

RHB INVESTMENT BANK BERHAD

(Incorporated in Malaysia)

Registration No. 197401002639 (19663-P)

STATUTORY FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

RHB INVESTMENT BANK BERHAD
(Incorporated in Malaysia)
Registration No. 197401002639 (19663-P)

CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Sri Ong Leong Huat @ Wong Joo Hwa
Chin Yoong Kheong
Dato' Siow Kim Lun @ Siow Kim Lin
Datuk Iain John Lo
Hijah Arifakh Binti Othman
Datuk Chung Chee Leong
Kevin Vijendren Davies

SECRETARIES

Azman Shah Bin Md Yaman
Lye Sook Wen
Filza Binti Zainal Abidin

REGISTERED OFFICE

Level 10, Tower One
RHB Centre
Jalan Tun Razak
50400 Kuala Lumpur
Malaysia

AUDITORS

PricewaterhouseCoopers PLT
Chartered Accountants
Level 10, Menara TH 1 Sentral
Jalan Rakyat, Kuala Lumpur Sentral
P.O. Box 10192
50706 Kuala Lumpur
Malaysia

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

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DIRECTORS' REPORT

The Directors hereby submit their report together with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The principal activities of the Bank include merchant banking business, dealing in securities, stock, debt and derivatives, stockbroking business and the business of brokers and dealers in futures and options contracts.

The Group is involved in merchant banking business, dealing in securities, stock, debt and derivatives, stockbroking business and the business of brokers and dealers in futures and options contracts, investment management services, Islamic investment management services, management of unit trust funds and Islamic unit trust funds, management of private retirement schemes, provision of investment advisory services, research services and provision of nominee services.

There have been no significant changes in these principal activities during the financial year.

FINANCIAL RESULTS

	<u>Group</u> RM'000	<u>Bank</u> RM'000
Net profit for the financial year attributable to:		
- Equity holder of the Bank	313,552	103,188
- Non-controlling interests	1,519	-
Net profit for the financial year	<u>315,071</u>	<u>103,188</u>

DIVIDENDS

The dividend paid by the Bank since 31 December 2023 was as follows:

	RM'000
In respect of the financial year ended 31 December 2023:	
Interim single-tier dividend of 82.50 sen per ordinary share, paid on 29 March 2024	<u>66,000</u>

The Directors proposed an interim single-tier dividend of 128.75 sen per ordinary share, amounting to RM103,000,000 in respect of the current financial year ended 31 December 2024, which was approved by the Board of Directors on 24 January 2025.

The financial statements for the current financial year do not reflect this interim single-tier dividend. This dividend payment will be accounted for in the shareholder's equity as an appropriation of retained profits in the financial year ending 31 December 2025.

The Directors do not propose any final dividend for the financial year ended 31 December 2024.

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year are disclosed in the financial statements.

DIRECTORS' REPORT (CONTINUED)

ISSUE OF SHARES

There were no issue of shares in the Bank during the financial year.

BAD AND DOUBTFUL DEBTS AND FINANCING

Before the financial statements of the Group and the Bank were made out, the Directors took reasonable steps to ascertain that proper actions have been taken in relation to the writing off of bad debts and financing and the making of allowance for impaired debts, and satisfied themselves that all known bad debts and financing have been written off and that adequate allowance had been made for impaired debts and financing.

At the date of this report, the Directors are not aware of any circumstances which would render the amount written off for bad debts or the amount of allowance for impaired debts and financing in the financial statements of the Group and the Bank inadequate to any substantial extent.

CURRENT ASSETS

Before the financial statements of the Group and the Bank were made out, the Directors took reasonable steps to ensure that any current assets, other than debts and financing, which were unlikely to realise in the ordinary course of business, their values as shown in the accounting records of the Group and the Bank, had been written down to an amount which they might be expected to realise.

At the date of this report, the Directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and the Bank misleading.

VALUATION METHOD

At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing methods of valuation of assets or liabilities of the Group and the Bank misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:

- (a) any charge on the assets of the Group and the Bank which has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability of the Group and the Bank which has arisen since the end of the financial year other than in the ordinary course of business, except as disclosed in Note 53 to the financial statements.

No contingent or other liability of the Group and the Bank has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and the Bank to meet their obligations as and when they fall due.

DIRECTORS' REPORT (CONTINUED)

CHANGE OF CIRCUMSTANCES

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and the Bank which would render any amount stated in the financial statements misleading or inappropriate.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and the Bank for the financial year were not, in the opinion of the Directors, substantially affected by any item, transaction or event of a material and unusual nature, other than as disclosed in Note 52 to the financial statements.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect substantially the results of the operations of the Group or the Bank for the financial year in which this report is made.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Significant events during the financial year are disclosed in Note 52 to the financial statements.

DIRECTORS

The Directors of the Bank in office during the financial year and during the period from the end of the financial year to the date of this report are:

Tan Sri Ong Leong Huat @ Wong Joo Hwa
Chin Yoong Kheong
Dato' Siow Kim Lun @ Siow Kim Lin
Datuk Iain John Lo
Hijah Arifakh Binti Othman
Datuk Chung Chee Leong
Kevin Vijendren Davies
Ganesaratnam A/L M.K. Sabaratnam

(Appointed as Managing Director on 1 August 2024)
(Ceased on 1 July 2024)

Pursuant to Clause 95 of the Bank's Constitution, Dato' Siow Kim Lun @ Siow Kim Lin and Datuk Iain John Lo shall retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

Pursuant to Clause 97 of the Bank's Constitution, Mr. Kevin Vijendren Davies shall retire at the forthcoming Annual General Meeting and, being eligible, offer himself for re-election.

By way of relief order dated 28 January 2025 granted by the Companies Commission of Malaysia, the names of Directors of subsidiaries as required under Section 253(2) of the Companies Act 2016 have not been disclosed in this Report. Their names are set out in the respective subsidiaries' Directors' Report or financial statements and the said information is deemed incorporated herein by such reference and shall form part hereof.

DIRECTORS' REPORT (CONTINUED)

DIRECTORS' INTERESTS IN SECURITIES

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, the Directors in office at the end of the financial year holding securities of the Bank and its related corporations are as follows:

Ultimate Holding Company	<u>Number of ordinary shares</u>				As at 31.12.2024
	As at 01.01.2024	Bought	DRP	Sold	
RHB Bank Berhad					
Tan Sri Ong Leong Huat @ Wong Joo Hwa					
- Indirect *	33,837	-	-	-	33,837
- Indirect #	438,777,545	-	8,991,341 ^	-	447,768,886
Chin Yoong Kheong					
- Indirect *	6,307	-	196	-	6,503
Dato' Siow Kim Lun @ Siow Kim Lin					
- Direct	10,295	-	-	-	10,295
- Indirect *	3,047	-	-	-	3,047

Notes:

- * The interest is held through family member(s) pursuant to Section 59(11)(c) of the Companies Act 2016.
- # Deemed interest in RHB Bank Berhad pursuant to Section 8(4) of the Companies Act 2016 by virtue of shares held through OSK Holdings Berhad.
- ^ These ordinary shares were acquired pursuant to the Dividend Reinvestment Plan ('DRP') of RHB Bank Berhad.

Other than the above, none of the other Directors holding office at the end of the financial year had any interest in the securities of the Bank or its related corporations during the financial year.

DIRECTORS' REPORT (CONTINUED)

SHARE GRANT SCHEME ('SGS')

The holding company, RHB Bank Berhad has on 2 June 2022 implemented the SGS, which was approved by the shareholders at an extraordinary general meeting held on 27 April 2022.

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

Further details of the SGS are set out in Note 44 to the financial statements.

Details of the SGS shares awarded by RHB Bank Berhad are as follows:

Award date	Fair value	Awarded	Vesting date
	RM	Unit'000	
Grant 1 - 4 July 2022	5.71	4,685	3 July 2025
Grant 2 - 22 May 2023	5.50	5,385	30 June 2026
Grant 3 - 4 March 2024	5.62	4,635	30 June 2027
Grant 3A - 1 July 2024	5.50	142	30 June 2027

The movement of the SGS shares granted by RHB Bank Berhad during the financial year ended 31 December 2024 is as follows:

Award date	Number of SGS shares (Unit'000)			
	As at	Awarded	Forfeited	As at
	01.01.2024			31.12.2024
	Unit'000	Unit'000	Unit'000	Unit'000
Grant 1 - 4 July 2022	4,293	-	(430)	3,863
Grant 2 - 22 May 2023	5,290	-	(618)	4,672
Grant 3 - 4 March 2024	-	4,635	(120)	4,515
Grant 3A - 1 July 2024	-	142	-	142

DIRECTORS' REPORT (CONTINUED)

SHARE GRANT SCHEME ('SGS') (CONTINUED)

The movements of the SGS shares applicable to Eligible Employees of the Group and the Bank during the financial year ended 31 December 2024 are as follows:

	As at 01.01.2024	Awarded	Forfeited	As at 31.12.2024
	Unit'000	Unit'000	Unit'000	Unit'000
Group				
Grant 1 - 4 July 2022	892	-	(156)	736
Grant 2 - 22 May 2023	1,070	-	(208)	862
Grant 3 - 4 March 2024	-	935	(65)	870
Bank				
Grant 1 - 4 July 2022	720	-	(111)	609
Grant 2 - 22 May 2023	845	-	(123)	722
Grant 3 - 4 March 2024	-	815	(45)	770

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DIRECTORS' REPORT (CONTINUED)

DIRECTORS' BENEFITS

Total Directors' remuneration for the Group and the Bank for the financial year ended 31 December 2024 are RM5,222,000 and RM4,677,000 respectively.

Since the end of the previous financial year, no Director of the Bank has received or become entitled to receive any benefit (other than Directors' remuneration and benefits-in-kind as disclosed in Note 36 to the financial statements) by reason of a contract made by the Bank or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

During and at the end of the financial year, no arrangements subsisted to which the Bank or its subsidiaries is a party, being arrangements with the object or objects of enabling the Directors of the Bank to acquire benefits by means of the acquisition of shares in, or debentures of, the Bank or any other body corporate.

IMMEDIATE AND ULTIMATE HOLDING COMPANY

The Directors regard RHB Bank Berhad, a listed company incorporated in Malaysia, as the immediate and ultimate holding company.

SUBSIDIARIES

Details of subsidiaries are set out in Note 13 to the financial statements.

AUDITORS' REMUNERATION

Total auditors' remuneration for the Group and the Bank for the financial year ended 31 December 2024 are RM1,141,000 and RM437,000 respectively.

AUDITORS

The auditors, PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:



TAN SRI ONG LEONG HUAT @ WONG JOO HWA
CHAIRMAN



KEVIN VIJENDREN DAVIES
MANAGING DIRECTOR

Kuala Lumpur
26 February 2025

REPORT OF THE SHARIAH ADVISOR

In the name of Allah, The Most Gracious, The Most Merciful

In compliance with the Best Practices in Islamic Stockbroking Services Undertaken by Participating Organisation and other relevant guidelines issued by relevant regulators, we, Azizi Che Seman, Dr. Md. Nurdin Ngadimon, Dr. Abdul Rahman A. Shukor, Mohd Zubir Awang and Assoc. Prof Dr. Siti Salwani Razali, being five members of the Shariah Committee of RHB Islamic Bank Berhad being appointed as the Shariah Advisor of RHB Investment Bank Berhad (the 'Bank'), do hereby confirm the following:

We have reviewed the principles and the contracts relating to the transactions and applications introduced by the Bank during the financial year ended 31 December 2024.

We have also conducted our review to form an opinion as to whether the Bank has complied with Shariah rulings, resolutions and guidelines issued by the Shariah Advisory Council ('SAC') of Securities Commission Malaysia, Bursa Malaysia, and SAC of Bank Negara Malaysia ('BNM') (where applicable), as well as the specific rulings and decisions issued by us.

The Bank's management is responsible for ensuring that the financial institution conducts its Islamic stockbroking services in accordance with Shariah rules and principles. It is our responsibility to form an independent opinion, based on our review of the operations of the Bank, and to report to you.

We have periodically assessed the work carried out by Shariah compliance review and Shariah audit, as presented to us, which included examining, on a test basis, each type of transaction, the relevant documentation and procedures adopted by the Bank.

The said Shariah compliance reviews and audits have been planned and performed to ensure that all necessary information and explanations have been obtained to provide sufficient evidence that would give us reasonable assurance that the Bank has complied with Shariah rules and principles.

In our opinion:

- (a) the main sources of income of the Bank, in relation to the Islamic stockbroking services, during the financial year ended 31 December 2024 that we have reviewed are in compliance with the Shariah rules and principles;
- (b) all earnings, in relation to the Islamic stockbroking services, that have been realised from sources or by means prohibited by the Shariah principles have been considered for disposal to charitable causes;
- (c) the contracts and legal documents of the products, relating to the Islamic stockbroking services, used by the Bank that we have reviewed are in compliance with the Shariah rules and principles;
- (d) the Islamic stockbroking products proposals including concept used by the Bank which have been reviewed and advised by us are in compliance with the Shariah rules and principles; and
- (e) nothing has come to our attention that causes us to believe that the Islamic stockbroking services and operations of the Bank involves any material Shariah non-compliances.

We also confirm that every incident of Shariah non-compliance that has been brought to our attention has been properly noted and that the corrective as well as preventive measures have been taken by management of RHB Investment Bank Berhad to avoid the same from occurring in the future. Any Shariah non-compliant income has also been disposed of to charitable causes upon approval by us.

To the best of our knowledge based on the information provided and disclosed to us during discussions and meetings, we hereby confirm that the operations of the Bank, in relation to the Islamic stockbroking services, for the financial year ended 31 December 2024 have been conducted in conformity with the Shariah rules and principles.

We pray Allah, The Almighty to grant us success and lead us on the right path.

Wassalamu 'Alaikum Wa Rahmatullahi Wa Barakatuh

On behalf of the Shariah Committee.



AZIZI CHE SEMAN
CHAIRMAN OF THE COMMITTEE

Kuala Lumpur
26 February 2025



DR. MD. NURDIN NGADIMON
MEMBER OF THE COMMITTEE

**STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024**

	Note	2024	Group	2024	Bank
		RM'000	2023	RM'000	2023
			RM'000		RM'000
ASSETS					
Cash and short-term funds	2	1,655,133	2,081,604	1,224,964	1,678,243
Securities purchased under resale agreements		221,471	-	162,116	-
Deposits and placements with banks and other financial institutions	3	236,241	223,130	-	-
Financial assets at fair value through profit or loss ('FVTPL')	4	1,210,702	985,113	316,590	136,475
Financial assets at fair value through other comprehensive income ('FVOCI')	5	880,510	511,048	875,086	505,784
Financial investments at amortised cost	6	1,015,142	900,011	1,015,142	900,011
Loans and advances	7	1,788,762	1,876,945	1,623,531	1,436,958
Clients' and brokers' balances	8	755,014	1,203,013	700,448	1,108,739
Other assets	9	223,878	122,421	76,738	82,492
Derivative assets	10	2,364	6,022	2,364	5,621
Statutory deposits	11	65,242	58,201	60,800	53,700
Tax recoverable		18,366	37,591	17,968	37,196
Deferred tax assets	12	22,703	20,944	14,477	12,391
Investments in subsidiaries	13	-	-	507,059	715,344
Investments in associates and joint venture	14	22,281	13,139	5,028	5,028
Investment property	15	-	3,357	-	-
Right-of-use assets	16	21,119	16,135	8,603	5,494
Property, plant and equipment	17	26,873	30,616	15,919	15,601
Goodwill and other intangible assets	18	484,350	497,986	400,633	402,401
TOTAL ASSETS		8,650,151	8,587,276	7,027,466	7,101,478

The accompanying accounting policies and notes form an integral part of these financial statements.

**STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024 (CONTINUED)**

	Note	2024 RM'000	Group 2023 RM'000	2024 RM'000	Bank 2023 RM'000
LIABILITIES AND EQUITY					
Deposits from customers	19	1,342,422	1,127,382	1,342,422	1,127,382
Deposits and placements of banks and other financial institutions	20	2,574,352	2,270,575	2,574,352	2,270,575
Obligations on securities sold under repurchase agreements	21	100,213	369,585	100,213	369,585
Clients' and brokers' balances	22	841,715	1,285,362	796,134	1,207,638
Other liabilities	23	722,979	508,082	256,686	200,141
Derivative liabilities	10	45,631	63,043	44,599	60,210
Tax liabilities		7,287	3,901	-	-
Lease liabilities	24	20,901	16,024	8,722	5,636
Borrowings	25	474,990	590,080	-	-
Subordinated obligations	26	101,085	101,097	101,085	101,097
TOTAL LIABILITIES		6,231,575	6,335,131	5,224,213	5,342,264
Share capital	27	1,220,000	1,220,000	1,220,000	1,220,000
Reserves	28	1,187,690	1,021,387	583,253	539,214
		2,407,690	2,241,387	1,803,253	1,759,214
Non-controlling interests	29	10,886	10,758	-	-
TOTAL EQUITY		2,418,576	2,252,145	1,803,253	1,759,214
TOTAL LIABILITIES AND EQUITY		8,650,151	8,587,276	7,027,466	7,101,478
COMMITMENTS AND CONTINGENCIES					
	45	1,516,664	1,643,978	1,391,013	1,318,328

The accompanying accounting policies and notes form an integral part of these financial statements.

INCOME STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	2024 RM'000	Group 2023 RM'000	2024 RM'000	Bank 2023 RM'000
Interest income	30	277,860	259,106	233,516	225,941
Interest expense	31	(192,251)	(187,946)	(154,683)	(152,613)
Net interest income		85,609	71,160	78,833	73,328
Fee and commission income	32	598,515	512,726	279,236	224,985
Fee and commission expense	33	(163,992)	(130,120)	(21,366)	(11,380)
Other operating income	34	257,461	160,977	127,935	121,716
		777,593	614,743	464,638	408,649
Other operating expenses	35	(474,192)	(475,613)	(318,741)	(315,076)
Operating profit before allowances		303,401	139,130	145,897	93,573
Allowance written back/(made) for expected credit losses	37	101	7,667	(588)	1,958
Impairment losses on other non-financial assets	38	-	-	(10,440)	(3,970)
		303,502	146,797	134,869	91,561
Share of results of associates		1,251	148	-	-
Profit before taxation		304,753	146,945	134,869	91,561
Taxation	39	(37,995)	(15,106)	(31,681)	(1,706)
Profit from continuing operations		266,758	131,839	103,188	89,855
Profit/(Loss) from discontinued operations attributable to equity holder	52(b), 52(d)	48,313	(14,681)	-	-
Net profit for the financial year		315,071	117,158	103,188	89,855
Profit attributable to:					
- Equity holder of the Bank	40	313,552	116,041	103,188	89,855
- Non-controlling interests		1,519	1,117	-	-
		315,071	117,158	103,188	89,855
Basic earnings/(loss) per share (sen) attributable to equity holder of the Bank					
- Continuing operations	40	331.5	163.4	129.0	112.3
- Discontinued operations	40	60.4	(18.3)	-	-
		391.9	145.1	129.0	112.3

The accompanying accounting policies and notes form an integral part of these financial statements.

**STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

	Note	2024 RM'000	Group 2023 RM'000	2024 RM'000	Bank 2023 RM'000
Net profit for the financial year		315,071	117,158	103,188	89,855
Other comprehensive (loss)/income:					
(a) Items that will not be reclassified to income statements:					
(i) Actuarial gain on defined benefit plan of subsidiaries	41	870	274	-	-
(ii) Financial assets at FVOCI, equity instruments:					
- Unrealised net gain on revaluation		3,573	2,328	2,990	2,007
- Net loss on disposal		-	(271)	-	(271)
(b) Items that will be reclassified subsequently to income statements:					
(i) Foreign currency translation reserves:					
- Currency translation differences		(28,622)	37,257	-	-
- Recycled to income statements on disposal of subsidiaries	52(b), 52(d)	(60,369)	-	-	-
(ii) Financial assets at FVOCI, debt instruments:					
- Unrealised net gain on revaluation	41	375	2,116	375	2,116
- Net transfer to income statements on disposal	41	660	-	660	-
Income tax relating to components of other comprehensive income	41	(424)	(747)	(248)	(508)
Other comprehensive (loss)/income, net of tax, for the financial year		(83,937)	40,957	3,777	3,344
Total comprehensive income for the financial year		231,134	158,115	106,965	93,199
Total comprehensive income attributable to:					
- Equity holder of the Bank		229,645	156,823	106,965	93,199
- Non-controlling interests		1,489	1,292	-	-
		231,134	158,115	106,965	93,199
Total comprehensive income/(loss) attributable to equity holder of the Bank from:					
- Continuing operations		241,701	170,883	106,965	93,199
- Discontinued operations	52(b), 52(d)	(12,056)	(14,060)	-	-
		229,645	156,823	106,965	93,199

The accompanying accounting policies and notes form an integral part of these financial statements.

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

← Attributable to Equity Holder of the Bank →											
Group	Note	Share capital RM'000	Statutory reserves RM'000	FVOCI reserves RM'000	Capital contribution by ultimate holding company RM'000	Translation reserves RM'000	Regulatory reserves RM'000	Retained profits RM'000	Total RM'000	Non-controlling interests RM'000	Total RM'000
Balance as at 1 January 2024		1,220,000	515	39,473	3,514	110,746	34,754	832,385	2,241,387	10,758	2,252,145
Net profit for the financial year		-	-	-	-	-	-	313,552	313,552	1,519	315,071
Foreign currency translation reserves:											
- Currency translation differences		-	(1)	-	-	(28,467)	-	-	(28,468)	(154)	(28,622)
- Recycled to income statements on disposal of subsidiaries	52(b), 52(d)	-	-	-	-	(60,369)	-	-	(60,369)	-	(60,369)
Financial assets at FVOCI:											
- Equity instruments											
- Unrealised net gain on revaluation		-	-	3,456	-	-	-	-	3,456	117	3,573
- Debt instruments											
- Unrealised net gain on revaluation	41	-	-	375	-	-	-	-	375	-	375
- Net transfer to income statements on disposal	41	-	-	660	-	-	-	-	660	-	660
Actuarial gain on defined benefit plan of subsidiaries	41	-	-	-	-	-	-	861	861	9	870
Income tax relating to components of other comprehensive income	41	-	-	(248)	-	-	-	(174)	(422)	(2)	(424)
Other comprehensive (loss)/income, net of tax, for the financial year		-	(1)	4,243	-	(88,836)	-	687	(83,907)	(30)	(83,937)
Total comprehensive (loss)/income for the financial year		-	(1)	4,243	-	(88,836)	-	314,239	229,645	1,489	231,134
Share-based payment expenses	35	-	-	-	3,172	-	-	-	3,172	(11)	3,161
Transfer from regulatory reserves		-	-	-	-	-	(5,153)	5,153	-	-	-
Dividend paid	42	-	-	-	-	-	-	(66,000)	(66,000)	-	(66,000)
Dividends paid to non-controlling interests	42	-	-	-	-	-	-	-	-	(1,301)	(1,301)
Disposal of subsidiaries		-	(514)	-	-	-	-	-	(514)	(49)	(563)
Total transactions with owner		-	(514)	-	3,172	-	(5,153)	(60,847)	(63,342)	(1,361)	(64,703)
Balance as at 31 December 2024		1,220,000	-	43,716	6,686	21,910	29,601	1,085,777	2,407,690	10,886	2,418,576

The accompanying accounting policies and notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

The accompanying accounting policies and notes form an integral part of these financial statements.

RHB INVESTMENT BANK BERHAD
(Incorporated in Malaysia)
Registration No. 197401002639 (19663-P)

**STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

	Note	Non-distributable			Distributable	
		Share capital	FVOCI reserves	Capital contribution by ultimate holding company	Regulatory reserves	Retained profits
Bank		RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2024		1,220,000	38,675	2,830	27,986	469,723
Net profit for the financial year		-	-	-	-	103,188
Financial assets at FVOCI:						
- Equity instruments						
- Unrealised net gain on revaluation		-	2,990	-	-	2,990
- Debt instruments						
- Unrealised net gain on revaluation	41	-	375	-	-	375
- Net transfer to income statements on disposal	41	-	660	-	-	660
Income tax relating to components of other comprehensive income	41	-	(248)	-	-	(248)
Other comprehensive income, net of tax, for the financial year		-	3,777	-	-	3,777
Total comprehensive income for the financial year		-	3,777	-	-	103,188
Share-based payment expenses	35	-	-	3,074	-	-
Transfer from regulatory reserves		-	-	-	(2,898)	2,898
Dividend paid	42	-	-	-	-	(66,000)
Total transactions with owner		-	-	3,074	(2,898)	(63,102)
Balance as at 31 December 2024		1,220,000	42,452	5,904	25,088	509,809

The accompanying accounting policies and notes form an integral part of these financial statements.

RHB INVESTMENT BANK BERHAD
(Incorporated in Malaysia)
Registration No. 197401002639 (19663-P)

**STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

	Note	Non-distributable			Distributable	
		Share capital	FVOCI reserves	Capital contribution by ultimate holding company	Regulatory reserves	Retained profits
Bank		RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2023		1,220,000	35,060	685	21,379	426,746
Net profit for the financial year		-	-	-	-	89,855
Financial assets at FVOCI:						
- Equity instruments						
- Unrealised net gain on revaluation		-	2,007	-	-	-
- Net loss on disposal		-	-	-	-	(271)
- Debt instruments						
- Unrealised net gain on revaluation	41	-	2,116	-	-	-
Income tax relating to components of other comprehensive income	41	-	(508)	-	-	-
Other comprehensive income/(loss), net of tax, for the financial year		-	3,615	-	-	(271)
Total comprehensive income for the financial year		-	3,615	-	-	89,584
Share-based payment expenses	35	-	-	2,145	-	-
Transfer to regulatory reserves		-	-	-	6,607	(6,607)
Dividend paid	42	-	-	-	-	(40,000)
Total transactions with owner		-	-	2,145	6,607	(46,607)
Balance as at 31 December 2023		1,220,000	38,675	2,830	27,986	469,723

The accompanying accounting policies and notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	2024	Group
		RM'000	2023
			RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(Loss) before taxation:			
- Continuing operations		304,753	146,945
- Discontinued operations	52(b), 52(d)	55,912	(14,840)
		360,665	132,105
Adjustments for non-operating and non-cash items:			
Depreciation of investment property	35	61	41
Depreciation of right-of-use assets		10,526	10,635
Property, plant and equipment:			
- Depreciation		12,170	12,936
- Gain on disposal		(250)	(173)
- Written off		10	35
Other intangible assets:			
- Amortisation		13,180	12,322
- Written off	35	-	237
Interest income from financial assets at FVTPL, FVOCI and financial investments at amortised cost	30	(58,851)	(48,947)
Subordinated obligations interest expense	31	4,450	4,450
Borrowings interest expense		41,786	44,240
Interest from obligations on securities sold under repurchase agreements	31	2,420	13,049
Lease interest		690	637
Net (gain)/loss from sale/redemption of financial assets at FVTPL and FVOCI		(38,596)	3,514
Net gain arising from fair value hedges	34	-	(52)
Net unrealised gain on revaluation of financial assets at FVTPL and derivatives		(202,664)	(14,387)
Gross dividend income from financial assets at FVTPL and FVOCI		(12,588)	(29,947)
Gain on modification of right-of-use assets		-	(15)
Gain on disposal of subsidiaries	34, 52(b), 52(d)	(85,191)	-
Net loss/(gain) from sale of derivatives		32,005	(74,376)
Unrealised foreign exchange loss		6,581	4,309
Allowance made/(written back) for expected credit losses on other receivables and clients' and brokers' balances		2,865	(5,682)
Bad debts written off	37	-	3
Allowance written back for expected credit losses on financial investments at amortised cost	37	(155)	(2,051)
Allowance written back for expected credit losses on other financial assets		(2)	(51)
Impairment losses made on property, plant and equipment		149	-
Impairment losses made on other intangible assets		1,639	-
Share of results of associates		(1,251)	(148)
Share-based payment expenses		3,161	2,696
Operating profit before working capital changes		92,810	65,380
(Increase)/Decrease in operating assets:			
Securities purchased under resale agreements		(221,471)	-
Cash and short-term funds and deposits and placements with banks and other financial institutions with original maturity of more than one month		(89,285)	27,174
Financial assets at FVTPL		(70,287)	(60,743)
Loans and advances		(145,753)	22,956
Clients' and brokers' balances		395,782	(459,735)
Other assets		(119,020)	1,536
Derivative assets		3,018	(4,835)
Statutory deposits		(8,726)	(14,244)
		(255,742)	(487,891)

The accompanying accounting policies and notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

	Note	2024	Group
		RM'000	2023
			RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)			
Increase/(Decrease) in operating liabilities:			
Deposits from customers		215,040	(161,716)
Deposits and placements of banks and other financial institutions		303,777	351,697
Obligations on securities sold under repurchase agreements		(271,792)	(432,745)
Clients' and brokers' balances		(409,502)	507,865
Other liabilities		263,491	(93,339)
Derivative liabilities		(21,816)	92,066
Puttable financial instruments		(12,410)	-
		66,788	263,828
Cash used in operations		(96,144)	(158,683)
Lease interest		(690)	(637)
Net tax paid		(25,297)	(23,219)
Net cash used in operating activities		(122,131)	(182,539)
CASH FLOWS FROM INVESTING ACTIVITIES			
Property, plant and equipment:			
- Purchases	17	(8,028)	(6,148)
- Proceeds from disposal		388	173
Other intangible assets:			
- Purchases	18(b)	(9,802)	(12,463)
- Proceeds from disposal	18(b)	-	7
Net purchases of financial assets at FVOCI and financial investments at amortised cost		(469,184)	(162,756)
Net loss on disposal of financial assets at FVOCI, equity instruments		-	(271)
Interest income received from financial assets at FVTPL, FVOCI and financial investments at amortised cost		49,209	46,933
Dividend income received from financial assets at FVTPL and FVOCI		12,588	29,947
Cash flows arising from disposal of subsidiaries	52(b), 52(d)	193,993	-
Contingent consideration paid arising from disposal of a subsidiary	34	-	(138)
Acquisition of equity interest in associates		(8,875)	(8,269)
Net cash used in investing activities		(239,711)	(112,985)

The accompanying accounting policies and notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

	Note	2024	Group
		RM'000	2023
		RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Subordinated obligations interest paid		(4,462)	(4,450)
Net repayment of borrowings		(23,207)	(196,124)
Borrowings interest paid		(41,943)	(43,792)
Lease principal payment		(10,090)	(10,454)
Dividend paid to shareholder	42	(66,000)	(40,000)
Dividends paid to non-controlling interests	42	(1,301)	(1,124)
Net cash used in financing activities		(147,003)	(295,944)
Net decrease in cash and cash equivalents		(508,845)	(591,468)
Effects of exchange rate differences		5,813	(5,099)
Cash and cash equivalents:			
- At the beginning of the financial year		2,082,170	2,678,737
- At the end of the financial year		1,579,138	2,082,170
Cash flows of discontinued operations	52(b), 52(d)	(6,102)	4,260

Cash and cash equivalents for the financial year comprise cash and short-term funds of RM1,655,694,000 as disclosed in Note 2, excluding cash and short-term funds with original maturity of more than one month of RM76,556,000.

RHB INVESTMENT BANK BERHAD

(Incorporated in Malaysia)

Registration No. 197401002639 (19663-P)

STATEMENTS OF CASH FLOWS**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

Changes in liabilities arising from financing activities as following:

Group	Cash Changes			Non-cash Changes				As at 31.12.2024 RM'000
	As at 01.01.2024	Net Cash Flows from Operating Activities	Net Cash Flows from Financing Activities	Foreign Exchange Movement	Addition	Reversal/ Charged Out	Interest Expense	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Lease liabilities	16,024	(690)	(10,090)	(299)	18,725	(3,459)	690	20,901
Borrowings	590,080	-	(65,150)	(11,685)	-	(80,041)	41,786	474,990
Subordinated obligations	101,097	-	(4,462)	-	-	-	4,450	101,085
	<u>707,201</u>	<u>(690)</u>	<u>(79,702)</u>	<u>(11,984)</u>	<u>18,725</u>	<u>(83,500)</u>	<u>46,926</u>	<u>596,976</u>

Group	Cash Changes			Non-cash Changes				As at 31.12.2023 RM'000
	As at 01.01.2023	Net Cash Flows from Operating Activities	Net Cash Flows from Financing Activities	Foreign Exchange Movement	Addition	Reversal/ Charged Out	Interest Expense	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Lease liabilities	16,745	(637)	(10,454)	322	9,861	(450)	637	16,024
Borrowings	755,916	-	(239,916)	29,840	-	-	44,240	590,080
Subordinated obligations	101,097	-	(4,450)	-	-	-	4,450	101,097
	<u>873,758</u>	<u>(637)</u>	<u>(254,820)</u>	<u>30,162</u>	<u>9,861</u>	<u>(450)</u>	<u>49,327</u>	<u>707,201</u>

The accompanying accounting policies and notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	2024 RM'000	Bank 2023 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		134,869	91,561
Adjustments for non-operating and non-cash items:			
Depreciation of right-of-use assets	35	4,336	4,507
Property, plant and equipment:			
- Depreciation	35	6,086	6,436
- Gain on disposal	34	-	(104)
- Written off	35	-	34
Other intangible assets:			
- Amortisation	35	8,522	7,949
- Written off	35	-	237
Interest income from financial assets at FVTPL, FVOCI and financial investments at amortised cost	30	(57,847)	(48,443)
Subordinated obligations interest expense	31	4,450	4,450
Interest from obligations on securities sold under repurchase agreements	31	2,420	13,049
Lease interest		234	245
Net gain from sale/redemption of financial assets at FVTPL and FVOCI	34	(44,869)	(14,269)
Net gain arising from fair value hedges	34	-	(52)
Net unrealised (gain)/loss on revaluation of financial assets at FVTPL and derivatives	34	(33,196)	30,655
Gross dividend income from financial assets at FVTPL and FVOCI	34	(3,712)	(1,103)
Gross dividend income from subsidiaries	34	(43,051)	(42,724)
Gain on modification of right-of-use assets	34	-	(15)
Net loss/(gain) from sale of derivatives	34	43,203	(48,753)
Gain on disposal of subsidiaries	34	(9,449)	-
Unrealised foreign exchange loss		5,549	4,576
Allowance made for expected credit losses on other receivables and clients' and brokers' balances	37	786	126
Bad debts written off	37	-	3
Allowance written back for expected credit losses on financial investments at amortised cost	37	(155)	(2,051)
Allowance made for expected credit losses on other financial assets	37	12	6
Impairment losses made on investments in subsidiaries	38	10,440	3,970
Share-based payment expenses	35	3,074	2,145
Gain on liquidation of subsidiaries	34	-	(53)
Operating profit before working capital changes		<u>31,702</u>	<u>12,382</u>
(Increase)/Decrease in operating assets:			
Securities purchased under resale agreements		(162,116)	-
Financial assets at FVTPL		(122,115)	(51,708)
Loans and advances		(186,573)	(71,132)
Clients' and brokers' balances		408,603	(466,615)
Other assets		12,866	(16,538)
Derivative assets		3,271	(4,875)
Statutory deposits		(7,100)	(13,600)
		<u>(53,164)</u>	<u>(624,468)</u>

The accompanying accounting policies and notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

	Note	2024	Bank
		RM'000	2023
			RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)			
Increase/(Decrease) in operating liabilities:			
Deposits from customers		215,040	(161,716)
Deposits and placements of banks and other financial institutions		303,777	351,697
Obligations on securities sold under repurchase agreements		(271,792)	(432,745)
Clients' and brokers' balances		(417,052)	514,708
Other liabilities		51,807	(30,098)
Derivative liabilities		(39,644)	64,567
		(157,864)	306,413
Cash used in operations		(179,326)	(305,673)
Lease interest		(234)	(245)
Net tax paid		(14,787)	(12,038)
Net cash used in operating activities		(194,347)	(317,956)
CASH FLOWS FROM INVESTING ACTIVITIES			
Property, plant and equipment:			
- Purchases	17	(5,406)	(2,092)
- Proceeds from disposal		-	126
Other intangible assets			
- Purchases	18(b)	(7,752)	(6,878)
- Proceeds from disposal	18(b)	-	7
Net purchases of financial assets at FVOCI and financial investments at amortised cost		(469,184)	(162,756)
Net loss on disposal of financial assets at FVOCI, equity instruments		-	(271)
Interest income received from financial assets at FVTPL, FVOCI and financial investments at amortised cost		47,673	46,961
Dividend income received from financial assets at FVTPL and FVOCI	34	3,712	1,103
Dividend income received from subsidiaries		42,874	39,572
Subscription of redeemable preference shares issued by a subsidiary	52(c), 52(i)	(20,000)	(20,000)
Proceeds from disposal of subsidiaries		223,985	-
Capital distribution from winding up subsidiaries		-	63
Contingent consideration paid arising from disposal of a subsidiary	34	-	(138)
Net cash used in investing activities		(184,098)	(104,303)

The accompanying accounting policies and notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

	Note	2024	Bank
		RM'000	2023
			RM'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Subordinated obligations interest paid		(4,462)	(4,450)
Lease principal payment		(4,358)	(4,524)
Dividend paid to shareholder	42	(66,000)	(40,000)
Net cash used in financing activities		(74,820)	(48,974)
Net decrease in cash and cash equivalents		(453,265)	(471,233)
Cash and cash equivalents:			
- At the beginning of the financial year		1,678,284	2,149,517
- At the end of the financial year		1,225,019	1,678,284
Cash and cash equivalents comprise the following:			
- Cash and short-term funds before expected credit losses ('ECL')	2	1,225,019	1,678,284

The accompanying accounting policies and notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

Changes in liabilities arising from financing activities as following:

	Cash Changes			Non-cash Changes			As at 31.12.2024 RM'000
	As at 01.01.2024 RM'000	Net Cash Flows from Operating Activities RM'000	Net Cash Flows from Financing Activities RM'000	Addition RM'000	Reversal/ Charged Out RM'000	Interest Expense RM'000	
Bank 2024							
Lease liabilities	5,636	(234)	(4,358)	7,444	-	234	8,722
Subordinated obligations	101,097	-	(4,462)	-	-	4,450	101,085
	106,733	(234)	(8,820)	7,444	-	4,684	109,807

	Cash Changes			Non-cash Changes			As at 31.12.2023 RM'000
	As at 01.01.2023 RM'000	Net Cash Flows from Operating Activities RM'000	Net Cash Flows from Financing Activities RM'000	Addition RM'000	Reversal/ Charged Out RM'000	Interest Expense RM'000	
Bank 2023							
Lease liabilities	7,125	(245)	(4,524)	3,486	(451)	245	5,636
Subordinated obligations	101,097	-	(4,450)	-	-	4,450	101,097
	108,222	(245)	(8,974)	3,486	(451)	4,695	106,733

The accompanying accounting policies and notes form an integral part of these financial statements.

