 RM'000	As at 31 December 2023 RM'000	As at 31 December 2022 RM'000
Government and statutory bodies	19,442,315	21,460,674	4,104,478	5,592,868
Business enterprises	116,106,187	117,592,692	69,545,339	72,798,795
Individuals	101,082,141	80,503,285	67,316,385	50,975,787
Others	8,452,427	7,603,111	7,675,293	6,722,021
	245,083,070	227,159,762	148,641,495	136,089,471

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

	Group		Bank	
	As at 31 December 2023 RM'000	As at 31 December 2022 RM'000	As at 31 December 2023 RM'000	As at 31 December 2022 RM'000
Due within six months	137,058,523	129,992,709	69,531,625	65,247,406
Six months to one year	35,665,108	26,159,154	22,702,122	14,083,157
One year to three years	2,907,508	3,120,220	2,147,788	2,323,733
Three years to five years	1,029,062	1,448,247	12,298	309,342
	176,660,201	160,720,330	94,393,833	81,963,638



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**NOTES TO AUDITED INTERIM FINANCIAL STATEMENTS
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A20. Deposits and Placements of Banks and Other Financial Institutions

	Note	Group		Bank	
		As at	As at	As at	As at
		31 December	31 December	31 December	31 December
		2023	2022	2023	2022
		RM'000	RM'000	RM'000	RM'000
Licensed banks		11,413,928	17,622,246	21,547,941	26,672,749
Licensed Islamic banks		70,826	1,538,161	3,919	3,623
Licensed investment banks		223,227	322,526	952,813	1,144,400
BNM/Other central banks	(a)	5,224,305	4,736,004	4,716,767	4,542,468
Other financial institutions		90,112	374,932	2,042	82,222
		17,022,398	24,593,869	27,223,482	32,445,462

(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.

A21. Investment Accounts

	Note	Group	
		As at	As at
		31 December	31 December
		2023	2022
		RM'000	RM'000
Mudharabah Restricted Investment Account	(a)	494,174	427,640
Wakalah Unrestricted Investment Account	(b)	13,600	818,386
		507,774	1,246,026

(a) Mudharabah Restricted Investment Account

By type of counterparty:

- Licensed banks	494,174	427,640
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Investment asset (principal):

- Unquoted securities	421,166	392,980
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(b) Wakalah Unrestricted Investment Account

By type of counterparty:

- Business enterprises	13,600	818,386
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Investment asset (principal):

- Personal financing	2,700	642,382
- Housing financing	10,800	160,596
	13,500	802,978



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A22. Other Liabilities

	Group			Bank	
	As at 31 December 2023 RM'000	Restated As at 31 December 2022 RM'000	Restated As at 1 January 2022 RM'000	As at 31 December 2023 RM'000	As at 31 December 2022 RM'000
Other creditors and accruals	1,041,364	1,365,776	1,292,042	773,864	861,700
Amount payable for redemption units	70,734	82,211	348,404	-	-
Contract liabilities	85,675	147,368	205,971	21,051	42,000
Short-term employee benefits	366,149	444,087	455,763	284,876	311,087
Accrual for operational expenses	161,705	246,929	265,925	96,352	191,828
Cash collateral pledged for derivative transactions	239,247	538,691	112,719	239,247	538,691
Structured deposits	1,591,946	958,666	771,311	1,538,923	917,646
Remisiers' trust deposits	89,737	94,266	97,828	-	-
Puttable financial instruments	113,104	-	-	-	-
Amount payable for creation of units due to funds	144,101	203,132	457,587	-	-
Amount due to subsidiaries	-	-	-	6,814	5,452
	3,903,762	4,081,126	4,007,550	2,961,127	2,868,404



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A23. 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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A23. 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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A23. Segmental Reporting (continued)

Twelve months ended 31 December 2023

	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	4,153,205	2,842,925	893,262	80,629	(199,596)	-	7,770,425
Inter-segment revenue	-	8,748	1,220	19,683	14,375	(44,026)	-
Segment revenue	4,153,205	2,851,673	894,482	100,312	(185,221)	(44,026)	7,770,425
Other operating expenses	(2,112,808)	(1,051,684)	(610,213)	(954)	42,340	44,026	(3,689,293)
Including:							
- Depreciation of property, plant and equipment	(93,729)	(30,580)	(20,683)	-	(242)	-	(145,234)
- Depreciation of right-of-use assets	(26,620)	(21,832)	(14,980)	-	(101)	-	(63,533)
- Amortisation of intangible assets	(107,590)	(43,612)	(21,887)	-	-	-	(173,089)
Allowance for credit losses on financial assets	(152,848)	318,604	(466,893)	(391)	-	-	(301,528)
Segment profit/(loss)	1,887,549	2,118,593	(182,624)	98,967	(142,881)	-	3,779,604
Share of results of associates							(26,260)
Profit before taxation and zakat							3,753,344
Taxation and zakat							(942,845)
Net profit for the financial year							2,810,499

* All depreciation and amortisation relating to Insurance are netted against revenue under MFRS 17.



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A23. Segmental Reporting (continued)

As at 31 December 2023

	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	140,035,817	130,639,719	51,783,160	1,785,791	3,281,994	327,526,481
Investments in associates and joint venture						56,036
Tax recoverable						104,249
Deferred tax assets						344,872
Unallocated assets						660,473
Total assets						<u>328,692,111</u>
Segment liabilities	118,787,273	119,122,075	44,178,772	1,285,940	1,316,300	284,690,360
Provision for taxation and zakat						53,691
Deferred tax liabilities						30,196
Borrowings						2,261,224
Senior debt securities						7,018,453
Subordinated obligations						3,377,163
Unallocated liabilities						349,960
Total liabilities						<u>297,781,047</u>



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A23. Segmental Reporting (continued)

Restated

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	52,727	109,025	-	8,160,183
Inter-segment revenue	-	17,808	(685)	17,743	17,824	(52,690)	-
Segment revenue	4,042,064	3,143,070	830,420	70,470	126,849	(52,690)	8,160,183
Other operating expenses	(2,023,588)	(978,399)	(551,842)	(825)	(104,310)	52,690	(3,606,274)
Including:							
- Depreciation of property, plant and equipment	(90,053)	(22,794)	(20,825)	-	(210)	-	(133,882)
- Depreciation of right-of-use assets	(29,519)	(19,848)	(19,579)	-	(103)	-	(69,049)
- Amortisation of intangible assets	(101,338)	(31,648)	(17,675)	-	-	-	(150,661)
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	1,835,298	1,778,417	425,151	71,286	22,539	-	4,132,691
Share of results of associates							25
Share of results of joint venture							31
Profit before taxation and zakat							4,132,747
Taxation and zakat							(1,451,665)
Net profit for the financial year							2,681,082

* All depreciation and amortisation relating to Insurance are netted against revenue under MFRS 17.



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A23. Segmental Reporting (continued)

Restated

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	1,752,426	3,011,517	309,370,105
Investments in associates and joint venture						25
Tax recoverable						121,033
Deferred tax assets						619,508
Unallocated assets						641,403
Total assets						<u>310,752,074</u>
Segment liabilities	105,805,400	130,096,002	34,635,756	1,188,161	1,224,630	272,949,949
Provision for taxation and zakat						396,041
Deferred tax liabilities						2,368
Borrowings						1,476,185
Senior debt securities						3,841,190
Subordinated obligations						2,867,083
Unallocated liabilities						454,761
Total liabilities						<u>281,987,577</u>



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A24. Valuation of Property, Plant and Equipment

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

A25. 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 the following:

- (a) Updates and further capital injection into Boost Bank as further explained in Note B6(a);
- (b) On 19 February 2024, the Bank announced that its wholly-owned subsidiary, RHB Investment Bank Berhad ('RHB Investment Bank'), had on the even date, entered into a Conditional Sale and Purchase Agreement ('CSPA') with Public Bank Vietnam Limited, a wholly-owned subsidiary of Public Bank Berhad, in respect of the proposed disposal of its entire equity interest in RHB Securities Vietnam Company Limited ('RHBSVN') ('Proposed Disposal') for a cash consideration of VND374 billion (or approximately RM73 million).

The Proposed Disposal is conditional and subject to the approval from the State Securities Commission of Vietnam ('SSC'). The submission of the application to the SSC will be made within 1 month from the date of signing the CSPA.

The Proposed Disposal will enable RHB Investment Bank to monetise its investment in RHBSVN to be utilised for working capital requirements of RHB Investment Bank Group. Accordingly, the Bank has decided to exit from the stockbroking/securities business in Vietnam to focus on its existing securities business in other regions.

Upon completion of the Proposed Disposal, RHBSVN will cease to be a subsidiary of RHB Investment Bank;

- (c) The Bank has on 20 February 2024 injected additional capital of USD25 million (equivalent to RM120 million) into its wholly-owned subsidiary, RHB Bank (L) Ltd ('RHBBL'). As a result, the issued share capital of RHBBL increased from USD54 million to USD79 million; and
- (d) The Bank had on 20 February 2024 fully redeemed its existing USD300 million unsecured senior notes in nominal value issued under its USD5 billion euro medium term note programme on 19 February 2019.