**SUMMARY OF MATERIAL ACCOUNTING POLICIES AND CRITICAL ACCOUNTING
ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements. These accounting policies have been consistently applied to all the financial years presented, unless otherwise stated.

1) BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group and the Bank have been prepared in accordance with Malaysian Financial Reporting Standards ('MFRS'), International Financial Reporting Standards ('IFRS') and the requirements of the Companies Act 2016 in Malaysia.

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at FVOCI, financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported financial year. It also requires Directors to exercise their judgement in the process of applying the Group and the Bank's accounting policies. Although these estimates and judgements are based on the Directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Section (B).

- (a) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group and the Bank and are effective

The relevant new accounting standards, annual improvements and amendments to published standards and interpretations to existing accounting standards that are effective for the Group and the Bank's financial year beginning on or after 1 January 2024 are as follows:

- (i) Amendments to MFRS 101 'Classification of Liabilities as Current or Non-current'

There are two amendments to MFRS 101 'Presentation of Financial Statements':

The first amendment, 'Classification of liabilities as current or non-current' clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. The classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant that an entity is required to comply with only after the reporting period).

The second amendment, 'Non-current liabilities with covenants' specify that covenants of loan arrangements which an entity must comply with only after the reporting date would not affect classification of a liability as current or non-current at the reporting date. However, those covenants that an entity is required to comply with on or before the reporting date would affect classification of a liability as current or non-current, even if the covenant is only assessed after the reporting date.

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.

**SUMMARY OF MATERIAL ACCOUNTING POLICIES AND CRITICAL ACCOUNTING
ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

1) BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

- (b) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group and the Bank but not yet effective

- (i) Amendments to MFRS 121 'Lack of Exchangeability' - effective 1 January 2025

The amendments clarify that a currency is exchangeable when an entity is able to exchange it into another currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism that creates enforceable rights and obligations. If an entity can only obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose, then the currency is not exchangeable. In such cases, the entity is required to estimate the spot exchange rate at the measurement date.

The amendments do not specify how an entity estimates the spot exchange rate, but permit an entity to use observable exchange rate without adjustment or another estimation technique, provided it could meet the objective for estimating the spot exchange rate set out in the amendments.

- (ii) Amendments to the Classification and Measurement of Financial Instruments - Amendments to MFRS 9 and MFRS 7 - effective 1 January 2026

The amendments include the following:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest ('SPPI') criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- update the disclosures for equity instruments designated at fair value through other comprehensive income ('FVOCI').

**SUMMARY OF MATERIAL ACCOUNTING POLICIES AND CRITICAL ACCOUNTING
ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

1) BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

- (b) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group and the Bank but not yet effective (continued)

(iii) MFRS 18 'Presentation and Disclosure in Financial Statements' - effective 1 January 2027

This is the new standard on presentation and disclosure in financial statements, which replaces IAS 1, with a focus on updates to the statement of profit or loss.

The key new concepts introduced in MFRS 18 relate to:

- the structure of the statement of profit or loss with defined subtotals;
- requirement to determine the most useful structure summary for presenting expenses in the statement of profit or loss;
- required disclosures in a single note within the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

(iv) MFRS 19 'Subsidiaries without Public Accountability: Disclosures' - effective 1 January 2027

This new standard works alongside other MFRS Accounting Standards. An eligible subsidiary applies the requirements in other MFRS Accounting Standards except for the disclosure requirements; and it applies instead the reduced disclosure requirements in MFRS 19. MFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. MFRS 19 is a voluntary standard for eligible subsidiaries.

A subsidiary is eligible if:

- it does not have public accountability; and
- it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with MFRS Accounting Standards.

The adoption of the accounting standards, amendments to published standards and interpretations to existing standards that are applicable to the Group and the Bank but not yet effective above are not expected to give rise to any material financial impact to the Group and the Bank, except for the adoption of MFRS 18 and MFRS 9 amendments, of which there will be further enhanced disclosures going forward. The Group and the Bank are in the process of reviewing the financial impact arising from the requirements of these standards and expect the process to be completed prior to the effective date.

**SUMMARY OF MATERIAL ACCOUNTING POLICIES AND CRITICAL ACCOUNTING
ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2) BASIS OF CONSOLIDATION

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de-consolidated from the date that control ceases.

(i) Acquisition accounting

The Group applies the acquisition method to account for business combination. The consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement and fair value of any pre-existing equity interest in the subsidiary. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Non-controlling interest is the equity in a subsidiary not attributable, directly or indirectly, to the Group or the Bank. Non-controlling interest is measured either at fair value or proportionate share of the acquiree's identifiable net assets at the acquisition date, determined on a case by case basis. At the end of a reporting period, non-controlling interest consists of the amount calculated on the date of combination and its share of changes in the subsidiary's equity since the date of combination.

Acquisition-related costs are expensed as incurred.

In a business combination achieved in stages, the previously held equity interest in the acquiree is remeasured at its acquisition date fair value and the resulting gain or loss is recognised in income statements.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with MFRS 9 in income statements. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recognised as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired, the gain is recognised in income statements. Refer to accounting policy Section A(8) on goodwill.

**SUMMARY OF MATERIAL ACCOUNTING POLICIES AND CRITICAL ACCOUNTING
ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2) BASIS OF CONSOLIDATION (CONTINUED)

(a) Subsidiaries (continued)

(ii) Predecessor accounting

The Group and the Bank apply predecessor accounting to account for business combinations under common control. Under the predecessor accounting, assets and liabilities acquired are not restated to their respective fair values but at the carrying amounts from the consolidated financial statements of the ultimate holding company of the Group and adjusted to ensure uniform accounting policies of the Group. The difference between any consideration given and the aggregate carrying amounts of the assets and liabilities (as of the date of the transaction) of the acquired entity is recorded as an adjustment to retained profits. No additional goodwill is recognised.

The acquired entity's results, assets and liabilities are consolidated as if both the acquirer and acquiree had always been combined. Consequently, the consolidated financial statements reflect both entities' full year results. The corresponding amounts for the previous year are restated to reflect the combined results of both entities.

All earnings and losses of the subsidiary are attributed to the parent and the non-controlling interest, even if the attribution of losses to the non-controlling interest results in a debit balance in the shareholders' equity. Profit or loss attributed to non-controlling interest for prior years is not restated.

All material inter-company and intra-group transactions and balances are eliminated on consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity attributable to owners of the Group.

(c) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in income statements. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to income statements.

Gain or loss on disposal of subsidiaries included the carrying amount of goodwill relating to subsidiaries sold.

**SUMMARY OF MATERIAL ACCOUNTING POLICIES AND CRITICAL ACCOUNTING
ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2) BASIS OF CONSOLIDATION (CONTINUED)

(d) Joint ventures

A joint venture is a joint arrangement whereby the joint venturers have rights to the net assets of the arrangement. The Group's interest in a joint venture is accounted for in the financial statements by the equity method of accounting. Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses in income statements and the Group's share of movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

The Group determines at each reporting date whether there is any objective evidence that the investment in the joint venture is impaired. An impairment loss is recognised for the amount by which the carrying amount of the joint venture exceeds its recoverable amount.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

When the Group ceases to equity account its joint venture because of a loss of joint control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in income statements. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate or financial asset. In addition, any amount previously recognised in other comprehensive income in respect of the entity is accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to income statements.

If the ownership interest in a joint venture is reduced but joint control is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to income statements where appropriate.

**SUMMARY OF MATERIAL ACCOUNTING POLICIES AND CRITICAL ACCOUNTING
ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2) BASIS OF CONSOLIDATION (CONTINUED)

(e) Associates

Associates are those corporations or other entities in which the Group exercises significant influence, but which it does not control or jointly control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Significant influence is the power to participate in the financial and operating policies through representation on the Board but not power to exercise control over those policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting and are initially recognised at cost. Equity accounting involves recognising the Group's share of its associates' post-acquisition profits or losses in income statements, and its share of post-acquisition movements in reserves is recognised in other comprehensive income. The cumulative post-acquisition changes are adjusted against the cost of investment and include goodwill on acquisition, less accumulated impairment loss.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. An impairment loss is recognised for the amount by which the carrying amount of the associate exceeds its recoverable amount.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group discontinues recognising its shares of further losses. After the Group's interest is reduced to zero, additional losses are provided for, and a liability is recognised, only to the extent that the investor has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Dilution gains and losses arising in investments in associates are recognised in income statements.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates; unrealised losses are also eliminated unless the transaction provides evidence on impairment of the asset transferred. Where necessary, in applying the equity method of accounting, adjustments are made to the financial statements of associates to ensure consistency of accounting policies with those of the Group.

(f) Puttable financial instruments

Financial liabilities due to third party investors relate to the net asset value of units (puttable financial instruments) held by the third party investors of investment funds, and measured at fair value as at year end. This arises in accordance with MFRS 10 'Consolidated Financial Statements' where the financial statements of investment funds is required to be consolidated to the financial statements of the Group and recorded as a financial liability in Note 23 to the financial statements.

3) INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

In the Bank's separate financial statements, investments in subsidiaries, associates and joint ventures are stated at cost less accumulated impairment losses. At the end of each reporting period, the Group and the Bank assess whether there is any indication of impairment. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. Refer to accounting policy Section A(21) on impairment of non-financial assets.

On disposal of investments in subsidiaries, associates and joint ventures, the difference between disposal proceeds and the carrying amount of the investments is recognised in income statements.

**SUMMARY OF MATERIAL ACCOUNTING POLICIES AND CRITICAL ACCOUNTING
ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

4) FINANCIAL ASSETS

(a) Classification

The Group and the Bank classify their financial assets into the following measurement categories:

- those to be measured at fair value either through other comprehensive income ('OCI'), or through profit or loss; and
- those to be measured at amortised cost.

The classification of debt instruments depends on the Group and the Bank's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets:

(i) Business model assessment

The Group and the Bank conduct assessment of the objective of a business model to align with how an asset held within a portfolio is being managed. Factors that are being considered include the key objectives of a portfolio whether the business strategy is to earn contractual interest revenue, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising a portfolio through sale of assets. Other factors considered also include the frequency and volume of sales in prior periods, how the asset's performance is evaluated and reported to key management personnel.

(ii) Assessment whether contractual cash flows are solely payments of principal and interest ('SPPI')

Where the business model is to hold the financial assets to collect contractual cash flows, or to collect contractual cash flows and sell, the Group and the Bank assess whether the financial assets' contractual cash flows represent SPPI. In applying the SPPI test, the Group and the Bank consider whether the contractual cash flows are consistent with a basic lending arrangement, i.e. interest includes only consideration for time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVTPL.

(b) Recognition and derecognition

Financial assets are recognised when the Group and the Bank become parties to the contractual provisions of the instrument.

Regular way purchases and sales of financial assets are recognised on trade date, the date on which the Group and the Bank commit to purchase and sell the assets.

**SUMMARY OF MATERIAL ACCOUNTING POLICIES AND CRITICAL ACCOUNTING
ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

4) FINANCIAL ASSETS (CONTINUED)

(c) Measurement

At initial recognition, the Group and the Bank measure a financial asset at fair value plus transaction costs that are directly attributable to acquisition of the financial asset in the case of a financial asset not FVTPL. Transaction costs of financial assets carried at FVTPL are expensed in income statements.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are SPPI.

(i) Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and trade receivables purchased from clients in factoring arrangements without recourse.

Subsequent measurement of debt instruments depends on the Group and the Bank's business model for managing the financial asset and the cash flow characteristics of the financial asset. There are three measurement categories into which the Group and the Bank classify its debt instruments:

(1) Financial investments at amortised cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent SPPI, and that are not designated as FVTPL, are measured at amortised cost. The carrying amount of these assets is adjusted for any expected credit losses that are recognised in income statements. The interest income is recognised in income statements using the effective interest rate method. Upon derecognition, any gain or loss will be recognised in income statements and presented under 'other operating income'.

(2) Financial assets at FVOCI

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where those cash flows represent SPPI, and that are not designated at FVTPL, are measured at FVOCI. Changes in the fair value of these assets are recognised in OCI, except for recognition of interest, foreign exchange gains or losses and expected credit losses which are recognised in income statements.

When these financial assets are derecognised, the cumulative gains or losses previously recognised in OCI is reclassified from equity to income statements and recognised in 'other operating income'. The interest income is recognised into income statements using the effective interest rate method. Foreign exchange gains or losses are recognised in 'other operating income' and impairment credit losses are presented separately under 'allowance for expected credit losses'.

(3) Financial assets at FVTPL

Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL and is not part of a hedging relationship is recognised in income statements within 'net gain/(loss) arising from financial assets at FVTPL' in the period in which it arises. The interest income is recognised in income statements using the effective interest rate method.

**SUMMARY OF MATERIAL ACCOUNTING POLICIES AND CRITICAL ACCOUNTING
ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

4) FINANCIAL ASSETS (CONTINUED)

(c) Measurement (continued)

(ii) Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuers' perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuers' net assets.

The Group and the Bank subsequently measure all equity instruments at FVTPL, except where the management has elected, at initial recognition, to irrevocably designate an equity instrument as FVOCI. The Group and the Bank's policy is to designate equity instruments as FVOCI when those instruments are held for purposes other than to generate investment returns. When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to income statements, including on disposal. Dividend, when representing a return on such investments, continue to be recognised in income statements as dividend income when the Group and the Bank's right to receive payments is established.

Gains and losses on equity instruments at FVTPL are included in the 'net gain/(loss) arising from financial assets at FVTPL' in income statements.

(d) Derecognition and modification

(i) Derecognition due to modification of terms and conditions

The Group and the Bank sometimes renegotiate or otherwise modify the contractual cash flows of loans to customers. When this happens, the Group and the Bank assess whether or not the new terms are substantially different to the original terms. The Group and the Bank do this by considering, among others, the following factors:

- if the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay;
- whether any substantial new terms are introduced, such as a profit share or equity-based return that substantially affects the risk profile of the loan;
- significant extension of the loan term when the borrower is not in financial difficulty;
- significant change in the interest rate;
- change in the currency the loan is denominated in; and
- insertion of collaterals, other securities or credit enhancements that significantly affect the credit risk associated with the loan.

**SUMMARY OF MATERIAL ACCOUNTING POLICIES AND CRITICAL ACCOUNTING
ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

4) FINANCIAL ASSETS (CONTINUED)

(d) Derecognition and modification (continued)

(i) Derecognition due to modification of terms and conditions (continued)

If the terms are substantially different, the Group and the Bank derecognise the original financial assets and recognise a 'new' asset at fair value and recalculate a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the Group and the Bank also assess whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognised in income statements as a gain or loss on derecognition.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition. The Group and the Bank recalculate the gross carrying amount based on the revised cash flows of the financial asset and recognise a modification gain or loss in income statements. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

(ii) Derecognition other than modification of terms and conditions

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the financial assets have expired, or when they have been transferred and either (i) the Group and the Bank transferred substantially all the risks and rewards of ownership, or (ii) the Group and the Bank neither transfer nor retain substantially all the risks and rewards of ownership and the Group and the Bank have not retained control.

Collateral furnished by the Group and the Bank under repurchase agreements are not derecognised as the Group and the Bank retain substantially all risks and rewards on the basis of the pre-determined repurchase price, and hence the criteria for derecognition are not met.

(e) Reclassification of financial assets

Reclassification of financial assets is required when, and only when, the Group and the Bank change their business model for managing the assets. In such cases, the Group and the Bank are required to reclassify all affected financial assets.

However, it will be inappropriate to reclassify financial assets that have been designated at FVTPL, or equity instruments that have been designated as FVOCI even when there is a change in business model. Such designations are irrevocable.

**SUMMARY OF MATERIAL ACCOUNTING POLICIES AND CRITICAL ACCOUNTING
ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

5) REPURCHASE AGREEMENTS

Securities purchased under resale agreements are securities which the Group and the Bank have purchased with a commitment to resell at future dates. The commitment to resell the securities is reflected as an asset on the statements of financial position.

Conversely, obligations on securities sold under repurchase agreements are securities which the Group and the Bank have sold from its portfolio, with a commitment to repurchase at future dates. Such financing and the obligation to repurchase the securities is reflected as a liability on the statements of financial position.

The difference between sale and repurchase price as well as purchase and resale price are amortised as interest income and interest expense respectively on an effective yield method.

6) DERIVATIVE FINANCIAL INSTRUMENTS

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 at the end of each reporting period. Fair values are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, including discounted cash flow models and option pricing models, as appropriate. All derivatives are carried as assets when fair values are positive and as liabilities when fair values are negative. Changes in the fair value of any derivatives that do not qualify for hedge accounting are recognised immediately in income statements. Cash collateral held in relation to derivative transactions are carried at amortised cost.

The best evidence of the fair value of a derivative at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. When such evidence exists, the Group and the Bank recognise profits on day one.

**SUMMARY OF MATERIAL ACCOUNTING POLICIES AND CRITICAL ACCOUNTING
ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

7) INVESTMENT PROPERTY

Investment property, comprising principally land and office buildings, are held for long term rental yields or for capital appreciation or both, and are not occupied by the Group.

Investment property is measured initially at its cost, including professional fees for legal services, property transfer taxes, other transaction costs and borrowing costs (if any) if the investment property meets the definition of a qualifying asset.

After initial recognition, investment property is stated at cost less any accumulated depreciation and impairment losses.

The freehold land is not depreciated. The buildings on freehold land are depreciated on a straight-line basis to allocate the cost to their residual values over their estimated useful lives of 9 years.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment property is derecognised either when it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

Gains and losses on disposals are determined by comparing net disposal proceeds with the carrying amount and are included in income statements.

8) GOODWILL

Goodwill arising on the acquisition of subsidiaries represents the excess of consideration transferred over the Group's interest in the net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of non-controlling interest in the acquiree.

Goodwill is stated at cost less accumulated impairment loss and is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired. Impairment loss on goodwill (inclusive of impairment losses recognised in a previous interim period) is not reversed. Gains and losses on the disposal of a subsidiary include the carrying amount of goodwill relating to the subsidiary sold. Refer to accounting policy Section A(21) on impairment of non-financial assets.

Goodwill is allocated to Cash-Generating-Units ('CGUs') for the purpose of impairment testing. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the synergies of the business combination in which the goodwill arose, identified according to operating segment. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

**SUMMARY OF MATERIAL ACCOUNTING POLICIES AND CRITICAL ACCOUNTING
ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

9) INTANGIBLE ASSETS

Intangible assets comprise separately identifiable intangible items arising from business combinations, computer software licenses and other intangible assets. Intangible assets are recognised at cost. The cost of an intangible asset acquired in a business combination is its fair value at the date of acquisition. Intangible assets with a definite useful life are amortised using the straight-line method over their estimated useful economic life. Intangible assets with an indefinite useful life are not amortised. Generally, the identified intangible assets of the Group and the Bank have a definite useful life. At each date of the statements of financial position, intangible assets are reviewed for indications of impairment or changes in estimated future economic benefits. If such indications exists, the intangible assets are analysed to assess whether their carrying amount is fully recoverable. An impairment loss is recognised if the carrying amount exceeds the recoverable amount. Intangible assets with indefinite useful life are annually tested for impairment and whenever there is an indication that the asset may be impaired. Refer to accounting policy Section A(21) on impairment of non-financial assets.

(a) Computer software licences

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Computer software licenses are subsequently carried at cost less accumulated amortisation and impairment losses. These costs are amortised over the estimated useful lives of 3 to 10 years.

(b) Other intangible assets

Other intangible assets consist of customer relationship and trading rights. Other intangible assets are initially recognised when they are separable or arose from contractual or other legal rights, and when the cost can be measured reliably and, in the case of intangible assets not acquired in a business combination, it is recognised where it is probable that future economic benefits attributable to the assets will flow from their use. The value of intangible assets which are acquired in a business combination is generally determined using income approach methodologies such as the discounted cash flow method.

Other intangible assets with definite life are stated at cost less amortisation and allowance for impairment, if any, plus reversals of impairment, if any. They are amortised over their useful lives in a manner that reflects the pattern to which they contribute to future cash flows.

**SUMMARY OF MATERIAL ACCOUNTING POLICIES AND CRITICAL ACCOUNTING
ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

10) PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the Bank and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repair and maintenance costs are recognised as expense in income statements during the financial period in which they are incurred.

Freehold land is not depreciated. Other property, plant and equipment are depreciated on a straight-line basis to write down their costs to their residual values over their estimated useful lives. The principal annual depreciation rates are as follows:

Buildings	11.11%
Renovations	10% to 33.33%
Office equipment and furniture	10% to 33.33%
Computer equipment	10% to 33.33%
Motor vehicles	15% to 25%

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. There are no material adjustments arising from the review that would require disclosure in the financial statements.

Gains or losses on disposals are determined by comparing proceeds with carrying amounts and are included in other operating income in income statements.

At the end of the reporting period, the Group and the Bank assess whether there is any indication of impairment. Where an indication of impairment exists, the carrying amount of the asset is written down to its recoverable amount. Refer to accounting policy Section A(21) on impairment of non-financial assets.

**SUMMARY OF MATERIAL ACCOUNTING POLICIES AND CRITICAL ACCOUNTING
ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

11) FINANCIAL LIABILITIES

Financial liabilities are measured at amortised cost, except for trading liabilities designated at fair value, which are held at FVTPL. Financial liabilities are initially recognised at fair value plus transaction costs for all financial liabilities not carried at FVTPL. Financial liabilities at FVTPL are initially recognised at fair value, and transaction costs are expensed in income statements. Financial liabilities are derecognised when extinguished.

(a) Financial liabilities at FVTPL

This category comprises two sub-categories: financial liabilities as held-for-trading, and financial liabilities designated at FVTPL upon initial recognition.

A financial liability is classified as held-for-trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Derivatives are also categorised as held-for-trading unless they are designated as hedges. Refer to accounting policy Section A(6) on hedge accounting.

The financial liabilities measured at FVTPL upon initial recognition are trading derivatives and financial liabilities designated at fair value.

(b) Other financial liabilities measured at amortised cost

Other financial liabilities are initially recognised at fair value plus transaction costs. Subsequently, other financial liabilities are remeasured at amortised cost using the effective interest rate.

Other financial liabilities measured at amortised cost are deposits from customers, deposits and placements of banks and other financial institutions, obligations on securities sold under repurchase agreements, clients' and brokers' balances, lease liabilities and other financial liabilities.

(c) Borrowings measured at amortised cost

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost, any difference between initial recognised amount and the redemption value is recognised in income statements over the period of the borrowings using the effective interest rate method.

All other borrowing costs are recognised in income statements in the period in which they are incurred.

Borrowings measured at amortised cost are long-term and short-term borrowings from financial institutions and subordinated obligations.

**SUMMARY OF MATERIAL ACCOUNTING POLICIES AND CRITICAL ACCOUNTING
ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

12) LEASES – WHERE THE GROUP AND THE BANK ARE THE LESSEE

The Group and the Bank recognise leases as right-of-use assets, with a corresponding liability at the date on which the leased asset is available for use (i.e. the commencement date).

Contracts may contain both lease and non-lease components. The Group and the Bank allocate the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

(a) Lease term

In determining the lease term, the Group and the Bank consider all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

The Group and the Bank reassess the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Group and the Bank, and affects whether the Group and the Bank are reasonably certain to exercise an option not previously included in the determination of lease term, or not to exercise an option previously included in the determination of lease term. A revision in lease term results in remeasurement of the lease liabilities (refer to accounting policy Section A(12)(d)).

(b) Right-of-use assets

Right-of-use assets are initially measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentive received;
- any initial direct costs; and
- decommissioning or restoration costs.

Right-of-use assets that are not investment properties are subsequently measured at cost, less accumulated depreciation and impairment loss (if any). The right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group and the Bank are reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. In addition, the right-of-use assets are adjusted for certain remeasurement of the lease liabilities.

**SUMMARY OF MATERIAL ACCOUNTING POLICIES AND CRITICAL ACCOUNTING
ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

12) LEASES – WHERE THE GROUP AND THE BANK ARE THE LESSEE (CONTINUED)

(c) Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. The lease payments include the following:

- fixed payments (including in-substance fixed payments), less any lease incentive receivable;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group and the Bank under residual value guarantees;
- the exercise price of a purchase and extension options if the Group and the Bank are reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group and the Bank exercising that option.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group and the Bank, the lessee's incremental borrowing is used. This is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use in a similar economic environment with similar term, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to income statements over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payments that depend on sales are recognised in income statements in the period in which the condition that triggers those payments occurs.

Interest expense on the lease liability is presented within the other interest expenses in income statements.

(d) Reassessment of lease liabilities

The Group and the Bank are also exposed to potential future increases in variable lease payments that depend on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is remeasured and adjusted against the right-of-use assets.

(e) Short-term leases and leases of low-value assets

Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise equipment and vehicles. Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in income statements.

**SUMMARY OF MATERIAL ACCOUNTING POLICIES AND CRITICAL ACCOUNTING
ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

12) LEASES – WHERE THE GROUP AND THE BANK ARE THE LESSEE (CONTINUED)

(f) Operating lease

Leases of assets where a significant portion of the risks and rewards of ownership retained by the lessor were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to income statements on a straight-line basis over the period of the lease.

The upfront payments made for leasehold land represented prepaid lease rentals and were amortised on a straight-line basis over the lease term.

Where an operating lease was terminated before the lease period had expired, any payment required to be made to the lessor by way of penalty was recognised as an expense in the period when termination took place.

13) PROVISIONS

Provisions are recognised when the Group and the Bank have a present legal or constructive obligation, as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount of obligation can be made.

Where the Group and the Bank expect a provision to be reimbursed (for example, under an insurance contract), the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance cost expense.

(a) Onerous contracts

The Group and the Bank recognise a provision for onerous contracts when the expected benefits to be derived from a contract are less than the unavoidable costs of meeting the obligations under the contract.

(b) Restructuring

Restructuring provisions mainly comprise lease termination penalties and employee termination payments and are recognised in the period in which the Group becomes legally or constructively committed to payment. Future operating costs are not provided for.

**SUMMARY OF MATERIAL ACCOUNTING POLICIES AND CRITICAL ACCOUNTING
ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

14) FINANCIAL GUARANTEE CONTRACTS

Financial guarantee contracts are contracts that require the Group or the Bank to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to financial institutions and other bodies on behalf of customers to secure loans, overdrafts and other banking facilities.

Financial guarantees are initially recognised in the financial statements at fair value on the date the guarantee was given. Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value.

The fair value of financial guarantee is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Financial guarantee contracts are subsequently measured at the higher of the amount determined in accordance with the expected credit loss model under MFRS 9 'Financial Instruments' and the amount initially recognised less cumulative amount of income recognised in accordance with the principles of MFRS 15 'Revenue from Contracts with Customers', where appropriate.

Where financial guarantees in relation to loans or payables of subsidiaries are provided by the Group and the Bank for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of investment in subsidiaries.

15) GOVERNMENT GRANTS

Financing under a government scheme is recognised and measured in accordance with MFRS 9 'Financial Instruments', with the benefit at below market rate, which is measured as the difference between the initial carrying amount or fair value of the financing and the amount received.

Financial contribution under a government scheme is measured in accordance with the amount received. The benefit of a financing under a government scheme or a financial contribution under a government scheme that addresses identified costs or expenses incurred by the Group and the Bank is recognised in income statements in the same financial period when the costs or expenses are recognised, when the required conditions are fulfilled in accordance with MFRS 120 'Accounting for Government Grants and Disclosure of Government Assistance'.

**SUMMARY OF MATERIAL ACCOUNTING POLICIES AND CRITICAL ACCOUNTING
ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

16) CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Group and the Bank do not recognise contingent assets and liabilities other than those arising from business combinations, but disclose their existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or the Bank or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognised because it cannot be measured reliably. However, contingent liabilities do not include financial guarantee contracts.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group and the Bank. The Group and the Bank do not recognise contingent assets but disclose their existence where inflows of economic benefits are probable, but not virtually certain.

The Group and the Bank recognise separately the contingent liabilities of the acquiree as part of allocating the cost of a business combination where their fair values can be measured reliably. Where the fair values cannot be measured reliably, the resulting effect will be reflected in the goodwill arising from the acquisitions and the information about the contingent liabilities acquired are disclosed in the financial statements.

Subsequent to the initial recognition, the Group and the Bank measure the contingent liabilities that are recognised separately at the date of acquisition at the higher of the amount that would be recognised in accordance with the provision of MFRS 137 'Provisions, Contingent Liabilities and Contingent Assets' and the amount initially recognised less when appropriate, cumulative amortisation recognised in accordance with MFRS 15 'Revenue from Contracts with Customers'.

17) SHARE CAPITAL

(a) Classification

Ordinary shares are classified as equity. Other shares, if issued, are classified as equity and/or liability according to the economic substance of the particular instrument.

(b) Share issue cost

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(c) Dividend distribution

Distributions to holders of an equity instrument are debited directly to equity, and the corresponding liability is recognised in the period in which the shareholders' right to receive the dividends are established or the dividends are approved.

**SUMMARY OF MATERIAL ACCOUNTING POLICIES AND CRITICAL ACCOUNTING
ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

18) CASH AND CASH EQUIVALENTS

For the purpose of the statements of cash flows, cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Cash and cash equivalents comprise cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of one month or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

19) REVENUE RECOGNITION

- (a) Interest income is recognised using the effective interest rate method. The effective interest rate is the rate that discounts estimated future cash receipts or payments throughout the expected life of the financial instrument or, when appropriate, a shorter period to its carrying amount. The calculation includes significant fees and transaction costs that are integral to the effective interest rate, as well as premiums or discounts. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial asset that subsequently becomes credit-impaired. For credit-impaired financial asset, the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).
- (b) Loan arrangement fees, commissions and placement fees are recognised as income on an accrual basis over a period of time when all conditions precedent are fulfilled.
- (c) Brokerage commission is recognised when services are rendered. Interest income from margin financing, clients' overdue outstanding and contra losses are recognised using effective interest rate method.
- (d) Corporate advisory fees are recognised as income based on fulfilment of the performance obligation.
- (e) Management fees of the unit trust management company are recognised based on point over time over the period of services. Sales value of trust units is recognised on the approval of a unit holder's application. Value from the cancellation of trust units is recognised upon approval of the trustee.
- (f) Dividends are recognised when the shareholders' right to receive payment is established. This applies even if they are paid out of the pre-acquisition profits. However, the investment may need to be tested for impairment as a consequence. Dividend income received from subsidiaries, financial assets at FVTPL and FVOCI are recognised as other operating income in income statements.

Dividend that clearly represents a recovery of part of the cost of an investment is recognised in other comprehensive income if it relates to an investment in equity investment measured at FVOCI.

**SUMMARY OF MATERIAL ACCOUNTING POLICIES AND CRITICAL ACCOUNTING
ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

20) IMPAIRMENT OF FINANCIAL ASSETS

Under MFRS 9, impairment model requires the recognition of expected credit loss ('ECL') for all financial assets, except for financial assets classified or designated as FVTPL and equity securities classified under FVOCI, which are not subject to impairment assessment. Off-balance sheet items that are subject to ECL include financial guarantees and undrawn loan commitments.

There are two approaches adopted by the Group and the Bank:

(1) General approach

ECL will be assessed using an approach which classifies financial assets into three stages which reflects the change in credit quality of the financial assets since initial recognition:

(i) Stage 1: 12 month ECL – not credit impaired

For credit exposures where there has not been a significant increase in credit risk since initial recognition or which has low credit risk at reporting date and that are not credit impaired upon origination, the ECL associated with the probability of default events occurring within the next 12 months will be recognised.

(ii) Stage 2: Lifetime ECL – not credit impaired

For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, the ECL associated with the probability of default events occurring within the lifetime ECL will be recognised.

Unless identified at an earlier stage, all financial assets are deemed to have suffered a significant increase in credit risk when 30 days past due.

(iii) Stage 3: Lifetime ECL – credit impaired

Financial assets are assessed as credit impaired when one or more objective evidence of defaults that have a detrimental impact on the estimated future cash flows of that asset have occurred. For financial assets that have become credit impaired, a lifetime ECL will be recognised.

Generally, all financial assets that are 90 days past due or more are classified under Stage 3. The Group and the Bank consider the following as constituting an event of default:

(1) Quantitative criteria

- the borrower is past due more than 90 days on any material credit obligation to the Group and the Bank;
- margin of financing shall be classified as impaired where the force selling ratio is triggered and after a period of time after force selling has commenced or where margin of finance exceeds a set threshold above the force selling ratio.

(2) Qualitative criteria

- legal action has been initiated by the Group and the Bank for recovery purposes;
- borrower is a bankrupt; and/or
- borrower has been assigned to external collection agency.

**SUMMARY OF MATERIAL ACCOUNTING POLICIES AND CRITICAL ACCOUNTING
ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

20) IMPAIRMENT OF FINANCIAL ASSETS (CONTINUED)

There are two approaches adopted by the Group and the Bank: (continued)

(1) General approach (continued)

Significant increase in credit risk ('SICR')

- (i) The Group and the Bank consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Bank compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition.
- (ii) Among the indicators incorporated in ascertaining SICR are:
- internal credit rating;
 - external credit rating (as far as available);
 - actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations;
 - actual or expected significant changes in the operating results of the borrower;
 - significant increase in credit risk on other financial instruments of the same borrower;
 - significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements;
 - significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrower in the group and changes in the operating results of the borrower.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model.

The assessment of credit risk, as well as the estimation of ECL, are required to be unbiased, probability-weighted and should incorporate all available information which is relevant to the assessment, including information about past events, current conditions and reasonable and supportable forecasts of future events and economic conditions at the reporting date. The measurement of ECL is based on the discounted products of the Probability of Default model ('PD'), Loss Given Default model ('LGD') and Exposure at Default model ('EAD'). Certain ECL models are leveraging on the existing Group and the Bank's Basel II Internal Ratings-Based ('IRB') model, where feasible or available, with necessary adjustment to meet MFRS 9 requirements. The changes in ECL between two-periods will be recognised in income statements.