A26. 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 2023, other than the following:

- (a) The Bank's 40% subscription and further capital injection into Boost Bank Berhad as further explained in Note B6(a);
- (b) During the financial year, the Group has indirectly acquired effective control in certain funds via RHB Asset Management Sdn Bhd ('RHBAM'), an indirect wholly-owned subsidiary and RHB Insurance Berhad ('RHB Insurance'), a 94.7% owned subsidiary by virtue of their holdings in the units issued by the funds. The Group has consolidated these funds at the respective effective equity interest as at the end of the financial year in accordance with MFRS 10 'Consolidated Financial Statements':
 - (i) Via RHBAM - RHB Dana Hazeem Fund at 53.58%, RHB Smart Income Fund 57.55% and RHB Smart Balanced Fund at 53.25%; and
 - (ii) Via RHB Insurance - RHB SRI Income Fund Plus 2 at 87.42% and AmIncome Value at 100%.
- (c) During the financial year, RHBAM has gained significant influence in RHB Growth and Income Focus Trust and RHB Goldenlife 2030. The Group has consolidated these two funds in accordance with the equity method of accounting as associates of the Group with effective equity interest of 42.44% and 47.62% respectively as at the end of the financial year;



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A26. Changes in the Composition of the Group (continued)

There were no significant changes in the composition of the Group for the financial year ended 31 December 2023, other than the following (continued):

- (d) RHB GC-Millennium Capital Pte Ltd, an indirect joint venture of which RHB Investment Bank Berhad ('RHB Investment Bank') held a 40% equity interest has been dissolved on 2 August 2023 pursuant to Section 180(6) of the Insolvency, Restructuring and Dissolution Act 2018 (No. 40 of 2018);
- (e) KE-ZAN Nominees Asing Sdn Bhd, a wholly-owned subsidiary of RHB Investment Bank, which in turn is wholly-owned by the Bank, has been dissolved on 11 August 2023 pursuant to Section 459(5) of the Companies Act 2016;
- (f) RHB Corporate Services Sdn Bhd, an indirect wholly-owned subsidiary of the Bank has convened its Extraordinary General Meeting on 15 September 2023, to approve the Member's Voluntary Winding Up pursuant to Section 257 of the Companies Act 2016;
- (g) RHB Futures Hong Kong Limited, an indirect wholly-owned subsidiary of the Bank, has been dissolved on 15 September 2023 pursuant to The Companies (Winding Up and Miscellaneous Provisions) Ordinance of Hong Kong;
- (h) RHBFS Sdn Bhd, a wholly-owned subsidiary of the Bank, has been dissolved on 1 November 2023 pursuant to Section 459(5) of the Companies Act 2016;
- (i) RHB Investment Bank had on 7 November 2023, subscribed for 10 million Redeemable Preference Shares ('RPS') in RHB Private Equity Holdings Sdn Bhd ('RHBPEH') amounting to RM20,000,000 for additional working capital purpose. Upon completion of the subscription, the equity interest held by RHB Investment Bank in RHBPEH remains the same;
- (j) RHBIB Nominees Tempatan Sdn Bhd, a wholly-owned subsidiary of RHB Investment Bank, which in turn is wholly-owned by the Bank, has been dissolved on 25 November 2023 pursuant to Section 459(5) of the Companies Act 2016;
- (k) RHB Investment Ltd, a wholly-owned subsidiary of the Bank, has convened its Extraordinary General Meeting on 27 November 2023, to approve the Member's Voluntary Winding Up pursuant to Section 160(1)(b) of the Insolvency, Restructuring and Dissolution Act 2018; and
- (l) The Bank has on 22 December 2023 injected additional capital of LAK39.7 billion (equivalent to RM9.0 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 LAK460.3 billion to LAK500.0 billion.



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A27. 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 2023	As at 31 December 2022	As at 31 December 2023	As at 31 December 2022
	RM'000	RM'000	RM'000	RM'000
Contingent liabilities				
Direct credit substitutes*	1,564,192	1,410,617	1,529,393	1,405,541
Transaction-related contingent items	2,048,797	2,788,293	1,667,836	2,387,653
Short-term self-liquidating trade-related contingencies	1,126,639	984,888	854,925	730,635
	4,739,628	5,183,798	4,052,154	4,523,829
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	11,313,173	8,573,179	11,313,173	8,777,386
Irrevocable commitments to extend credit:				
- Maturity less than one year	4,351,151	8,480,483	2,527,538	7,136,645
- Maturity more than one year	31,904,670	27,241,322	22,566,459	16,986,025
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	17,312,765	16,329,254	14,820,162	13,695,272
	64,881,759	60,624,238	51,227,332	46,595,328
Derivative financial instruments				
Foreign exchange related contracts [^] :				
- Less than one year	57,992,164	62,316,756	59,257,571	65,135,214
- One year to less than five years	6,647,069	5,647,134	7,466,244	5,647,134
- More than five years	967,603	1,169,510	967,603	1,169,510
Commodity related contracts [^] :				
- Less than one year	429,499	267,363	430,607	267,486
- One year to less than five years	584,568	364,149	586,316	364,306
- More than five years	-	102,941	-	102,941
Equity related contracts [^] :				
- Less than one year	707,042	649,166	707,242	649,276
- One year to less than five years	87,598	3,090	87,598	3,090
Interest rate related contracts [^] :				
- Less than one year	37,299,937	18,684,828	39,339,937	19,774,828
- One year to less than five years	64,863,786	45,588,339	68,363,786	48,888,339
- More than five years	6,862,697	6,195,096	6,862,697	6,195,096
	176,441,963	140,988,372	184,069,601	148,197,220
	246,063,350	206,796,408	239,349,087	199,316,377

* This relates to financial guarantee contracts.

[^] 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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A27. 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

- (i) As at 31 December 2023, the Group has contingent liabilities amounting to approximately RM65 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.
- (ii) The Bank has given an undertaking to BNM to provide adequate funds proportionate to its shareholding in Boost Bank Berhad ('Boost Bank') at the material time, to ensure that Boost Bank has sufficient funds to satisfy all its remaining obligations and liabilities due including customer deposits, in the event Boost Bank is wound down and required to implement its exit plan during its foundational phase.

A28. Capital Commitments

	Group		Bank	
	As at	As at	As at	As at
	31 December	31 December	31 December	31 December
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Authorised and contracted for property, plant and equipment	<u>246,256</u>	<u>284,529</u>	<u>215,379</u>	<u>249,674</u>



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A29. 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 2023 RM'000	As at 31 December 2022 RM'000	As at 31 December 2023 RM'000	As at 31 December 2022 RM'000
Common Equity Tier I ('CET I')/Tier I Capital				
Share capital	8,330,324	8,145,585	8,330,324	8,145,585
Retained profits	19,319,465	19,196,884	14,536,326	14,479,618
Other reserves	1,041,264	836,784	756,092	610,659
FVOCI reserves	76,491	(599,020)	74,870	(517,256)
	28,767,544	27,580,233	23,697,612	22,718,606
Less:				
Goodwill	(2,638,198)	(2,638,198)	(1,714,913)	(1,714,913)
Intangible assets (include associated deferred tax liabilities)	(673,518)	(602,106)	(600,974)	(524,689)
Deferred tax assets	(273,997)	(384,052)	(209,762)	(271,633)
55% of cumulative gains arising from change in value of FVOCI instruments	(42,070)	-	(41,179)	-
Investments in subsidiaries	(102,424)	(102,425)	(4,473,995)	(4,461,272)
Investments in associates and joint venture	(56,036)	(25)	(74,000)	-
Other deductions [#]	(29,837)	(30,313)	(29,159)	(29,388)
Total CET I Capital	24,951,464	23,823,114	16,553,630	15,716,711
Qualifying non-controlling interests recognised as Tier I Capital	167	159	-	-
Total Tier I Capital	24,951,631	23,823,273	16,553,630	15,716,711
Tier II Capital				
Subordinated obligations meeting all relevant criteria	2,499,366	1,999,353	2,499,366	1,999,353
Qualifying capital instruments of a subsidiary issued to third parties ⁺	448,412	393,975	-	-
Surplus eligible provisions over expected losses	547,595	513,764	394,298	373,005
General provisions [^]	434,848	404,754	305,681	271,763
Investment in capital instrument of financial and insurance/takaful entities	-	-	(91,932)	(88,116)
Total Tier II Capital	3,930,221	3,311,846	3,107,413	2,556,005
Total Capital	28,881,852	27,135,119	19,661,043	18,272,716



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A29. Capital Adequacy Ratio (continued)

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

	Group		Bank [@]	
	As at 31 December 2023	As at 31 December 2022	As at 31 December 2023	As at 31 December 2022
<u>Capital ratios</u>				
Before proposed dividends:				
CET I Capital Ratio	17.266%	17.593%	16.053%	16.036%
Tier I Capital Ratio	17.266%	17.593%	16.053%	16.036%
Total Capital Ratio	19.985%	20.039%	19.067%	18.644%
After proposed dividends and DRP*:				
CET I Capital Ratio	16.673%	16.887%	15.222%	15.061%
Tier I Capital Ratio	16.673%	16.887%	15.222%	15.061%
Total Capital Ratio	19.392%	19.333%	18.236%	17.669%

[@] 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 RM491,381,000 (2022: RM242,061,000) and RM263,332,000 (2022: RM155,937,000) respectively.