**SUMMARY OF MATERIAL ACCOUNTING POLICIES AND CRITICAL ACCOUNTING
ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

20) IMPAIRMENT OF FINANCIAL ASSETS (CONTINUED)

(1) General approach (continued)

Significant increase in credit risk ('SICR') (continued)

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the provision for doubtful debts reverts from lifetime ECL to 12-month ECL. Exposures that have not deteriorated significantly since origination, or where the deterioration remains within the Group and the Bank's investment grade criteria, or which are less than 30 days past due, are considered to have a low credit risk. The provision for doubtful debts for these financial assets is based on a 12-month ECL. When an asset is uncollectible, it is written off against the related provision. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off reduce the amount of the expense in income statements.

The Group and the Bank leverage on the model/segments/credit related factors implemented under the Basel II IRB framework where feasible or available, with calibration to meet MFRS 9 requirements. For portfolio without Basel model, other relevant historical information, loss experience or proxies will be utilised if deemed feasible.

In determining the ECL, management will evaluate a range of possible outcomes, taking into account past events, current conditions/trends and economic outlooks. Additional consideration through structured management overlays have been considered and reflected to ensure adequacy of ECL. The structured management overlays are subject to robust review and governance process.

Generally, all financial assets are considered to have experienced a significant increase in credit risk if the exposures are more than 30 days past due on its contractual payments.

(2) Simplified approach

The Group and the Bank apply the MFRS 9 simplified approach to measure ECL which uses a lifetime expected loss allowance for clients' and brokers' balances, fee receivables and other assets. The expected loss allowance is based on provisional matrix.

21) IMPAIRMENT OF NON-FINANCIAL ASSETS

Non-financial assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. The Group and the Bank also assess goodwill, other intangible assets with indefinite useful life and other assets that are subject to amortisation for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the non-financial assets exceeds its recoverable amount.

The recoverable amount is the higher of a non-financial assets' fair value less costs to sell and value in use. For the purpose of assessing impairment, non-financial assets are grouped at the lowest levels for which there is separately identifiable cash flows or CGUs. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting period.

The impairment loss is charged to income statements. Impairment losses on goodwill are not reversed. In respect of other non-financial assets, any subsequent increase in recoverable amount is recognised in income statements.

**SUMMARY OF MATERIAL ACCOUNTING POLICIES AND CRITICAL ACCOUNTING
ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

22) EMPLOYEE BENEFITS

(a) Short-term employee benefits

The Group and the Bank recognise a liability and an expense for bonuses. The Group and the Bank recognise a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group and the Bank.

(b) Defined contribution plans

A defined contribution plan is a pension plan under which the Group and the Bank pay fixed contributions to the national pension scheme. The Group and the Bank's contributions to defined contribution plans are charged to income statements in the period to which they relate. Once the contributions have been paid, the Group and the Bank have no further legal or constructive obligations.

(c) Termination benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates:

- (i) when the Group can no longer withdraw the offer of those benefits; and
- (ii) when the entity recognises costs for a restructuring that is within the scope of MFRS 137 'Provisions, Contingent Liabilities and Contingent Assets' and involves the payment of termination benefits.

(d) Share-based compensation

The fair value of the shares offered is recognised as an expense in income statements over the vesting periods of the grant with a corresponding increase to share-based payment reserve within equity.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the shares granted, excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of shares granted that are expected to vest. At each reporting date, the Group and the Bank will review and revise the estimates of the number of shares granted and shares that are expected to vest. The impact of the revision of original estimates, if any, will be recognised in income statements, with a corresponding adjustment to share-based payment reserve in equity.

**SUMMARY OF MATERIAL ACCOUNTING POLICIES AND CRITICAL ACCOUNTING
ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

23) CURRENT AND DEFERRED INCOME TAXES

The tax expense for the period comprises current and deferred tax. Tax is recognised in income statements, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax expense is determined according to the tax laws of each jurisdiction in which the Group and the Bank operate and include all taxes based upon the taxable profits, including withholding taxes payable by foreign subsidiaries, associates and joint ventures and arising from distributions of retained profits to companies in the Group.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. This liability is measured using the single best estimate of the most likely outcome.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences or unused tax losses can be utilised.

Deferred tax is recognised on temporary differences arising on investments in subsidiaries, associates and joint ventures except where the timing of the reversal of the temporary differences can be controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax related to the fair value remeasurement of debt instruments at FVOCI, which is charged or credited directly to equity, is also credited or charged directly to equity and is subsequently recognised in income statements together with the deferred gain or loss.

Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantially enacted by the date of statements of financial position and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred and income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The Group is within the scope of the Organisation for Economic Co-operation and Development ('OECD') Pillar Two model rules. Pillar Two rules introduces a global minimum Effective Tax Rate ('ETR') via a system where multinational groups with consolidated revenue of over EUR 750 million are subject to a minimum ETR of 15% on income arising from low-taxed jurisdictions. The Group has adopted the 'International Tax Reform - Pillar Two Model Rules (amendments to IAS12)'. The amendments provide a temporary mandatory exception from deferred tax accounting for Pillar Two top-up taxes and requires disclosures about the Group's Pillar Two exposure. Pillar Two legislation has been enacted or substantively enacted in a number of locations where the Group operates, including Malaysia and Indonesia, but these rules will only be effective from 1 January 2025. Pillar Two legislation has also been substantively enacted in Vietnam, a location in which the Group has ceased operations during the financial year. The Group has performed an assessment of the Group's potential exposure to Pillar Two income taxes, based on FY2023 historical information available regarding the financial performance of the Group. Based on the assessment, there are potentially a number of jurisdictions where effective tax rates are either close to or below 15%. However, the Group does not expect a material exposure to Pillar Two top-up taxes in those jurisdictions, without prejudice to the relevant administrative burdens that will entail its implementation and numerous areas of uncertainty in the interpretation of the Pillar Two rules.

**SUMMARY OF MATERIAL ACCOUNTING POLICIES AND CRITICAL ACCOUNTING
ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

24) CURRENCY CONVERSION AND TRANSLATION

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The financial statements are presented in Ringgit Malaysia, which is the Bank's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in income statements. Foreign exchange gains and losses are presented in income statements within other operating income.

Changes in the fair value of monetary securities denominated in foreign currency classified as debt instruments under FVOCI are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in income statements, and other changes in carrying amount are recognised in OCI.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at FVTPL are recognised in income statements as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as FVOCI, are recognised in OCI.

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each statements of financial position presented are translated at the closing rate at the date of that statements of financial position;
- (ii) income and expenses for each statements of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of transactions); and
- (iii) all resulting exchange differences are recognised as a separate component of other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign operations, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is partially disposed of or sold, a proportionate share of such exchange differences is recognised in income statements as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

**SUMMARY OF MATERIAL ACCOUNTING POLICIES AND CRITICAL ACCOUNTING
ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

25) SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker, who is responsible for allocating resources to and assessing performance of the operating segments of an entity. The Group has determined RHB Bank Group's Management Committee as its chief operating decision-maker.

All transactions between operating segments are conducted based on mutually agreed allocation basis, with intra-segment revenue and costs being eliminated. Income and expenses directly associated with each segment are included in determining business segment performance.

26) TRUST ACTIVITIES

The Group and the Bank act as trustees and in other fiduciary capacities that result in holding or placing of assets on behalf of individuals, trust and other institutions. These assets and income arising thereon are not recognised as assets of the Group and the Bank.

27) NON-CURRENT ASSETS HELD FOR SALE (OR DISPOSAL GROUPS) AND DISCONTINUED OPERATIONS

Non-current assets (or disposal groups) are classified as assets held for sale and stated at the lower of carrying amount and fair value less cost to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use.

An impairment loss is recognised for any initial or subsequent write-down of the assets to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of derecognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the statements of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statements of financial position.

A discontinued operation is a component of the entity that has been disposed of, or is classified as held for sale and that represents a separate major line of business. Classification as a discontinued operation occur upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative income statements and statements of comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative period.

**SUMMARY OF MATERIAL ACCOUNTING POLICIES AND CRITICAL ACCOUNTING
ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

(B) CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The Group and the Bank make estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets within the next financial year are outlined below:

(a) Fair value of financial instruments

For financial instruments measured at fair value, where the fair values cannot be derived from active markets, these fair values are determined using a variety of valuation techniques, including the use of mathematical models. Whilst the Group and the Bank generally use widely recognised valuation models with market observable inputs, judgement is required where market observable data are not available. Such judgement normally incorporate assumptions that other market participants would use in their valuations, including assumptions about interest/profit rate yield curves, exchange rates, discounted cash flows method, option pricing models, credit models and other relevant valuation models. The valuation of financial instruments is described in more detail in Note 48(g) to the financial statements.

(b) Allowance for expected credit losses ('ECL')

The measurement of the ECL for financial assets measured at amortised cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour.

MFRS 9 introduces the use of macroeconomic factors and requires an evaluation of both the current and forecast direction of the economic cycle. Incorporating forward looking information increases the level of judgement as to how changes in these macroeconomic factors will affect ECL. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- (i) determining criteria for significant increase in credit risk;
- (ii) choosing appropriate models and assumptions for the measurement of ECL;
- (iii) establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL;
- (iv) establishing groups of similar financial assets for the purposes of measuring ECL;
- (v) identifying and calculating adjustments to model output (model overlay adjustments).

**SUMMARY OF MATERIAL ACCOUNTING POLICIES AND CRITICAL ACCOUNTING
ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

(B) CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS (CONTINUED)

The Group and the Bank make estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets within the next financial year are outlined below: (continued)

(c) Goodwill impairment

Goodwill is tested at least annually for impairment. Impairment is measured by comparing the carrying amount of the investments with its recoverable amount. The recoverable amount is determined based on higher of value in use ('VIU') and fair value less cost of disposal ('FVLCD'). Testing of goodwill for impairment involves a significant amount of estimation. This includes the identification of independent CGUs and the allocation of goodwill to these units based on which units are expected to benefit from the acquisition. Estimating the VIU requires the Group and the Bank to make an estimate of the expected future cash flows from the CGUs. Determining both the expected pre-tax cash flows and the risk-adjusted discount rate appropriate to the CGUs also require the exercise of judgement. The variables are subject to fluctuations in external market rates and economic conditions beyond management control and are subject to uncertainty and require the exercise of significant judgement. The detailed disclosures on the assessment of impairment of goodwill are disclosed in Note 18 to the financial statements.

(d) Impairment of investments in subsidiaries, associates and joint ventures

The Bank assesses whether there is any indication that investments in subsidiaries, associates and joint ventures are impaired at the end of each reporting period. Impairment is measured by comparing the carrying amount of the investments with its recoverable amount. The recoverable amount is determined based on higher of VIU and FVLCD.

Management has assessed the recoverable amount of the investments based on net assets of the subsidiaries and the higher of VIU calculations and FVLCD, which approximates fair value as at year end. The impairment charge has been recognised due to the carrying amount of the investments in the separate financial statements exceeding the carrying amount of the subsidiaries' net assets in their financial statements and recoverable amounts. The impairment charge during the financial year is shown in Note 38 to the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

1 GENERAL INFORMATION

RHB Investment Bank Berhad ('the Bank'), is a limited liability bank incorporated and domiciled in Malaysia.

The principal activities of the Bank include merchant banking business, dealing in securities, stock, debt and derivatives, stockbroking business and the business of brokers and dealers in futures and options contracts.

The Group is involved in merchant banking business, dealing in securities, stock, debt and derivatives, stockbroking business and the business of brokers and dealers in futures and options contracts, investment management services, Islamic investment management services, management of unit trust funds and Islamic unit trust funds, management of private retirement schemes, provision of investment advisory services, research services and provision of nominee services.

There have been no significant changes in these principal activities during the financial year.

The address of the registered office of the Bank is Level 10, Tower One, RHB Centre, Jalan Tun Razak, 50400 Kuala Lumpur.

The financial statements have been approved and authorised for issue by the Board of Directors on 26 February 2025.

2 CASH AND SHORT-TERM FUNDS

	Note	2024	Group	2024	Bank
		RM'000	2023	2024	2023
			RM'000	RM'000	RM'000
Cash and balances with banks and other financial institutions	(a)	647,854	673,242	293,734	332,349
Money at call and deposit placements maturing within one month	(b)	1,007,840	1,408,928	931,285	1,345,935
		1,655,694	2,082,170	1,225,019	1,678,284
Less: Allowance for ECL		(561)	(566)	(55)	(41)
		1,655,133	2,081,604	1,224,964	1,678,243

(a) Included in the Group's cash and balances with banks and other financial institutions are monies amounting to RM228,845,000 (2023: RM158,591,000) held in trust for the purpose of the funds managed by the asset management subsidiaries; and

(b) Included in the Group and the Bank's money at call and deposit placements are accounts held in trust for remisiers amounting to RM88,569,000 (2023: RM89,737,000).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

3 DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	2024	Group 2023	2024	Bank 2023
	RM'000	RM'000	RM'000	RM'000
Licensed banks	200,265	189,748	-	-
Licensed Islamic banks	35,987	33,418	-	-
	236,252	223,166	-	-
Less: Allowance for ECL	(11)	(36)	-	-
	236,241	223,130	-	-

4 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS ('FVTPL')

	2024	Group 2023	2024	Bank 2023
	RM'000	RM'000	RM'000	RM'000
At fair value				
<u>Money market instruments:</u>				
Malaysian Government Securities	4,216	4,189	4,216	4,189
<u>Quoted securities:</u>				
In Malaysia				
Shares and exchange traded funds	312,374	132,769	312,374	130,126
Unit trusts	16,871	33,627	-	-
Outside Malaysia				
Shares	3,962	55,647	-	2,137
<u>Unquoted securities:</u>				
In Malaysia				
Corporate bonds/Sukuk	-	25,546	-	23
Outside Malaysia				
Private equity funds	873,279	733,335	-	-
	1,210,702	985,113	316,590	136,475

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

5 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ('FVOCI')

	Note	2024	Group	2024	Bank
		RM'000	2023	RM'000	2023
			RM'000		RM'000
At fair value					
Debt instruments	(a)	831,572	465,260	831,572	465,260
Equity instruments	(b)	48,938	45,788	43,514	40,524
		880,510	511,048	875,086	505,784

(a) Debt instruments

Money market instruments:

Malaysian Government Securities	160,763	60,406	160,763	60,406
Malaysian Government Investment Issues	111,633	40,200	111,633	40,200

Unquoted securities:

In Malaysia

Corporate bonds/Sukuk	478,418	309,778	478,418	309,778
Prasarana bonds	80,758	54,876	80,758	54,876
	831,572	465,260	831,572	465,260

There are no allowance for ECL on FVOCI debt instruments as all instruments are guaranteed by the Government of Malaysia.

(b) Equity instruments

Quoted securities:

Outside Malaysia

Shares	3,341	2,759	-	-
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Unquoted securities:

In Malaysia

Shares	43,514	40,524	43,514	40,524
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Outside Malaysia

Shares	2,083	2,505	-	-
	48,938	45,788	43,514	40,524

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

5 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ('FVOCI')
(CONTINUED)

(b) Equity instruments (continued)

The Group and the Bank designated certain investments as equity securities under FVOCI. The FVOCI designation was made because these investments are held for socio-economic purposes and not for trading purposes.

	Group		Bank	
	Fair value	Dividend income recognised during the financial year	Fair value	Dividend income recognised during the financial year
	RM'000	RM'000	RM'000	RM'000
2024				
Malaysian Rating Corporation Berhad	3,368	49	3,368	49
Cagamas Holdings Bhd	40,146	240	40,146	240
Others	5,424	177	-	-
	48,938	466	43,514	289
2023				
Malaysian Rating Corporation Berhad	3,282	98	3,282	98
Cagamas Holdings Bhd	37,242	240	37,242	240
Others	5,264	2,409	-	-
	45,788	2,747	40,524	338

Dividend income from financial assets at FVOCI equity instruments is disclosed in Note 34 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

6 FINANCIAL INVESTMENTS AT AMORTISED COST

	Group and Bank	
	2024	2023
At amortised cost	RM'000	RM'000
<u>Money market instruments:</u>		
Malaysian Government Securities	434,047	434,437
Malaysian Government Investment Issues	158,219	159,055
Khazanah bonds	-	14,621
<u>Unquoted securities:</u>		
<u>In Malaysia</u>		
Corporate bonds/Sukuk	385,304	268,954
Loan stocks	21,402	21,505
Prasarana bonds	83,759	69,183
	1,082,731	967,755
Allowance for ECL	(67,589)	(67,744)
	1,015,142	900,011

(a) Included in financial investments at amortised cost of the Group and the Bank are bonds/sukuk, which are pledged as collateral for obligations on securities sold under repurchase agreements amounting to RM100,460,000 (2023: RM365,796,000).

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

Balance as at the beginning of the financial year	67,744	69,795
Amount recovered	(155)	(2,051)
Balance as at the end of the financial year	67,589	67,744

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

6 FINANCIAL INVESTMENTS AT AMORTISED COST (CONTINUED)

(c) Movement in allowance for ECL for financial investments at amortised cost

Group and Bank	Note	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
2024					
Balance as at the beginning of the financial year		-	-	67,744	67,744
Net allowance written back	37	-	-	(155)	(155)
Balance as at the end of the financial year		-	-	67,589	67,589
Group and Bank					
2023					
Balance as at the beginning of the financial year		-	-	69,795	69,795
Net allowance written back	37	-	-	(2,051)	(2,051)
Balance as at the end of the financial year		-	-	67,744	67,744

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

7 LOANS AND ADVANCES

	2024	Group 2023	2024	Bank 2023
	RM'000	RM'000	RM'000	RM'000
(a) By type				
At amortised cost				
Term loans	1	1	1	1
Share margin financing	1,788,580	1,875,073	1,623,349	1,436,740
Staff loans	183	218	183	218
Other loans	-	1,654	-	-
Gross loans and advances	1,788,764	1,876,946	1,623,533	1,436,959
Less: Allowance for ECL	(2)	(1)	(2)	(1)
Net loans and advances	1,788,762	1,876,945	1,623,531	1,436,958
(b) By type of customer				
Domestic business enterprises:				
- Small and medium enterprises	234,719	263,837	234,719	263,837
- Others	177,757	180,530	177,757	180,530
Individuals	1,185,508	953,218	1,185,508	953,218
Foreign entities	190,780	479,361	25,549	39,374
	1,788,764	1,876,946	1,623,533	1,436,959
(c) By geographical distribution				
In Malaysia	1,623,533	1,436,959	1,623,533	1,436,959
Outside Malaysia:				
- Thailand operations	-	285,580	-	-
- Indonesia operations	165,231	138,474	-	-
- Vietnam operations	-	15,933	-	-
	1,788,764	1,876,946	1,623,533	1,436,959

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

7 LOANS AND ADVANCES (CONTINUED)

	2024 RM'000	Group 2023 RM'000	2024 RM'000	Bank 2023 RM'000
(d) By interest rate sensitivity				
Fixed rate:				
- Other fixed rate loans	1,788,763	1,591,365	1,623,532	1,436,958
Variable rate:				
- Base rate plus	1	285,581	1	1
	<u>1,788,764</u>	<u>1,876,946</u>	<u>1,623,533</u>	<u>1,436,959</u>
(e) By purpose				
Purchase of securities	1,788,580	1,876,727	1,623,349	1,436,740
Purchase of landed property:				
- Residential	184	219	184	219
	<u>1,788,764</u>	<u>1,876,946</u>	<u>1,623,533</u>	<u>1,436,959</u>
(f) By economic sector				
Agriculture, hunting, forestry and fishing	28,668	4,040	3,575	1,025
Mining and quarrying	2,270	76	76	76
Manufacturing	8,198	30,680	8,198	30,680
Electricity, gas and water	295	295	295	295
Construction	10,727	10,637	10,727	10,637
Wholesale, retail trade, restaurant and hotel	10,444	7,366	10,444	7,366
Transport, storage and communication	4,800	4,717	4,800	4,717
Finance, insurance, real estate and business services	402,766	414,881	374,361	387,072
Education, health and others	-	2,499	-	2,499
Household sector	1,320,596	1,401,755	1,211,057	992,592
	<u>1,788,764</u>	<u>1,876,946</u>	<u>1,623,533</u>	<u>1,436,959</u>
(g) By remaining contractual maturities				
Maturity within one year	1,788,580	1,876,727	1,623,349	1,436,740
Three years to five years	48	60	48	60
Over five years	136	159	136	159
	<u>1,788,764</u>	<u>1,876,946</u>	<u>1,623,533</u>	<u>1,436,959</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

7 LOANS AND ADVANCES (CONTINUED)

(h) By stages

Group		12-month	Lifetime ECL	Lifetime	
2024	Note	ECL	not credit	ECL credit	Total
		(Stage 1)	(Stage 2)	(Stage 3)	
		RM'000	RM'000	RM'000	RM'000
Balance as at the beginning of the financial year		1,876,925	21	-	1,876,946
Transfer to 12-month ECL (Stage 1)		5,016	(4,829)	(187)	-
Transfer to Lifetime ECL not credit impaired (Stage 2)		(5,014)	5,031	(17)	-
Transfer to Lifetime ECL credit impaired (Stage 3)		(3,224)	-	3,224	-
Addition and origination		4,447,758	40	-	4,447,798
Derecognition		(4,302,002)	(43)	-	(4,302,045)
Disposal of subsidiaries	52(b), 52(d)	(215,994)	-	(3,182)	(219,176)
Exchange differences and other movements		(14,922)	-	163	(14,759)
Balance as at the end of the financial year		1,788,543	220	1	1,788,764
Group					
2023					
Balance as at the beginning of the financial year		1,873,634	21	11,713	1,885,368
Transfer to 12-month ECL (Stage 1)		16,916	(8,803)	(8,113)	-
Transfer to Lifetime ECL not credit impaired (Stage 2)		(8,793)	8,804	(11)	-
Transfer to Lifetime ECL credit impaired (Stage 3)		(8,124)	-	8,124	-
Addition and origination		3,373,647	-	-	3,373,647
Derecognition		(3,396,602)	(1)	-	(3,396,603)
Amount written off		-	-	(12,465)	(12,465)
Exchange differences and other movements		26,247	-	752	26,999
Balance as at the end of the financial year		1,876,925	21	-	1,876,946

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

7 LOANS AND ADVANCES (CONTINUED)

(h) By stages (continued)

Bank	12-month	Lifetime ECL	Lifetime	
2024	ECL	not credit	ECL credit	
	(Stage 1)	impaired	impaired	Total
	RM'000	(Stage 2)	(Stage 3)	RM'000
Balance as at the beginning of the financial year	1,436,938	21	-	1,436,959
Transfer to 12-month ECL (Stage 1)	5,016	(4,829)	(187)	-
Transfer to Lifetime ECL not credit impaired (Stage 2)	(5,014)	5,031	(17)	-
Transfer to Lifetime ECL credit impaired (Stage 3)	(204)	-	204	-
Addition and origination	4,025,382	40	-	4,025,422
Derecognition	(3,838,806)	(43)	-	(3,838,849)
Other movements	-	-	1	1
Balance as at the end of the financial year	1,623,312	220	1	1,623,533
Bank				
2023				
Balance as at the beginning of the financial year	1,365,811	16	-	1,365,827
Transfer to 12-month ECL (Stage 1)	16,911	(8,798)	(8,113)	-
Transfer to Lifetime ECL not credit impaired (Stage 2)	(8,793)	8,804	(11)	-
Transfer to Lifetime ECL credit impaired (Stage 3)	(8,124)	-	8,124	-
Addition and origination	2,793,782	-	-	2,793,782
Derecognition	(2,722,649)	(1)	-	(2,722,650)
Balance as at the end of the financial year	1,436,938	21	-	1,436,959

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

7 LOANS AND ADVANCES (CONTINUED)

(i) Impaired loans and advances

	2024	Group	2024	Bank
	RM'000	2023	RM'000	2023
		RM'000		RM'000
(i) By purpose				
Purchase of securities	<u>1</u>	<u>-</u>	<u>1</u>	<u>-</u>
(ii) By economic sector				
Household sector	<u>1</u>	<u>-</u>	<u>1</u>	<u>-</u>
(iii) By geographical distribution				
In Malaysia	<u>1</u>	<u>-</u>	<u>1</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

7 LOANS AND ADVANCES (CONTINUED)

(i) Impaired loans and advances (continued)

(iv) Movement in allowance for ECL

Group	Note	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
2024					
Balance as at the beginning of the financial year		1	-	-	1
Net allowance made		-	-	2,972	2,972
Disposal of a subsidiary	52(d)	-	-	(3,182)	(3,182)
Exchange differences and other movements		-	-	211	211
Balance as at the end of the financial year		1	-	1	2
Group					
2023					
Balance as at the beginning of the financial year		1	-	11,713	11,714
Amount written off		-	-	(12,465)	(12,465)
Exchange differences and other movements		-	-	752	752
Balance as at the end of the financial year		1	-	-	1
Bank					
2024					
Balance as at the beginning of the financial year		1	-	-	1
Other movements		-	-	1	1
Balance as at the end of the financial year		1	-	1	2
Bank					
2023					
Balance as at the beginning/end of the financial year		1	-	-	1

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

8 CLIENTS' AND BROKERS' BALANCES

	2024	Group 2023	2024	Bank 2023
	RM'000	RM'000	RM'000	RM'000
Amounts owing by clients	395,316	900,694	355,643	840,123
Less: Allowance for ECL	(1,784)	(2,409)	(273)	(585)
	393,532	898,285	355,370	839,538
Amounts owing by brokers	85,180	87,842	74,072	86,081
Amounts owing by clearing houses and stock exchanges	276,302	216,886	271,006	183,120
	755,014	1,203,013	700,448	1,108,739

Movement in allowance for ECL

(a) Non-credit impaired

Balance as at the beginning of the financial year	1	1	1	1
Transferred to credit impaired	(240)	(6)	(240)	(6)
Allowance for ECL	317	6	317	6
Derecognition	(77)	-	(77)	-
Balance as at the end of the financial year	1	1	1	1

(b) Credit impaired

Balance as at the beginning of the financial year	2,408	21,348	584	1,416
Transferred from non-credit impaired	240	6	240	6
Allowance for ECL	-	69	-	51
Derecognition	(751)	(6,052)	(552)	(889)
Amount written off	-	(14,252)	-	-
Exchange differences	(114)	1,289	-	-
Balance as at the end of the financial year	1,783	2,408	272	584

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

9 OTHER ASSETS

	Note	2024	Group	2024	Bank
		RM'000	2023	RM'000	2023
			RM'000		RM'000
Other receivables	(a)	54,424	59,491	26,832	29,680
Unit trust fee receivables		21,404	18,751	-	-
Management fee receivables		5,310	3,778	-	-
Deposits		4,226	5,532	2,316	2,321
Prepayments		10,492	12,110	6,134	6,527
Amount receivable for release of units from funds		126,802	18,354	-	-
Transferable memberships		262	262	262	262
Amount due from subsidiaries	(b)	-	-	40,453	39,566
Amount due from related companies	(b)	958	4,143	741	4,136
		223,878	122,421	76,738	82,492

(a) Other receivables of the Group and the Bank are stated at net of allowance for ECL of RM14,660,000 (2023: RM14,315,000) and RM13,044,000 (2023: RM12,785,000) respectively. In 2023, there were other receivables written off against allowance for ECL of the Group of RM125,000.

Movement in allowance for ECL is as follows:

	2024	Group	2024	Bank
	RM'000	2023	RM'000	2023
		RM'000		RM'000
Balance as at the beginning of the financial year	14,315	14,323	12,785	12,665
Allowance made during the financial year	403	296	259	120
Amount written off	-	(125)	-	-
Disposal of a subsidiary	(28)	-	-	-
Dissolution of a joint venture	-	(235)	-	-
Exchange differences	(30)	56	-	-
Balance as at the end of the financial year	14,660	14,315	13,044	12,785

(b) Amount due from subsidiaries and related companies are unsecured, interest free and receivable on demand. The amount due from subsidiaries are stated at net of allowance for ECL of RM6,879,000 (2023: RM6,231,000).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

10 DERIVATIVE ASSETS/(LIABILITIES)

Derivative financial instruments are financial instruments whose values change in response to changes in prices or rates (such as foreign exchange rates, interest rates and security prices) of the underlying instruments. These instruments are used by the Group and the Bank for economic hedges. The default classification for derivative financial instruments is trading, unless designated in a hedge relationship and are in compliance with the stringent requirements of hedge accounting mentioned in the Group and the Bank's accounting policies.

The table below shows the Group and the Bank's derivative financial instruments as at the date of statements of financial position. The contractual or underlying principal amounts of these derivative financial instruments and their corresponding gross positive (derivative asset) and gross negative (derivative liability) fair values at the date of statements of financial position are analysed below.

	2024	Group 2023	2024	Bank 2023
	RM'000	RM'000	RM'000	RM'000
Derivative assets:				
- Trading derivatives	2,364	6,022	2,364	5,621
Derivative liabilities:				
- Trading derivatives	(45,631)	(63,043)	(44,599)	(60,210)

Group 2024	Contract or underlying principal amount RM'000	Year-end positive fair value RM'000	Year-end negative fair value RM'000
<u>Trading derivatives</u>			
Foreign exchange related contracts:			
- Swaps/Spot	40,188	18	9
Equity related contracts:			
- Options	-	-	1,071
Equity swaps	154,049	2,346	7,285
Structured warrants	314,901	-	37,266
	509,138	2,364	45,631

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

10 DERIVATIVE ASSETS/(LIABILITIES) (CONTINUED)

Group	Contract or	Year-end	Year-end
2023	underlying	positive	negative
	principal	fair value	fair value
	amount	RM'000	RM'000
	RM'000		
<u>Trading derivatives</u>			
Foreign exchange related contracts:			
- Forwards/Swaps/Spot	28,472	20	25
Equity related contracts:			
- Options	200	5,601	30,799
Futures related contracts	43,295	401	130
Structured warrants	421,732	-	32,089
	<u>493,699</u>	<u>6,022</u>	<u>63,043</u>
Bank			
2024			
<u>Trading derivatives</u>			
Foreign exchange related contracts:			
- Swaps/Spot	40,188	18	9
Equity related contracts:			
- Options	-	-	1,071
Equity swaps	154,049	2,346	7,285
Structured warrants	307,572	-	36,234
	<u>501,809</u>	<u>2,364</u>	<u>44,599</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

10 DERIVATIVE ASSETS/(LIABILITIES) (CONTINUED)

Bank	Contract or	Year-end	Year-end
2023	underlying	positive	negative
	principal	fair value	fair value
	amount	RM'000	RM'000
	RM'000		
<u>Trading derivatives</u>			
Foreign exchange related contracts:			
- Swaps/Spot	28,472	20	25
Equity related contracts:			
- Options	200	5,601	30,799
Structured warrants	179,511	-	29,386
	<u>208,183</u>	<u>5,621</u>	<u>60,210</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

11 STATUTORY DEPOSITS

	Note	2024	Group	2024	Bank
		RM'000	2023	RM'000	2023
			RM'000		RM'000
Statutory deposits with BNM	(a)	60,800	53,700	60,800	53,700
Statutory deposits with National Bank of Cambodia ('NBC')	(b)	4,442	4,501	-	-
		65,242	58,201	60,800	53,700

(a) Non-interest bearing statutory deposits are maintained with BNM in compliance with Section 26(2)(c) of the Central Bank of Malaysia Act 2009. The amount of which is determined as a set percentage of total eligible liabilities.

(b) Non-interest bearing statutory deposits maintained with NBC as capital guarantee deposits in compliance with Securities and Exchange Commission of Cambodia ('SECC')'s Prakas No. 009 on the Licensing of Securities Firms and Securities Representatives for operating as a securities underwriter in Cambodia.

The statutory deposits amount and reserve requirement mentioned above are determined by the respective authorities.