* The Board of Directors have declared the following dividend:

- (a) Second interim single-tier dividend of 25.0 sen per share in respect of the financial year ended 31 December 2023, amounting RM1,071,587,000, consisting of cash portion of 15.0 sen per share and an electable portion of 10.0 sen per share; and
- (b) Second interim single-tier dividend of 25.0 sen per share in respect of the financial year ended 31 December 2022, amounting to RM1,061,844,000, consisting of cash portion of 20.0 sen per share and an electable portion of 5.0 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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A29. 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 2023 RM'000	As at 31 December 2022 RM'000	As at 31 December 2023 RM'000	As at 31 December 2022 RM'000
CET I/Tier I Capital				
Share capital	1,673,424	1,673,424	1,220,000	1,220,000
Retained profits	4,201,068	4,177,805	469,723	426,746
Other reserves	798	205	2,830	685
FVOCI reserves	(38,332)	(118,059)	38,675	35,060
	5,836,958	5,733,375	1,731,228	1,682,491
Less:				
Goodwill	-	-	(372,395)	(372,395)
Investments in subsidiaries, associates and joint venture	-	-	(720,372)	(704,352)
Intangible assets (include associated deferred tax liabilities)	(4,661)	(4,227)	(25,074)	(25,592)
Deferred tax assets	(70,560)	(100,598)	(17,020)	(13,300)
55% of cumulative gains arising from change in value of FVOCI instruments	-	-	(21,271)	(19,283)
Other deductions [#]	(595)	(941)	-	-
Total CET I Capital/Tier I Capital	5,761,142	5,627,609	575,096	547,569
Tier II Capital				
Subordinated sukuk	750,000	750,000	-	-
Subordinated obligations meeting all relevant criteria	-	-	100,000	100,000
Surplus eligible provisions over expected losses	154,065	140,835	-	-
General provisions [^]	80,942	55,462	7,700	7,933
Total Tier II Capital	985,007	946,297	107,700	107,933
Total Capital	6,746,149	6,573,906	682,796	655,502
<u>Capital ratios</u>				
Before proposed dividends:				
CET I Capital Ratio	16.125%	17.828%	36.653%	31.348%
Tier I Capital Ratio	16.125%	17.828%	36.653%	31.348%
Total Capital Ratio	18.882%	20.826%	43.517%	37.528%
After proposed dividends:				
CET I Capital Ratio	15.516%	17.033%	32.446%	29.058%
Tier I Capital Ratio	15.516%	17.033%	32.446%	29.058%
Total Capital Ratio	18.273%	20.031%	39.310%	35.238%



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A29. Capital Adequacy Ratio (continued)

(b) The capital adequacy ratios of RHB Islamic Bank and RHB Investment Bank are as follows (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 RM68,476,000 (2022: RM34,664,000) and RM7,611,000 (2022: RM7,850,000) 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 2023				
Credit risk	126,053,670	90,170,895	32,152,914	616,039
Market risk	4,159,064	3,538,548	187,131	155,584
Operational risk	14,301,431	9,405,985	3,387,790	797,424
Total risk-weighted assets	<u>144,514,165</u>	<u>103,115,428</u>	<u>35,727,835</u>	<u>1,569,047</u>
	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>

[@] 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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A29. Capital Adequacy Ratio (continued)

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

	As at 31 December 2023 RM'000	As at 31 December 2022 RM'000
Before proposed dividends:		
Solvency ratio	17.089%	16.581%
After proposed dividends:		
Solvency ratio	17.089%	16.581%

The Solvency Ratio of RHB Bank Cambodia is the nearest equivalent regulatory compliance ratio in Cambodia computed in accordance with Prakas No. 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%.

A30. Credit Exposures Arising from Transactions with Connected Parties

	Group		Bank	
	As at 31 December 2023	As at 31 December 2022	As at 31 December 2023	As at 31 December 2022
Outstanding credit exposures with connected parties (RM'000)	12,865,646	13,975,207	9,087,841	8,384,214
Percentage of outstanding credit exposures with connected parties as proportion of total credit exposures (%)	4.80	5.51	5.56	5.45
Percentage of outstanding credit exposures with connected parties which is impaired or in default (%)	-	-	-	-

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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A31. Operations of Islamic Banking

(a) Statement of Financial Position as at 31 December 2023

	Note	Group		Bank	
		As at	As at	As at	As at
		31 December 2023	31 December 2022	31 December 2023	31 December 2022
		RM'000	RM'000	RM'000	RM'000
ASSETS					
Cash and short-term funds		5,800,932	7,168,679	-	-
Deposits and placements with banks and other financial institutions		92,225	-	-	-
Financial assets at FVTPL		167,678	91,997	-	-
Financial assets at FVOCI		5,937,797	5,700,547	-	-
Financial investments at amortised cost		8,978,775	7,542,997	-	-
Financing and advances		84,539,296	81,616,202	701,778	674,093
Other assets		618,326	596,335	498,464	499,798
Derivative assets		40,746	18,181	-	-
Statutory deposits		1,526,500	1,426,500	-	-
Deferred tax assets		82,137	137,537	-	-
Right-of-use assets		1,188	1,264	-	-
Property, plant and equipment		5,728	6,204	-	-
Intangible assets		5,186	4,567	-	-
Total assets		107,796,514	104,311,010	1,200,242	1,173,891
LIABILITIES					
Deposits from customers		82,529,407	78,233,590	-	-
Deposits and placements of banks and other financial institutions		1,792,879	3,109,934	1,140,247	1,098,871
Investment accounts	A21	507,774	1,246,026	-	-
Bills and acceptances payable		9,842	7,421	-	-
Other liabilities		234,700	303,251	-	-
Derivative liabilities		75,991	210,543	-	-
Recourse obligation on financing sold to Cagamas		1,611,741	1,765,061	-	-
Provision for taxation and zakat		40,888	111,844	-	-
Lease liabilities		1,186	1,307	-	-
Borrowings		809,238	-	-	-
Subordinated obligations		754,373	754,428	-	-
Total liabilities		88,368,019	85,743,405	1,140,247	1,098,871
Islamic Banking Funds		19,428,495	18,567,605	59,995	75,020
Total liabilities and Islamic Banking Funds		107,796,514	104,311,010	1,200,242	1,173,891
Commitments and contingencies		20,456,022	20,011,594	22,971	14,444



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A31. Operations of Islamic Banking (continued)

(b) Income Statement for the Financial Year Ended 31 December 2023

	4th Quarter Ended		Twelve Months Ended	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	RM'000	RM'000	RM'000	RM'000
Group				
Income derived from investment of depositors' funds	1,136,514	1,070,778	4,324,455	3,446,073
Income derived from investment of investment account funds	83,501	136,309	428,476	481,503
Income derived from investment of shareholders' funds	61,948	44,511	509,713	232,901
Allowance for credit losses on financial assets	22,189	(99,151)	5,617	(257,155)
Total distributable income	1,304,152	1,152,447	5,268,261	3,903,322
Income attributable to depositors	(737,387)	(541,806)	(2,842,987)	(1,709,777)
Profit distributed to investment account holders	(10,981)	(15,411)	(53,208)	(52,644)
	555,784	595,230	2,372,066	2,140,901
Personnel expenses	(6,258)	(6,660)	(29,479)	(27,456)
Other overheads and expenditures	(163,537)	(173,259)	(639,365)	(594,249)
Profit before taxation and zakat	385,989	415,311	1,703,222	1,519,196
Taxation and zakat	(77,437)	(114,803)	(283,035)	(386,089)
Net profit for the financial period/year	308,552	300,508	1,420,187	1,133,107

Statement of Comprehensive Income for the Financial Year Ended 31 December 2023

	4th Quarter Ended		Twelve Months Ended	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	RM'000	RM'000	RM'000	RM'000
Group				
Net profit for the financial period/year	308,552	300,508	1,420,187	1,133,107
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 gain/(loss) on revaluation	48,083	89,902	133,723	(104,528)
- Net transfer to income statement on disposal	(12,136)	-	(28,819)	(13,940)
- Changes in expected credit losses	(221)	2,645	(4,122)	3,942
Income tax relating to components of other comprehensive (income)/loss	(8,627)	(21,577)	(25,177)	28,432
Other comprehensive income/(loss), net of tax, for the financial period/year	27,099	70,970	75,605	(86,094)
Total comprehensive income for the financial period/year	335,651	371,478	1,495,792	1,047,013



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A31. Operations of Islamic Banking (continued)

(b) Income Statement for the Financial Year Ended 31 December 2023

	4th Quarter Ended		Twelve Months Ended	
	31 December	31 December	31 December	31 December
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Bank				
Income derived from investment of depositors' funds	9,165	6,150	33,210	20,235
Allowance for credit losses on financial assets	302	358	(485)	3,897
Total distributable income	9,467	6,508	32,725	24,132
Income attributable to depositors	(13,540)	(10,199)	(52,366)	(20,695)
(Loss)/Profit before taxation	(4,073)	(3,691)	(19,641)	3,437
Taxation	-	-	-	-
Net (loss)/profit for the financial period/year	(4,073)	(3,691)	(19,641)	3,437

Statement of Comprehensive Income for the Financial Year Ended 31 December 2023

	4th Quarter Ended		Twelve Months Ended	
	31 December	31 December	31 December	31 December
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Bank				
Net (loss)/profit for the financial period/year	(4,073)	(3,691)	(19,641)	3,437
Total comprehensive (loss)/income for the financial period/year	(4,073)	(3,691)	(19,641)	3,437



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A31. Operations of Islamic Banking (continued)

(c) Financing and Advances

	Group		Bank	
	As at 31 December 2023	As at 31 December 2022	As at 31 December 2023	As at 31 December 2022
	RM'000	RM'000	RM'000	RM'000
At amortised cost				
Cashline	1,487,173	1,247,512	-	-
Term financing				
- Housing financing	32,632,526	28,799,725	-	-
- Syndicated term financing	3,676,396	5,228,649	-	-
- Hire purchase receivables	10,729,885	9,923,780	-	-
- Other term financing	32,319,521	32,506,288	702,574	674,389
Bills receivables	425,249	322,098	-	-
Trust receipts	85,560	67,708	-	-
Claims on customers under acceptance credits	1,311,712	1,399,155	-	-
Share margin financing	9,431	9,902	-	-
Staff financing	16,560	14,868	-	-
Credit/charge card receivables	366,999	302,280	-	-
Revolving financing	2,122,084	2,577,115	-	-
Gross financing and advances	85,183,096	82,399,080	702,574	674,389
Less: Allowance for credit losses	(643,800)	(782,878)	(796)	(296)
Net financing and advances	84,539,296	81,616,202	701,778	674,093
(i) Movements in impaired financing and advances				
Balance as at the beginning of the financial year	600,488	389,489	-	3,689
Transfer to 12-month ECL (Stage 1)	(20,603)	(11,868)	-	-
Transfer to lifetime ECL not credit impaired (Stage 2)	(71,883)	(18,946)	-	-
Transfer to lifetime ECL credit impaired (Stage 3)	562,957	387,988	-	-
Purchases and origination	408,648	52,482	-	-
Derecognition	(81,645)	(90,088)	-	-
Amount written off	(187,218)	(109,365)	-	(3,899)
Other movements	6,109	586	-	-
Exchange differences	-	210	-	210
Balance as at the end of the financial year	1,216,853	600,488	-	-



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A31. Operations of Islamic Banking (continued)

(c) 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 2023				
Balance as at the beginning of the financial year	156,741	374,072	252,065	782,878
Changes due to financial assets recognised in the opening balance that have been:				
- Transferred to 12-month ECL (Stage 1)	59,298	(52,584)	(6,714)	-
- Transferred to lifetime ECL not credit impaired (Stage 2)	(6,750)	27,317	(20,567)	-
- Transferred to lifetime ECL credit impaired (Stage 3)	(921)	(40,271)	41,192	-
	51,627	(65,538)	13,911	-
Changes in credit risk	(96,820)	(120,055)	229,378	12,503
Purchases and origination	22,980	4,983	3,987	31,950
Changes to model methodologies	(15,024)	(14,716)	6,141	(23,599)
Derecognition	(8,266)	(7,263)	(23,427)	(38,956)
Bad debts written off	-	-	(127,100)	(127,100)
Exchange differences	15	-	-	15
Other movements	-	-	6,109	6,109
Balance as at the end of the financial year	111,253	171,483	361,064	643,800
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



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**NOTES TO AUDITED INTERIM FINANCIAL
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A31. Operations of Islamic Banking (continued)

(c) 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 2023				
Balance as at the beginning of the financial year	296	-	-	296
Changes in credit risk	485	-	-	485
Exchange differences	15	-	-	15
Balance as at the end of the financial year	<u>796</u>	<u>-</u>	<u>-</u>	<u>796</u>
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>



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B1. Review of Group Results

(a) Current Financial Year vs Previous Financial Year

The Group reported a net profit of RM2,806.2 million for the financial year ended 31 December 2023, 4.8% higher from RM2,678.4 million recorded a year ago. The year-on-year improvement was mainly due to higher non-fund based income, lower allowances for credit losses and lower tax expense, offset by lower net funding income, higher operating expenses and higher share of loss in associates.

Net fund based income declined by 14.6% to RM5,450.5 million from a year ago driven by higher funding expense.

Non-fund based income rose by 30.3% to RM2,319.9 million, contributed by higher net trading and investment income, higher net gain on foreign exchange and derivative and higher fee income, partly offset by one-off gain on disposal of a subsidiary a year ago and lower net income from insurance business.

Operating expenses increased by 2.3% from a year ago to RM3,689.3 million. Cost-to-income ratio was at 47.5% compared to 44.2% a year ago.

Allowance for credit losses was at RM301.5 million, 28.4% lower than previous year. Annualised credit charge ratio was at 0.16% compared to 0.15% last year.

Total assets of the Group increased by 5.8% from December 2022 to RM328.7 billion as at 31 December 2023. Net assets per share was at RM7.20, with shareholders' equity at RM30.9 billion as at 31 December 2023.

The Group's gross loans and financing grew by 4.8% year-on-year to RM222.4 billion, mainly supported by growth in mortgage, Singapore and SME.

Customer deposits increased by 7.9% to RM245.1 billion, mainly due to growth in fixed deposits and money market time deposits by 10.1% and CASA by 3.0%. CASA composition stood at 27.9% as at 31 December 2023.

Gross impaired loans was at RM3.9 billion as at 31 December 2023, with gross impaired loans ratio of 1.74%.



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B1. Review of Group Results (continued)

(b) Performance by Operating Segment

(i) GCB

GCB reported a pre-tax profit of RM1,887.5 million for the financial year ended 31 December 2023, 2.8% higher than previous year. This was mainly attributed to higher net fund based income and lower allowances for credit losses, partially offset by higher operating expenses and lower non-fund based income.

Gross loans and financing was at RM140.9 billion, 5.8% higher year-on-year, primarily driven by growth in mortgage and SME.

Total deposits increased by 12.6% year-on-year to RM115.0 billion as at 31 December 2023, contributed by growth in fixed deposits.

(ii) GWB

GWB recorded a pre-tax profit of RM2,118.6 million, an increase of 19.1% from previous year. This was on the back of higher expected credit losses written back and higher non-fund based income, partially offset by lower net fund based income and higher operating expenses.

Gross loans and financing decreased by 3.1% year-on-year to RM49.1 billion. Total deposits decreased by 4.4% to RM92.8 billion mainly due to decline in fixed deposits and money market time deposits, partly offset by increase in current account.

(iii) Group International Business

Group International Business posted a pre-tax loss of RM182.6 million compared to a pre-tax profit of RM425.2 million in the previous year. This was mainly due to higher allowances for credit losses and operating expenses, partly offset by higher net fund based income and non-fund based income.

Gross loans and advances grew 14.3% year-on-year to RM32.3 billion, while deposits increased 33.4% to RM37.3 billion.



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B2. Current Quarter vs Previous Quarter

Pre-tax profit of the Group decreased by 8.4% to RM805.8 million from RM879.3 million recorded in the preceding quarter ended 30 September 2023. This was primarily due to higher allowances for credit losses, higher operating expenses and lower net funding income, partly offset by higher non-fund based income and lower share of loss in associates.

B3. Prospects for Financial Year 2024

Global economic growth is expected to accelerate in 2024, supported by easing of monetary policy trends and China's potential economic recovery. Similarly, Malaysia's growth momentum is expected to improve in 2024 with GDP projected to grow at 4.6%, underpinned by revival of external sector, including manufacturing and exports, as well as strong domestic demand arising from robust consumer and investment spending. Nevertheless, the Group remains vigilant as risk from external factors persists, such as uncertainty of monetary policy stance in the US, inflationary pressures and escalation of geopolitical conflicts.

For the banking sector, demand for credit is expected to improve in the current year in tandem with better economic growth prospect. Overall, the sector is anticipated to remain resilient, bolstered by robust capital and liquidity positions, adequate level of provisioning, as well as conducive monetary policy.

In the dynamic banking landscape of 2024, the Group, through its TWP24 strategy, continues to prioritise on achieving quality growth, driving service excellence and improving efficiency.