12 DEFERRED TAX ASSETS/(LIABILITIES)

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same authority. The following amounts determined after appropriate set off, are shown in the statements of financial position:

	2024	Group	2024	Bank
	RM'000	2023	RM'000	2023
		RM'000		RM'000
Deferred tax assets	22,703	20,944	14,477	12,391

Deferred tax assets and liabilities prior to offsetting are summarised as follows:

Deferred tax assets:

- Settled more than 12 months	6,106	8,012	3,311	3,278
- Settled within 12 months	26,693	23,521	19,673	16,445

Deferred tax liabilities:

- Settled more than 12 months	(7,298)	(7,237)	(5,980)	(5,473)
- Settled within 12 months	(2,798)	(3,352)	(2,527)	(1,859)
	22,703	20,944	14,477	12,391

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

12 DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

The movements in deferred tax assets and liabilities during the financial year comprise the following:

Group	Note	Investment property, property, plant and equipment and other intangible assets	Right-of-use assets	Financial assets at FVOCI	Tax losses	Other liabilities	Other temporary differences	Total
2024		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at the beginning of the financial year		(7,548)	(3,011)	260	(133)	26,067	5,309	20,944
Transfer (to)/from income statements	39	(31)	266	(29)	(4,042)	1,689	4,565	2,418
Transfer to equity	41	-	-	(248)	-	-	(176)	(424)
Disposal of a subsidiary		-	282	70	4,306	-	(4,658)	-
Exchange differences		10	35	-	(29)	(100)	(151)	(235)
Balance as at the end of the financial year		(7,569)	(2,428)	53	102	27,656	4,889	22,703
Group								
2023								
Balance as at the beginning of the financial year		(8,721)	(2,273)	809	596	19,171	7,293	16,875
Transfer from/(to) income statements	39	1,186	(722)	(43)	(729)	6,937	(1,967)	4,662
Transfer to equity	41	-	-	(508)	-	(161)	(78)	(747)
Exchange differences		(13)	(16)	2	-	120	61	154
Balance as at the end of the financial year		(7,548)	(3,011)	260	(133)	26,067	5,309	20,944

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

12 DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

The movements in deferred tax assets and liabilities during the financial year comprise the following: (continued)

Bank	Note	Property, plant and equipment and other intangible assets	Right-of-use assets	Financial assets at FVOCI	Other liabilities	Other temporary differences	Total
2024		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at the beginning of the financial year		(6,014)	(1,318)	304	18,046	1,373	12,391
Transfer (to)/from income statements	39	(429)	(746)	-	2,766	743	2,334
Transfer to equity	41	-	-	(248)	-	-	(248)
Balance as at the end of the financial year		(6,443)	(2,064)	56	20,812	2,116	14,477
Bank							
2023							
Balance as at the beginning of the financial year		(7,238)	(1,668)	812	14,746	1,729	8,381
Transfer from/(to) income statements	39	1,224	350	-	3,300	(356)	4,518
Transfer to equity	41	-	-	(508)	-	-	(508)
Balance as at the end of the financial year		(6,014)	(1,318)	304	18,046	1,373	12,391

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

13 INVESTMENTS IN SUBSIDIARIES

	2024	Bank 2023
	RM'000	RM'000
Unquoted shares, at cost:		
- In Malaysia	383,962	363,962
- Outside Malaysia	629,800	884,055
	1,013,762	1,248,017
Accumulated impairment losses	(506,703)	(532,673)
	507,059	715,344

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

13 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The details of the subsidiaries are as follows:

Name of company	Country of incorporation	Share capital (in RM unless otherwise stated)	Effective equity interest held by the Group		Effective equity interest held by the non-controlling interest		Principal activities
			2024 %	2023 %	2024 %	2023 %	
RHB Merchant Nominees (Tempatan) Sdn Bhd	Malaysia	10,000	100	100	-	-	To act as nominee services for Malaysian beneficial shareholders
RHB Merchant Nominees (Asing) Sdn Bhd	Malaysia	10,000	100	100	-	-	Provision of nominee services for foreign beneficial shareholders
RHB Nominees Sdn Bhd	Malaysia	25,000	100	100	-	-	Nominee and custodian services
RHB Nominees (Asing) Sdn Bhd	Malaysia	25,000	100	100	-	-	Nominee and custodian services for foreign beneficial shareholders
RHB Nominees (Tempatan) Sdn Bhd	Malaysia	25,000	100	100	-	-	Nominee and custodian services for Malaysian beneficial shareholders
RHB Private Equity Holdings Sdn Bhd ⁹	Malaysia	200,000,002	100	100	-	-	Investment holding
RHB Private Equity Management Ltd	Malaysia	USD1	100	100	-	-	Pure equity investment holding company
RHB Private Equity Fund Ltd ²	Cayman Islands	USD120,329	100	100	-	-	Private equity investment company

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

13 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The details of the subsidiaries are as follows: (continued)

Name of company	Country of incorporation	Share capital (in RM unless otherwise stated)	Effective equity interest held by the Group		Effective equity interest held by the non-controlling interest		Principal activities
			2024 %	2023 %	2024 %	2023 %	
RHB Asset Management Sdn Bhd	Malaysia	10,000,000	100	100	-	-	Rendering of investment management services, management of unit trust funds and private retirement schemes and provision of investment advisory services
RHB Islamic International Asset Management Berhad	Malaysia	13,000,000	100	100	-	-	Rendering of Islamic fund management services and management of Islamic unit trust funds and Islamic wholesale funds
RHB Dana Hazeem ^{10, ^}	Malaysia	-	-	53.58	-	46.42	Investment in Shariah-compliant equity
RHB Smart Income Fund ^{10, ^}	Malaysia	-	-	57.55	-	42.45	Investment in fixed income securities and with the remaining investment in equity
RHB Smart Balanced Fund ^{10, ^}	Malaysia	-	-	53.25	-	46.75	Investment in a combination of equity and fixed income securities
RHB International Investments Pte Ltd ¹	Singapore	SGD12,000,000	100	100	-	-	Investment holding
RHB Asset Management Pte Ltd ¹	Singapore	SGD12,100,000	100	100	-	-	Fund management activities not elsewhere classified

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

13 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The details of the subsidiaries are as follows: (continued)

Name of company	Country of incorporation	Share capital (in RM unless otherwise stated)	Effective equity interest held by the Group		Effective equity interest held by the non-controlling interest		Principal activities
			2024 %	2023 %	2024 %	2023 %	
RHB Hong Kong Limited ⁸	Hong Kong	HKD450,000,000	100	100	-	-	Investment holding and the company has since been dormant
RHB Securities Hong Kong Limited ⁸	Hong Kong	HKD340,000,000	100	100	-	-	Securities dealing and provision of securities margin financing and advising on securities and the company has since been dormant
PT RHB Sekuritas Indonesia ¹	Indonesia	IDR204,082 million	99	99	1	1	Securities brokerage and underwriting
RHB Securities (Thailand) Public Company Limited ^{1, 12}	Thailand	-	-	99.95	-	0.05	Provision of stock and derivatives broking services
RHB Securities (Cambodia) Plc. ¹	Cambodia	USD12,500,000	100	100	-	-	Securities underwriting, brokerage and investment advisory services
RHB Securities Vietnam Company Limited ^{1, 11}	Vietnam	-	-	100	-	-	Securities brokerage, securities investment, consultancy and self-trading
RHB Trustees Berhad	Malaysia	6,000,000	80	80	20	20	Professional retail trustee services (will writing, estate planning and private trustees) and corporate trustees services (collective investment schemes)
Malaysian Trustees Berhad	Malaysia	550,000	80	80	20	20	Engage in the business of trustee agents, executors and administrators pursuant to the Trust Companies Act 1949

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

13 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The details of the subsidiaries are as follows: (continued)

Name of company	Country of incorporation	Share capital (in RM unless otherwise stated)	Effective equity interest held by the Group		Effective equity interest held by the non-controlling interest		Principal activities
			2024 %	2023 %	2024 %	2023 %	
Dormant subsidiaries							
RHB Excel Sdn Bhd ⁴	Malaysia	200,000,000	100	100	-	-	Dormant
RHB Progressive Sdn Bhd ⁴	Malaysia	13,500,000	100	100	-	-	Dormant
RHB Marketing Services Sdn Bhd ³	Malaysia	100,000	100	100	-	-	Dormant
RHB Futures and Options Sdn Bhd	Malaysia	10,000,000	100	100	-	-	Dormant
RHB Research Sdn Bhd ⁵	Malaysia	500,000	100	100	-	-	Dormant
RHB International Asset Management Sdn Bhd ⁷	Malaysia	7,000,000	100	100	-	-	Dormant
RHB Islamic Asset Management Sdn Bhd ⁷	Malaysia	4,000,000	100	100	-	-	Dormant
TCL Nominees (Tempatan) Sdn Bhd ⁵	Malaysia	644,000	100	100	-	-	Dormant
TCL Nominees (Asing) Sdn Bhd ⁵	Malaysia	4,000	100	100	-	-	Dormant

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

13 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The details of the subsidiaries are as follows: (continued)

Name of company	Country of incorporation	Share capital (in RM unless otherwise stated)	Effective equity interest held by the Group		Effective equity interest held by the non-controlling interest		Principal activities
			2024	2023	2024	2023	
			%	%	%	%	
Dormant subsidiaries (continued)							
KE-ZAN Nominees (Tempatan) Sdn Bhd ⁵	Malaysia	650,000	100	100	-	-	Dormant
RHBIM Berhad ⁷	Malaysia	10,000,000	100	100	-	-	Dormant
RHB Research Institute Sdn Bhd ⁶	Malaysia	500,000	100	100	-	-	Dormant

Notes:

- 1 Subsidiaries audited by a member firm of PricewaterhouseCoopers which is a separate and independent legal entity from PricewaterhouseCoopers PLT, Malaysia.
- 2 Subsidiary not audited pursuant to Companies Law (2013 Revision), in Cayman Islands.
- 3 The company has commenced member's voluntary winding up on 16 February 2011.
- 4 The companies have commenced member's voluntary winding up on 28 March 2012.
- 5 The companies have commenced member's voluntary winding up on 30 June 2017.
- 6 The company has commenced member's voluntary winding up on 30 September 2020.
- 7 The companies have commenced member's voluntary winding up on 27 December 2021.
- 8 The companies have commenced member's voluntary winding up on 31 December 2022.
- 9 The Bank had on 3 September 2024, subscribed for 10 million redeemable preference shares of RM2.00 each in RHB Private Equity Holdings Sdn Bhd amounting to RM20,000,000 for additional working capital purpose.
- 10 As set out in Note 52(f) to the financial statements, RHB Asset Management Sdn Bhd has significant influence in the Funds in 2024 and being accounted as associates of the Group.
- 11 As set out in Note 52(b), the company was disposed on 28 June 2024.
- 12 As set out in Note 52(d), the company was disposed on 27 December 2024.

[^] The funds are subsidiaries consolidated in the Group as RHB Asset Management Sdn Bhd controls the funds in accordance with MFRS 10 'Consolidated Financial Statements'.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

14 INVESTMENTS IN ASSOCIATES AND JOINT VENTURE

	Note	2024 RM'000	Group 2023 RM'000	2024 RM'000	Bank 2023 RM'000
Share of net assets of associates	(a)	57,431	48,289	5,028	5,028
Less: Allowance for impairment losses		(35,150)	(35,150)	-	-
		22,281	13,139	5,028	5,028
Share of net assets of joint venture	(b)	-	31	-	-
Less: Allowance for impairment losses		-	(31)	-	-
		22,281	13,139	5,028	5,028

(a) Share of net assets of associates

The details of the associates are as follows:

Name of company	Country of incorporation	Paid-up share capital (in RM unless otherwise stated)	Effective equity interest 2024 %	2023 %	Principal activities
RHB Finexasia.Com Sdn Bhd ('Finexasia')	Malaysia	11,361,111	40.05	40.05	Dormant
Prostar Capital (Asia-Pacific) Ltd. ¹ ('Prostar')	Cayman Islands	USD60	33.33	33.33	Investment holding with subsidiaries involved in investment advisory and management of private equity funds
Satin Straits Sdn Bhd ² ('Satin Straits')	Malaysia	5,000,000	-	-	Investment holding
RHB Growth and Income Focus Trust ³ ('GIFT')	Malaysia	-	46.21	42.44	Investment in a combination of long-term growth of capital and current income
RHB Goldenlife 2030 ^{3, 4} ('RGL3')	Malaysia	-	-	47.62	Investment in equities and fixed income securities in Malaysia with the fund maturing in 2030

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

14 INVESTMENTS IN ASSOCIATES AND JOINT VENTURE (CONTINUED)

(a) Share of net assets of associates (continued)

The details of the associates are as follows: (continued)

Name of company	Country of incorporation	Paid-up share capital (in RM unless otherwise stated)	Effective equity interest 2024 %	2023 %	Principal activities
RHB Energy Fund ⁵ ('ENERGY')	Malaysia	-	24.42	-	Investment in long term capital appreciation that is linked to the global energy sector
RHB Dana Hazeem ('DANA') ⁶	Malaysia	-	44.61	-	Investment in Shariah-compliant equity
RHB Smart Income Fund ('SIF') ⁶	Malaysia	-	24.42	-	Investment in fixed income securities and with the remaining investment in equity
RHB Smart Balanced ('SBF') ⁶	Malaysia	-	42.54	-	Investment in a combination of equity and fixed income securities

Notes:

- Held through RHB Private Equity Management Ltd, a subsidiary of RHB Private Equity Holdings Sdn Bhd.
- Held through RHB Private Equity Holdings Sdn Bhd, a subsidiary of RHB Investment Bank Berhad. The Group is deemed to have significant influence via its rights under the shareholder's agreement.

As the Group subscribed for RM45,000,000 of Redeemable Convertible Preference Shares ('RCPS') and the Group is entitled for full principal repayment upon maturity and with upside potential upon the trade sales or listing of the underlying investment, the Group will only share the profits of the Company.
- As set out in Note 52(j) to the financial statements, RHB Asset Management Sdn Bhd has significant influence in the Funds and being accounted as associates of the Group.
- As set out in Note 52(a) to the financial statements, RHB Asset Management Sdn Bhd has lost effective control in the Fund in 2024.
- As set out in Note 52(e) to the financial statements, RHB Asset Management Sdn Bhd has significant influence in the Fund and being accounted as associate of the Group.
- As set out in Note 52(f) to the financial statements, RHB Asset Management Sdn Bhd has significant influence in the Funds and being accounted as associates of the Group.

There are no capital commitments or contingent liabilities relating to the Group's interest in the associates as at 31 December 2024.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

14 INVESTMENTS IN ASSOCIATES AND JOINT VENTURE (CONTINUED)

(a) Share of net assets of associates (continued)

Summarised financial information of material associates which are accounted for using the equity method is as follows:

(i) Summarised statements of financial position

	Finexasia		Prostar		Satin Straits		GIFT		RGL3	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets										
Cash and cash equivalents	36	58	20	13	36	36	422	587	-	85
Other current assets	12,446	12,016	110	36	-	-	15,949	17,011	-	1,648
Non-current assets	-	-	251	223	32,581	32,581	-	-	-	-
Total assets	12,482	12,074	381	272	32,617	32,617	16,371	17,598	-	1,733
Liabilities										
Financial liabilities	-	-	(183)	(163)	(93)	(93)	-	-	-	-
Other current liabilities	(6)	(6)	-	-	(61)	(61)	(442)	(42)	-	(14)
Total liabilities	(6)	(6)	(183)	(163)	(154)	(154)	(442)	(42)	-	(14)
Net Assets	12,476	12,068	198	109	32,463	32,463	15,929	17,556	-	1,719

	ENERGY		DANA		SIF		SBF		Total	
	2024 *	2023	2024 *	2023	2024 *	2023	2024 *	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets										
Cash and cash equivalents	140	-	39	-	6,569	-	918	-	8,180	779
Other current assets	6,080	-	10,117	-	4,739	-	6,032	-	55,473	30,711
Non-current assets	-	-	-	-	-	-	-	-	32,832	32,804
Total assets	6,220	-	10,156	-	11,308	-	6,950	-	96,485	64,294
Liabilities										
Financial liabilities	-	-	-	-	-	-	-	-	(276)	(256)
Other current liabilities	(20)	-	(57)	-	(6,156)	-	(885)	-	(7,627)	(123)
Total liabilities	(20)	-	(57)	-	(6,156)	-	(885)	-	(7,903)	(379)
Net Assets	6,200	-	10,099	-	5,152	-	6,065	-	88,582	63,915

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

14 INVESTMENTS IN ASSOCIATES AND JOINT VENTURE (CONTINUED)

(a) Share of net assets of associates (continued)

Summarised financial information of material associates which are accounted for using the equity method is as follows: (continued)

(ii) Summarised statements of comprehensive income

	Finexasia		Prostar		Satin Straits		GIFT		RGL3	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Interest income	414	352	-	-	-	-	621	-	-	-
Other operating income	-	-	34	28	-	-	1,774	-	-	-
Net operating income	414	352	34	28	-	-	2,395	-	-	-
Other operating expenses	(6)	(6)	(17)	-	-	-	(343)	-	-	-
Profit before taxation	408	346	17	28	-	-	2,052	-	-	-
Taxation	-	(3)	-	-	-	-	(8)	-	-	-
Net profit for the financial year	408	343	17	28	-	-	2,044	-	-	-

	ENERGY		DANA		SIF		SBF		Total	
	2024 *	2023	2024 *	2023	2024 *	2023	2024 *	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Interest income	28	-	34	-	55	-	34	-	1,186	352
Other operating income	-	-	196	-	-	-	-	-	2,004	28
Net operating income	28	-	230	-	55	-	34	-	3,190	380
Other operating expenses	(14)	-	(18)	-	(27)	-	(16)	-	(441)	(6)
Profit before taxation	14	-	212	-	28	-	18	-	2,749	374
Taxation	-	-	-	-	-	-	-	-	(8)	(3)
Net profit for the financial year	14	-	212	-	28	-	18	-	2,741	371

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

14 INVESTMENTS IN ASSOCIATES AND JOINT VENTURE (CONTINUED)

(a) Share of net assets of associates (continued)

Summarised financial information of material associates which are accounted for using the equity method is as follows: (continued)

(iii) Reconciliation of summarised financial information presented to the carrying amount of its interest in associates

	Finexasia		Prostar		Satin Straits		GIFT		RGL3	
	2024	2023	2024	2023	2024 [^]	2023 [^]	2024	2023	2024 ^{\$}	2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at the beginning of the financial year	12,068	11,725	109	76	32,463	32,463	17,556	-	1,719	-
Acquisition during the financial year	-	-	-	-	-	-	-	17,556	-	1,719
Disposal during the financial year	-	-	-	-	-	-	(3,671)	-	(1,719)	-
Net profit for the financial year	408	343	17	28	-	-	2,044	-	-	-
Translation reserves	-	-	72	5	-	-	-	-	-	-
Balance as at the end of the financial year	12,476	12,068	198	109	32,463	32,463	15,929	17,556	-	1,719
Equity interest attributable to net assets	4,997	4,833	66	36	32,500	32,500 [#]	7,361	7,451	-	819
Goodwill	2,650	2,650	-	-	-	-	-	-	-	-
Accumulated impairment losses	(2,650)	(2,650)	-	-	(32,500)	(32,500)	-	-	-	-
Carrying value	4,997	4,833	66	36	-	-	7,361	7,451	-	819

	ENERGY		DANA		SIF		SBF		Total	
	2024 [*]	2023	2024 [*]	2023	2024 [*]	2023	2024 [*]	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at the beginning of the financial year	-	-	-	-	-	-	-	-	63,915	44,264
Acquisition during the financial year	6,186	-	9,887	-	5,124	-	6,047	-	27,244	19,275
Disposal during the financial year	-	-	-	-	-	-	-	-	(5,390)	-
Net profit for the financial year	14	-	212	-	28	-	18	-	2,741	371
Translation reserves	-	-	-	-	-	-	-	-	72	5
Balance as at the end of the financial year	6,200	-	10,099	-	5,152	-	6,065	-	88,582	63,915
Equity interest attributable to net assets	1,514	-	4,505	-	1,258	-	2,580	-	54,781	45,639
Goodwill	-	-	-	-	-	-	-	-	2,650	2,650
Accumulated impairment losses	-	-	-	-	-	-	-	-	(35,150)	(35,150)
Carrying value	1,514	-	4,505	-	1,258	-	2,580	-	22,281	13,139

[#] Kindly refer to Note 2 of Note 14(a) to the financial statements.

[^] No financial information available for financial year ended 31 December 2024. The last financial information received from associate was for financial year ended 31 December 2019.

^{*} The funds have been consolidated using equity method of accounting as indirect associates of the Group as at the end of the financial year.

^{\$} The fund has ceased to be an indirect associate of the Group as at the end of the financial year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

14 INVESTMENTS IN ASSOCIATES AND JOINT VENTURE (CONTINUED)

(b) Share of net assets of joint venture

The details of the joint venture are as follows:

Name of company	Country of incorporation	Share capital (in RM unless otherwise stated)	Effective equity interest		Principal activities
			2024 %	2023 %	
RHB GC-Millennium Capital Pte. Ltd. ¹ (‘RHB GC’)	Singapore	-	-	-	Dissolved

Note:

1 The company has dissolved on 2 August 2023.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

15 INVESTMENT PROPERTY

Investment property comprises of leasehold commercial land and building that are unoccupied and are held for capital appreciation.

	Note	2024	Group
		RM'000	2023
			RM'000
<u>Cost</u>			
Balance as at the beginning of the financial year		3,398	-
Additions		-	3,398
Reclassification to property, plant and equipment	17	(3,160)	-
Exchange differences		(238)	-
Balance as at the end of the financial year		-	3,398
<u>Less: Accumulated depreciation</u>			
Balance as at the beginning of the financial year		41	-
Charge for the financial year	35	61	41
Reclassification to property, plant and equipment	17	(97)	-
Exchange differences		(5)	-
Balance as at the end of the financial year		-	41
Carrying amount as at the end of the financial year		-	3,357

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

16 RIGHT-OF-USE ASSETS

Group 2024	Note	Properties RM'000	Equipment RM'000	Motor vehicles RM'000	Total RM'000
Balance as at the beginning of the financial year		15,564	312	259	16,135
Depreciation charge for the financial year		(10,145)	(127)	(254)	(10,526)
Additions		18,943	70	104	19,117
Modification		(1,746)	(157)	(40)	(1,943)
Disposal of subsidiaries	52(b), 52(d)	(1,377)	(9)	(64)	(1,450)
Exchange differences		(200)	(9)	(5)	(214)
Balance as at the end of the financial year		<u>21,039</u>	<u>80</u>	<u>-</u>	<u>21,119</u>

**Group
2023**

Balance as at the beginning of the financial year		16,043	391	98	16,532
Depreciation charge for the financial year		(10,357)	(127)	(151)	(10,635)
Additions		10,070	28	309	10,407
Modification		(435)	-	-	(435)
Exchange differences		243	20	3	266
Balance as at the end of the financial year		<u>15,564</u>	<u>312</u>	<u>259</u>	<u>16,135</u>

**Bank
2024**

Balance as at the beginning of the financial year		5,494	-	-	5,494
Depreciation charge for the financial year	35	(4,336)	-	-	(4,336)
Additions		7,445	-	-	7,445
Balance as at the end of the financial year		<u>8,603</u>	<u>-</u>	<u>-</u>	<u>8,603</u>

**Bank
2023**

Balance as at the beginning of the financial year		6,951	-	-	6,951
Depreciation charge for the financial year	35	(4,507)	-	-	(4,507)
Additions		3,486	-	-	3,486
Modification		(436)	-	-	(436)
Balance as at the end of the financial year		<u>5,494</u>	<u>-</u>	<u>-</u>	<u>5,494</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

17 PROPERTY, PLANT AND EQUIPMENT

Group	Note	Freehold land	Buildings	Renovations	Office equipment and furniture	Computer equipment	Motor vehicles	Total
2024		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Cost</u>								
Balance as at the beginning of the financial year		-	-	76,208	64,978	119,166	6,498	266,850
Additions		-	-	279	291	6,841	617	8,028
Disposals		-	-	(236)	(82)	(2,703)	(1,307)	(4,328)
Reclassification from investment property and other intangible assets	15, 18	2,546	614	-	-	998	-	4,158
Written off		-	-	(3,539)	(2,906)	(3,845)	(4)	(10,294)
Disposal of subsidiaries	52(b), 52(d)	-	-	(182)	(14,077)	(14,346)	(745)	(29,350)
Exchange differences		-	-	(645)	(390)	(1,882)	(198)	(3,115)
Balance as at the end of the financial year		2,546	614	71,885	47,814	104,229	4,861	231,949
<u>Less: Accumulated depreciation</u>								
Balance as at the beginning of the financial year		-	-	65,336	63,366	102,444	5,088	236,234
Charge for the financial year		-	5	3,168	733	7,597	667	12,170
Disposals		-	-	(236)	(82)	(2,703)	(1,169)	(4,190)
Reclassification from investment property	15	-	97	-	-	-	-	97
Written off		-	-	(3,539)	(2,902)	(3,839)	(4)	(10,284)
Disposal of subsidiaries	52(b), 52(d)	-	-	(82)	(13,735)	(11,879)	(745)	(26,441)
Exchange differences		-	-	(564)	(374)	(1,422)	(150)	(2,510)
Balance as at the end of the financial year		-	102	64,083	47,006	90,198	3,687	205,076
<u>Less: Accumulated impairment loss</u>								
Allowance for impairment loss		-	-	-	149	-	-	149
Disposal of a subsidiary	52(d)	-	-	-	(149)	-	-	(149)
Balance as at the end of the financial year		-	-	-	-	-	-	-
Carrying amounts as at the end of the financial year		2,546	512	7,802	808	14,031	1,174	26,873

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

17 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Renovations	Office equipment and furniture	Computer equipment	Motor vehicles	Total
2023	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Cost</u>					
Balance as at the beginning of the financial year	77,598	65,923	121,172	7,799	272,492
Additions	1,119	554	4,420	55	6,148
Disposals	-	-	(1,248)	(771)	(2,019)
Reclassification	-	5	(5)	-	-
Written off	(2,992)	(2,338)	(6,946)	(849)	(13,125)
Exchange differences	483	834	1,773	264	3,354
Balance as at the end of the financial year	76,208	64,978	119,166	6,498	266,850
<u>Less: Accumulated depreciation</u>					
Balance as at the beginning of the financial year	64,257	64,099	101,234	6,153	235,743
Charge for the financial year	3,728	806	8,033	369	12,936
Disposals	-	-	(1,248)	(771)	(2,019)
Reclassification	-	5	(5)	-	-
Written off	(2,959)	(2,338)	(6,944)	(849)	(13,090)
Exchange differences	310	794	1,374	186	2,664
Balance as at the end of the financial year	65,336	63,366	102,444	5,088	236,234
Carrying amounts as at the end of the financial year	10,872	1,612	16,722	1,410	30,616

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

17 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Bank 2024	Note	Renovations RM'000	Office equipment and furniture RM'000	Computer equipment RM'000	Motor vehicles RM'000	Total RM'000
<u>Cost</u>						
Balance as at the beginning of the financial year		63,805	46,403	75,410	1,482	187,100
Additions		144	162	5,100	-	5,406
Reclassification from other intangible assets	18	-	-	998	-	998
Written off		(2,635)	(1,998)	(3,713)	(4)	(8,350)
Balance as at the end of the financial year		61,314	44,567	77,795	1,478	185,154
<u>Less: Accumulated depreciation</u>						
Balance as at the beginning of the financial year		55,584	45,509	69,006	1,400	171,499
Charge for the financial year	35	1,704	401	3,913	68	6,086
Written off		(2,635)	(1,998)	(3,713)	(4)	(8,350)
Balance as at the end of the financial year		54,653	43,912	69,206	1,464	169,235
Carrying amounts as at the end of the financial year		6,661	655	8,589	14	15,919

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

17 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Bank	Note	Renovations	Office equipment and furniture	Computer equipment	Motor vehicles	Total
2023		RM'000	RM'000	RM'000	RM'000	RM'000
<u>Cost</u>						
Balance as at the beginning of the financial year		65,876	48,030	78,149	2,210	194,265
Additions		814	434	844	-	2,092
Disposals		-	-	(61)	(728)	(789)
Reclassification		-	5	(5)	-	-
Written off		(2,885)	(2,066)	(3,517)	-	(8,468)
Balance as at the end of the financial year		63,805	46,403	75,410	1,482	187,100
<u>Less: Accumulated depreciation</u>						
Balance as at the beginning of the financial year		56,426	47,155	68,663	2,020	174,264
Charge for the financial year	35	2,009	415	3,904	108	6,436
Disposals		-	-	(39)	(728)	(767)
Reclassification		-	5	(5)	-	-
Written off		(2,851)	(2,066)	(3,517)	-	(8,434)
Balance as at the end of the financial year		55,584	45,509	69,006	1,400	171,499
Carrying amounts as at the end of the financial year		8,221	894	6,404	82	15,601

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

18 GOODWILL AND OTHER INTANGIBLE ASSETS

	Note	2024	Group	2024	Bank
		RM'000	2023	RM'000	2023
			RM'000		RM'000
Goodwill on consolidation	(a)	445,163	449,978	372,395	372,395
<u>Other intangible assets</u>	(b)				
Trading rights		-	1,234	-	-
Computer software licenses		39,187	46,774	28,238	30,006
		484,350	497,986	400,633	402,401

(a) Goodwill on consolidation

	2024	Group	2024	Bank
	RM'000	2023	RM'000	2023
		RM'000		RM'000
Balance as at the beginning of the financial year	449,978	449,978	372,395	372,395
Less: Disposal of a subsidiary	(4,815)	-	-	-
Balance as at the end of the financial year	445,163	449,978	372,395	372,395

The carrying amount of goodwill allocated to the Group and the Bank's cash generating units ('CGUs') are as follows:

	2024	Group	2024	Bank
	RM'000	2023	RM'000	2023
		RM'000		RM'000
<u>CGUs</u>				
Investment Banking	242,591	242,591	229,028	229,028
Asset Management	143,367	143,367	143,367	143,367
Securities Indonesia	59,205	59,205	-	-
Securities Vietnam	-	4,815	-	-
	445,163	449,978	372,395	372,395

The recoverable amount of a CGU is determined based on higher of VIU and FVLCD. The VIU calculations use pre-tax cash flow projections based on financial budgets and projections approved by the Directors covering three-years (2023: three-years). Cash flows beyond the three-years (2023: three-years) period are extrapolated using the estimated growth rates and discounted using pre-tax discount rates which reflect the specific risks relating to the CGU. The FVLCD uses the indicative Price to Book Value ('PBV') from the listed stockbroking companies, net of cost of disposal.

The cash flow projections are derived based on a number of key factors including the past performance and the management's expectations of the market developments.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

18 GOODWILL AND OTHER INTANGIBLE ASSETS (CONTINUED)

(a) Goodwill on consolidation (continued)

The discount rates used are pre-tax and reflect specific risks relating to the relevant CGUs.

	Discount rate		Growth rate	
	2024	2023	2024	2023
	%	%	%	%
Investment Banking	9.5	8.2	4.9	4.7
Asset Management	9.5	8.2	4.9	4.7

The Group has performed sensitivity analysis on the key assumptions for each CGU's recoverable amount. The key assumptions used in the impairment test were compounded annual growth rate ('CAGR') in fee income used for discounting the projected cash flows or FVLCD, which based on comparable indicative PBV from the listed stockbroking companies and a control premium from selling the equity stakes with adjusted discount for lack of marketability ('DLOM'). In each case, the Group believes that a reasonably possible change in CAGR, indicative PBV and control premium would not cause the carrying amount to materially exceed its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

18 GOODWILL AND OTHER INTANGIBLE ASSETS (CONTINUED)

(b) Other intangible assets

Group	Note	Customer relationship	Trading rights	Computer software licenses	Total
2024		RM'000	RM'000	RM'000	RM'000
<u>Cost</u>					
Balance as at the beginning of the financial year		5,659	2,228	188,975	196,862
Additions		-	-	9,802	9,802
Disposals		-	-	(2,704)	(2,704)
Reclassification to property, plant and equipment	17	-	-	(998)	(998)
Written off		-	-	(460)	(460)
Disposal of subsidiaries	52(b), 52(d)	-	(2,189)	(9,130)	(11,319)
Exchange differences		-	(39)	(1,068)	(1,107)
Balance as at the end of the financial year		5,659	-	184,417	190,076
<u>Less: Accumulated amortisation</u>					
Balance as at the beginning of the financial year		5,659	994	142,201	148,854
Charge for the financial year		-	-	13,180	13,180
Disposals		-	-	(2,704)	(2,704)
Written off		-	-	(460)	(460)
Disposal of subsidiaries	52(b), 52(d)	-	(978)	(6,278)	(7,256)
Exchange differences		-	(16)	(709)	(725)
Balance as at the end of the financial year		5,659	-	145,230	150,889
<u>Less: Accumulated impairment loss</u>					
Allowance for impairment loss		-	1,211	428	1,639
Disposal of a subsidiary	52(b), 52(d)	-	(1,211)	(428)	(1,639)
Balance as at the end of the financial year		-	-	-	-
Carrying amounts as at the end of the financial year		-	-	39,187	39,187

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

18 GOODWILL AND OTHER INTANGIBLE ASSETS (CONTINUED)

(b) Other intangible assets (continued)

Group	Customer	Trading	Computer	
2023	relationship	rights	software	Total
	RM'000	RM'000	licenses	RM'000
			RM'000	
<u>Cost</u>				
Balance as at the beginning of the financial year	5,659	2,117	179,307	187,083
Additions	-	-	12,463	12,463
Disposals	-	-	(3,330)	(3,330)
Written off	-	-	(689)	(689)
Exchange differences	-	111	1,224	1,335
Balance as at the end of the financial year	5,659	2,228	188,975	196,862
<u>Less: Accumulated amortisation</u>				
Balance as at the beginning of the financial year	5,659	945	132,796	139,400
Charge for the financial year	-	-	12,322	12,322
Disposals	-	-	(3,323)	(3,323)
Written off	-	-	(452)	(452)
Exchange differences	-	49	858	907
Balance as at the end of the financial year	5,659	994	142,201	148,854
Carrying amounts as at the end of the financial year	-	1,234	46,774	48,008

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

18 GOODWILL AND OTHER INTANGIBLE ASSETS (CONTINUED)

(b) Other intangible assets (continued)

Bank 2024	Note	Customer relationship RM'000	Computer software licenses RM'000	Total RM'000
<u>Cost</u>				
Balance as at the beginning of the financial year		5,659	144,340	149,999
Additions		-	7,752	7,752
Reclassification to property, plant and equipment	17	-	(998)	(998)
Written off		-	(435)	(435)
Balance as at the end of the financial year		5,659	150,659	156,318
<u>Less: Accumulated amortisation</u>				
Balance as at the beginning of the financial year		5,659	114,334	119,993
Charge for the financial year	35	-	8,522	8,522
Written off		-	(435)	(435)
Balance as at the end of the financial year		5,659	122,421	128,080
Carrying amounts as at the end of the financial year		-	28,238	28,238

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

18 GOODWILL AND OTHER INTANGIBLE ASSETS (CONTINUED)

(b) Other intangible assets (continued)

Bank 2023	Note	Customer relationship RM'000	Computer software licenses RM'000	Total RM'000
<u>Cost</u>				
Balance as at the beginning of the financial year		5,659	137,822	143,481
Additions		-	6,878	6,878
Disposals		-	(12)	(12)
Written off		-	(348)	(348)
Balance as at the end of the financial year		5,659	144,340	149,999
<u>Less: Accumulated amortisation</u>				
Balance as at the beginning of the financial year		5,659	106,501	112,160
Charge for the financial year	35	-	7,949	7,949
Disposals		-	(5)	(5)
Written off		-	(111)	(111)
Balance as at the end of the financial year		5,659	114,334	119,993
Carrying amounts as at the end of the financial year		-	30,006	30,006

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

19 DEPOSITS FROM CUSTOMERS

	Group and Bank	
	2024	2023
	RM'000	RM'000
(a) By type of deposits		
Short-term deposits	1,342,422	1,127,382
(b) By type of customer		
Government and statutory bodies	119,889	352,576
Business enterprises	1,222,533	774,806
	1,342,422	1,127,382
(c) By maturity structure of the deposits		
Due within six months	1,342,422	1,127,382

20 DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group and Bank	
	2024	2023
	RM'000	RM'000
Licensed banks	2,574,352	2,270,575

21 OBLIGATIONS ON SECURITIES SOLD UNDER REPURCHASE AGREEMENTS

Obligations on securities sold under repurchase agreements are securities which the Group and the Bank have sold from its portfolio, with a commitment to repurchase at future dates. Such financing and the obligations to repurchase the securities are reflected as a liability on the statements of financial position.

The financial assets sold under repurchase agreements are as follows:

	Group and Bank	
	2024	2023
	RM'000	RM'000
Financial investments at amortised cost	100,460	365,796

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

22 CLIENTS' AND BROKERS' BALANCES

	2024	Group 2023	2024	Bank 2023
	RM'000	RM'000	RM'000	RM'000
Amounts due to:				
- Clients	813,291	1,161,073	775,459	1,083,349
- Brokers	20,675	124,289	20,675	124,289
- Clearing houses and stock exchanges	7,749	-	-	-
	841,715	1,285,362	796,134	1,207,638

23 OTHER LIABILITIES

	Note	2024	Group 2023	2024	Bank 2023
		RM'000	RM'000	RM'000	RM'000
Other creditors and accruals	(a)	157,836	112,737	107,758	58,975
Contract liabilities	(b)	5,941	5,968	1,588	1,604
Remisiers' trust deposits		88,569	89,737	88,569	89,737
Amount payable for creation of units due to funds		219,000	144,102	-	-
Amount payable for redemption units		172,974	70,734	-	-
Short-term employee benefits		60,818	61,148	45,872	42,433
Puttable financial instruments		-	12,410	-	-
Amount due to holding company	(c)	17,771	11,041	12,833	7,313
Amount due to subsidiaries	(c)	-	-	-	12
Amount due to related companies	(c)	70	205	66	67
		722,979	508,082	256,686	200,141

(a) Included in other creditors and accruals is the contingent consideration payable of RM4,739,000 as disclosed in Note 52(d).

(b) Contract liabilities for the Group and the Bank were reduced by RM5,951,000 (2023: RM5,926,000) and RM1,604,000 (2023: RM1,637,000) respectively as a result of recognition of the fee income that were included in the contract liabilities balance at the beginning of the year.

As at the financial year end, advances received but not yet recognised as revenue for the Group and the Bank amounts to RM5,941,000 (2023: RM5,968,000) and RM1,588,000 (2023: RM1,604,000) respectively. Advances received and recognised as revenue for the Group and the Bank amounts to RM5,924,000 (2023: RM5,937,000) and RM1,588,000 (2023: RM1,604,000) respectively.

(c) Amount due to holding company/subsidiaries/related companies are unsecured, interest free and repayable on demand.

24 LEASE LIABILITIES

	2024	Group 2023	2024	Bank 2023
	RM'000	RM'000	RM'000	RM'000
Lease liabilities	20,901	16,024	8,722	5,636
Scheduled repayments of lease liabilities:				
- Within one year	6,873	8,393	3,977	3,631
- One year to three years	9,628	5,885	4,745	1,993
- More than three years	4,400	1,746	-	12
	20,901	16,024	8,722	5,636

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

25 BORROWINGS

	Note	2024	Group
		RM'000	2023
			RM'000
Unsecured			
Term loan:			
- United States Dollar ('USD')	(a)(i)	402,775	422,795
Promissory notes:			
- Indonesian Rupiah ('IDR')	(b)(i)	72,215	-
- Thai Baht ('THB')	(b)(ii)	-	166,325
Bank overdraft:			
- Vietnamese Dong ('VND')	(c)(i)	-	960
		474,990	590,080

The borrowings of the Group are as follows:

(a) Term loan

(i) USD term loan

The unsecured USD term loan of the Group bears interest at rates ranging from 6.84% to 7.85% (2023: 7.01% to 7.86%) per annum.

(b) Promissory notes

(i) IDR promissory notes

The unsecured IDR promissory notes of the Group bears interest at rates ranging from 6.40% to 7.00% (2023: 6.00% to 6.70%) per annum and repayable on demand.

(ii) THB promissory notes

In 2023, the unsecured THB promissory notes of the Group bears interest at rates ranging from 1.60% to 3.88% per annum and repayable on demand.

(c) Bank overdraft

(i) VND bank overdraft

In 2023, the unsecured VND bank overdraft of the Group bears interest at rates ranging from 6.30% to 7.80% per annum.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

26 SUBORDINATED OBLIGATIONS

	Group and Bank	
	2024	2023
	RM'000	RM'000
4.45% RM100 million Tier II Subordinated Notes 2022/2032	101,085	101,097

On 3 October 2022, the Bank issued RM100 million nominal value of Subordinated Notes, being part of its RM1 billion Multi-Currency Medium Term Note ('MCMTN') Programme.

Tranche	Principal RM'million	Maturity date	Interest rate	Interest payment
2022/2032	100	1 October 2032 (Callable in 2027)	4.45% per annum chargeable to 1 October 2032	Accrued and payable semi- annually in arrears

27 SHARE CAPITAL

	Group and Bank			
	2024		2023	
	Number of shares	Amount	Number of shares	Amount
	'000	RM'000	'000	RM'000
Issued and fully paid:				
Balance as at the beginning/end of the financial year	80,000	1,220,000	80,000	1,220,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

28 RESERVES

	Note	2024	Group 2023	2024	Bank 2023
		RM'000	RM'000	RM'000	RM'000
Retained profits		1,085,777	832,385	509,809	469,723
Statutory reserves	(a)	-	515	-	-
FVOCI reserves	(b)	43,716	39,473	42,452	38,675
Capital contribution by ultimate holding company	(c)	6,686	3,514	5,904	2,830
Translation reserves	(d)	21,910	110,746	-	-
Regulatory reserves	(e)	29,601	34,754	25,088	27,986
		1,187,690	1,021,387	583,253	539,214

- (a) In 2023, the statutory reserves represent non-distributable profits held by the stockbroking subsidiary in Thailand in compliance with Section 116 of the Public Limited Company Act B.E. 2535 in Thailand.
- (b) FVOCI reserves arise from a change in the fair value of financial assets classified as FVOCI. The unrealised gains or losses for debt instruments are transferred to the income statements upon disposal, derecognition or impairment of such securities. For equity instruments elected irrevocably to designate at FVOCI, the fair value gains and losses are not subsequently reclassified to income statements upon disposal.
- (c) Capital contribution by ultimate holding company represents the cost of the ordinary shares of RHB Bank Berhad in respect of SGS awarded to eligible employees of the Bank.
- (d) Translation reserves comprise all foreign exchange differences arising from the translation of the financial statements of foreign subsidiaries and joint venture.
- (e) Regulatory reserves represent the Group and the Bank's compliance with BNM's Revised Policy Documents on Financial Reporting with effect from 1 January 2023, whereby the Bank and its domestic banking subsidiaries must maintain, in aggregate, loss allowance for non-credit impaired exposures and regulatory reserves of no less than 1% of total credit exposures, net of loss allowance for credit-impaired exposures.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

29 NON-CONTROLLING INTERESTS

	Note	2024 RM'000	Group 2023 RM'000
Balance as at the beginning of the financial year		10,758	10,581
Share of the profit for the financial year		1,519	1,117
Share of other comprehensive (loss)/income for the financial year		(30)	175
Dividends to non-controlling interests		(1,301)	(1,124)
Disposal of a subsidiary	52(d)	(49)	-
Capital contribution by ultimate holding company		(11)	9
Balance as at the end of the financial year		10,886	10,758

30 INTEREST INCOME

	2024 RM'000	Group 2023 RM'000	2024 RM'000	Bank 2023 RM'000
Loans and advances	97,112	90,185	75,597	72,522
Money at call and deposit placements with banks and other financial institutions	99,240	109,808	87,420	97,574
Securities purchased under resale agreements	9,817	-	2,416	-
Financial assets at FVTPL	1,307	525	303	21
Financial assets at FVOCI, debt instruments	25,027	13,949	25,027	13,949
Financial investments at amortised cost	32,517	34,473	32,517	34,473
Others	12,840	10,166	10,236	7,402
	277,860	259,106	233,516	225,941
Of which:				
Interest income accrued on impaired financial assets	1,224	1,930	1	-

31 INTEREST EXPENSE

	2024 RM'000	Group 2023 RM'000	2024 RM'000	Bank 2023 RM'000
Deposits and placements of banks and other financial institutions	102,122	89,201	102,122	89,201
Deposits from customers	45,382	45,610	45,382	45,610
Obligations on securities sold under repurchase agreements	2,420	13,049	2,420	13,049
Subordinated obligations	4,450	4,450	4,450	4,450
Borrowings	37,255	35,072	-	-
Others	622	564	309	303
	192,251	187,946	154,683	152,613

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

32 FEE AND COMMISSION INCOME

	2024	Group 2023	2024	Bank 2023
	RM'000	RM'000	RM'000	RM'000
(a) By type of fee income				
Brokerage income	222,252	161,110	206,821	145,349
Fund management fees	214,139	222,644	-	-
Unit trust fee income	55,501	25,276	-	-
Corporate advisory fees	19,875	25,204	18,096	22,322
Arrangement fees and underwriting	5,609	5,452	3,610	4,076
Placement fees	8,123	6,502	5,720	6,502
Rollover fees	3,586	3,692	3,586	3,692
Commission	5,520	4,262	457	501
Service charges and fees	275	1,032	170	504
Other fee income	63,635	57,552	40,776	42,039
	598,515	512,726	279,236	224,985
(b) By geographical market of fee income				
Malaysia	554,990	485,603	279,236	224,985
Indonesia	30,030	22,766	-	-
Singapore	12,322	2,936	-	-
Cambodia	1,173	1,421	-	-
	598,515	512,726	279,236	224,985
(c) By timing of fee income recognition				
At a point in time	369,543	277,399	275,611	221,294
Over time	228,972	235,327	3,625	3,691
	598,515	512,726	279,236	224,985

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

33 FEE AND COMMISSION EXPENSE

	2024	Group 2023	2024	Bank 2023
	RM'000	RM'000	RM'000	RM'000
Fund management fees	77,705	87,267	9	-
Unit trust fees	54,331	23,835	-	-
Commission and incentives	31,956	19,018	21,357	11,380
	163,992	130,120	21,366	11,380

34 OTHER OPERATING INCOME

Note	2024	Group 2023	2024	Bank 2023
	RM'000	RM'000	RM'000	RM'000
Net gain arising from financial assets at FVTPL				
- Net gain on disposal	42,561	8,507	44,209	13,410
- Unrealised net gain on revaluation	182,875	48,984	14,026	3,482
- Gross dividend income	11,645	26,739	3,423	765
	237,081	84,230	61,658	17,657
Net (loss)/gain arising from derivatives	(18,958)	25,336	(24,033)	14,616
Net gain arising from fair value hedges	-	52	-	52
Net gain arising from financial assets at FVOCI, debt instruments				
- Net gain on disposal	660	859	660	859

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

34 OTHER OPERATING INCOME (CONTINUED)

	Note	2024	Group	2024	Bank
		RM'000	2023	RM'000	2023
			RM'000		RM'000
Dividend income from financial assets at FVOCI, equity instruments	5(b)	466	2,747	289	338
Gross dividend income from subsidiaries in Malaysia		-	-	43,051	42,724
Other income					
- Net foreign exchange gain		10,600	14,271	12,679	14,947
- Net gain on disposal of property, plant and equipment		205	127	-	104
- Gain on modification of right-of-use assets		-	16	-	15
- Gain on disposal of subsidiaries		30	-	9,449	-
- Fair value changes to sales consideration		-	(138)	-	(138)
- Gain on liquidation of subsidiaries		-	-	-	53
- Other operating income		27,377	33,477	24,182	30,489
		38,212	47,753	46,310	45,470
		257,461	160,977	127,935	121,716

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

35 OTHER OPERATING EXPENSES

	Note	2024 RM'000	Group 2023 RM'000	2024 RM'000	Bank 2023 RM'000
<u>Personnel costs</u>					
- Salaries, bonus, wages and allowances		222,515	234,759	151,902	156,958
- Defined contribution plan		30,653	31,269	23,665	23,690
- Share-based payment expenses		3,310	2,566	3,074	2,145
- Other staff related costs		29,233	25,023	18,155	15,078
		285,711	293,617	196,796	197,871
<u>Establishment costs</u>					
- Depreciation of investment property		61	41	-	-
- Property, plant and equipment					
- Depreciation		10,308	10,958	6,086	6,436
- Written off		11	35	-	34
- Other intangible assets					
- Amortisation		12,281	11,181	8,522	7,949
- Written off		-	237	-	237
- Depreciation of right-of-use assets		7,937	8,082	4,336	4,507
- Information technology expenses		50,007	49,608	35,271	35,843
- Security and escorting charges		546	601	435	460
- Repair and maintenance		1,863	2,546	1,503	2,047
- Rental of premises		9,161	9,431	6,881	7,158
- Water and electricity		2,380	2,631	1,997	2,246
- Rental of equipment		28	42	18	30
- Insurance		5,229	5,955	3,291	3,782
- Others		9,599	5,689	9,247	5,689
		109,411	107,037	77,587	76,418
<u>Marketing expenses</u>					
- Advertisement and publicity		4,645	4,699	1,897	1,500
- Sales commission		747	1,031	639	250
- Others		1,986	3,788	223	1,201
		7,378	9,518	2,759	2,951
<u>Administration and general expenses</u>					
- Communication expenses		20,119	19,607	11,839	12,160
- Auditors' remuneration	(a)	1,141	1,263	437	555
- Legal and professional fees		8,947	9,039	2,399	1,414
- Management fee		21,875	17,189	17,413	13,943
- Others		19,610	18,343	9,511	9,764
		71,692	65,441	41,599	37,836
		474,192	475,613	318,741	315,076

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

35 OTHER OPERATING EXPENSES (CONTINUED)

	2024	Group	2024	Bank
	RM'000	2023	RM'000	2023
		RM'000		RM'000
(a) Auditors' remuneration *				
(i) Audit				
Statutory audit				
- Malaysia	643	601	437	405
- Overseas	476	463	-	-
	1,119	1,064	437	405
(ii) Non-audit				
- Malaysia	-	150	-	150
- Overseas	22	49	-	-
	22	199	-	150
	1,141	1,263	437	555

Included in the personnel costs is the Managing Director's remuneration for the Group and the Bank, as disclosed in Note 36.

Included in administration and general expenses of the Group and the Bank are non-executive directors' remuneration, as disclosed in Note 36.

* There was no indemnity given to or insurance effected for the Group and the Bank during the financial year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

36 DIRECTORS' REMUNERATION

The remuneration of the Managing Director of the Group and the Bank are as follows:

Group and Bank				
	Salary and other remuneration	(i) Benefits-in-kind (based on an estimated monetary value)	Bonus	Total
	RM'000	RM'000	RM'000	RM'000
2024				
<u>Managing Director</u>				
Kevin Vijendren Davies				
(Appointed on 1 August 2024)	607	3	405	1,015
<u>Managing Director</u>				
Ganesaratnam A/L				
M.K. Sabaratnam				
(Ceased on 1 July 2024)	1,344	17	560	1,921
2023				
<u>Managing Director</u>				
Ganesaratnam A/L				
M.K. Sabaratnam	2,281	21	420	2,722

Note:

(i) Inclusive of share-based expenses of RM93,000 (2023: RM141,000).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

36 DIRECTORS' REMUNERATION (CONTINUED)

The remuneration of the Directors of the Group and the Bank are as follows:

	Group				Bank			
		Benefits-in-kind (based on an estimated monetary value)	Other remuneration	Total		Benefits-in-kind (based on an estimated monetary value)	Other remuneration	Total
	Fees				Fees			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2024								
<u>Non-executive Directors</u>								
Tan Sri Ong Leong Huat								
@ Wong Joo Hwa	260	96	78	434	260	96	78	434
Chin Yoong Kheong	480	-	209	689	160	-	129	289
Dato' Siow Kim Lun @ Siow Kim Lin	290	-	66	356	160	-	51	211
Datuk Iain John Lo	160	-	140	300	160	-	140	300
Hijah Arifakh Binti Othman	160	-	107	267	160	-	107	267
Datuk Chung Chee Leong	160	-	80	240	160	-	80	240
	1,510	96	680	2,286	1,060	96	585	1,741

During the financial year, Directors of the Group and the Bank are covered under the Directors' Liability Insurance in respect of liabilities arising from acts committed in their respective capacity as, inter alia, Directors of the Group and the Bank subject to the term of the policy. The total amount of Directors' Liability Insurance effected for the Group and the Bank was RM204 million (2023: RM209 million) and RM200 million (2023: RM200 million) respectively. The total amount of premium paid for the Directors' Liability Insurance by the Group and the Bank was RM68,310 (2023: RM84,152) and RM59,153 (2023: RM60,333) respectively.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

36 DIRECTORS' REMUNERATION (CONTINUED)

The remuneration of the Directors of the Group and the Bank are as follows: (continued)

	Group				Bank			
		Benefits-in-kind (based on an estimated monetary value)	Other remuneration	Total		Benefits-in-kind (based on an estimated monetary value)	Other remuneration	Total
	Fees				Fees			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2023								
<u>Non-executive Directors</u>								
Tan Sri Ong Leong Huat								
@ Wong Joo Hwa	260	80	72	412	260	80	72	412
Chin Yoong Kheong	425	-	201	626	160	-	130	290
Dato' Siow Kim Lun @ Siow Kim Lin	290	-	65	355	160	-	49	209
Datuk Iain John Lo	160	-	129	289	160	-	129	289
Hijah Arifakh Binti Othman	234	-	106	340	160	-	83	243
Datuk Chung Chee Leong								
(Appointed on 24 November 2023)	17	-	2	19	17	-	2	19
Yap Chee Meng								
(Resigned on 22 May 2023)	176	-	31	207	61	-	8	69
	<u>1,562</u>	<u>80</u>	<u>606</u>	<u>2,248</u>	<u>978</u>	<u>80</u>	<u>473</u>	<u>1,531</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

37 ALLOWANCE (WRITTEN BACK)/MADE FOR EXPECTED CREDIT LOSSES

	Note	2024	Group 2023	2024	Bank 2023
		RM'000	RM'000	RM'000	RM'000
Allowance made/(written back) for expected credit losses on other receivables and clients' and brokers' balances		105	(5,536)	786	126
Bad debts recovered		(55)	(42)	(55)	(42)
Bad debts written off		-	3	-	3
Financial investments at amortised cost	6(c)	(155)	(2,051)	(155)	(2,051)
Other financial assets		4	(41)	12	6
		(101)	(7,667)	588	(1,958)

38 IMPAIRMENT LOSSES ON OTHER NON-FINANCIAL ASSETS

	2024	Group 2023	2024	Bank 2023
	RM'000	RM'000	RM'000	RM'000
Investments in subsidiaries	-	-	10,440	3,970

During the financial year, impairment losses of RM10,440,000 (2023: RM3,970,000) arising from investments were made in certain subsidiaries as the recoverable amount of the investments was less than the carrying value of the investments. The recoverable amount of the investments are based on higher of VIU and FVLCD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

39 TAXATION

	Note	2024	Group 2023	2024	Bank 2023
		RM'000	RM'000	RM'000	RM'000
Income tax based on profit for the financial year					
- Malaysian income tax		47,840	29,934	34,244	18,067
- Overseas tax		677	1,800	-	-
Deferred tax	12	(851)	(4,337)	(1,586)	(3,966)
		47,666	27,397	32,658	14,101
Over provision in prior years					
- Income tax		(505)	(12,125)	(229)	(11,843)
- Deferred tax	12	(1,567)	(325)	(748)	(552)
		(2,072)	(12,450)	(977)	(12,395)
Income tax expense		45,594	14,947	31,681	1,706
Income tax expense is attributable to:					
- Continuing operations		37,995	15,106	31,681	1,706
- Discontinued operations	52(b), 52(d)	7,599	(159)	-	-
		45,594	14,947	31,681	1,706

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

39 TAXATION (CONTINUED)

The numerical reconciliation between the tax expense and the product of accounting profit/(loss) multiplied by the statutory rate is as follows:

	2024	Group 2023	2024	Bank 2023
	%	%	%	%
Tax at Malaysian statutory applicable tax rate	24.0	24.0	24.0	24.0
Tax effects in respect of:				
- Effects of different tax rates in other countries	0.2	0.4	-	-
- Income not subject to tax	(19.7)	(14.2)	(14.0)	(11.5)
- Expenses not deductible for tax purposes	7.2	8.4	14.2	2.9
- Expenses qualify for double deduction	(0.1)	(0.1)	-	-
- Utilisation of current year's tax losses	(0.3)	(0.2)	-	-
- Current year tax losses not recognised as deferred tax assets	1.9	2.4	-	-
- Over provision in prior years	(0.6)	(9.5)	(0.7)	(13.5)
Effective tax rate	12.6	11.2	23.5	1.9

Deferred tax assets have not been recognised on the following amounts as it is not probable that the relevant subsidiaries will generate sufficient future taxable profits available against which the deductible temporary differences can be utilised:

	2024	Group 2023	2024	Bank 2023
	RM'000	RM'000	RM'000	RM'000
Unabsorbed tax losses carried forward	27,502	92,258	-	-
Unabsorbed capital allowances carried forward	159	153	-	-

For Malaysia, the deductible temporary differences have an expiry date of 10 years (previously 7 years subsequent to the changes in the Finance Act 2021 gazetted on 31 December 2021) which is in line with Section 44(5F) of the Income Tax Act 1967 that comes into operation from YA 2019 and subsequent years of assessment. For overseas, the deductible temporary differences can only be carried forward to deduct against future taxable profits for a period of 5 years, except for Singapore which has no expiry date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

40 EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

Basic earnings/(loss) per share ('EPS') is calculated by dividing the net profit/(loss) attributable to equity holder of the Group by the weighted average number of outstanding ordinary shares at end of the financial year.

	Note	2024	Group 2023	2024	Bank 2023
Net profit/(loss) attributable to equity holder (RM'000)					
- Continuing operations		265,239	130,722	103,188	89,855
- Discontinued operations	52(b), 52(d)	48,313	(14,681)	-	-
		<u>313,552</u>	<u>116,041</u>	<u>103,188</u>	<u>89,855</u>
Weighted average number of ordinary shares in issue ('000)		<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>
Basic earnings/(loss) per share (sen)					
- Continuing operations		331.5	163.4	129.0	112.3
- Discontinued operations		60.4	(18.3)	-	-
		<u>391.9</u>	<u>145.1</u>	<u>129.0</u>	<u>112.3</u>

(b) Diluted earnings/(loss) per share

There were no dilutive potential ordinary shares outstanding as at 31 December 2024 and 31 December 2023. As a result, the diluted earnings/(loss) per share is equal to the basic earnings/(loss) per share.

41 INCOME TAX RELATING TO COMPONENTS OF OTHER COMPREHENSIVE INCOME

Group 2024	Before tax RM'000	Tax expense RM'000	Net of tax RM'000
Financial assets at FVOCI, debt instruments			
- Net fair value gain and amount transfer to other comprehensive income	1,035	(248)	787
Actuarial gain on defined benefit plan of subsidiaries			
- Net fair value gain and amount transfer to other comprehensive income	870	(176)	694
	<u>1,905</u>	<u>(424)</u>	<u>1,481</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

41 INCOME TAX RELATING TO COMPONENTS OF OTHER COMPREHENSIVE INCOME (CONTINUED)

Group	Before tax	Tax expense	Net of tax
2023	RM'000	RM'000	RM'000
Financial assets at FVOCI, debt instruments			
- Net fair value gain and amount transfer to other comprehensive income	2,116	(508)	1,608
Actuarial gain on defined benefit plan of subsidiaries			
- Net fair value gain and amount transfer to other comprehensive income	274	(239)	35
	<u>2,390</u>	<u>(747)</u>	<u>1,643</u>
Bank			
2024			
Financial assets at FVOCI, debt instruments			
- Net fair value gain and amount transfer to other comprehensive income	<u>1,035</u>	<u>(248)</u>	<u>787</u>
Bank			
2023			
Financial assets at FVOCI, debt instruments			
- Net fair value gain and amount transfer to other comprehensive income	<u>2,116</u>	<u>(508)</u>	<u>1,608</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

42 DIVIDENDS

Dividends recognised as distribution to ordinary equity holder of the Bank:

	Group and Bank			
	2024		2023	
	Dividend per share	Total dividend	Dividend per share	Total dividend
	sen	RM'000	sen	RM'000
<u>Ordinary shares</u>				
Interim dividend - 2022	-	-	50.00	40,000
Interim dividend - 2023	82.50	66,000	-	-

The Directors proposed an interim single-tier dividend of 128.75 sen per ordinary share, amounting to RM103,000,000 in respect of the current financial year ended 31 December 2024, which was approved by the Board of Directors on 24 January 2025.

The financial statements for the current financial year do not reflect this interim single-tier dividend. This dividend payment will be accounted for in the shareholder's equity as an appropriation of retained profits in the financial year ending 31 December 2025.

The Directors do not propose any final dividend for the financial year ended 31 December 2024.

Dividends payable by the Bank's subsidiaries to the non-controlling interest amounting to RM1,301,000 (2023: RM1,124,000) during the financial year ended 31 December 2024.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

43 SIGNIFICANT RELATED PARTY DISCLOSURES

(a) Related parties and relationships

The related parties of, and their relationship with the Bank are as follows:

Related parties	Relationships
RHB Bank Berhad	Holding company
Subsidiaries of RHB Bank Berhad as disclosed in its financial statements	Subsidiaries of the holding company
Employee Provident Fund ('EPF')	Substantial shareholder of the holding company, a fund body that is significantly influenced by the government
Subsidiaries, associates and joint ventures of EPF as disclosed in its financial statements	Reporting entities that EPF has control or significant influence
Subsidiaries of the Bank as disclosed in Note 13	Subsidiaries
Key management personnel	The key management personnel of the Group and the Bank consists of: <ul style="list-style-type: none"> - all Directors of the Bank and its key subsidiaries; and - members of the Group Management Committee ('GMC')
Related parties of key management personnel (deemed as related to the Bank)	(i) Close family members and dependents of key management personnel; and (ii) Entities that are controlled, jointly controlled or significantly influenced, by or for which voting power in such entity resides with, directly or indirectly by key management personnel or its close family members

(b) Significant related party balances and transactions

In addition to related party disclosures mentioned in Notes 9 and 23, set out below are other significant related party transactions and balances.

Other related parties of the Bank comprise of transactions and balances with RHB Bank Berhad's subsidiaries.

All related party transactions are entered into in the normal course of business at agreed terms between the related parties.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

43 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

(b) Significant related party balances and transactions (continued)

Group 2024	Holding company RM'000	EPF and EPF Group of companies RM'000	Key management personnel RM'000	Other related companies RM'000
<u>Income</u>				
Interest income on deposits and placements with other financial institutions	37,574	-	-	9,866
Interest income on securities purchased under resale agreements	2,416	-	-	-
Fee income	18,775	13,554	844	3,341
Brokerage income	-	9,128	177	-
Other operating income	15,226	260	64	8,451
	73,991	22,942	1,085	21,658
<u>Expenses</u>				
Insurance premium	-	-	-	6,514
Interest expense on deposits and placements of banks and other financial institutions	102,122	-	-	-
Interest expense on deposits from customers	-	7,047	-	-
Interest expense on obligations on securities sold under repurchase agreements	2,420	-	-	-
Interest expense on borrowings	2,017	-	-	32,276
Fee and commission expense	16,830	-	-	-
Rental of premises	7,734	-	-	7
Personnel costs	145	-	-	149
Establishment costs	164	-	-	983
Administration and general expenses	20,237	-	-	631
	151,669	7,047	-	40,560

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

43 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

(b) Significant related party balances and transactions (continued)

Group 2024	Holding company RM'000	EPF and EPF Group of companies RM'000	Key management personnel RM'000	Other related companies RM'000
<u>Amounts due from</u>				
Cash and short-term funds	1,033,152	-	-	66,333
Securities purchased under resale agreements	162,116	-	-	-
Deposits and placements with banks and other financial institutions	40,252	-	-	196,000
Clients' and brokers' balances	-	18,606	-	-
Derivative assets	8	-	-	-
Other assets	-	3,670	189	958
	1,235,528	22,276	189	263,291
<u>Amounts due to</u>				
Deposits from customers	-	200,778	-	-
Deposits and placements of banks and other financial institutions	2,574,352	-	-	-
Obligations on securities sold under repurchase agreements	100,213	-	-	-
Clients' and brokers' balances	-	-	51	-
Borrowings	9	-	-	402,775
Other liabilities	17,771	194	66	70
	2,692,345	200,972	117	402,845

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

43 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

(b) Significant related party balances and transactions (continued)

Group 2023	Holding company RM'000	EPF and EPF Group of companies RM'000	Key management personnel RM'000	Other related companies RM'000
<u>Income</u>				
Interest income on deposits and placements with other financial institutions	22,208	-	-	10,198
Fee income	10,014	9,969	1,106	3,703
Brokerage income	-	8,044	130	-
Other operating income	46,131	413	61	2,707
	78,353	18,426	1,297	16,608
<u>Expenses</u>				
Insurance premium	-	-	-	3,367
Interest expense on deposits and placements of banks and other financial institutions	88,311	-	-	-
Interest expense on deposits from customers	-	3,817	-	11
Interest expense on obligations on securities sold under repurchase agreements	13,049	-	-	-
Interest expense on borrowings	633	-	-	39,576
Fee and commission expense	10,601	-	-	-
Rental of premises	7,943	-	-	-
Personnel costs	96	-	-	139
Establishment costs	171	-	-	1,169
Administration and general expenses	16,875	-	-	646
	137,679	3,817	-	44,908

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

43 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

(b) Significant related party balances and transactions (continued)

Group	Holding	EPF and	Key	Other related
2023	company	EPF Group	management	companies
	RM'000	of companies	personnel	companies
	RM'000	RM'000	RM'000	RM'000
<u>Amounts due from</u>				
Cash and short-term funds	810,677	-	-	58,075
Deposits and placements with banks and other financial institutions	36,406	-	-	174,008
Clients' and brokers' balances	-	161,998	159	-
Derivative assets	21	-	-	-
Other assets	-	2,567	10	4,143
	<u>847,104</u>	<u>164,565</u>	<u>169</u>	<u>236,226</u>
<u>Amounts due to</u>				
Deposits from customers	-	100,315	-	-
Deposits and placements of banks and other financial institutions	2,270,575	-	-	-
Obligations on securities sold under repurchase agreements	369,585	-	-	-
Clients' and brokers' balances	-	358,526	422	-
Derivative liabilities	25	-	-	-
Borrowings	53,220	-	-	422,795
Other liabilities	11,041	194	66	205
	<u>2,704,446</u>	<u>459,035</u>	<u>488</u>	<u>423,000</u>

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NOTES TO THE FINANCIAL STATEMENTS**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)****43 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)**

(b) Significant related party balances and transactions (continued)

Bank 2024	Holding company RM'000	EPF and EPF Group of companies RM'000	Subsidiaries RM'000	Key management personnel RM'000	Other related companies RM'000
<u>Income</u>					
Interest income on deposits and placements with other financial institutions	35,998	-	-	-	524
Interest income on securities purchased under resale agreements	2,416	-	-	-	-
Fee income	15,393	310	1,372	683	3,304
Brokerage income	-	8,017	-	177	-
Rental income	-	-	118	-	-
Other operating income	14,742	260	42,204	64	8,451
	68,549	8,587	43,694	924	12,279
<u>Expenses</u>					
Insurance premium	-	-	-	-	4,922
Interest expense on deposits and placements of banks and other financial institutions	102,122	-	-	-	-
Interest expense on deposits from customers	-	7,047	-	-	-
Interest expense on obligations on securities sold under repurchase agreements	2,420	-	-	-	-
Fee and commission expense	-	-	288	-	-
Rental of premises	6,504	-	-	-	-
Personnel costs	144	-	-	-	95
Establishment costs	-	-	-	-	923
Administration and general expenses	17,200	-	332	-	190
	128,390	7,047	620	-	6,130

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(b) Significant related party balances and transactions (continued)

Bank 2024	Holding company RM'000	EPF and EPF Group of companies RM'000	Subsidiaries RM'000	Key management personnel RM'000	Other related companies RM'000
<u>Amounts due from</u>					
Cash and short-term funds	1,009,210	-	-	-	-
Securities purchased under resale agreements	162,116	-	-	-	-
Clients' and brokers' balances	-	18,606	-	-	-
Derivative assets	8	-	-	-	-
Other assets	-	7	40,453	179	741
	1,171,334	18,613	40,453	179	741
<u>Amounts due to</u>					
Deposit from customers	-	200,778	-	-	-
Deposits and placements of banks and other financial institutions	2,574,352	-	-	-	-
Obligations on securities sold under repurchase agreements	100,213	-	-	-	-
Clients' and brokers' balances	-	-	-	51	-
Derivative liabilities	9	-	-	-	-
Other liabilities	12,833	91	-	43	66
	2,687,407	200,869	-	94	66

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NOTES TO THE FINANCIAL STATEMENTS**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)****43 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)**

(b) Significant related party balances and transactions (continued)

Bank 2023	Holding company	EPF and EPF Group of companies	Subsidiaries	Key management personnel	Other related companies
	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Income</u>					
Interest income on deposits and placements with other financial institutions	20,651	-	-	-	1,075
Fee income	8,771	595	1,459	928	3,674
Brokerage income	-	6,604	-	130	-
Rental income	-	-	117	-	-
Other operating income	46,563	413	41,800	61	4,634
	<u>75,985</u>	<u>7,612</u>	<u>43,376</u>	<u>1,119</u>	<u>9,383</u>
<u>Expenses</u>					
Insurance premium	-	-	-	-	1,569
Interest expense on deposits and placements of banks and other financial institutions	88,311	-	-	-	-
Interest expense on deposits from customers	-	3,817	-	-	11
Interest expense on obligations on securities sold under repurchase agreements	13,049	-	-	-	-
Fee and commission expense	-	-	154	-	-
Rental of premises	6,714	-	-	-	-
Personnel costs	94	-	-	-	82
Establishment costs	-	-	-	-	1,115
Administration and general expenses	13,710	-	346	-	200
	<u>121,878</u>	<u>3,817</u>	<u>500</u>	<u>-</u>	<u>2,977</u>

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NOTES TO THE FINANCIAL STATEMENTS**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)****43 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)**

(b) Significant related party balances and transactions (continued)

Bank	Holding	EPF and		Key	
2023	company	EPF Group	Subsidiaries	management	Other related
	RM'000	of companies	RM'000	personnel	companies
		RM'000		RM'000	RM'000
<u>Amounts due from</u>					
Cash and short-term funds	783,728	-	-	-	-
Clients' and brokers' balances	-	161,998	-	159	-
Derivative assets	21	-	-	-	-
Other assets	-	26	39,566	-	4,136
	<u>783,749</u>	<u>162,024</u>	<u>39,566</u>	<u>159</u>	<u>4,136</u>
<u>Amounts due to</u>					
Deposit from customers	-	100,315	-	-	-
Deposits and placements of banks and other financial institutions	2,270,575	-	-	-	-
Obligations on securities sold under repurchase agreements	369,585	-	-	-	-
Clients' and brokers' balances	-	358,526	-	422	-
Derivative liabilities	25	-	-	-	-
Other liabilities	7,313	91	12	43	67
	<u>2,647,498</u>	<u>458,932</u>	<u>12</u>	<u>465</u>	<u>67</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

43 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

(c) Key management personnel

The remuneration of key management personnel are as follows:

	Note	2024	Group	2024	Bank
		RM'000	2023	RM'000	2023
			RM'000		RM'000
Short-term employee benefits					
- Fees		1,510	1,562	1,060	978
- Salary and other remuneration	(i)	3,596	3,307	3,501	3,174
- Benefits-in-kind		116	101	116	101
		5,222	4,970	4,677	4,253

The above remuneration includes Directors' remuneration as disclosed in Note 36.

Note:

- (i) As at 31 December 2024, the total number of shares awarded to Managing Director amounted to NIL (2023: 100,000).

(d) Credit exposures arising from transactions with connected parties

Credit exposures with connected parties as per Bank Negara Malaysia's revised Guidelines on Credit Transactions and Exposures with Connected Parties are as follows:

	Group and Bank	2024	2023
Outstanding credit exposure with connected parties (RM'000)		257,700	339,866
Percentage of outstanding credit exposures with connected parties as proportion of total credit exposures		4.19%	5.28%
Percentage of outstanding credit exposures with connected parties which is impaired or in default		-	-

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

43 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

(e) Intercompany charges

Breakdown of intercompany charges by type of services received and geographical distribution as per BNM's Guidelines on Financial Reporting issued on 2 February 2018 are as follows:

Group	Interest expense on deposits and placements of banks and other financial institutions and borrowings	Interest expense on deposits from customers	Interest expense on obligations on securities sold under repurchase agreements	Rental of premises	Other expenses
2024	RM'000	RM'000	RM'000	RM'000	RM'000
Malaysia	102,122	-	2,420	7,741	43,855
Singapore	-	-	-	-	694
Thailand	2,017	-	-	-	225
Indonesia	-	-	-	-	498
Cambodia	-	-	-	-	306
United Kingdom	32,276	-	-	-	75
	136,415	-	2,420	7,741	45,653
Group					
2023					
Malaysia	88,312	11	13,049	7,943	31,044
Singapore	-	-	-	-	689
Thailand	6,299	-	-	-	321
Indonesia	-	-	-	-	674
Cambodia	-	-	-	-	311
United Kingdom	33,909	-	-	-	25
	128,520	11	13,049	7,943	33,064
Bank					
2024					
Malaysia	102,122	-	2,420	6,504	23,928
Thailand	-	-	-	-	40
Indonesia	-	-	-	-	126
	102,122	-	2,420	6,504	24,094
Bank					
2023					
Malaysia	88,311	11	13,049	6,714	17,215
Thailand	-	-	-	-	12
Indonesia	-	-	-	-	43
	88,311	11	13,049	6,714	17,270

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

44 SHARE GRANT SCHEME

The SGS was established and implemented by the holding company, RHB Bank Berhad in June 2022.

The SGS is intended to motivate employees, attract talents and retain key employees through the grant of the ordinary shares in RHB Bank of up to 2% of the total number of issued shares of RHB Bank (excluding treasury shares, if any) at any point in time during the duration of the SGS for employees and Executive Directors of RHB Bank Group who fulfil the eligibility criteria ('Eligible Employees'). The SGS is to be administered by the Board Nominating and Remuneration Committee ('BNRC') comprising such persons as may be appointed by the Board from time to time, and shall be in force for a period of nine years commencing from the effective implementation date of the SGS, and the vesting period for each grant offered will be 3 years from the offer date.

Details of the SGS share awarded by RHB Bank Berhad are as follows:

Award date	Fair value	Awarded	Vesting date
	RM	Unit'000	
Grant 1 - 4 July 2022	5.71	4,685	3 July 2025
Grant 2 - 22 May 2023	5.50	5,385	30 June 2026
Grant 3 - 4 March 2024	5.62	4,635	30 June 2027
Grant 3A - 1 July 2024	5.50	142	30 June 2027

The movement of the SGS shares granted by RHB Bank Berhad during the financial year ended 31 December 2024 is as follows:

Award date	As at	Awarded	Forfeited	As at
	1 January 2024	Unit'000	Unit'000	31 December 2024
	Unit'000		Unit'000	Unit'000
Grant 1 - 4 July 2022	4,293	-	(430)	3,863
Grant 2 - 22 May 2023	5,290	-	(618)	4,672
Grant 3 - 4 March 2024	-	4,635	(120)	4,515
Grant 3A - 1 July 2024	-	142	-	142

The movements of the SGS shares applicable to Eligible Employees of the Group and the Bank during the financial year ended 31 December 2024 are as follows:

	As at	Awarded	Forfeited	As at
	1 January 2024	Unit'000	Unit'000	31 December 2024
	Unit'000		Unit'000	Unit'000
Group				
Grant 1 - 4 July 2022	892	-	(156)	736
Grant 2 - 22 May 2023	1,070	-	(208)	862
Grant 3 - 4 March 2024	-	935	(65)	870
Bank				
Grant 1 - 4 July 2022	720	-	(111)	609
Grant 2 - 22 May 2023	845	-	(123)	722
Grant 3 - 4 March 2024	-	815	(45)	770

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

45 COMMITMENTS AND CONTINGENCIES

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

The commitments and contingencies comprise the following:

	2024	Group	2024	Bank
	2023			
Principal amount	RM'000	RM'000	RM'000	RM'000
Direct credit substitutes [#]	30,418	33,166	30,418	33,166
Lending of banks' securities or the posting of securities as collateral by banks, including instances where these arise out of repo-style transactions	102,327	388,784	102,327	388,784
Irrevocable commitments to extend credit:				
- Maturity not exceeding one year	1,189,660	1,193,334	1,064,009	867,684
- Maturity exceeding one year	22	22	22	22
Equity related contracts: [^]				
- Less than one year	154,049	200	154,049	200
Foreign exchange related contracts: [^]				
- Less than one year	40,188	28,472	40,188	28,472
	1,516,664	1,643,978	1,391,013	1,318,328

[#] The Bank has given a corporate guarantee amounting to EUR6,532,000 (equivalent to RM30,418,000) in favour of Allianz Global Investors Asia Pacific Limited and PT Asuransi Allianz Life Indonesia in relation to disposal of 99.62% of the issued share capital of PT RHB Asset Management Indonesia for PT RHB Sekuritas Indonesia. The liability will be lifted 7 years after the completion date.