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 2023	Restated 31 December 2022	31 December 2023	Restated 31 December 2022
	RM'000	RM'000	RM'000	RM'000
Group				
Income tax based on profit for the financial period/year				
- Malaysian income tax	174,324	381,428	870,398	1,360,972
- Overseas tax	6,776	25,015	2,589	40,774
Deferred tax	54,170	42,097	67,306	54,051
	<u>235,270</u>	<u>448,540</u>	<u>940,293</u>	<u>1,455,797</u>
Over provision in respect of prior financial years	(19,301)	(3,572)	(7,448)	(12,132)
Tax expense	<u>215,969</u>	<u>444,968</u>	<u>932,845</u>	<u>1,443,665</u>
Zakat	2,500	2,750	10,000	8,000
	<u>218,469</u>	<u>447,718</u>	<u>942,845</u>	<u>1,451,665</u>

The effective tax rate of the Group for the fourth quarter and financial year ended 31 December 2023 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 2023	31 December 2022	31 December 2023	31 December 2022
	RM'000	RM'000	RM'000	RM'000
Bank				
Income tax based on profit for the financial period/year				
- Malaysian income tax	108,310	256,541	551,211	967,602
- Overseas tax	-	22,331	469	24,283
Deferred tax	36,031	29,654	27,647	37,953
	<u>144,341</u>	<u>308,526</u>	<u>579,327</u>	<u>1,029,838</u>
Under/(Over) provision in respect of prior financial years	(6,233)	-	3,799	(3,783)
	<u>138,108</u>	<u>308,526</u>	<u>583,126</u>	<u>1,026,055</u>

The effective tax rate of the Bank for the fourth quarter ended 31 December 2023 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 2023 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) 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 to be mutually agreed;
- (ii) to jointly apply to BNM for a digital banking license; and
- (iii) to jointly explore other potential opportunities deemed suitable.

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 75.43% subsidiary of Axiata for the purpose of regulating the terms for the 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.

The Bank and Boost Holdings had on 1 March 2023 jointly incorporated a company called Boost Berhad, with a share capital of RM100 consisting of 100 ordinary shares of which 60 ordinary shares are held by Boost Holdings, with the balance 40 ordinary shares being held by the Bank. The intended principal activity of Boost Berhad is to set up a digital banking business under the Financial Services Act 2013 and the provision of related services. Subject to approval from BNM, Boost Berhad will be the legal entity to carry out the digital banking business ('Proposed Digital Bank').

The Bank, Boost Holdings and Boost Berhad had on 31 March 2023 entered into a share subscription agreement ('SSA') for the Bank and Boost Holdings to subscribe for 100 million new ordinary shares in Boost Berhad for a cash consideration of RM100 million for Boost Berhad to meet the minimum capital funds requirements for a digital bank ('Proposed Subscription'). Within 30-days from incorporation of Boost Berhad, Boost Holdings will subscribe for additional 60 million new ordinary shares in Boost Berhad for a cash consideration of RM60 million and the Bank will subscribe for additional 40 million new ordinary shares in Boost Berhad for a cash consideration of RM40 million. The source of funds for the Bank's portion of the Proposed Subscription amounting to RM40 million is from internally generated funds of the Bank. Upon completion of the Proposed Subscription, Boost Berhad will seek the approval of BNM to be designated as the legal entity for the Proposed Digital Bank.

Concurrently, the Bank, Boost Holdings and Boost Berhad had on 31 March 2023 entered into a shareholders' agreement ('SHA') to regulate the affairs of Boost Berhad as the Proposed Digital Bank, and the Bank and Boost Holdings' relationship between themselves as shareholders of Boost Berhad. The salient terms of the SHA are as follows:

(a) Target segment of Boost Berhad

The Parties agree that Boost Berhad shall focus on the segments of the market who are underserved, unserved and/or unbanked primarily within Malaysia with the aim of building a more inclusive financial sector in Malaysia.

(b) Shareholding structure of Boost Berhad

Boost Holdings and the Bank shall hold 60% and 40% respectively of the equity share capital of Boost Berhad.



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B6. Status of Corporate Proposals (continued)

(a) Memorandum of understanding ('MOU') with Axiata Group Berhad ('Axiata Group') (continued)

Concurrently, the Bank, Boost Holdings and Boost Berhad had on 31 March 2023 entered into a shareholders' agreement ('SHA') to regulate the affairs of Boost Berhad as the Proposed Digital Bank, and the Bank and Boost Holdings' relationship between themselves as shareholders of Boost Berhad. The salient terms of the SHA are as follows (continued):

(c) Board composition of Boost Berhad

The Bank and Boost Holdings shall be entitled to nominate representatives to sit on the Board of Directors of Boost Berhad and representatives for key senior management positions in Boost Berhad based on the agreed parameters in the SHA.

(d) Restriction on transfer

For a period of three (3) years from the execution of the SHA, the Bank and Boost Holdings are not allowed to dispose their shares in Boost Berhad to a third party. However, the Bank and Boost Holdings are entitled to transfer their shares in Boost Berhad to an affiliate company of the Bank or Boost Holdings respectively.

(e) Termination

The SHA will automatically terminate under the following conditions:

- (i) The SHA is terminated by the written agreement of all shareholders of Boost Berhad;
- (ii) On the date on which Boost Berhad is wound up or liquidated, other than to effect a scheme of solvent reconstruction, reorganisation or amalgamation;
- (iii) On the date on which an initial public offer of the shares of Boost Berhad is completed;
- (iv) With respect to a particular shareholder only, upon that shareholder ceasing to hold any shares in Boost Berhad; or
- (v) If the Digital Bank Licence of Boost Berhad is revoked or if Boost Berhad surrenders its Digital Bank Licence in accordance with the directions or instructions of BNM.

The Bank had on 3 November 2023 subscribed for 34 million new ordinary shares in Boost Berhad ('Boost Berhad Shares') for a cash consideration of RM34 million ('Additional RHB Subscription'). The source of funds for the Additional RHB Subscription is from internally generated funds of the Bank. On even date, Boost Holdings had also subscribed for 51 million new Boost Berhad Shares for a cash consideration of RM51 million ('Additional Boost Holdings Subscription'). The Additional RHB Subscription and the Additional Boost Holdings Subscription are collectively referred to as 'Additional Subscription'. The purpose of the Additional Subscription is for Boost Berhad to continue meeting the minimum capital funds requirements for a digital bank of RM100 million unimpaired by losses. Upon completion of the Additional Subscription, the paid-up capital of Boost Berhad is RM185 million comprising 185 million Boost Berhad Shares.

BNM had vide its letter dated 3 October 2023 granted the approval pursuant to Section 139 of the Financial Services Act 2013 for Boost Berhad to use the word "bank" in its proposed new name, i.e. Boost Bank Berhad with effect from 4 October 2023. However, the proposed new name was still subject to an approval from the Companies Commission of Malaysia/Minister of Domestic Trade and Cost of Living.

The Companies Commission of Malaysia had vide its letter dated 13 December 2023, notified Boost Berhad that the Minister of Domestic Trade and Cost of Living had approved for Boost Berhad to use the word "bank" as part of its proposed new name, i.e. Boost Bank Berhad. On 18 December 2023, Boost Berhad changed its name to Boost Bank Berhad ('Boost Bank').



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B6. Status of Corporate Proposals (continued)

(a) Memorandum of understanding ('MOU') with Axiata Group Berhad ('Axiata Group') (continued)

BNM had vide its letter dated 8 January 2024 notified RHB Bank and Boost Holdings that BNM is satisfied with the outcome of the operational readiness review of Boost Bank and the Minister of Finance ('MOF') has agreed to the issuance of the physical digital banking licence to Boost Bank and for the said licence to take effect on 15 January 2024.

Boost Bank will leverage on the strengths of Boost Holdings in the fintech sector and the Bank in the banking sector respectively, to offer digital banking products and services and shall focus on the underserved and/or unserved segment primarily within Malaysia with the aim of building a more inclusive financial sector in Malaysia.

As part of the conditions imposed by BNM and MOF in granting the approval for Boost Bank to commence operations as a digital bank, the Bank, as shareholder of Boost Bank, has given an undertaking to BNM that in the event Boost Bank is wound down and required to implement its exit plan during its foundational phase, the Bank shall provide adequate funds proportionate to its shareholding in Boost Bank at the material time, to ensure that Boost Bank has sufficient funds to satisfy all its remaining obligations and liabilities due including customer deposits. A similar undertaking has also been provided by Boost Holdings.

The Bank had on 16 February 2024 subscribed for additional 8.6 million ordinary shares in Boost Bank ('Boost Bank Shares') for a cash consideration of RM8.6 million ('Additional RHB February Subscription') to maintain its 40% equity interest in Boost Bank. The source of funds for the Additional RHB February Subscription is derived from internally generated funds of the Bank. Boost Holdings had on 16 February 2024 also subscribed for additional 12.9 million new Boost Bank Shares for a cash consideration of RM12.9 million to maintain its 60% equity interest in Boost Bank ('Additional Boost Holdings February Subscription'). The Additional RHB February Subscription and the Additional Boost Holdings February Subscription are collectively referred to as 'Additional February Subscription'. The purpose of the Additional February Subscription is for Boost Bank to fund its operating and capital expenditure for the first half of 2024 and to continue meeting the minimum capital funds as required by BNM. Upon completion of the Additional February Subscription, the paid-up capital of Boost Bank is approximately RM206.5 million comprising approximately 206.5 million Boost Bank Shares.