[^] These derivatives are revalued on gross position basis and the unrealised gains or losses have been reflected in Note 10 as derivative assets or derivative liabilities.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

46 NON-CANCELLABLE OPERATING LEASE COMMITMENTS

Summary of the lease commitments, net of sub-leases, which are scope-out of MFRS 16 is as follows:

	2024	Group	2024	Bank
	RM'000	2023	RM'000	2023
		RM'000		RM'000
Within one year	993	2,631	12	10
Between one to five years	3,125	3,116	21	-
More than five years	119	147	-	-
	4,237	5,894	33	10

47 CAPITAL AND OTHER COMMITMENTS

	2024	Group	2024	Bank
	RM'000	2023	RM'000	2023
		RM'000		RM'000
Authorised and contracted for:				
- Property, plant and equipment	26,580	24,769	17,845	16,920

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

48 FINANCIAL RISK MANAGEMENT

(a) Financial Risk Management Objectives and Policies

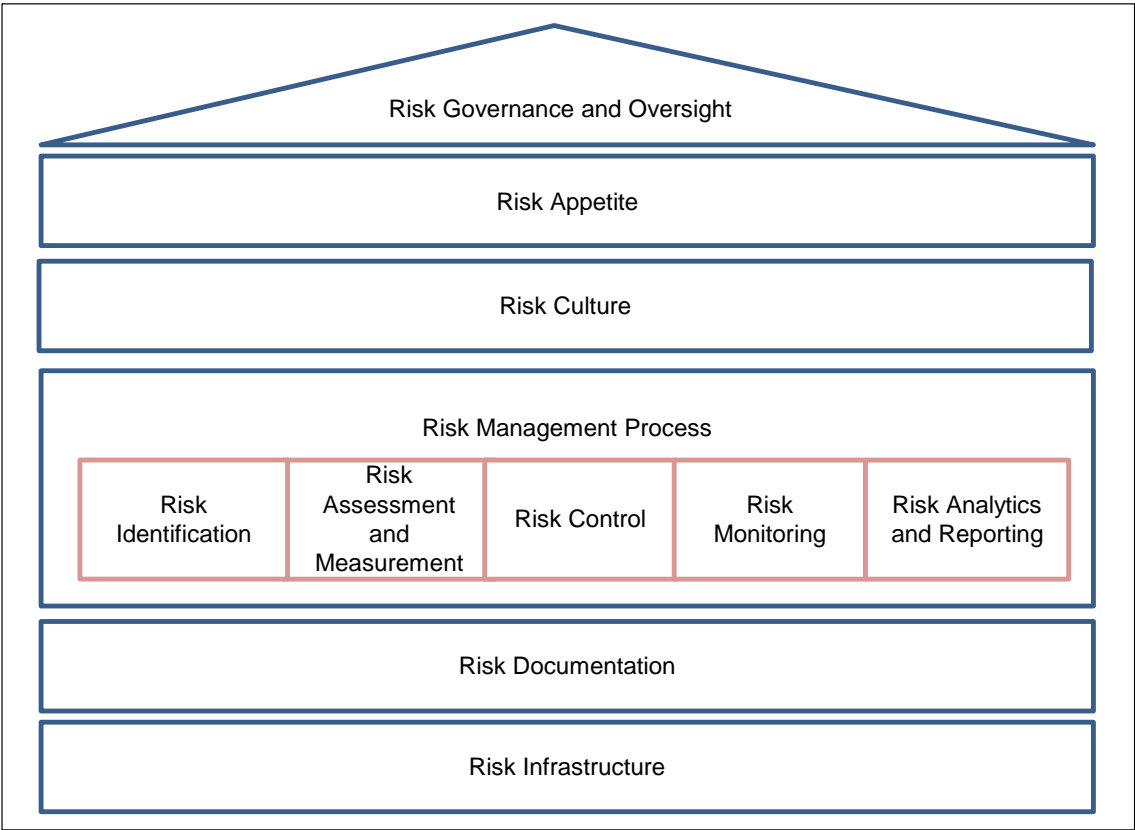
Risk is inherent in the Group’s activities and is managed through a process of on-going identification, measurement and monitoring, subject to limits and other controls. Besides credit risk, the Group is exposed to a range of other risk types such as market, liquidity, operational, legal, Shariah, strategic and cross-border, as well as other forms of risk inherent to its strategy, product range and geographical coverage.

Effective risk management is fundamental to being able to drive sustainable growth and shareholders’ value, while maintaining competitive advantage, and is thus a central part of the proactive risk management of the Group’s operating environment.

The Group Risk Management Framework governs the management of risks in the Group, as follows:

- 1. It provides a holistic overview of the risk and control environment of the Group, with risk management aimed towards loss minimisation and protection against unexpected losses which may occur through, principally, the failure of effective checks and balances in the organisation.
- 2. It sets out the strategic progression of risk management towards becoming a value creation enterprise. This is realised through building up capabilities and infrastructure in risk management sophistication, and enhanced risk quantification to optimise risk-adjusted returns.

The Group Risk Management Framework is represented in the following diagram:



**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial Risk Management Objectives and Policies (continued)

Key features of the framework are:

Risk Governance and Oversight

The Board of Directors sits at the apex of the risk governance structure and is ultimately responsible for the Group's/respective entities' risk management strategy, appetite, framework and oversight of risk management activities.

Group-level committees have been established to oversee the management of risks across all entities/subsidiaries on an integrated basis. These committees serve a critical function in setting strategic direction, establishing governance frameworks and promoting best practices. However, the Group maintains entity-specific committees to facilitate focused deliberation on entity specific issues e.g. the Board Risk Committee ('BRC') of RHB Bank Berhad, RHB Islamic Bank Berhad and RHB Investment Bank Berhad. These BRCs report directly to their respective Board, provides oversight and assists in reviewing the Group's overall risk management philosophy, frameworks, policies and models, as well as risk issues relevant and unique to its business.

The responsibility for the supervision of the day-to-day management of enterprise risk and capital matters is delegated to the Group Capital and Risk Committee ('GCRC'), comprising senior management of the Group. The GCRC reports to the relevant board committees and the Group Management Committee ('GMC'). The Investment Bank Risk Management Committee ('IBRMC') is responsible for oversight of risk management matters relating to RHB Investment Bank Group's business while the Group Asset and Liability Committee ('Group ALCO') oversees market risk, liquidity risk and balance sheet management.

The Group Chief Risk Officer ('GCRO') who reports directly to the Group Managing Director, is responsible for the risk management function. The main roles and responsibilities of GCRO are:

1. Facilitating the setting of the strategic direction and overall policy on management and control of risks of the Group;
2. Ensuring industry best practices in risk management are adopted across the Group, including the setting of risk management parameters and risk models;
3. Developing proactive, balanced and risk attuned culture within the Group; and
4. Advising senior management, management level committees, board level risk committees and Board of Directors of the Group's entities on risk issues and their possible impact on the Group in the achievement of its objectives and strategies.

GCRO is supported by the entities chief risk officers and various teams within risk management function:

1. The main function of entities' chief risk officers is to assess and manage the enterprise risk and liaise with regulators in the respective country/entity under their purview. They are supported by their respective risk management teams with support from the risk management function from the Group.
2. The risk management function comprises of the teams who specialise in the respective risks and responsible for the active oversight of the Group-wide risk management function and support the respective entities/chief risk officers. Group Risk and Credit Management consist of Group Wholesale Banking Credit Management, Group Community Banking Credit Management, Enterprise Risk Management, Group Wholesale Credit Risk Management, Group Climate Risk Management, Group Community Banking Credit Risk Management, Group Market Risk Management, Group Asset and Liability Management, Group Non-Financial Risk Management, Group Technology and Cyber Risk Management, Group Shariah Risk Management, Risk Strategy, Transformation and Enterprise Risk Insights, Investment Banking and Regional Risk and Insurance Risk Management.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial Risk Management Objectives and Policies (continued)

Key features of the framework are: (continued)

Risk Appetite

The Board of Directors sets the risk appetite and tolerance level that are consistent with the Group and each entity’s overall business objectives and desired risk profile. It describes the types and level of risks the Group is prepared to accept in delivering its business strategies, and reported through various metrics that enable the Group to manage capital resources and shareholders’ expectations.

The defined risk appetite and risk tolerance are periodically reviewed by the Management and the Board in line with the Group’s business strategies and operating environment. Such review includes identifying and setting new risk appetite metrics for the business entity or removal of risk appetite metrics that are no longer applicable as well as updates on the risk appetite thresholds to be in line with the Group’s business strategy and risk posture.

Risk Culture

The Group subscribes to the principle of ‘Risk and Compliance is Everyone’s Responsibility’ and risk management is managed via a ‘three lines of defence’ model. Business/Functional units of the respective operating entities in the Group are collectively responsible for identifying, managing and reporting risk.

The approach is based on the ‘three lines of defence’ model as depicted below:

FIRST LINE	<ul style="list-style-type: none">• Responsible for managing day-to-day risks and compliance issues• Business Risk and Compliance Officer/Business Risk Officer/Business Compliance Officer/equivalent is to assist business/functional unit in day-to-day risks and compliance matters
Business/Functional Level	

SECOND LINE	<ul style="list-style-type: none">• Responsible for oversight, establishing governance and providing support to business/functional unit on risk and compliance matters
Group Risk Management & Group Compliance	

THIRD LINE	<ul style="list-style-type: none">• Provide independent assurance to the Board of Directors that risk and compliance management functions effectively as designed
Group Internal Audit	

In 2024, a differentiated approach was employed in cultivating the desired risk culture behaviours leveraging on behaviour analytics and insights. This equipped the Business Risk and Compliance Officer/Business Risk Officer/Business Compliance Officer with sharper monitoring of risk culture metrics and dashboards, enabling them to prevent and correct the undesired behaviours. Additionally, the Group has developed Machine Learning based behavioural analytics model with early warning capabilities to strengthen oversight of the second line of defence and overlay existing controls at the first line of defence. These were complimented by targeted messaging via trainings, awareness campaigns and roadshows to shape the desired risk culture behaviours.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial Risk Management Objectives and Policies (continued)

Key features of the framework are: (continued)

Risk Management Process

The risk management process identifies, assesses and measures, controls, monitors and reports/analyses risk. This ensures that risk exposures are adequately managed and that the expected return compensates for the risk taken.

- Identification: The identification and analysis of the existing and potential risks is a continuing process, in order to facilitate and proactive and timely identification of risk within the Group's business operations, including emerging risks. This ensures that risks can be managed and controlled within the risk appetite of the Group and specific entity, where necessary.
- Assessment and Measurement: Risks are measured, assessed and aggregated using comprehensive qualitative and quantitative risk measurement methodologies, and the process also serves as an important tool as it provides an assessment of capital adequacy and solvency.
- Controlling: Risks identified during the risk identification process must be adequately managed and mitigated to control the risk of loss. This is also to ensure risk exposures are managed within the Group's or entity's risk appetite.
- Monitoring: Effective monitoring process ensures that the Group is aware of the condition of its exposures vis-à-vis its approved appetite and emerging risk trend to facilitate early identification of potential problem on a timely basis by using continuous and on-going monitoring of risk exposures and risk control/mitigation measures.
- Analytics and Reporting: Risk analysis and reports are prepared by the respective entities and at a consolidated level as well as business level; and are regularly escalated to the senior management and relevant Boards of the Group's entities to ensure that the risks identified remain within the established appetite and to support an informed decision-making process. Reporting and analytics are also being continuously enhanced to provide risk intelligence to relevant stakeholders within the Group to facilitate more effective decision making.

In addition, risk management seeks to ensure that risk decisions are consistent with strategic business objectives and within the risk appetite.

Risk Documentation

The Group recognises that effective implementation of the risk management system and process must be supported by a robust set of documentation. Towards this end, the Group has established frameworks, policies and other relevant control documents to ensure clearly defined practices and processes are effected consistently across the Group. Documents are subject to a robust review process to ensure they remain current.

Risk Infrastructure

The Group has organised its resources and talents into dedicated risk management functions, and invested in technology, including data management to support the Group's risk management activities. Staff have been assigned clear roles and responsibilities, provided access to relevant and up-to-date risk information, and given the latitude to continuously enhance their competency through learning and development programs.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial Risk Management Objectives and Policies (continued)

Key features of the framework are: (continued)

Risk Infrastructure (continued)

Risk systems and tools are designed to provide accessibility of risk information that complement the risk management process. The availability of data for analytics and monitoring, and dashboards and reporting assists in continuously enhancing risk management capabilities. The Group's Risk Management Report has evolved to be more analytically-driven, including elements of quantitative and qualitative forward-looking projections.

Effective risk management requires the Group to continuously review its risk management capabilities to effectively manage risk and to improve risk management practices across the Group. Therefore, the Group has embarked on transformation journeys to achieve better efficiency and effectiveness.

As part of its PROGRESS 27 effort, Group Risk & Credit Management has put in place a comprehensive three-year strategic plan and initiatives centred around resiliency, agility, regulatory demand, and RHB's three-year growth strategy aligned with multi-year cost optimisation efforts.

Major Areas of Risk

As a banking institution with key activities covering retail, business banking, corporate banking and advisory services, treasury products and services, and securities and futures related business, the Group is subject to business risks which are inherent in the financial services industry. Generally, these business risks can be broadly classified as follows:

- (i) Credit risk – the risk of loss arising from customers' or counterparties' failure to fulfil their financial and contractual obligations in accordance to the agreed terms. It stems primarily from the Group and the Bank's lending/financing, trade finance placement, underwriting, investment, hedging and trading activities from both on- and off-balance sheet transactions. Credit risk does not typically happen in isolation as depending on certain risk events (e.g. fluctuation of interest rate, foreign exchange) presence of other risks may also arise.
- (ii) Market risk – the risk of losses arising from adverse movements in market drivers, such as interest rates, credit spreads, equity prices, currency exchange rates and commodity prices. Under this definition, market risk will constitute:
 - the interest rate and equity risks pertaining to financial instruments in the trading book; and
 - foreign exchange risk and commodities risk in the trading and banking books.
- (iii) Liquidity risk – the risk of the Group and the Bank being unable to maintain sufficient liquid assets to meet its financial commitments and obligations when they fall due and transact at a reasonable cost. Liquidity risk also arises from the inability to manage unplanned decreases or changes in funding sources.
- (iv) Operational risk – the risk of loss resulting from inadequate or failed internal processes, people, systems and/or external events, which also includes information technology ('IT'), legal and Shariah non-compliance risk but excludes strategic and reputational risk.
- (v) Technology and Cyber risk – Technology risk is the business risk associated with the use, ownership, operation, involvement, influence and adoption of IT within an enterprise while Cyber risk refers to threats or vulnerabilities emanating from the connectivity of internal infrastructure to external networks or the Internet.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial Risk Management Objectives and Policies (continued)

To mitigate the various business risks of the Group and the Bank, the following has been put in place:

Credit Risk

- The Group and the Bank abide to the Board approved credit policy which supports the development of a strong credit culture and with the objective of maintaining a well-diversified portfolio that addresses credit risk, and mitigates concern for unexpected losses.
- Regulatory requirement and industry best practices are incorporated into the approved policy.
- Group Credit Committee ('GCC') is responsible for ensuring adherence to the Board approved credit risk appetite as well as the effectiveness of credit risk management. GCC is the senior management committee empowered to approve or reject all financial investments, counterparty credit and lending/financing up to the defined threshold limits.
- Group Investment Underwriting Committee ('GIUC') deliberates, approves and rejects stockbroking, equities, futures business related proposals such as equity underwriting, equity derivatives and structured products, and share margin financing.
- GCC and GIUC submit to the Board Credit Committee ('BCC') for affirmation or veto if the financing facilities exceed a pre-defined threshold.
- The Group and the Bank also ensure that internal processes and credit underwriting standards are adhered to before credit proposals are approved. All credit proposals are first evaluated by the originating business units before being evaluated by Group Wholesale Banking Credit Management and Group Community Banking Credit Management prior to submission to the relevant committees for approval. With the exception of credit applications for consumer and approved products under program lending which can be auto approved by business units' supervisors, all other credit facilities are subject to independent assessment by a team of dedicated and experienced credit evaluators in Head Office. For proper checks and controls, joint or escalated approval is required for all discretionary lending between business and independent credit underwriters. Loans which are beyond the delegated lending authority limits will be escalated to the relevant committees for approval.
- Internal credit rating models are an integral part of the Group and the Bank's credit risk management, decision-making process, and regulatory capital calculations.
- Clients' accounts are reviewed at regular intervals and weakening credits are transferred to Loan Recovery for more effective management.
- Counterparty, industry and product exposure limits/directions are set and risk reward relationships are mapped with the aim of maintaining a diverse credit profile and track the changing risk concentrations in response to market changes and external events.
- The Bank applies the standardised approach for credit risk.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial Risk Management Objectives and Policies (continued)

To mitigate the various business risks of the Group and the Bank, the following has been put in place: (continued)

Market Risk

- A framework of risk policies, measurement methodologies and limits, as approved by the Board, which controls the Group and the Bank's financial market activities as well as to identify potential risk areas early in order to mitigate against any adverse effects arising from market volatility.
- The senior management committees; namely Group ALCO, the GCRC and IBRMC perform a critical role in the oversight of the management of market risk and supports the board risk committees in the overall market risk management.
- The Group Market Risk Management function forms a centralised function to support senior management to operationalise the processes and methods, to ensure adequate risk control and oversight are in place.
- The Group and the Bank apply risk monitoring and assessment tools to measure trading book positions and market risk factors. Statistical and non-statistical risk assessment tools applied include Value-at-Risk ('VaR'), sensitivity analysis and stress testing.
- Market risk is primarily monitored and controlled via a structure of limits and triggers i.e. cut loss, VaR, trading and notional limit set in accordance with the size of positions and risk tolerance appetites.
- Periodic stress testing is applied to ascertain market risk under abnormal market conditions.

Liquidity Risk

- The Group ALCO plays a fundamental role in the asset and liability management of the Group and the Bank, and establishes strategies to assist in controlling and reducing any potential exposures to liquidity risk.
- The liquidity risk management process involves establishing liquidity risk management policies and limits, regular monitoring against liquidity risk limits, regular stress testing, and establishing contingency funding plans. These processes are subject to regular reviews to ensure that they remain relevant in the context of prevailing market conditions.
- Minimum liquid assets buffer, capping on large depositor concentration and sufficient long term funding are available to meet obligations and aligned to Liquidity Coverage Ratio and Net Stable Funding Ratio to ensure adequate cover for withdrawals arising from unexpected levels of demand.
- Defined liquidity management ratios are maintained and monitored.
- The Group and the Bank have established Group Liquidity Incident Management Plan Guidelines to manage any potential adverse liquidity incidences, and which can be implemented on a timely basis so that appropriate actions can be taken to mitigate against any unexpected market developments.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial Risk Management Objectives and Policies (continued)

To mitigate the various business risks of the Group and the Bank, the following has been put in place: (continued)

Operational Risk

- The Group Non-Financial Risk Management function is responsible for the development of group-wide operational risk policies, framework and methodologies, and providing guidance and information to the business units on operational risk matters. The respective business units are primarily responsible for managing operational risk on a day-to-day basis. Some of the operational risk tools used include Risk and Control Self-Assessment, Key Risk Indicators, Key Control Testing, Incident Management and Loss Data Collection and Operational Risk Scenario Analysis.
- The Group and the Bank's operational risk management system has integrated applications to support the operational risk management process (i.e. assessment, reporting, database/library).
- The Group and the Bank have Business Continuity Management ('BCM') programme for the major critical business operations and activities at the Head Office, data centre, and branches' locations. The BCM programme is subject to regular testing to validate adequacy and preparedness of all resources to support critical and essential services in the event of disruption. There are ongoing continuous improvement initiatives to build operational resilience to ensure sustainability of critical services.
- There is continuous refinement of existing policies, procedures and internal control measures; and regular internal review, compliance monitoring, and audits are performed to prevent and/or minimise unexpected losses.
- Regular operational risk reporting is made to senior management, relevant committees and board to facilitate the identification of adverse operational lapses, taking of prompt corrective actions, and ensuring appropriate risk mitigations are implemented.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial Risk Management Objectives and Policies (continued)

To mitigate the various business risks of the Group and the Bank, the following has been put in place: (continued)

Technology and Cyber Risk

- The Group Technology & Cyber Risk Management function is responsible for the establishment of group-wide technology and cyber risk management framework, policy and guideline, as well as, providing guidance and consultation to the business and functional units on technology and cyber risk areas.
- There is continuous enhancement of existing Group policies, procedures and internal control measures in line with regulatory requirements; with regular independent assessment on areas pertaining to technology and cyber risks to prevent and/or minimise unexpected losses.
- Development of policies and mitigating controls are made reference to industry standards such as ISO/IEC: 27001:2022 Control Objectives for Information and Related Technology (COBIT) 5 and the National Institute of Standards and Technology (NIST) Cyber Security Framework.
- Regular technology and cyber risk reporting is made to senior management, relevant senior management and board committees to facilitate a risk informed decision by proactively identifying emerging technology and cyber threats, assessment on the effectiveness of the controls implemented and the recommendation of new appropriate controls.
- In addition to the above, amongst others, the key risk management tools and mechanisms to manage Technology & Cyber Risk in RHB Group are:
 - (i) Subscription to threat intelligence service providers for the latest cyber threats incidence, threat actors, exploit techniques and modus operandi in compromising an organisation.
 - (ii) Periodic assessment of existing cybersecurity mitigation controls via Red Team assessment and compromise assessment.
 - (iii) Regular phishing simulations using different themes targeting internal staff to foster a culture of cybersecurity awareness.
 - (iv) Continuous education and awareness on technology and cyber risks to Board, business and functional units, new recruits and third party service providers via Computer Based Training, classroom training and regular email broadcast communication through dissemination of best practices bulletin.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Financial instruments by category

Group	At	At	At	Total
2024	Amortised	FVTPL	FVOCI	
	Cost			Total
	RM'000	RM'000	RM'000	RM'000
<u>Financial assets</u>				
Cash and short-term funds	1,655,133	-	-	1,655,133
Securities purchased under resale agreements	221,471	-	-	221,471
Deposits and placements with banks and other financial institutions	236,241	-	-	236,241
Financial assets at FVTPL	-	1,210,702	-	1,210,702
Financial assets at FVOCI				
- Debt instruments	-	-	831,572	831,572
- Equity instruments	-	-	48,938	48,938
Financial investments at amortised cost	1,015,142	-	-	1,015,142
Loans and advances	1,788,762	-	-	1,788,762
Clients' and brokers' balances	755,014	-	-	755,014
Other financial assets	213,386	-	-	213,386
Derivative assets	-	2,364	-	2,364
	5,885,149	1,213,066	880,510	7,978,725
<u>Financial liabilities</u>				
Deposits from customers	1,342,422	-	-	1,342,422
Deposits and placements of banks and other financial institutions	2,574,352	-	-	2,574,352
Obligations on securities sold under repurchase agreements	100,213	-	-	100,213
Clients' and brokers' balances	841,715	-	-	841,715
Other liabilities	717,038	-	-	717,038
Derivative liabilities	-	45,631	-	45,631
Lease liabilities	20,901	-	-	20,901
Borrowings	474,990	-	-	474,990
Subordinated obligations	101,085	-	-	101,085
	6,172,716	45,631	-	6,218,347

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Financial instruments by category (continued)

Group	At	At	At	Total
2023	Amortised	FVTPL	FVOCI	
	Cost	RM'000	RM'000	RM'000
	RM'000			
<u>Financial assets</u>				
Cash and short-term funds	2,081,604	-	-	2,081,604
Deposits and placements with banks and other financial institutions	223,130	-	-	223,130
Financial assets at FVTPL	-	985,113	-	985,113
Financial assets at FVOCI				
- Debt instruments	-	-	465,260	465,260
- Equity instruments	-	-	45,788	45,788
Financial investments at amortised cost	900,011	-	-	900,011
Loans and advances	1,876,945	-	-	1,876,945
Clients' and brokers' balances	1,203,013	-	-	1,203,013
Other financial assets	110,311	-	-	110,311
Derivative assets	-	6,022	-	6,022
	6,395,014	991,135	511,048	7,897,197
<u>Financial liabilities</u>				
Deposits from customers	1,127,382	-	-	1,127,382
Deposits and placements of banks and other financial institutions	2,270,575	-	-	2,270,575
Obligations on securities sold under repurchase agreements	369,585	-	-	369,585
Clients' and brokers' balances	1,285,362	-	-	1,285,362
Other liabilities	489,704	12,410	-	502,114
Derivative liabilities	-	63,043	-	63,043
Lease liabilities	16,024	-	-	16,024
Borrowings	590,080	-	-	590,080
Subordinated obligations	101,097	-	-	101,097
	6,249,809	75,453	-	6,325,262

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Financial instruments by category (continued)

Bank 2024	At Amortised Cost RM'000	At FVTPL RM'000	At FVOCI RM'000	Total RM'000
<u>Financial assets</u>				
Cash and short-term funds	1,224,964	-	-	1,224,964
Securities purchased under resale agreements	162,116	-	-	162,116
Financial assets at FVTPL	-	316,590	-	316,590
Financial assets at FVOCI				
- Debt instruments	-	-	831,572	831,572
- Equity instruments	-	-	43,514	43,514
Financial investments at amortised cost	1,015,142	-	-	1,015,142
Loans and advances	1,623,531	-	-	1,623,531
Clients' and brokers' balances	700,448	-	-	700,448
Other financial assets	70,604	-	-	70,604
Derivative assets	-	2,364	-	2,364
	4,796,805	318,954	875,086	5,990,845
<u>Financial liabilities</u>				
Deposits from customers	1,342,422	-	-	1,342,422
Deposits and placements of banks and other financial institutions	2,574,352	-	-	2,574,352
Obligations on securities sold under repurchase agreements	100,213	-	-	100,213
Clients' and brokers' balances	796,134	-	-	796,134
Other liabilities	255,098	-	-	255,098
Derivative liabilities	-	44,599	-	44,599
Lease liabilities	8,722	-	-	8,722
Subordinated obligations	101,085	-	-	101,085
	5,178,026	44,599	-	5,222,625

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Financial instruments by category (continued)

Bank 2023	At Amortised Cost RM'000	At FVTPL RM'000	At FVOCI RM'000	Total RM'000
<u>Financial assets</u>				
Cash and short-term funds	1,678,243	-	-	1,678,243
Financial assets at FVTPL	-	136,475	-	136,475
Financial assets at FVOCI				
- Debt instruments	-	-	465,260	465,260
- Equity instruments	-	-	40,524	40,524
Financial investments at amortised cost	900,011	-	-	900,011
Loans and advances	1,436,958	-	-	1,436,958
Clients' and brokers' balances	1,108,739	-	-	1,108,739
Other financial assets	75,965	-	-	75,965
Derivative assets	-	5,621	-	5,621
	<u>5,199,916</u>	<u>142,096</u>	<u>505,784</u>	<u>5,847,796</u>
<u>Financial liabilities</u>				
Deposits from customers	1,127,382	-	-	1,127,382
Deposits and placements of banks and other financial institutions	2,270,575	-	-	2,270,575
Obligations on securities sold under repurchase agreements	369,585	-	-	369,585
Clients' and brokers' balances	1,207,638	-	-	1,207,638
Other liabilities	198,537	-	-	198,537
Derivative liabilities	-	60,210	-	60,210
Lease liabilities	5,636	-	-	5,636
Subordinated obligations	101,097	-	-	101,097
	<u>5,280,450</u>	<u>60,210</u>	<u>-</u>	<u>5,340,660</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Market risk

Market risk sensitivity assessment is based on the changes in key variables, such as interest rates and foreign currency rates, while all other variables remain unchanged. The sensitivity factors used are assumptions based on parallel shifts in the key variables to project the impact on the assets and liabilities position of the Group and the Bank.

The scenarios used are based on the assumption that all key variables for all maturities move at the same time and by the same magnitude and do not incorporate actions that would be otherwise taken by the business units and risk management to mitigate the effect of this movement in key variables. The Group and the Bank seek to ensure that the interest rate risk profile is managed to minimise losses and optimise net revenues.

(i) Interest rate sensitivity analysis

The interest rate sensitivity results below shows the impact on profit after tax and equity of financial assets and financial liabilities bearing floating interest rates and fixed rate financial assets and financial liabilities, while other variables remain constant:

	Impact on profit after tax RM'000	Group Impact on equity RM'000	Impact on profit after tax RM'000	Bank Impact on equity RM'000
2024				
+100 bps	(6,677)	(9,373)	(5,699)	(9,373)
-100 bps	6,680	9,758	5,702	9,758
2023				
+100 bps	(1,732)	(3,583)	(1,593)	(3,583)
-100 bps	1,767	3,810	1,629	3,810

The results above represent financial assets and liabilities that have been prepared on the following basis:

- Impact on the profit after tax is the sum of valuation changes on fixed income instruments and derivatives held in the trading portfolio and earnings movement for all short-term interest rate sensitive assets and liabilities (with maturity or re-pricing tenure of up to one year) that is not held in the trading portfolio. Earnings movement for the short-term interest rate sensitive assets and liabilities uses a set of risk weights with its respective time band to simulate the 100 bps (2023: 100 bps) interest rate change impact. For assets and liabilities with non-fixed maturity e.g. current and savings accounts, certain assumptions are made to reflect the actual sensitivity behaviour of these interest bearing assets and liabilities.
- Impact on equity represents the changes in fair values of fixed income instruments and derivatives held in the FVOCI portfolio arising from the shift in the interest rate.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Market risk (continued)

(ii) Foreign currency sensitivity analysis

The foreign currency sensitivity represents the effect of the appreciation or depreciation of the foreign currency rates on the consolidated currency position, while other variables remain constant.

	Group		Bank	
	Change in currency rates		Change in currency rates	
	+10%	-10%	+10%	-10%
Impact on profit after tax	RM'000	RM'000	RM'000	RM'000
2024				
United States Dollar ('USD')	5,267	(5,267)	4,696	(4,696)
Australian Dollar ('AUD')	316	(316)	332	(332)
Pound Sterling ('GBP')	410	(410)	231	(231)
Euro ('EUR')	54	(54)	39	(39)
Thai Baht ('THB')	(139)	139	(139)	139
Others	3,405	(3,405)	3,023	(3,023)
	9,313	(9,313)	8,182	(8,182)
2023				
USD	3,749	(3,749)	2,634	(2,634)
AUD	273	(273)	240	(240)
GBP	406	(406)	180	(180)
EUR	61	(61)	41	(41)
THB	321	(321)	321	(321)
Others	2,230	(2,230)	1,661	(1,661)
	7,040	(7,040)	5,077	(5,077)

Impact on the profit after tax is estimated on the assumption that foreign exchange moves by the same amount and all other variables are held constant and are based on a constant reporting date position.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Market risk (continued)

Interest rate risk

The table below summarises the Group's exposure to interest rate risk. The carrying amount of assets and liabilities (includes non-financial instruments) are categorised by the earlier of contractual re-pricing or maturity dates:

Group	Non-trading book						Trading book	Total
	Up to 1 month	>1-3 months	>3-6 months	>6-12 months	>1-3 years	Over 3 years	Non-interest sensitive	
2024	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
ASSETS								
Cash and short-term funds	1,281,314	-	-	-	-	-	373,819	1,655,133
Securities purchased under resale agreements	191,171	27,884	-	-	-	-	2,416	221,471
Deposits and placements with banks and other financial institutions	-	62,086	65,989	105,900	-	-	2,266	236,241
Financial assets at FVTPL	-	-	-	-	-	-	881,604	1,210,702
Financial assets at FVOCI	-	105,061	40,147	60,475	547,833	70,598	56,396	880,510
Financial investments at amortised cost	-	-	-	-	470,821	536,837	7,484	1,015,142
Loans and advances	1,788,579	-	-	-	-	183	-	1,788,762
Clients' and brokers' balances	4,825	-	-	-	-	-	750,189	755,014
Other assets	4,012	4,207	1,125	100	-	15,404	199,030	223,878
Derivative assets	-	-	-	-	-	-	2,364	2,364
Statutory deposits	-	-	-	-	-	-	65,242	65,242
Tax recoverable	-	-	-	-	-	-	18,366	18,366
Deferred tax assets	-	-	-	-	-	-	22,703	22,703
Investments in associates and joint venture	-	-	-	-	-	-	22,281	22,281
Right-of-use assets	-	-	-	-	-	-	21,119	21,119
Property, plant and equipment	-	-	-	-	-	-	26,873	26,873
Goodwill and other intangible assets	-	-	-	-	-	-	484,350	484,350
TOTAL ASSETS	3,269,901	199,238	107,261	166,475	1,018,654	623,022	2,934,138	8,650,151

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Market risk (continued)

Interest rate risk (continued)

The table below summarises the Group's exposure to interest rate risk. The carrying amount of assets and liabilities (includes non-financial instruments) are categorised by the earlier of contractual re-pricing or maturity dates: (continued)

Group 2024	Non-trading book						Trading book	Total
	Up to 1 month	>1-3 months	>3-6 months	>6-12 months	>1-3 years	Over 3 years	Non-interest sensitive	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
LIABILITIES								
Deposits from customers	892,522	271,579	175,000	-	-	-	3,321	1,342,422
Deposits and placements of banks and other financial institutions	844,524	1,234,000	480,000	-	-	-	15,828	2,574,352
Obligations on securities sold under repurchase agreements	-	-	99,545	-	-	-	668	100,213
Clients' and brokers' balances	-	-	-	-	-	-	841,715	841,715
Other liabilities	-	-	-	-	-	-	722,979	722,979
Derivative liabilities	-	-	-	-	-	-	-	45,631
Tax liabilities	-	-	-	-	-	-	7,287	7,287
Lease liabilities	496	1,341	1,737	3,299	9,628	4,400	-	20,901
Borrowings	474,519	-	-	-	-	-	471	474,990
Subordinated obligations	-	-	-	-	100,000	-	1,085	101,085
TOTAL LIABILITIES	2,212,061	1,506,920	756,282	3,299	109,628	4,400	1,593,354	6,231,575
Shareholder's funds	-	-	-	-	-	-	2,407,690	2,407,690
Non-controlling interests	-	-	-	-	-	-	10,886	10,886
TOTAL LIABILITIES AND EQUITY	2,212,061	1,506,920	756,282	3,299	109,628	4,400	4,011,930	8,650,151
On-balance sheet interest sensitivity gap	1,057,840	(1,307,682)	(649,021)	163,176	909,026	618,622		
Off-balance sheet interest sensitivity gap	-	-	-	-	-	-		
TOTAL INTEREST SENSITIVITY GAP	1,057,840	(1,307,682)	(649,021)	163,176	909,026	618,622		

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Market risk (continued)

Interest rate risk (continued)

The table below summarises the Group's exposure to interest rate risk. The carrying amount of assets and liabilities (includes non-financial instruments) are categorised by the earlier of contractual re-pricing or maturity dates: (continued)

Group	Non-trading book						Trading book	Total
	Up to 1 month	>1-3 months	>3-6 months	>6-12 months	>1-3 years	Over 3 years	Non-interest sensitive	
2023	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
ASSETS								
Cash and short-term funds	1,597,537	-	-	-	-	-	484,067	2,081,604
Deposits and placements with banks and other financial institutions	-	85,485	53,195	75,775	-	-	8,675	223,130
Financial assets at FVTPL	-	-	-	-	-	27,634	761,666	985,113
Financial assets at FVOCI	249,700	54,902	-	-	59,394	100,155	46,897	511,048
Financial investments at amortised cost	-	30,124	-	34,832	411,427	417,103	6,525	900,011
Loans and advances	1,876,724	-	-	-	-	219	2	1,876,945
Clients' and brokers' balances	39,180	-	-	-	-	-	1,163,833	1,203,013
Other assets	4,088	4,086	1,193	-	-	15,232	97,822	122,421
Derivative assets	-	-	-	-	-	-	-	6,022
Statutory deposits	-	-	-	-	-	-	58,201	58,201
Tax recoverable	-	-	-	-	-	-	37,591	37,591
Deferred tax assets	-	-	-	-	-	-	20,944	20,944
Investments in associates and joint venture	-	-	-	-	-	-	13,139	13,139
Investment property	-	-	-	-	-	-	3,357	3,357
Right-of-use assets	-	-	-	-	-	-	16,135	16,135
Property, plant and equipment	-	-	-	-	-	-	30,616	30,616
Goodwill and other intangible assets	-	-	-	-	-	-	497,986	497,986
TOTAL ASSETS	3,767,229	174,597	54,388	110,607	470,821	560,343	3,247,456	8,587,276

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Market risk (continued)

Interest rate risk (continued)

The table below summarises the Group's exposure to interest rate risk. The carrying amount of assets and liabilities (includes non-financial instruments) are categorised by the earlier of contractual re-pricing or maturity dates: (continued)

Group	Non-trading book						Trading book	Total
	Up to 1 month	>1-3 months	>3-6 months	>6-12 months	>1-3 years	Over 3 years	Non-interest sensitive	
2023	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
LIABILITIES								
Deposits from customers	470,130	654,600	-	-	-	-	2,652	1,127,382
Deposits and placements of banks and other financial institutions	570,457	1,688,830	-	-	-	-	11,288	2,270,575
Obligations on securities sold under repurchase agreements	366,799	-	-	-	-	-	2,786	369,585
Clients' and brokers' balances	-	-	-	-	-	-	1,285,362	1,285,362
Other liabilities	-	-	-	-	-	-	508,082	508,082
Derivative liabilities	-	-	-	-	-	-	-	63,043
Tax liabilities	-	-	-	-	-	-	3,901	3,901
Lease liabilities	678	1,862	2,319	3,531	7,595	39	-	16,024
Borrowings	548,591	27,560	-	-	-	-	13,929	590,080
Subordinated obligations	-	-	-	-	-	100,000	1,097	101,097
TOTAL LIABILITIES	1,956,655	2,372,852	2,319	3,531	7,595	100,039	1,829,097	6,335,131
Shareholder's funds	-	-	-	-	-	-	2,241,387	2,241,387
Non-controlling interests	-	-	-	-	-	-	10,758	10,758
TOTAL LIABILITIES AND EQUITY	1,956,655	2,372,852	2,319	3,531	7,595	100,039	4,081,242	8,587,276
On-balance sheet interest sensitivity gap	1,810,574	(2,198,255)	52,069	107,076	463,226	460,304	-	-
Off-balance sheet interest sensitivity gap	-	-	-	-	-	-	-	-
TOTAL INTEREST SENSITIVITY GAP	1,810,574	(2,198,255)	52,069	107,076	463,226	460,304	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Market risk (continued)

Interest rate risk (continued)

The table below summarises the Bank's exposure to interest rate risk. The carrying amount of assets and liabilities (includes non-financial instruments) are categorised by the earlier of contractual re-pricing or maturity dates:

Bank	Non-trading book						Trading book	Total
	Up to 1 month	>1-3 months	>3-6 months	>6-12 months	>1-3 years	Over 3 years	Non-interest sensitive	
2024	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
ASSETS								
Cash and short-term funds	929,638	-	-	-	-	-	295,326	1,224,964
Securities purchased under resale agreements	159,700	-	-	-	-	-	2,416	162,116
Financial assets at FVTPL	-	-	-	-	-	-	-	316,590
Financial assets at FVOCI	-	105,061	40,147	60,475	547,833	70,598	50,972	875,086
Financial investments at amortised cost	-	-	-	-	470,821	536,837	7,484	1,015,142
Loans and advances	1,623,348	-	-	-	-	183	-	1,623,531
Clients' and brokers' balances	4,825	-	-	-	-	-	695,623	700,448
Other assets	-	4,108	1,125	-	-	-	71,505	76,738
Derivative assets	-	-	-	-	-	-	-	2,364
Statutory deposits	-	-	-	-	-	-	60,800	60,800
Tax recoverable	-	-	-	-	-	-	17,968	17,968
Deferred tax assets	-	-	-	-	-	-	14,477	14,477
Investments in subsidiaries	-	-	-	-	-	-	507,059	507,059
Investments in associates and joint venture	-	-	-	-	-	-	5,028	5,028
Right-of-use assets	-	-	-	-	-	-	8,603	8,603
Property, plant and equipment	-	-	-	-	-	-	15,919	15,919
Goodwill and other intangible assets	-	-	-	-	-	-	400,633	400,633
TOTAL ASSETS	2,717,511	109,169	41,272	60,475	1,018,654	607,618	2,153,813	7,027,466

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Market risk (continued)

Interest rate risk (continued)

The table below summarises the Bank's exposure to interest rate risk. The carrying amount of assets and liabilities (includes non-financial instruments) are categorised by the earlier of contractual re-pricing or maturity dates: (continued)

Bank	Non-trading book						Trading book	Total
	Up to 1 month	>1-3 months	>3-6 months	>6-12 months	>1-3 years	Over 3 years	Non-interest sensitive	
2024	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
LIABILITIES								
Deposits from customers	892,522	271,579	175,000	-	-	-	3,321	1,342,422
Deposits and placements of banks and other financial institutions	844,524	1,234,000	480,000	-	-	-	15,828	2,574,352
Obligations on securities sold under repurchase agreements	-	-	99,545	-	-	-	668	100,213
Clients' and brokers' balances	-	-	-	-	-	-	796,134	796,134
Other liabilities	-	-	-	-	-	-	256,686	256,686
Derivative liabilities	-	-	-	-	-	-	-	44,599
Lease liabilities	402	702	1,007	1,866	4,745	-	-	8,722
Subordinated obligations	-	-	-	-	100,000	-	1,085	101,085
TOTAL LIABILITIES	1,737,448	1,506,281	755,552	1,866	104,745	-	1,073,722	5,224,213
Total equity	-	-	-	-	-	-	1,803,253	1,803,253
TOTAL LIABILITIES AND EQUITY	1,737,448	1,506,281	755,552	1,866	104,745	-	2,876,975	7,027,466
On-balance sheet interest sensitivity gap	980,063	(1,397,112)	(714,280)	58,609	913,909	607,618	-	-
Off-balance sheet interest sensitivity gap	-	-	-	-	-	-	-	-
TOTAL INTEREST SENSITIVITY GAP	980,063	(1,397,112)	(714,280)	58,609	913,909	607,618	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Market risk (continued)

Interest rate risk (continued)

The table below summarises the Bank's exposure to interest rate risk. The carrying amount of assets and liabilities (includes non-financial instruments) are categorised by the earlier of contractual re-pricing or maturity dates: (continued)

Bank	Non-trading book						Trading book	Total
	Up to 1 month	>1-3 months	>3-6 months	>6-12 months	>1-3 years	Over 3 years	Non-interest sensitive	
2023	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
ASSETS								
Cash and short-term funds	1,344,391	-	-	-	-	-	333,852	1,678,243
Financial assets at FVTPL	-	-	-	-	-	-	136,475	136,475
Financial assets at FVOCI	249,700	54,902	-	-	59,394	100,155	41,633	505,784
Financial investments at amortised cost	-	30,124	-	34,832	411,427	417,103	6,525	900,011
Loans and advances	1,436,739	-	-	-	-	219	-	1,436,958
Clients' and brokers' balances	6,531	-	-	-	-	-	1,102,208	1,108,739
Other assets	-	3,986	1,093	-	-	-	77,413	82,492
Derivative assets	-	-	-	-	-	-	-	5,621
Statutory deposits	-	-	-	-	-	-	53,700	53,700
Tax recoverable	-	-	-	-	-	-	37,196	37,196
Deferred tax assets	-	-	-	-	-	-	12,391	12,391
Investments in subsidiaries	-	-	-	-	-	-	715,344	715,344
Investments in associates and joint venture	-	-	-	-	-	-	5,028	5,028
Right-of-use assets	-	-	-	-	-	-	5,494	5,494
Property, plant and equipment	-	-	-	-	-	-	15,601	15,601
Goodwill and other intangible assets	-	-	-	-	-	-	402,401	402,401
TOTAL ASSETS	3,037,361	89,012	1,093	34,832	470,821	517,477	2,808,786	7,101,478

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Market risk (continued)

Interest rate risk (continued)

The table below summarises the Bank's exposure to interest rate risk. The carrying amount of assets and liabilities (includes non-financial instruments) are categorised by the earlier of contractual re-pricing or maturity dates: (continued)

Bank	Non-trading book						Trading book	Total
	Up to 1 month	>1-3 months	>3-6 months	>6-12 months	>1-3 years	Over 3 years	Non-interest sensitive	
2023	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
LIABILITIES								
Deposits from customers	470,130	654,600	-	-	-	-	2,652	1,127,382
Deposits and placements of banks and other financial institutions	570,457	1,688,830	-	-	-	-	11,288	2,270,575
Obligations on securities sold under repurchase agreements	366,799	-	-	-	-	-	2,786	369,585
Clients' and brokers' balances	-	-	-	-	-	-	1,207,638	1,207,638
Other liabilities	-	-	-	-	-	-	200,141	200,141
Derivative liabilities	-	-	-	-	-	-	-	60,210
Lease liabilities	344	690	1,026	1,571	1,993	12	-	5,636
Subordinated obligations	-	-	-	-	-	100,000	1,097	101,097
TOTAL LIABILITIES	1,407,730	2,344,120	1,026	1,571	1,993	100,012	1,425,602	5,342,264
Total equity	-	-	-	-	-	-	1,759,214	1,759,214
TOTAL LIABILITIES AND EQUITY	1,407,730	2,344,120	1,026	1,571	1,993	100,012	3,184,816	7,101,478
On-balance sheet interest sensitivity gap	1,629,631	(2,255,108)	67	33,261	468,828	417,465	-	-
Off-balance sheet interest sensitivity gap	-	-	-	-	-	-	-	-
TOTAL INTEREST SENSITIVITY GAP	1,629,631	(2,255,108)	67	33,261	468,828	417,465	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Liquidity risk

Liquidity obligations arise from withdrawals of deposits, repayments of purchased funds upon maturity, extensions of credit and working capital needs. The Group and the Bank have adopted BNM's liquidity standard on Liquidity Coverage Ratio, to ensure maintenance of adequate stock of unencumbered high-quality liquid assets to survive the liquidity needs for 30 calendar day under liquidity stress condition; as well as Net Stable Funding Ratio ("NSFR") which requires the maintenance of stable funding profile to support their assets and off-balance sheet activities. Both the LCR and NSFR at RHB Banking Group level have been maintained at above 100% since their adoption.

The Group and the Bank seek to project, monitor and manage its liquidity needs under normal as well as adverse circumstances. The Group and the Bank did not have any defaults of principal and interest or other breaches with respect to its borrowings and subordinated obligations during the financial years ended 31 December 2024 and 2023.

The table below analyses the carrying amount of assets and liabilities (includes non-financial instruments) based on the remaining contractual maturity:

Group	Up to 1	1 week to	1 to 3	3 to 6	6 to 12	Over 1	No specific	Total
2024	week	1 month	months	months	months	year	maturity	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
ASSETS								
Cash and short-term funds	1,042,972	612,161	-	-	-	-	-	1,655,133
Securities purchased under resale agreements	17,252	176,336	27,883	-	-	-	-	221,471
Deposits and placements with banks and other financial institutions	-	-	63,222	66,626	106,393	-	-	236,241
Financial assets at FVTPL	-	-	-	-	-	873,279	337,423	1,210,702
Financial assets at FVOCI	-	-	106,742	40,335	60,731	623,764	48,938	880,510
Financial investments at amortised cost	-	-	-	-	-	1,015,142	-	1,015,142
Loans and advances	1,788,579	2	5	7	15	154	-	1,788,762
Clients' and brokers' balances	734,537	17,710	-	-	-	-	2,767	755,014
Other assets	149,875	48,809	7,539	848	2,282	1,641	12,884	223,878
Derivative assets	18	-	953	279	1,114	-	-	2,364
Statutory deposits	-	-	-	-	-	-	65,242	65,242
Tax recoverable	-	-	-	-	-	-	18,366	18,366
Deferred tax assets	-	-	-	-	-	-	22,703	22,703
Investments in associates and joint venture	-	-	-	-	-	-	22,281	22,281
Right-of-use assets	-	-	-	-	-	-	21,119	21,119
Property, plant and equipment	-	-	-	-	-	-	26,873	26,873
Goodwill and other intangible assets	-	-	-	-	-	-	484,350	484,350
TOTAL ASSETS	3,733,233	855,018	206,344	108,095	170,535	2,513,980	1,062,946	8,650,151

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Liquidity risk (continued)

The table below analyses the carrying amount of assets and liabilities (includes non-financial instruments) based on the remaining contractual maturity: (continued)

Group	Up to 1	1 week to	1 to 3	3 to 6	6 to 12	Over 1	No specific	Total
2024	week	1 month	months	months	months	year	maturity	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
LIABILITIES								
Deposits from customers	251,235	643,495	272,405	175,287	-	-	-	1,342,422
Deposits and placements of banks and other financial institutions	281,412	571,037	1,240,081	481,822	-	-	-	2,574,352
Obligations on securities sold under repurchase agreements	-	-	-	100,213	-	-	-	100,213
Clients' and brokers' balances	484,790	356,925	-	-	-	-	-	841,715
Other liabilities	376,170	236,683	106,955	31	154	1,398	1,588	722,979
Derivative liabilities	9	10,288	7,959	14,470	12,898	7	-	45,631
Tax liabilities	-	-	-	-	-	-	7,287	7,287
Lease liabilities	131	365	1,341	1,737	3,299	14,028	-	20,901
Borrowings	72,215	458	-	-	-	402,317	-	474,990
Subordinated obligations	-	-	-	1,085	-	100,000	-	101,085
TOTAL LIABILITIES	1,465,962	1,819,251	1,628,741	774,645	16,351	517,750	8,875	6,231,575
Total equity	-	-	-	-	-	-	2,418,576	2,418,576
TOTAL LIABILITIES AND EQUITY	1,465,962	1,819,251	1,628,741	774,645	16,351	517,750	2,427,451	8,650,151

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Liquidity risk (continued)

The table below analyses the carrying amount of assets and liabilities (includes non-financial instruments) based on the remaining contractual maturity: (continued)

Group	Up to 1	1 week to	1 to 3	3 to 6	6 to 12	Over 1	No specific	Total
2023	week	1 month	months	months	months	year	maturity	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
ASSETS								
Cash and short-term funds	1,982,697	98,907	-	-	-	-	-	2,081,604
Deposits and placements with banks and other financial institutions	-	-	86,769	60,421	75,940	-	-	223,130
Financial assets at FVTPL	-	-	-	-	-	758,859	226,254	985,113
Financial assets at FVOCI	-	249,700	54,973	-	-	160,586	45,789	511,048
Financial investments at amortised cost	-	-	30,492	-	35,104	834,415	-	900,011
Loans and advances	1,876,726	3	5	8	16	187	-	1,876,945
Clients' and brokers' balances	1,181,302	19,341	-	-	-	-	2,370	1,203,013
Other assets	26,976	71,318	5,076	611	2,272	1,365	14,803	122,421
Derivative assets	21	-	120	50	5,831	-	-	6,022
Statutory deposits	-	-	-	-	-	-	58,201	58,201
Tax recoverable	-	-	-	-	-	-	37,591	37,591
Deferred tax assets	-	-	-	-	-	-	20,944	20,944
Investments in associates and joint venture	-	-	-	-	-	-	13,139	13,139
Investment property	-	-	-	-	-	-	3,357	3,357
Right-of-use assets	-	-	-	-	-	-	16,135	16,135
Property, plant and equipment	-	-	-	-	-	-	30,616	30,616
Goodwill and other intangible assets	-	-	-	-	-	-	497,986	497,986
TOTAL ASSETS	5,067,722	439,269	177,435	61,090	119,163	1,755,412	967,185	8,587,276

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Liquidity risk (continued)

The table below analyses the carrying amount of assets and liabilities (includes non-financial instruments) based on the remaining contractual maturity: (continued)

Group	Up to 1	1 week to	1 to 3	3 to 6	6 to 12	Over 1	No specific	Total
2023	week	1 month	months	months	months	year	maturity	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
LIABILITIES								
Deposits from customers	89,778	381,920	655,684	-	-	-	-	1,127,382
Deposits and placements of banks and other financial institutions	120,526	454,320	1,695,729	-	-	-	-	2,270,575
Obligations on securities sold under repurchase agreements	-	369,585	-	-	-	-	-	369,585
Clients' and brokers' balances	1,018,131	267,231	-	-	-	-	-	1,285,362
Other liabilities	243,493	152,491	109,806	29	290	369	1,604	508,082
Derivative liabilities	25	-	5,437	18,898	38,683	-	-	63,043
Tax liabilities	-	-	-	-	-	-	3,901	3,901
Lease liabilities	142	536	1,862	2,319	3,531	7,634	-	16,024
Borrowings	46,572	93,696	27,570	-	-	422,242	-	590,080
Subordinated obligations	-	-	-	1,097	-	100,000	-	101,097
TOTAL LIABILITIES	1,518,667	1,719,779	2,496,088	22,343	42,504	530,245	5,505	6,335,131
Total equity	-	-	-	-	-	-	2,252,145	2,252,145
TOTAL LIABILITIES AND EQUITY	1,518,667	1,719,779	2,496,088	22,343	42,504	530,245	2,257,650	8,587,276

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Liquidity risk (continued)

The table below analyses the carrying amount of assets and liabilities (includes non-financial instruments) based on the remaining contractual maturity: (continued)

Bank	Up to 1	1 week to	1 to 3	3 to 6	6 to 12	Over 1	No specific	Total
2024	week	1 month	months	months	months	year	maturity	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
ASSETS								
Cash and short-term funds	688,890	536,074	-	-	-	-	-	1,224,964
Securities purchased under resale agreements	-	162,116	-	-	-	-	-	162,116
Financial assets at FVTPL	-	-	-	-	-	-	316,590	316,590
Financial assets at FVOCI	-	-	106,742	40,335	60,731	623,764	43,514	875,086
Financial investments at amortised cost	-	-	-	-	-	1,015,142	-	1,015,142
Loans and advances	1,623,348	2	5	7	15	154	-	1,623,531
Clients' and brokers' balances	696,341	1,340	-	-	-	-	2,767	700,448
Other assets	5,222	23,703	37,666	478	342	614	8,713	76,738
Derivative assets	18	-	953	279	1,114	-	-	2,364
Statutory deposits	-	-	-	-	-	-	60,800	60,800
Tax recoverable	-	-	-	-	-	-	17,968	17,968
Deferred tax assets	-	-	-	-	-	-	14,477	14,477
Investments in subsidiaries	-	-	-	-	-	-	507,059	507,059
Investments in associates and joint venture	-	-	-	-	-	-	5,028	5,028
Right-of-use assets	-	-	-	-	-	-	8,603	8,603
Property, plant and equipment	-	-	-	-	-	-	15,919	15,919
Goodwill and other intangible assets	-	-	-	-	-	-	400,633	400,633
TOTAL ASSETS	3,013,819	723,235	145,366	41,099	62,202	1,639,674	1,402,071	7,027,466

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Liquidity risk (continued)

The table below analyses the carrying amount of assets and liabilities (includes non-financial instruments) based on the remaining contractual maturity: (continued)

Bank	Up to 1	1 week to	1 to 3	3 to 6	6 to 12	Over 1	No specific	Total
2024	week	1 month	months	months	months	year	maturity	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
LIABILITIES								
Deposits from customers	251,235	643,495	272,405	175,287	-	-	-	1,342,422
Deposits and placements of banks and other financial institutions	281,412	571,037	1,240,081	481,822	-	-	-	2,574,352
Obligations on securities sold under repurchase agreements	-	-	-	100,213	-	-	-	100,213
Clients' and brokers' balances	484,790	311,344	-	-	-	-	-	796,134
Other liabilities	20,110	200,462	34,481	-	-	45	1,588	256,686
Derivative liabilities	9	10,288	7,767	13,792	12,743	-	-	44,599
Lease liabilities	131	270	702	1,007	1,867	4,745	-	8,722
Subordinated obligations	-	-	-	1,085	-	100,000	-	101,085
TOTAL LIABILITIES	1,037,687	1,736,896	1,555,436	773,206	14,610	104,790	1,588	5,224,213
Total equity	-	-	-	-	-	-	1,803,253	1,803,253
TOTAL LIABILITIES AND EQUITY	1,037,687	1,736,896	1,555,436	773,206	14,610	104,790	1,804,841	7,027,466

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Liquidity risk (continued)

The table below analyses the carrying amount of assets and liabilities (includes non-financial instruments) based on the remaining contractual maturity: (continued)

Bank	Up to 1 week	1 week to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Over 1 year	No specific maturity	Total
2023	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
ASSETS								
Cash and short-term funds	1,641,713	36,530	-	-	-	-	-	1,678,243
Financial assets at FVTPL	-	-	-	-	-	-	136,475	136,475
Financial assets at FVOCI	-	249,700	54,974	-	-	160,586	40,524	505,784
Financial investments at amortised cost	-	-	30,492	-	35,104	834,415	-	900,011
Loans and advances	1,436,739	3	5	8	16	187	-	1,436,958
Clients' and brokers' balances	1,104,987	1,382	-	-	-	-	2,370	1,108,739
Other assets	7,730	27,934	36,832	319	1	566	9,110	82,492
Derivative assets	21	-	-	-	5,600	-	-	5,621
Statutory deposits	-	-	-	-	-	-	53,700	53,700
Tax recoverable	-	-	-	-	-	-	37,196	37,196
Deferred tax assets	-	-	-	-	-	-	12,391	12,391
Investments in subsidiaries	-	-	-	-	-	-	715,344	715,344
Investments in associates and joint venture	-	-	-	-	-	-	5,028	5,028
Right-of-use assets	-	-	-	-	-	-	5,494	5,494
Property, plant and equipment	-	-	-	-	-	-	15,601	15,601
Goodwill and other intangible assets	-	-	-	-	-	-	402,401	402,401
TOTAL ASSETS	4,191,190	315,549	122,303	327	40,721	995,754	1,435,634	7,101,478

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Liquidity risk (continued)

The table below analyses the carrying amount of assets and liabilities (includes non-financial instruments) based on the remaining contractual maturity: (continued)

Bank	Up to 1	1 week to	1 to 3	3 to 6	6 to 12	Over 1	No specific	Total
2023	week	1 month	months	months	months	year	maturity	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
LIABILITIES								
Deposits from customers	89,778	381,920	655,684	-	-	-	-	1,127,382
Deposits and placements of banks and other financial institutions	120,526	454,320	1,695,729	-	-	-	-	2,270,575
Obligations on securities sold under repurchase agreements	-	369,585	-	-	-	-	-	369,585
Clients' and brokers' balances	990,549	217,089	-	-	-	-	-	1,207,638
Other liabilities	13,993	145,159	39,337	-	-	47	1,605	200,141
Derivative liabilities	25	-	5,421	16,131	38,633	-	-	60,210
Lease liabilities	86	258	690	1,026	1,571	2,005	-	5,636
Subordinated obligations	-	-	-	1,097	-	100,000	-	101,097
TOTAL LIABILITIES	1,214,957	1,568,331	2,396,861	18,254	40,204	102,052	1,605	5,342,264
Total equity	-	-	-	-	-	-	1,759,214	1,759,214
TOTAL LIABILITIES AND EQUITY	1,214,957	1,568,331	2,396,861	18,254	40,204	102,052	1,760,819	7,101,478

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Liquidity risk (continued)

The following table presents the cash outflows for the Group's financial liabilities by remaining contractual maturities on an undiscounted basis. The balances in the table below will not agree to the balances reported in the statements of financial position as the table incorporates all contractual cash flows, on an undiscounted basis, relating to both principal and interest payments:

Group	Up to	1 to 6	6 to 12	1 to 3	3 to 5	Over 5	Total
2024	1 month	months	months	years	years	years	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
LIABILITIES							
Deposits from customers	896,132	451,274	-	-	-	-	1,347,406
Deposits and placements of banks and other financial institutions	853,425	1,733,066	-	-	-	-	2,586,491
Obligations on securities sold under repurchase agreements	-	101,282	-	-	-	-	101,282
Clients' and brokers' balances	841,715	-	-	-	-	-	841,715
Other financial liabilities	614,441	106,986	154	1,353	-	45	722,979
Derivative liabilities:							
- Gross settled derivatives							
- Inflow	(20,591)	-	-	-	-	-	(20,591)
- Outflow	20,600	-	-	-	-	-	20,600
- Net settled derivatives	10,288	22,429	12,898	7	-	-	45,622
Lease liabilities	497	3,207	3,459	10,086	3,374	1,113	21,736
Borrowings	72,674	-	-	402,795	-	-	475,469
Subordinated obligations	-	2,219	2,231	108,912	-	-	113,362
TOTAL FINANCIAL LIABILITIES	3,289,181	2,420,463	18,742	523,153	3,374	1,158	6,256,071

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Liquidity risk (continued)

The following table presents the cash outflows for the Group's financial liabilities by remaining contractual maturities on an undiscounted basis. The balances in the table below will not agree to the balances reported in the statements of financial position as the table incorporates all contractual cash flows, on an undiscounted basis, relating to both principal and interest payments: (continued)

Group 2023	Up to 1 month RM'000	1 to 6 months RM'000	6 to 12 months RM'000	1 to 3 years RM'000	3 to 5 years RM'000	Over 5 years RM'000	Total RM'000
LIABILITIES							
Deposits from customers	472,324	658,543	-	-	-	-	1,130,867
Deposits and placements of banks and other financial institutions	575,703	1,705,911	-	-	-	-	2,281,614
Obligations on securities sold under repurchase agreements	369,850	-	-	-	-	-	369,850
Clients' and brokers' balances	1,285,362	-	-	-	-	-	1,285,362
Other financial liabilities	385,178	109,835	290	321	-	47	495,671
Derivative liabilities:							
- Gross settled derivatives							
- Inflow	(14,588)	-	-	-	-	-	(14,588)
- Outflow	14,615	-	-	-	-	-	14,615
- Net settled derivatives	-	24,336	38,683	-	-	-	63,019
Lease liabilities	713	4,352	3,670	6,051	407	1,340	16,533
Borrowings	140,268	27,570	-	423,151	-	-	590,989
Subordinated obligations	-	2,231	2,231	8,924	104,438	-	117,824
TOTAL FINANCIAL LIABILITIES	3,229,425	2,532,778	44,874	438,447	104,845	1,387	6,351,756

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Liquidity risk (continued)

The following table presents the cash outflows for the Bank's financial liabilities by remaining contractual maturities on an undiscounted basis. The balances in the table below will not agree to the balances reported in the statements of financial position as the table incorporates all contractual cash flows, on an undiscounted basis, relating to both principal and interest payments:

Bank 2024	Up to 1 month RM'000	1 to 6 months RM'000	6 to 12 months RM'000	1 to 3 years RM'000	3 to 5 years RM'000	Over 5 years RM'000	Total RM'000
LIABILITIES							
Deposits from customers	896,132	451,274	-	-	-	-	1,347,406
Deposits and placements of banks and other financial institutions	853,425	1,733,066	-	-	-	-	2,586,491
Obligations on securities sold under repurchase agreements	-	101,282	-	-	-	-	101,282
Clients' and brokers' balances	796,134	-	-	-	-	-	796,134
Other financial liabilities	222,160	34,481	-	-	-	45	256,686
Derivative liabilities:							
- Gross settled derivatives							
- Inflow	(20,591)	-	-	-	-	-	(20,591)
- Outflow	20,600	-	-	-	-	-	20,600
- Net settled derivatives	10,288	21,559	12,743	-	-	-	44,590
Lease liabilities	402	1,838	2,027	4,906	-	-	9,173
Subordinated obligations	-	2,219	2,231	108,912	-	-	113,362
TOTAL FINANCIAL LIABILITIES	2,778,550	2,345,719	17,001	113,818	-	45	5,255,133

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Liquidity risk (continued)

The following table presents the cash outflows for the Bank's financial liabilities by remaining contractual maturities on an undiscounted basis. The balances in the table below will not agree to the balances reported in the statements of financial position as the table incorporates all contractual cash flows, on an undiscounted basis, relating to both principal and interest payments: (continued)

Bank	Up to	1 to 6	6 to 12	1 to 3	3 to 5	Over 5	Total
2023	1 month	months	months	years	years	years	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
LIABILITIES							
Deposits from customers	472,324	658,543	-	-	-	-	1,130,867
Deposits and placements of banks and other financial institutions	575,703	1,705,911	-	-	-	-	2,281,614
Obligations on securities sold under repurchase agreements	369,850	-	-	-	-	-	369,850
Clients' and brokers' balances	1,207,638	-	-	-	-	-	1,207,638
Other financial liabilities	160,757	39,337	-	-	-	47	200,141
Derivative liabilities:							
- Gross settled derivatives							
- Inflow	(14,588)	-	-	-	-	-	(14,588)
- Outflow	14,615	-	-	-	-	-	14,615
- Net settled derivatives	-	21,553	38,633	-	-	-	60,186
Lease liabilities	362	1,792	1,630	2,060	12	-	5,856
Subordinated obligations	-	2,231	2,231	8,924	104,438	-	117,824
TOTAL FINANCIAL LIABILITIES	2,786,661	2,429,367	42,494	10,984	104,450	47	5,374,003

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Liquidity risk (continued)

The following table presents the contractual expiry by maturity of the Group's commitments and contingencies:

Group	Up to	1 to 6	6 to 12	1 to 3	3 to 5	Over	Total
2024	1 month	months	months	years	years	5 years	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Direct credit substitutes	-	-	-	-	-	30,418	30,418
Lending of banks' securities or the posting of securities as collateral by banks, including instances where these arise out of repo-style transactions	-	102,327	-	-	-	-	102,327
Irrevocable commitments to extend credit	-	1,189,660	-	-	-	22	1,189,682
TOTAL COMMITMENTS AND CONTINGENCIES	-	1,291,987	-	-	-	30,440	1,322,427
Group							
2023							
Direct credit substitutes	-	-	-	-	-	33,166	33,166
Lending of banks' securities or the posting of securities as collateral by banks, including instances where these arise out of repo-style transactions	-	388,784	-	-	-	-	388,784
Irrevocable commitments to extend credit	-	1,193,334	-	-	-	22	1,193,356
TOTAL COMMITMENTS AND CONTINGENCIES	-	1,582,118	-	-	-	33,188	1,615,306

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Liquidity risk (continued)

The following table presents the contractual expiry by maturity of the Bank's commitments and contingencies:

Bank	Up to	1 to 6	6 to 12	1 to 3	3 to 5	Over	Total
2024	1 month	months	months	years	years	5 years	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Direct credit substitutes	-	-	-	-	-	30,418	30,418
Lending of banks' securities or the posting of securities as collateral by banks, including instances where these arise out of repo-style transactions	-	102,327	-	-	-	-	102,327
Irrevocable commitments to extend credit	-	1,064,009	-	-	-	22	1,064,031
TOTAL COMMITMENTS AND CONTINGENCIES	-	1,166,336	-	-	-	30,440	1,196,776
Bank							
2023							
Direct credit substitutes	-	-	-	-	-	33,166	33,166
Lending of banks' securities or the posting of securities as collateral by banks, including instances where these arise out of repo-style transactions	-	388,784	-	-	-	-	388,784
Irrevocable commitments to extend credit	-	867,684	-	-	-	22	867,706
TOTAL COMMITMENTS AND CONTINGENCIES	-	1,256,468	-	-	-	33,188	1,289,656

Undrawn loans and advances commitments are recognised at activation stage and include commitments which are unconditionally cancellable by the Group and the Bank. The Group and the Bank expect that not all of the contingent liabilities and undrawn loan and financing commitments will be drawn before expiry.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Credit risk

(i) Maximum exposure to credit risk

The maximum exposure to credit risk at the statements of financial position is the amounts on the statements of financial position as well as off-balance sheet financial instruments, without taking into account of any collateral held or other credit enhancements. For contingent liabilities, the maximum exposure to credit risk is the maximum amount that the Group and the Bank would have to pay if the obligations of the instruments issued are called upon. For credit commitments, the maximum exposure to credit risk is the full amount of the undrawn credit facilities granted to customers.

The table below shows the credit exposure of the Group that are subject to impairment:

	2024	Group 2023
	RM'000	RM'000
Credit risk exposure relating to on-balance sheet assets:		
Short-term funds (exclude cash in hand)	1,655,037	2,081,502
Securities purchased under resale agreements	221,471	-
Deposits and placements with banks and other financial institutions	236,241	223,130
Financial assets and investments portfolios (exclude equity instruments):		
- FVOCI	831,572	465,260
- Amortised cost	1,015,142	900,011
Loans and advances	1,788,762	1,876,945
Clients' and brokers' balances	755,014	1,203,013
Other financial assets	213,157	108,222
	6,716,396	6,858,083
Credit risk exposure relating to off-balance sheet items:		
Commitments and contingencies	1,322,427	1,615,306
Total maximum credit risk exposure that are subject to impairment	8,038,823	8,473,389

The table below shows the credit exposure of the Group that are not subject to impairment:

Financial assets and investments portfolios:

FVTPL	1,210,702	985,113
FVOCI	48,938	45,788
Derivative assets	2,364	6,022
Other financial assets	229	2,089
	1,262,233	1,039,012

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Credit risk (continued)

(i) Maximum exposure to credit risk (continued)

The table below shows the credit exposure of the Bank that are subject to impairment:

	2024	Bank 2023
	RM'000	RM'000
Credit risk exposure relating to on-balance sheet assets:		
Short-term funds (exclude cash in hand)	1,224,899	1,678,180
Securities purchased under resale agreements	162,116	-
Financial assets and investments portfolios (exclude equity instruments):		
- FVOCI	831,572	465,260
- Amortised cost	1,015,142	900,011
Loans and advances	1,623,531	1,436,958
Clients' and brokers' balances	700,448	1,108,739
Other financial assets	70,507	75,861
	5,628,215	5,665,009
Credit risk exposure relating to off-balance sheet items:		
Commitments and contingencies	1,196,776	1,289,656
Total maximum credit risk exposure that are subject to impairment	6,824,991	6,954,665

The below shows the credit exposure of the Bank that are not subject to impairment:

Financial assets and investments portfolios:

FVTPL	316,590	136,475
FVOCI	43,514	40,524
Derivative assets	2,364	5,621
Other financial assets	97	104
	362,565	182,724

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Credit risk (continued)

(ii) Collaterals

The main types of collateral obtained by the Group and the Bank such as cash deposits, shares and unit trusts, land and buildings.

The Group and the Bank also accept non-tangible securities such as credit support, such as guarantees from individuals, corporates and institutions, charge over lease, which are subject to internal guidelines on eligibility.

The financial effect of collateral (quantification of the extent to which collateral and other credit enhancements mitigate credit risk) held for loans and advances as at 31 December 2024 for the Group and the Bank are 100.0% (2023: 100.0%) and 100.0% (2023: 100.0%) respectively and clients' and brokers' balances as at 31 December 2024 for the Group and the Bank are 99.4% (2023: 99.6%) and 99.4% (2023: 99.6%) respectively. The financial effect of collateral held for the other financial assets are insignificant.