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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 2023 RM'000	As at 31 December 2022 RM'000	As at 31 December 2023 RM'000	As at 31 December 2022 RM'000
Deposits from customers				
- One year or less	241,146,500	222,591,295	146,481,409	133,456,396
- More than one year	3,936,570	4,568,467	2,160,086	2,633,075
	<u>245,083,070</u>	<u>227,159,762</u>	<u>148,641,495</u>	<u>136,089,471</u>
Deposits and placements of banks and other financial institutions				
- Maturing within one year	12,061,098	19,884,995	22,515,704	27,913,185
- One year to three years	2,038,322	1,286,229	1,972,463	1,244,784
- Three years to five years	647,669	1,418,630	570,745	1,330,913
- Over five years	2,275,309	2,004,015	2,164,570	1,956,580
	<u>17,022,398</u>	<u>24,593,869</u>	<u>27,223,482</u>	<u>32,445,462</u>

(b) Borrowings

	Group		Bank	
	As at 31 December 2023 RM'000	As at 31 December 2022 RM'000	As at 31 December 2023 RM'000	As at 31 December 2022 RM'000
Secured				
Overdraft:				
- Vietnam Dong	-	7,312	-	-
Unsecured				
Overdraft:				
- Vietnam Dong	960	-	-	-
Term loan:				
- United States Dollar	1,273,870	442,422	464,632	442,422
- Singapore Dollar	873,289	821,154	873,289	821,154
Promissory note:				
- Indonesia Rupiah	-	28,304	-	-
- Thai Baht	113,105	176,993	-	-
	<u>2,261,224</u>	<u>1,476,185</u>	<u>1,337,921</u>	<u>1,263,576</u>
Scheduled repayment of borrowings:				
- Within one year	987,354	655,031	873,289	442,422
- One year to three years	1,273,870	821,154	464,632	821,154
	<u>2,261,224</u>	<u>1,476,185</u>	<u>1,337,921</u>	<u>1,263,576</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	As at
	31 December 2023	31 December 2022
	RM'000	RM'000
USD300 million 3.766% senior debt securities due in 2024	1,397,945	1,339,419
RM300 million 2.85% senior Sukuk Murabahah due in 2025	301,650	301,618
USD500 million 1.658% senior debt securities due in 2026	2,296,398	2,200,153
RM1,500 million 3.95% senior Sukuk Murabahah due in 2026	1,504,910	-
RM1,500 million 4.38% senior Sukuk Murabahah due in 2028	1,527,622	-
	<u>7,028,525</u>	3,841,190
Fair value changes arising from fair value hedges	(10,072)	-
	<u><u>7,018,453</u></u>	<u><u>3,841,190</u></u>

(d) Subordinated obligations

	Group		Bank	
	As at	As at	As at	As at
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	RM'000	RM'000	RM'000	RM'000
4.32% RM500 million Tier II Subordinated Sukuk Murabahah 2019/2029	502,426	502,426	-	-
3.35% RM500 million Tier II Subordinated Notes 2020/2030	501,497	501,408	501,497	501,408
3.13% RM500 million Tier II Subordinated Notes 2020/2030	501,653	501,557	501,653	501,557
3.65% RM500 million Tier II Subordinated Notes 2021/2031	503,021	503,069	503,021	503,069
4.06% RM250 million Tier II Subordinated Sukuk Murabahah 2022/2032	251,947	252,002	-	-
4.40% RM500 million Tier II Subordinated Notes 2022/2032	505,503	505,524	505,503	505,524
4.45% RM100 million Tier II Subordinated Notes 2022/2032	101,097	101,097	-	-
4.51% RM500 million Tier II Subordinated Notes 2023/2033	510,019	-	510,019	-
	<u>3,377,163</u>	<u>2,867,083</u>	<u>2,521,693</u>	<u>2,011,558</u>

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 A29) 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 2023			As at 31 December 2022		
	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	55,952,200	294,473	631,192	61,412,057	626,384	1,027,880
- Options	167,329	4,683	150	67,140	5,104	1,633
- Cross-currency interest rate swaps	9,487,307	214,501	342,373	7,654,203	144,592	166,071
	65,606,836	513,657	973,715	69,133,400	776,080	1,195,584
Interest rate related contracts						
- Swaps	98,883,695	902,400	648,042	62,421,450	950,167	692,863
Commodity related contracts						
- Options	1,014,067	51,110	51,110	734,453	25,173	25,173
Equity related contracts						
- Options	794,640	50,540	75,695	652,256	728	697
Futures related contracts						
	43,295	402	129	78,180	559	301
Structured warrants						
	421,732	-	32,089	118,315	-	16,917
<u>Fair Value Hedging Derivatives:</u>						
Interest rate related contracts						
- Swaps	10,142,725	157,614	6,948	8,046,813	207,772	7,856
Total	176,906,990	1,675,723	1,787,728	141,184,867	1,960,479	1,939,391



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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 2023			As at 31 December 2022		
	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	56,689,002	303,231	627,255	63,723,851	646,548	1,010,057
- Options	167,329	4,683	150	67,140	5,104	1,633
- Cross-currency interest rate swaps	10,835,087	228,969	342,372	8,160,867	144,592	166,222
	67,691,418	536,883	969,777	71,951,858	796,244	1,177,912
Interest rate related contracts						
- Swaps	108,423,695	983,294	728,936	70,611,450	1,071,314	814,679
Commodity related contracts						
- Options	1,016,923	51,110	51,110	734,733	25,173	25,173
Equity related contracts						
- Options	794,840	44,940	44,895	652,366	728	697
<u>Fair Value Hedging Derivatives:</u>						
Interest rate related contracts						
- Swaps	6,142,725	83,200	468	4,246,813	94,017	464
Total	184,069,601	1,699,427	1,795,186	148,197,220	1,987,476	2,018,925



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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 2023			As at 31 December 2022		
	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	57,992,164	309,031	708,702	62,316,756	686,501	1,066,161
- One year to three years	4,146,580	79,233	188,081	3,031,334	21,863	70,317
- More than three years	3,468,092	125,393	76,932	3,785,310	67,716	59,106
	<u>65,606,836</u>	<u>513,657</u>	<u>973,715</u>	<u>69,133,400</u>	<u>776,080</u>	<u>1,195,584</u>
Interest rate related contracts						
- Less than one year	35,102,731	109,450	95,832	18,184,828	70,522	68,977
- One year to three years	30,078,492	333,407	223,939	19,542,889	274,253	247,780
- More than three years	33,702,472	459,543	328,271	24,693,733	605,392	376,106
	<u>98,883,695</u>	<u>902,400</u>	<u>648,042</u>	<u>62,421,450</u>	<u>950,167</u>	<u>692,863</u>
Commodity related contracts						
- Less than one year	429,499	11,542	11,542	267,363	3,020	3,020
- One year to three years	243,739	11,515	11,515	173,756	5,712	5,712
- More than three years	340,829	28,053	28,053	293,334	16,441	16,441
	<u>1,014,067</u>	<u>51,110</u>	<u>51,110</u>	<u>734,453</u>	<u>25,173</u>	<u>25,173</u>
Equity related contracts						
- Less than one year	707,042	49,043	74,248	649,166	728	697
- One year to three years	87,598	1,497	1,447	3,090	-	-
	<u>794,640</u>	<u>50,540</u>	<u>75,695</u>	<u>652,256</u>	<u>728</u>	<u>697</u>
Futures related contracts						
- Less than one year	43,295	402	129	78,180	559	301
	<u>43,295</u>	<u>402</u>	<u>129</u>	<u>78,180</u>	<u>559</u>	<u>301</u>
Structured warrants						
- Less than one year	421,732	-	32,089	118,315	-	16,917
	<u>421,732</u>	<u>-</u>	<u>32,089</u>	<u>118,315</u>	<u>-</u>	<u>16,917</u>
<u>Fair Value Hedging Derivatives:</u>						
Interest rate related contracts						
- Less than one year	2,197,206	4,820	1,754	500,000	-	932
- One year to three years	3,210,519	48,525	5,021	4,105,000	64,187	4,317
- More than three years	4,735,000	104,269	173	3,441,813	143,585	2,607
	<u>10,142,725</u>	<u>157,614</u>	<u>6,948</u>	<u>8,046,813</u>	<u>207,772</u>	<u>7,856</u>
Total	<u>176,906,990</u>	<u>1,675,723</u>	<u>1,787,728</u>	<u>141,184,867</u>	<u>1,960,479</u>	<u>1,939,391</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 2023			As at 31 December 2022		
	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	59,257,571	317,790	704,764	65,135,214	706,665	1,048,338
- One year to three years	4,965,755	93,700	188,081	2,922,549	21,863	70,317
- More than three years	3,468,092	125,393	76,932	3,894,095	67,716	59,257
	67,691,418	536,883	969,777	71,951,858	796,244	1,177,912
Interest rate related contracts						
- Less than one year	37,642,731	111,203	97,585	19,774,828	71,454	70,578
- One year to three years	32,078,492	346,709	237,242	21,912,889	294,265	267,791
- More than three years	38,702,472	525,382	394,109	28,923,733	705,595	476,310
	108,423,695	983,294	728,936	70,611,450	1,071,314	814,679
Commodity related contracts						
- Less than one year	430,607	11,542	11,542	267,486	3,020	3,020
- One year to three years	256,620	11,515	11,515	196,413	5,712	5,712
- More than three years	329,696	28,053	28,053	270,834	16,441	16,441
	1,016,923	51,110	51,110	734,733	25,173	25,173
Equity related contracts						
- Less than one year	707,242	43,443	43,448	649,276	728	697
- One year to three years	87,598	1,497	1,447	3,090	-	-
	794,840	44,940	44,895	652,366	728	697
<u>Fair Value Hedging Derivatives:</u>						
Interest rate related contracts						
- Less than one year	1,697,206	4,820	1	-	-	-
- One year to three years	2,210,519	39,776	467	2,920,000	48,028	464
- More than three years	2,235,000	38,604	-	1,326,813	45,989	-
	6,142,725	83,200	468	4,246,813	94,017	464
Total	184,069,601	1,699,427	1,795,186	148,197,220	1,987,476	2,018,925



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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 qualified 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 qualified 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, financial assets at FVOCI, financial investments at amortised cost and senior debt securities. The gain or loss relating to the effective portion of interest rate swaps hedging on loans, financial investments at amortised cost and senior debt securities 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 shows financial instruments carried at fair value analysed by level within the fair value hierarchy:

Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
31 December 2023				
<u>Financial assets</u>				
Financial assets at FVTPL:	245,766	2,739,390	733,335	3,718,491
- Money market instruments	-	1,388,526	-	1,388,526
- Quoted securities	245,766	-	-	245,766
- Unquoted securities	-	1,350,864	733,335	2,084,199
Financial assets at FVOCI:	2,820	47,201,673	772,436	47,976,929
- Money market instruments	-	20,592,399	-	20,592,399
- Quoted securities	2,820	-	-	2,820
- Unquoted securities	-	26,609,274	772,436	27,381,710
Derivative assets	-	1,675,723	-	1,675,723
	<u>248,586</u>	<u>51,616,786</u>	<u>1,505,771</u>	<u>53,371,143</u>
<u>Financial liabilities</u>				
Derivative liabilities	<u>32,089</u>	<u>1,755,639</u>	<u>-</u>	<u>1,787,728</u>
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
	<u>205,547</u>	<u>42,375,248</u>	<u>1,442,784</u>	<u>44,023,579</u>
<u>Financial liabilities</u>				
Derivative liabilities	<u>16,917</u>	<u>1,922,474</u>	<u>-</u>	<u>1,939,391</u>



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B9. Fair Value of Financial Instruments (continued)

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

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 2023				
<u>Financial assets</u>				
Financial assets at FVTPL:	1,395	1,325,899	-	1,327,294
- Money market instruments	-	1,216,659	-	1,216,659
- Quoted securities	1,395	-	-	1,395
- Unquoted securities	-	109,240	-	109,240
Financial assets at FVOCI:	-	40,798,615	729,292	41,527,907
- Money market instruments	-	17,903,475	-	17,903,475
- Unquoted securities	-	22,895,140	729,292	23,624,432
Derivative assets	-	1,699,427	-	1,699,427
	<u>1,395</u>	<u>43,823,941</u>	<u>729,292</u>	<u>44,554,628</u>
<u>Financial liabilities</u>				
Derivative liabilities	-	1,795,186	-	1,795,186
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

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 values are 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 2023	As at 31 December 2022	As at 31 December 2023	As at 31 December 2022
	RM'000	RM'000	RM'000	RM'000
Financial assets at FVTPL				
Balance as at the beginning of the financial year	704,842	641,145	15,358	14,482
Total net gain recognised in income statements	60,801	23,380	16,531	876
Purchases	35,390	8,095	-	-
Settlement/distribution	(97,810)	(3,915)	(31,889)	-
Exchange differences	30,112	36,137	-	-
Balance as at the end of the financial year	<u>733,335</u>	<u>704,842</u>	<u>-</u>	<u>15,358</u>
Financial assets at FVOCI				
Balance as at the beginning of the financial year	737,942	758,833	699,024	721,769
Total net gain/(loss) recognised in other comprehensive income	32,275	(19,877)	30,268	(21,725)
Purchases	2,238	-	-	-
Settlement/disposal	-	(1,020)	-	(1,020)
Exchange differences	(19)	6	-	-
Balance as at the end of the financial year	<u>772,436</u>	<u>737,942</u>	<u>729,292</u>	<u>699,024</u>



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B10. Change in Accounting Policies

(1) Adoption of MFRS 17 'Insurance Contracts'

The insurance subsidiary has adopted MFRS 17 'Insurance Contracts', issued by MASB effective 1 January 2023, replacing MFRS 4. The application of MFRS 17 is retrospective and has resulted in changes to the accounting policies for recognition, classification and measurement of insurance assets and liabilities, and adjustments to the amounts previously recognised in the financial statements.

Set out below are the changes and impact arising from the adoption of MFRS 17 by the insurance subsidiary to the Group:

(a) Changes to classification and measurement

The adoption of MFRS 17 does not change the classification of the insurance contracts of the insurance subsidiary.

MFRS 17 provides a comprehensive guidance on accounting for insurance contracts issued, reinsurance contracts held, and investment contracts with discretionary participation features. MFRS 17 introduces two new measurement models in calculating insurance and reinsurance contract liabilities reflecting a different extent of the overall performance of the insurance subsidiary.

The General Measurement Model ('GMM'), being the default model is also known as the building block approach. The GMM consists of fulfilment cash flow and the Contractual Service Margin ('CSM'). The fulfilment cash flow refers to risk-adjusted present value of the entity's rights and obligations to the policyholders comprising the estimates of the expected cash flows, discounting and an explicit risk adjustment for non-financial risk. The CSM represents the unearned profit from the in-force contracts that the entity will recognise over the coverage period.

The Premium Allocation Approach ('PAA') is a simplified approach for measurement of the liability of remaining coverage ('LRC') that an entity may choose to use when the PAA provides a measurement which is not materially differs from that under the GMM or if the coverage period of each contract in the group of insurance contracts is one year or less.

Under MFRS 17, the insurance contracts issued and reinsurance contracts held by the insurance subsidiary are all eligible to be measured by applying the PAA. Hence, the insurance subsidiary has applied PAA for its insurance and reinsurance contracts.

(b) Changes to presentation and disclosure

Under MFRS 17, portfolio of insurance contracts that are assets and those that are liabilities, and portfolio of reinsurance contracts that are assets and those that are liabilities, are presented separately in the statements of financial position. All rights and obligations arising from a portfolio of contracts are presented on a net basis, therefore balances such as insurance receivables and payables are no longer presented separately. Any assets or liabilities for cash flows arising before the recognition of the related group of contracts are presented in the same line item as the related portfolio of the contracts.

The insurance subsidiary disaggregates the total amount recognised in the income statements into an insurance service result (comprising insurance revenue and insurance service expense), and insurance finance income or expenses, and these are presented as part of 'other operating income'.

(c) Transition

The insurance subsidiary has assessed historical information available on all contracts existing at transition date and determined that all reasonable and supportable information necessary for applying the full retrospective approach was not available for groups of insurance contracts issued prior to 2012. The insurance subsidiary elected to apply the modified retrospective approach, which was intended to achieve the closest possible outcome to the full retrospective application maximising the use of available information.



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B10. Change in Accounting Policies (continued)

(2) Financial effects on adoption of MFRS 17

Summary of the financial effects on adoption of MFRS 17 are as follows:

(i) Financial position of the Group as at 31 December 2022 and 1 January 2022:

Group	As previously reported	Effect of MFRS 17	As restated
As at 31 December 2022	RM'000	RM'000	RM'000
ASSETS			
Cash and short-term funds	19,134,835	-	19,134,835
Securities purchased under resale agreements	101,258	-	101,258
Deposits and placements with banks and other financial institutions	652,365	-	652,365
Financial assets at FVTPL	3,089,411	-	3,089,411
Financial assets at FVOCI	38,973,689	-	38,973,689
Financial investments at amortised cost	27,006,708	-	27,006,708
Loans, advances and financing	208,378,584	-	208,378,584
Clients' and brokers' balances	741,140	-	741,140
Insurance/reinsurance contract assets	505,600	14,103	519,703
Other assets	1,441,036	(44,626)	1,396,410
Derivative assets	1,960,479	-	1,960,479
Statutory deposits	3,429,582	-	3,429,582
Tax recoverable	121,033	-	121,033
Deferred tax assets	625,092	(5,584)	619,508
Investments in associates and joint venture	25	-	25
Right-of-use assets	152,305	-	152,305
Property, plant and equipment	1,060,577	-	1,060,577
Goodwill	2,654,122	-	2,654,122
Intangible assets	760,340	-	760,340
TOTAL ASSETS	310,788,181	(36,107)	310,752,074
LIABILITIES			
Deposits from customers	227,159,762	-	227,159,762
Deposits and placements of banks and other financial institutions	24,593,869	-	24,593,869
Obligations on securities sold under repurchase agreements	7,298,911	-	7,298,911
Investment accounts	1,246,026	-	1,246,026
Bills and acceptances payable	249,679	-	249,679
Clients' and brokers' balances	776,789	-	776,789
Insurance/reinsurance contract liabilities	1,171,546	(59,767)	1,111,779
Other liabilities	4,075,904	5,222	4,081,126
Derivative liabilities	1,939,391	-	1,939,391
Recourse obligation on loans sold to Cagamas	4,786,746	-	4,786,746
Provision for taxation and zakat	396,041	-	396,041
Deferred tax liabilities	2,187	181	2,368
Lease liabilities	160,632	-	160,632
Borrowings	1,476,185	-	1,476,185
Senior debt securities	3,841,190	-	3,841,190
Subordinated obligations	2,867,083	-	2,867,083
TOTAL LIABILITIES	282,041,941	(54,364)	281,987,577
EQUITY			
Share capital	8,145,585	-	8,145,585
Reserves	20,569,508	17,289	20,586,797
Equity attributable to holders of the Bank	28,715,093	17,289	28,732,382
NCI	31,147	968	32,115
TOTAL EQUITY	28,746,240	18,257	28,764,497
TOTAL LIABILITIES AND EQUITY	310,788,181	(36,107)	310,752,074



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B10. Change in Accounting Policies (continued)

(2) Financial effects on adoption of MFRS 17 (continued)

Summary of the financial effects on adoption of MFRS 17 are as follows (continued):

(i) Financial position of the Group as at 31 December 2022 and 1 January 2022 (continued):

Group	As previously reported	Effect of MFRS 17	As restated
As at 1 January 2022	RM'000	RM'000	RM'000
ASSETS			
Cash and short-term funds	19,831,323	-	19,831,323
Deposits and placements with banks and other financial institutions	3,486,773	-	3,486,773
Financial assets at FVTPL	2,778,239	-	2,778,239
Financial assets at FVOCI	41,140,873	-	41,140,873
Financial investments at amortised cost	17,961,511	-	17,961,511
Loans, advances and financing	194,896,614	-	194,896,614
Clients' and brokers' balances	879,595	-	879,595
Insurance/reinsurance contract assets	435,342	(17,475)	417,867
Other assets	1,728,260	(53,648)	1,674,612
Derivative assets	718,615	-	718,615
Statutory deposits	635,012	-	635,012
Tax recoverable	131,283	-	131,283
Deferred tax assets	377,825	(3,271)	374,554
Investments in associates and joint venture	12	-	12
Right-of-use assets	174,482	-	174,482
Property, plant and equipment	1,016,824	-	1,016,824
Goodwill	2,654,122	-	2,654,122
Intangible assets	694,753	-	694,753
TOTAL ASSETS	289,541,458	(74,394)	289,467,064
LIABILITIES			
Deposits from customers	218,732,585	-	218,732,585
Deposits and placements of banks and other financial institutions	23,406,827	-	23,406,827
Obligations on securities sold under repurchase agreements	2,066,068	-	2,066,068
Investment accounts	581,291	-	581,291
Bills and acceptances payable	210,119	-	210,119
Clients' and brokers' balances	948,511	-	948,511
Insurance/reinsurance contract liabilities	1,068,687	(94,150)	974,537
Other liabilities	4,046,582	(39,032)	4,007,550
Derivative liabilities	887,926	-	887,926
Recourse obligation on loans sold to Cagamas	2,259,895	-	2,259,895
Provision for taxation and zakat	124,163	-	124,163
Deferred tax liabilities	55	9,592	9,647
Lease liabilities	182,607	-	182,607
Borrowings	127,380	-	127,380
Senior debt securities	3,646,369	-	3,646,369
Subordinated obligations	3,221,882	-	3,221,882
TOTAL LIABILITIES	261,510,947	(123,590)	261,387,357
EQUITY			
Share capital	7,612,612	-	7,612,612
Reserves	20,385,716	46,588	20,432,304
Equity attributable to holders of the Bank	27,998,328	46,588	28,044,916
NCI	32,183	2,608	34,791
TOTAL EQUITY	28,030,511	49,196	28,079,707
TOTAL LIABILITIES AND EQUITY	289,541,458	(74,394)	289,467,064



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B10. Change in Accounting Policies (continued)

(2) Financial effects on adoption of MFRS 17 (continued)

Summary of the financial effects on adoption of MFRS 17 are as follows (continued):

(ii) Income statements:

Group	As previously reported	Effect of MFRS 17	As restated
For the financial year ended 31 December 2022	RM'000	RM'000	RM'000
Interest income	7,382,030	-	7,382,030
Interest expense	(3,207,534)	154	(3,207,380)
Net interest income	4,174,496	154	4,174,650
Other operating income	1,736,201	(148,724)	1,587,477
Of which			
- Underwriting surplus before management expenses	208,972	(208,972)	-
- Net insurance service/finance results	-	60,248	60,248
Income from Islamic Banking business	2,398,056	-	2,398,056
Net income	8,308,753	(148,570)	8,160,183
Other operating expenses	(3,716,807)	110,533	(3,606,274)
Operating profit before allowances	4,591,946	(38,037)	4,553,909
Allowance for credit losses on financial assets	(421,175)	-	(421,175)
Impairment losses made on other non-financial assets	(43)		(43)
	4,170,728	(38,037)	4,132,691
Share of results of associates	25	-	25
Share of results of joint venture	31	-	31
Profit before taxation and zakat	4,170,784	(38,037)	4,132,747
Taxation and zakat	(1,458,763)	7,098	(1,451,665)
Net profit for the financial year	2,712,021	(30,939)	2,681,082
Attributable to:			
- Equity holders of the Bank	2,707,688	(29,299)	2,678,389
- NCI	4,333	(1,640)	2,693
	2,712,021	(30,939)	2,681,082
Basic earnings per share (sen)	64.69	(0.70)	63.99

(iii) Reconciliation of retained earnings:

Group	As previously reported	Effect of MFRS 17	As restated
	RM'000	RM'000	RM'000
As at 31 December 2022	19,411,713	17,289	19,429,002
As at 1 January 2022	18,924,198	46,588	18,970,786



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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 RM1,071,587,000 in respect of the financial year ended 31 December 2023.
- (i) Amount per share: Second interim single-tier 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;
- (ii) Entitlement date: To be determined and announced later; and
- (iii) Payment date: To be determined and announced later.
- (b) Total dividend per share for the current financial year:
- (i) Interim single-tier cash dividend of 15.0 sen per share; and
- (ii) Second interim single-tier 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.
- (c) Total dividend paid for the previous financial year ended 31 December 2022:
- (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.

B12. Earnings per Share ('EPS')

- (a) Basic EPS

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
	2023	2022	2023	2022
Profit attributable to equity holders of the Bank (RM'000)	<u>585,911</u>	<u>770,586</u>	<u>2,806,228</u>	<u>2,678,389</u>
Weighted average number of ordinary shares in issue ('000)	<u>4,286,348</u>	<u>4,233,178</u>	<u>4,272,040</u>	<u>4,185,943</u>
Basic EPS (sen)	<u>13.67</u>	<u>18.20</u>	<u>65.69</u>	<u>63.99</u>

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Registration No. 196501000373 (6171-M)

**NOTES TO AUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023****B12. Earnings per Share ('EPS') (continued)**

(b) Diluted EPS

The diluted 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, which has been adjusted for the number of ordinary shares that could have been issued under the SGS. In the diluted EPS calculation, it is assumed that certain number of ordinary shares under the SGS are vested and awarded to employees through issuance of additional ordinary shares, and all performance conditions are achieved. A calculation is done to determine the number of ordinary shares that could have been issued at fair value based on the monetary value of the SGS entitlement granted. This calculation serves to determine the number of dilutive shares to be added to the weighted average ordinary shares in issue for the purpose of computing the dilution. No adjustment was made to the net profit for the period/year.

	4th Quarter Ended		Twelve Months Ended	
	31 December	31 December	31 December	31 December
	2023	2022	2023	2022
Profit attributable to equity holders of the Bank (RM'000)	585,911	770,586	2,806,228	2,678,389
Weighted average number of ordinary shares in issue ('000)	4,286,348	4,233,178	4,272,040	4,185,943
Effect of dilution ('000)	9,583	4,557	9,583	4,557
Adjusted weighted average number of ordinary shares in issue ('000)	4,295,931	4,237,735	4,281,623	4,190,500
Diluted EPS (sen)	13.64	18.18	65.54	63.92

BY ORDER OF THE BOARD**AZMAN SHAH MD YAMAN**

(License No. LS0006901)

Company Secretary

27 February 2024