(iii) Credit exposure by stage

Financial assets of the Group and the Bank are classified into three stages as below:

<u>Stages</u>	<u>Description</u>
- Stage 1: 12-month ECL - not credit impaired	For credit exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the ECL associated with the probability of default events occurring within the next 12 months will be recognised.
- Stage 2: Lifetime ECL - not credit impaired	For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, the ECL associated with the probability of default events occurring within the lifetime ECL will be recognised.
- Stage 3: Lifetime ECL - credit impaired	Financial assets are assessed as credit impaired when one or more objective evidence of defaults that have a detrimental impact on the estimated future cash flows of that asset have occurred. For financial assets that have become credit impaired, a lifetime ECL will be recognised.

For further details on the stages, refer to accounting policy Section A(20).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Credit risk (continued)

(iv) Credit quality

The Group and the Bank assess credit quality of loans and advances using internal rating techniques tailored to the various categories of products and counterparties. These techniques have been developed internally and combine statistical analysis with credit officers' judgement.

Credit quality description is summarised as follows:

<u>Credit Quality</u>	<u>Description</u>
- Sovereign	Exposures directly from government bodies including exposure guaranteed by government
- Good	Exposures exhibit strong capacity to meet financial commitments with no cause of concern to the Group and the Bank
- Fair	Exposures exhibit fairly acceptable capacity to meet financial commitments and may require varying degrees of concern to the Group and the Bank
- No Rating	Counterparties which do not satisfy the criteria to be rated based on internal credit rating system
- Credit-impaired	When one or more objective evidence of defaults that have a detrimental impact on the estimated future cash flows have occurred

The credit quality of financial assets other than loans and advances are determined based on the ratings of counterparties as defined by Moody's or equivalent ratings of other international rating agencies as defined below:

<u>Credit Quality</u>	<u>Ratings</u>
- Sovereign	Sovereign credit rating
- Good	Aaa to A3
- Fair	Baa1 to Baa3
- No Rating	Unrated
- Credit-impaired	Default

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Credit risk (continued)

(iv) Credit quality (continued)

(a) The following table shows an analysis of the credit exposure by stages, together with the ECL allowance provision:

Group 2024	Gross Carrying Amount						Provision for ECL RM'000
	Sovereign	Good	Fair	No rating	Credit- impaired	Total	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
General Approach							
Cash and short-term funds	-	1,564,654	31,144	59,800	-	1,655,598	(561)
- Stage 1	-	1,564,654	31,144	59,800	-	1,655,598	(561)
- Stage 2	-	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-	-
Securities purchased under resale agreements	-	162,116	-	59,355	-	221,471	-
- Stage 1	-	162,116	-	59,355	-	221,471	-
- Stage 2	-	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-	-
Deposits and placements with banks and other financial institutions	-	235,317	-	935	-	236,252	(11)
- Stage 1	-	235,317	-	935	-	236,252	(11)
- Stage 2	-	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-	-
Financial assets at FVOCI	831,572	-	-	-	-	831,572	-
- Stage 1	831,572	-	-	-	-	831,572	-
- Stage 2	-	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-	-
Financial investments at amortised cost	1,015,142	-	-	-	67,589	1,082,731	(67,589)
- Stage 1	1,015,142	-	-	-	-	1,015,142	-
- Stage 2	-	-	-	-	-	-	-
- Stage 3	-	-	-	-	67,589	67,589	(67,589)
Loans and advances	-	1,623,348	-	165,415	1	1,788,764	(2)
- Stage 1	-	1,623,128	-	165,415	-	1,788,543	(1)
- Stage 2	-	220	-	-	-	220	-
- Stage 3	-	-	-	-	1	1	(1)
	1,846,714	3,585,435	31,144	285,505	67,590	5,816,388	(68,163)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Credit risk (continued)

(iv) Credit quality (continued)

(a) The following table shows an analysis of the credit exposure by stages, together with the ECL allowance provision:
(continued)

Group 2023	Gross Carrying Amount						Provision for ECL
	Sovereign	Good	Fair	No rating	Credit- impaired	Total	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
General Approach							
Cash and short-term funds	580,143	1,398,827	47,221	55,877	-	2,082,068	(566)
- Stage 1	580,143	1,398,827	47,221	55,877	-	2,082,068	(566)
- Stage 2	-	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-	-
Deposits and placements with banks and other financial institutions	-	208,968	-	14,198	-	223,166	(36)
- Stage 1	-	208,968	-	14,198	-	223,166	(36)
- Stage 2	-	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-	-
Financial assets at FVOCI	465,260	-	-	-	-	465,260	-
- Stage 1	465,260	-	-	-	-	465,260	-
- Stage 2	-	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-	-
Financial investments at amortised cost	900,011	-	-	-	67,744	967,755	(67,744)
- Stage 1	900,011	-	-	-	-	900,011	-
- Stage 2	-	-	-	-	-	-	-
- Stage 3	-	-	-	-	67,744	67,744	(67,744)
Loans and advances	-	1,436,959	-	439,987	-	1,876,946	(1)
- Stage 1	-	1,436,938	-	439,987	-	1,876,925	(1)
- Stage 2	-	21	-	-	-	21	-
- Stage 3	-	-	-	-	-	-	-
	1,945,414	3,044,754	47,221	510,062	67,744	5,615,195	(68,347)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Credit risk (continued)

(iv) Credit quality (continued)

- (a) The following table shows an analysis of the credit exposure by stages, together with the ECL allowance provision:
(continued)

Bank 2024	Gross Carrying Amount					Provision for ECL
	Sovereign RM'000	Good RM'000	Fair RM'000	No rating RM'000	Credit- impaired RM'000	Total RM'000
General Approach						
Cash and short-term funds	-	1,216,553	2	8,399	-	1,224,954
- Stage 1	-	1,216,553	2	8,399	-	1,224,954
- Stage 2	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-
Securities purchased under resale agreements	-	162,116	-	-	-	162,116
- Stage 1	-	162,116	-	-	-	162,116
- Stage 2	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-
Financial assets at FVOCI	831,572	-	-	-	-	831,572
- Stage 1	831,572	-	-	-	-	831,572
- Stage 2	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-
Financial investments at amortised cost	1,015,142	-	-	-	67,589	1,082,731
- Stage 1	1,015,142	-	-	-	-	1,015,142
- Stage 2	-	-	-	-	-	-
- Stage 3	-	-	-	-	67,589	67,589
Loans and advances	-	1,623,348	-	184	1	1,623,533
- Stage 1	-	1,623,128	-	184	-	1,623,312
- Stage 2	-	220	-	-	-	220
- Stage 3	-	-	-	-	1	1
	1,846,714	3,002,017	2	8,583	67,590	4,924,906
						(67,646)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Credit risk (continued)

(iv) Credit quality (continued)

(a) The following table shows an analysis of the credit exposure by stages, together with the ECL allowance provision:
(continued)

Bank 2023	Gross Carrying Amount					Provision for ECL
	Sovereign RM'000	Good RM'000	Fair RM'000	No rating RM'000	Credit- impaired RM'000	Total RM'000
General Approach						
Cash and short-term funds	580,143	1,093,223	3	4,852	-	1,678,221
- Stage 1	580,143	1,093,223	3	4,852	-	1,678,221
- Stage 2	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-
Financial assets at FVOCI	465,260	-	-	-	-	465,260
- Stage 1	465,260	-	-	-	-	465,260
- Stage 2	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-
Financial investments at amortised cost	900,011	-	-	-	67,744	967,755
- Stage 1	900,011	-	-	-	-	900,011
- Stage 2	-	-	-	-	-	-
- Stage 3	-	-	-	-	67,744	67,744
Loans and advances	-	1,436,959	-	-	-	1,436,959
- Stage 1	-	1,436,938	-	-	-	1,436,938
- Stage 2	-	21	-	-	-	21
- Stage 3	-	-	-	-	-	-
	<u>1,945,414</u>	<u>2,530,182</u>	<u>3</u>	<u>4,852</u>	<u>67,744</u>	<u>4,548,195</u>
						<u>(67,786)</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Credit risk (continued)

(iv) Credit quality (continued)

(a) The following table shows an analysis of the credit exposure, together with the ECL allowance provision: (continued)

Simplified Approach	Current RM'000	Current to less than 90 days past due RM'000	More than 90 days past due RM'000	Total RM'000	Provision for ECL RM'000
Group 2024					
Gross carrying amount					
- Clients' and brokers' balances	752,247	1,132	3,419	756,798	(1,784)
- Other receivables	171,065	12,641	16,624	200,330	(14,660)
	<u>923,312</u>	<u>13,773</u>	<u>20,043</u>	<u>957,128</u>	<u>(16,444)</u>
Group 2023					
Gross carrying amount					
- Clients' and brokers' balances	1,200,642	1,519	3,261	1,205,422	(2,409)
- Other receivables	49,164	10,660	15,627	75,451	(14,315)
	<u>1,249,806</u>	<u>12,179</u>	<u>18,888</u>	<u>1,280,873</u>	<u>(16,724)</u>
Bank 2024					
Gross carrying amount					
- Clients' and brokers' balances	697,682	1,132	1,907	700,721	(273)
- Other receivables	8,235	1,694	14,478	24,407	(13,044)
	<u>705,917</u>	<u>2,826</u>	<u>16,385</u>	<u>725,128</u>	<u>(13,317)</u>
Bank 2023					
Gross carrying amount					
- Clients' and brokers' balances	1,106,369	1,518	1,437	1,109,324	(585)
- Other receivables	10,246	860	13,671	24,777	(12,785)
	<u>1,116,615</u>	<u>2,378</u>	<u>15,108</u>	<u>1,134,101</u>	<u>(13,370)</u>

Other assets for the Group and the Bank of RM27,487,000 (2023: RM47,085,000) and RM59,144,000 (2023: RM63,869,000) respectively are non-rated and short-term in nature, of which no provision for ECL is provided, with the exception of the amount due from subsidiaries, of which allowance for ECL of RM6,879,000 (2023: RM6,231,000) is provided.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Credit risk (continued)

(iv) Credit quality (continued)

(b) Credit risk exposure analysed by industry in respect of the Group's financial assets, including commitments and contingencies, are set out below:

Group	Short-term funds and deposits with banks and other financial institutions [^]	Financial assets at FVOCI	Financial investments at amortised cost	Loans and advances [#]	Clients' and brokers' balances [*]	Other financial assets	Commitments and contingencies	Total
2024	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Agriculture, hunting, forestry and fishing	-	-	-	28,668	-	144	504	29,316
Mining and quarrying	-	-	-	2,270	-	-	16	2,286
Manufacturing	-	-	-	8,198	-	736	18,501	27,435
Electricity, gas and water	-	20,634	5,233	295	-	80	5	26,247
Construction	-	65,559	136,025	10,727	-	572	5,714	218,597
Purchase of landed property	-	-	-	-	-	-	18	18
Wholesale & retail trade and restaurants & hotel	-	-	-	10,444	-	349	7,469	18,262
Transport, storage and communication	-	80,758	83,759	4,800	-	977	1,426	171,720
Finance, insurance, real estate and business services	1,891,850	376,701	197,859	402,766	-	157,167	215,175	3,241,518
Government and government agencies	-	287,920	592,266	-	-	-	-	880,186
Household	-	-	-	1,320,595	755,015	-	1,072,450	3,148,060
Education, health & others	-	-	-	-	-	87	1,149	1,236
Others	-	-	-	-	-	53,045	-	53,045
	<u>1,891,850</u>	<u>831,572</u>	<u>1,015,142</u>	<u>1,788,763</u>	<u>755,015</u>	<u>213,157</u>	<u>1,322,427</u>	<u>7,817,926</u>

[^] Excludes Stage 1 expected credit losses amounting to RM572,000.

[#] Excludes Stage 1 expected credit losses amounting to RM1,000.

^{*} Excludes Stage 1 expected credit losses amounting to RM1,000.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Credit risk (continued)

(iv) Credit quality (continued)

(b) Credit risk exposure analysed by industry in respect of the Group's financial assets, including commitments and contingencies, are set out below: (continued)

Group	Short-term funds and deposits with banks and other financial institutions [^]	Financial assets at FVOCI	Financial investments at amortised cost	Loans and advances [#]	Clients' and brokers' balances [*]	Other financial assets	Commitments and contingencies	Total
2023	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Agriculture, hunting, forestry and fishing	-	-	-	4,040	-	145	1,566	5,751
Mining and quarrying	-	-	-	76	-	-	-	76
Manufacturing	-	-	-	30,680	-	409	4,448	35,537
Electricity, gas and water	-	-	-	295	-	623	5	923
Construction	-	-	40,314	10,637	-	126	4,306	55,383
Purchase of landed property	-	-	-	-	-	-	18	18
Wholesale & retail trade and restaurants & hotel	-	-	-	7,366	-	9,689	5,659	22,714
Transport, storage and communication	-	54,876	69,183	4,717	-	-	377	129,153
Finance, insurance, real estate and business services	1,725,091	10,188	197,023	414,881	-	44,767	486,918	2,878,868
Government and government agencies	580,143	400,196	593,491	-	-	-	-	1,573,830
Household	-	-	-	1,401,755	1,203,014	-	1,112,008	3,716,777
Education, health & others	-	-	-	2,499	-	-	1	2,500
Others	-	-	-	-	-	52,463	-	52,463
	<u>2,305,234</u>	<u>465,260</u>	<u>900,011</u>	<u>1,876,946</u>	<u>1,203,014</u>	<u>108,222</u>	<u>1,615,306</u>	<u>8,473,993</u>

[^] Excludes Stage 1 expected credit losses amounting to RM602,000.

[#] Excludes Stage 1 expected credit losses amounting to RM1,000.

^{*} Excludes Stage 1 expected credit losses amounting to RM1,000.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Credit risk (continued)

(iv) Credit quality (continued)

(b) Credit risk exposure analysed by industry in respect of the Bank's financial assets, including commitments and contingencies, are set out below:

Bank	Short-term funds and deposits with banks and other financial institutions [^]	Financial assets at FVOCI	Financial investments at amortised cost	Loans and advances [#]	Clients' and brokers' balances [*]	Other financial assets	Commitments and contingencies	Total
2024	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Agriculture, hunting, forestry and fishing	-	-	-	3,575	-	144	504	4,223
Mining and quarrying	-	-	-	76	-	-	16	92
Manufacturing	-	-	-	8,198	-	736	18,501	27,435
Electricity, gas and water	-	20,634	5,233	295	-	80	5	26,247
Construction	-	65,559	136,025	10,727	-	572	5,131	218,014
Purchase of landed property	-	-	-	-	-	-	18	18
Wholesale & retail trade and restaurants & hotel	-	-	-	10,444	-	349	7,469	18,262
Transport, storage and communication	-	80,758	83,759	4,800	-	977	1,426	171,720
Finance, insurance, real estate and business services	1,224,954	376,701	197,859	374,361	-	255	213,496	2,387,626
Government and government agencies	-	287,920	592,266	-	-	-	-	880,186
Household	-	-	-	1,211,056	700,449	-	949,061	2,860,566
Education, health & others	-	-	-	-	-	87	1,149	1,236
Others	-	-	-	-	-	67,307	-	67,307
	1,224,954	831,572	1,015,142	1,623,532	700,449	70,507	1,196,776	6,662,932

[^] Excludes Stage 1 expected credit losses amounting to RM55,000.

[#] Excludes Stage 1 expected credit losses amounting to RM1,000.

^{*} Excludes Stage 1 expected credit losses amounting to RM1,000.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Credit risk (continued)

(iv) Credit quality (continued)

(b) Credit risk exposure analysed by industry in respect of the Bank's financial assets, including commitments and contingencies, are set out below: (continued)

Bank	Short-term funds and deposits with banks and other financial institutions	Financial assets at FVOCI	Financial investments at amortised cost	Loans and advances	Clients' and brokers' balances	Other financial assets	Commitments and contingencies	Total
2023	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Agriculture, hunting, forestry and fishing	-	-	-	1,025	-	145	1,565	2,735
Mining and quarrying	-	-	-	76	-	-	-	76
Manufacturing	-	-	-	30,680	-	409	4,449	35,538
Electricity, gas and water	-	-	-	295	-	623	5	923
Construction	-	-	40,314	10,637	-	126	4,306	55,383
Purchase of landed property	-	-	-	-	-	-	18	18
Wholesale & retail trade and restaurants & hotel	-	-	-	7,366	-	9,689	2,569	19,624
Transport, storage and communication	-	54,876	69,183	4,717	-	-	377	129,153
Finance, insurance, real estate and business services	1,098,078	10,188	197,023	387,072	-	105	486,522	2,178,988
Government and government agencies	580,143	400,196	593,491	-	-	-	-	1,573,830
Household	-	-	-	992,592	1,108,740	-	789,844	2,891,176
Education, health & others	-	-	-	2,499	-	-	1	2,500
Others	-	-	-	-	-	64,764	-	64,764
	<u>1,678,221</u>	<u>465,260</u>	<u>900,011</u>	<u>1,436,959</u>	<u>1,108,740</u>	<u>75,861</u>	<u>1,289,656</u>	<u>6,954,708</u>

^ Excludes Stage 1 expected credit losses amounting to RM41,000.

Excludes Stage 1 expected credit losses amounting to RM1,000.

* Excludes Stage 1 expected credit losses amounting to RM1,000.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Credit risk (continued)

(iv) Credit quality (continued)

(c) Credit risk exposure analysed by geographical in respect of the Group's financial assets, including commitments and contingencies, are set out below:

Group	Short-term funds and deposits and placements with banks and other financial institutions [^]	Financial assets at FVOCI	Financial investments at amortised cost	Loans and advances [#]	Clients' and brokers' balances [*]	Other financial assets	Commitments and contingencies	Total
2024	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
South East Asia								
- Malaysia	1,788,291	831,572	1,015,142	1,623,532	700,449	202,078	1,196,776	7,357,840
- Singapore	6,875	-	-	-	-	4,877	-	11,752
- Thailand	1,110	-	-	-	-	-	-	1,110
- Indonesia	34,722	-	-	165,231	54,566	5,530	125,651	385,700
- Cambodia	45,402	-	-	-	-	672	-	46,074
East Asia	1,163	-	-	-	-	-	-	1,163
Europe	13,148	-	-	-	-	-	-	13,148
North America	1,139	-	-	-	-	-	-	1,139
	<u>1,891,850</u>	<u>831,572</u>	<u>1,015,142</u>	<u>1,788,763</u>	<u>755,015</u>	<u>213,157</u>	<u>1,322,427</u>	<u>7,817,926</u>

[^] Excludes Stage 1 expected credit losses amounting to RM572,000.

[#] Excludes Stage 1 expected credit losses amounting to RM1,000.

^{*} Excludes Stage 1 expected credit losses amounting to RM1,000.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Credit risk (continued)

(iv) Credit quality (continued)

(c) Credit risk exposure analysed by geographical in respect of the Group's financial assets, including commitments and contingencies, are set out below: (continued)

Group	Short-term funds and deposits and placements with banks and other financial institutions [^]	Financial assets at FVOCI	Financial investments at amortised cost	Loans and advances [#]	Clients' and brokers' balances [*]	Other financial assets	Commitments and contingencies	Total
2023	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
South East Asia								
- Malaysia	2,013,071	465,260	900,011	1,436,959	1,108,740	84,010	1,289,656	7,297,707
- Singapore	12,313	-	-	-	-	1,450	-	13,763
- Thailand	21,256	-	-	285,580	32,649	16,430	148,847	504,762
- Indonesia	49,914	-	-	138,474	59,864	5,764	153,798	407,814
- Cambodia	46,451	-	-	-	-	417	-	46,868
- Vietnam	13,636	-	-	15,933	1,761	151	23,005	54,486
East Asia	2,682	-	-	-	-	-	-	2,682
Europe	144,447	-	-	-	-	-	-	144,447
North America	1,464	-	-	-	-	-	-	1,464
	<u>2,305,234</u>	<u>465,260</u>	<u>900,011</u>	<u>1,876,946</u>	<u>1,203,014</u>	<u>108,222</u>	<u>1,615,306</u>	<u>8,473,993</u>

[^] Excludes Stage 1 expected credit losses amounting to RM602,000.

[#] Excludes Stage 1 expected credit losses amounting to RM1,000.

^{*} Excludes Stage 1 expected credit losses amounting to RM1,000.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Credit risk (continued)

(iv) Credit quality (continued)

(c) Credit risk exposure analysed by geographical in respect of the Bank's financial assets, including commitments and contingencies, are set out below:

Bank	Short-term funds and deposits and placements with banks and other financial institutions [^]	Financial assets at FVOCI	Financial investments at amortised cost	Loans and advances [#]	Clients' and brokers' balances [*]	Other financial assets	Commitments and contingencies	Total
2024	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
South East Asia								
- Malaysia	1,202,244	831,572	1,015,142	1,623,532	700,449	70,507	1,166,358	6,609,804
- Singapore	6,826	-	-	-	-	-	-	6,826
- Thailand	1,110	-	-	-	-	-	-	1,110
- Indonesia	2	-	-	-	-	-	30,418	30,420
East Asia	485	-	-	-	-	-	-	485
Europe	13,148	-	-	-	-	-	-	13,148
North America	1,139	-	-	-	-	-	-	1,139
	1,224,954	831,572	1,015,142	1,623,532	700,449	70,507	1,196,776	6,662,932

[^] Excludes Stage 1 expected credit losses amounting to RM55,000.

[#] Excludes Stage 1 expected credit losses amounting to RM1,000.

^{*} Excludes Stage 1 expected credit losses amounting to RM1,000.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Credit risk (continued)

(iv) Credit quality (continued)

(c) Credit risk exposure analysed by geographical in respect of the Bank's financial assets, including commitments and contingencies, are set out below: (continued)

Bank	Short-term funds and deposits and placements with banks and other financial institutions [^]	Financial assets at FVOCI	Financial investments at amortised cost	Loans and advances [#]	Clients' and brokers' balances [*]	Other financial assets	Commitments and contingencies	Total
2023	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
South East Asia								
- Malaysia	1,524,441	465,260	900,011	1,436,959	1,108,740	75,861	1,256,490	6,767,762
- Singapore	3,358	-	-	-	-	-	-	3,358
- Thailand	2,504	-	-	-	-	-	-	2,504
- Indonesia	3	-	-	-	-	-	33,166	33,169
East Asia	2,004	-	-	-	-	-	-	2,004
Europe	144,447	-	-	-	-	-	-	144,447
North America	1,464	-	-	-	-	-	-	1,464
	<u>1,678,221</u>	<u>465,260</u>	<u>900,011</u>	<u>1,436,959</u>	<u>1,108,740</u>	<u>75,861</u>	<u>1,289,656</u>	<u>6,954,708</u>

[^] Excludes Stage 1 expected credit losses amounting to RM41,000.

[#] Excludes Stage 1 expected credit losses amounting to RM1,000.

^{*} Excludes Stage 1 expected credit losses amounting to RM1,000.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Credit risk (continued)

(v) Write-off policy

The Group and the Bank write off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include (i) ceasing enforcement activity and (ii) where the Group and the Bank's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full.

A write-off constitutes a derecognition event. The Group and the Bank may apply enforcement activities to financial assets written off. Recoveries resulting from the Group and the Bank's enforcement activities will be written back as bad debts recovered in the income statements.

There were no contractual amount outstanding on loans and advances and clients' and brokers' balances that were written off during the financial year ended 31 December 2024, and not subject to enforcement activities.

(vi) Modification of contractual cash flows

Where the original contractual terms of a financial asset have been modified for credit reasons and the instrument has not been derecognised, the resulting modification loss is recognised as net modification loss in the income statements with a corresponding decrease in the gross carrying value of the asset. If the modification involved a concession that the Group and the Bank would not otherwise consider, the instrument is considered to be credit-impaired and is considered forborne.

ECL for modified financial assets that have not been derecognised and are not considered to be credit-impaired will be recognised on a 12-month basis, or a lifetime basis, if there is a significant increase in credit risk. These assets are assessed to determine whether there has been a significant increase in credit risk subsequent to the modification.

Although loans and advances may be modified for non-credit reasons, a significant increase in credit risk may occur. The Group and the Bank may determine that the credit risk has significantly improved after restructuring, so that the assets are moved from stage 3 or stage 2 to stage 1. This is only the case for assets which have been monitored for consecutive six months observation period or more. During the current financial year, there was no modification of contractual cash flows for loans and advances.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(f) Offsetting financial assets and financial liabilities

The Group and the Bank report financial assets and financial liabilities on a net basis on the balance sheet only if there is a legally enforceable right to set off the recognised amounts and there is intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The following table shows the impact of netting arrangement on:

- all financial assets and liabilities that are reported on the statements of financial position; and
- all derivative financial instruments, reverse repurchase agreement and borrowing arrangements (offsetting arrangement and financial collateral) but do not qualify for netting.

The following financial assets and liabilities are subject to offsetting, enforceable master netting arrangements and similar agreements:

	Effects of offsetting on the statements of financial position		Related amounts not offset		
	Gross amounts	Net amounts reported on statements of financial position	Financial instruments	Financial collateral	Net amount
Group 2024	RM'000	RM'000	RM'000	RM'000	RM'000
Financial assets					
Securities purchased under resale agreements	221,471	221,471	-	-	221,471
Derivative assets	2,364	2,364	(8)	-	2,356
Financial liabilities					
Obligations on securities sold under repurchase agreements	100,213	100,213	-	-	100,213
Derivative liabilities	45,631	45,631	(8)	-	45,623
Group 2023					
Financial assets					
Derivative assets	6,022	6,022	(5,621)	-	401
Financial liabilities					
Obligations on securities sold under repurchase agreements	369,585	369,585	-	-	369,585
Derivative liabilities	63,043	63,043	(5,621)	-	57,422

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(f) Offsetting financial assets and financial liabilities (continued)

The following financial assets and liabilities are subject to offsetting, enforceable master netting arrangements and similar agreements: (continued)

	Effects of offsetting on the statements of financial position		Related amounts not offset		
	Gross amounts	Net amounts reported on statements of financial position	Financial instruments	Financial collateral	Net amount
Bank 2024	RM'000	RM'000	RM'000	RM'000	RM'000
Financial assets					
Securities purchased under resale agreements	162,116	162,116	-	-	162,116
Derivative assets	2,364	2,364	(8)	-	2,356
Financial liabilities					
Obligations on securities sold under repurchase agreements	100,213	100,213	-	-	100,213
Derivative liabilities	44,599	44,599	(8)	-	44,591
Bank 2023					
Financial assets					
Derivative assets	5,621	5,621	(5,621)	-	-
Financial liabilities					
Obligations on securities sold under repurchase agreements	369,585	369,585	-	-	369,585
Derivative liabilities	60,210	60,210	(5,621)	-	54,589

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(g) Fair value of financial instruments

The Group and the Bank analyse their 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 one or more significant inputs are not based on observable market data.

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

Group	Level 1	Level 2	Level 3	Total
2024	RM'000	RM'000	RM'000	RM'000
<u>Financial assets</u>				
Financial assets at FVTPL	333,207	4,216	873,279	1,210,702
- Money market instruments	-	4,216	-	4,216
- Quoted securities	333,207	-	-	333,207
- Unquoted securities	-	-	873,279	873,279
Financial assets at FVOCI	3,341	831,572	45,597	880,510
- Money market instruments	-	272,396	-	272,396
- Quoted securities	3,341	-	-	3,341
- Unquoted securities	-	559,176	45,597	604,773
Derivative assets	-	2,364	-	2,364
	336,548	838,152	918,876	2,093,576
<u>Financial liabilities</u>				
Derivative liabilities	37,266	8,365	-	45,631

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(g) 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)

Group	Level 1	Level 2	Level 3	Total
2023	RM'000	RM'000	RM'000	RM'000
<u>Financial assets</u>				
Financial assets at FVTPL	222,043	29,735	733,335	985,113
- Money market instruments	-	4,189	-	4,189
- Quoted securities	222,043	-	-	222,043
- Unquoted securities	-	25,546	733,335	758,881
Financial assets at FVOCI	2,759	465,260	43,029	511,048
- Money market instruments	-	100,606	-	100,606
- Quoted securities	2,759	-	-	2,759
- Unquoted securities	-	364,654	43,029	407,683
Derivative assets	-	6,022	-	6,022
	224,802	501,017	776,364	1,502,183
<u>Financial liabilities</u>				
Derivative liabilities	32,089	30,954	-	63,043
Puttable financial instruments	12,410	-	-	12,410
	44,499	30,954	-	75,453
Bank	Level 1	Level 2	Level 3	Total
2024	RM'000	RM'000	RM'000	RM'000
<u>Financial assets</u>				
Financial assets at FVTPL	312,374	4,216	-	316,590
- Money market instruments	-	4,216	-	4,216
- Quoted securities	312,374	-	-	312,374
Financial assets at FVOCI	-	831,572	43,514	875,086
- Money market instruments	-	272,396	-	272,396
- Unquoted securities	-	559,176	43,514	602,690
Derivative assets	-	2,364	-	2,364
	312,374	838,152	43,514	1,194,040
<u>Financial liabilities</u>				
Derivative liabilities	36,234	8,365	-	44,599

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(g) 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 2023	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<u>Financial assets</u>				
Financial assets at FVTPL	132,263	4,212	-	136,475
- Money market instruments	-	4,189	-	4,189
- Quoted securities	132,263	-	-	132,263
- Unquoted securities	-	23	-	23
Financial assets at FVOCI	-	465,260	40,524	505,784
- Money market instruments	-	100,606	-	100,606
- Unquoted securities	-	364,654	40,524	405,178
Derivative assets	-	5,621	-	5,621
	132,263	475,093	40,524	647,880
<u>Financial liabilities</u>				
Derivative liabilities	29,386	30,824	-	60,210

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

Valuation techniques

Financial instruments are classified as Level 1 if their value is observable in an active market. Such instruments are valued by reference to unadjusted quoted prices for identical assets or liabilities in active markets where the quoted prices are 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 and unquoted private equity funds. Fair values for shares held for socio-economic reasons are based on the net tangible assets of the affected companies. Fair value 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, marketability discount and adjusted for contingent receivable.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(g) Fair value of financial instruments (continued)

Reconciliation of fair value measurements in Level 3

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

	2024	Group 2023	2024	Bank 2023
	RM'000	RM'000	RM'000	RM'000
<u>Financial assets at FVTPL</u>				
Balance as at the beginning of the financial year	733,335	689,484	-	-
Total gain recognised in income statements	166,897	44,269	-	-
Additions	3,817	35,390	-	-
Distributions	(12,486)	(65,921)	-	-
Exchange differences	(18,284)	30,113	-	-
Balance as at the end of the financial year	873,279	733,335	-	-
<u>Financial assets at FVOCI</u>				
Balance as at the beginning of the financial year	43,029	38,808	40,524	38,517
Total gain recognised in other comprehensive income	2,990	2,007	2,990	2,007
Additions	-	2,238	-	-
Disposals	(266)	-	-	-
Exchange differences	(156)	(24)	-	-
Balance as at the end of the financial year	45,597	43,029	43,514	40,524

Sensitivity for Private Equity Funds - Unquoted (Level 3)

Investments classified within Level 3 have significant unobservable inputs, as they are traded infrequently. As observable prices are not available for this investment, the fair value of the unquoted investment is derived based on enterprise valuation method.

The main input into the enterprise valuation method for this unquoted investment include EBITDA, comparable companies earning multiple, marketability discount and adjusted for contingent receivable. For unquoted private equity funds, its current fair value of RM873,279,000 (2023: RM733,335,000) is based on multiple of 13.7x to 16.0x (2023: 12.5x to 16.0x). A possible shift of 5% in the multiple will change the valuation by RM69,656,000 (2023: RM59,003,000).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

49 FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

The fair value of each financial assets and liabilities presented on the statements of financial position of the Group and the Bank approximates the carrying amounts as at the reporting date, except for the following:

	Carrying value	Group Fair value	Carrying value	Bank Fair value
2024	RM'000	RM'000	RM'000	RM'000
Financial assets				
Securities purchased under resale agreements	221,471	221,471	162,116	162,116
Financial investments at amortised cost	1,015,142	1,016,031	1,015,142	1,016,031
Loans and advances	1,788,762	1,788,762	1,623,531	1,623,531
	3,025,375	3,026,264	2,800,789	2,801,678
Financial liabilities				
Deposits from customers	1,342,422	1,342,422	1,342,422	1,342,422
Deposits and placements of banks and other financial institutions	2,574,352	2,574,352	2,574,352	2,574,352
Obligations on securities sold under repurchase agreements	100,213	100,213	100,213	100,213
Subordinated obligations	101,085	100,949	101,085	100,949
	4,118,072	4,117,936	4,118,072	4,117,936
2023				
Financial assets				
Financial investments at amortised cost	900,011	900,643	900,011	900,643
Loans and advances	1,876,945	1,876,945	1,436,958	1,436,958
	2,776,956	2,777,588	2,336,969	2,337,601
Financial liabilities				
Deposits from customers	1,127,382	1,127,382	1,127,382	1,127,382
Deposits and placements of banks and other financial institutions	2,270,575	2,270,575	2,270,575	2,270,575
Obligations on securities sold under repurchase agreements	369,585	369,585	369,585	369,585
Subordinated obligations	101,097	101,117	101,097	101,117
	3,868,639	3,868,659	3,868,639	3,868,659

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

49 FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

The following table analyses within the fair value hierarchy the Group and the Bank's assets and liabilities not measured at fair value at 31 December 2024 but for which fair value is disclosed:

Group	Level 1	Level 2	Level 3	Total
2024	RM'000	RM'000	RM'000	RM'000
<u>Financial assets</u>				
Securities purchased under resale agreements	-	221,471	-	221,471
Financial investments at amortised cost	-	1,016,031	-	1,016,031
Loans and advances	-	1,788,762	-	1,788,762
	-	3,026,264	-	3,026,264
<u>Financial liabilities</u>				
Deposits from customers	-	1,342,422	-	1,342,422
Deposits and placements of banks and other financial institutions	-	2,574,352	-	2,574,352
Obligations on securities sold under repurchase agreements	-	100,213	-	100,213
Subordinated obligations	-	100,949	-	100,949
	-	4,117,936	-	4,117,936
2023				
<u>Financial assets</u>				
Financial investments at amortised cost	-	900,643	-	900,643
Loans and advances	-	1,876,945	-	1,876,945
	-	2,777,588	-	2,777,588
<u>Financial liabilities</u>				
Deposits from customers	-	1,127,382	-	1,127,382
Deposits and placements of banks and other financial institutions	-	2,270,575	-	2,270,575
Obligations on securities sold under repurchase agreements	-	369,585	-	369,585
Subordinated obligations	-	101,117	-	101,117
	-	3,868,659	-	3,868,659

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

49 FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

The following table analyses within the fair value hierarchy the Group and the Bank's assets and liabilities not measured at fair value at 31 December 2024 but for which fair value is disclosed: (continued)

Bank 2024	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<u>Financial assets</u>				
Securities purchased under resale agreements	-	162,116	-	162,116
Financial investments at amortised cost	-	1,016,031	-	1,016,031
Loans and advances	-	1,623,531	-	1,623,531
	-	2,801,678	-	2,801,678
<u>Financial liabilities</u>				
Deposits from customers	-	1,342,422	-	1,342,422
Deposits and placements of banks and other financial institutions	-	2,574,352	-	2,574,352
Obligations on securities sold under repurchase agreements	-	100,213	-	100,213
Subordinated obligations	-	100,949	-	100,949
	-	4,117,936	-	4,117,936
2023				
<u>Financial assets</u>				
Financial investments at amortised cost	-	900,643	-	900,643
Loans and advances	-	1,436,958	-	1,436,958
	-	2,337,601	-	2,337,601
<u>Financial liabilities</u>				
Deposits from customers	-	1,127,382	-	1,127,382
Deposits and placements of banks and other financial institutions	-	2,270,575	-	2,270,575
Obligations on securities sold under repurchase agreements	-	369,585	-	369,585
Subordinated obligations	-	101,117	-	101,117
	-	3,868,659	-	3,868,659

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

49 FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

The fair values are based on the following methodologies and assumptions:

- (i) Cash and short-term funds and deposits and placements with banks and other financial institutions

For cash and short-term funds and deposits and placements with banks and other financial institutions with maturities of less than six months, the carrying value is a reasonable estimate of fair value. For deposits and placements with maturities of six months and above, estimated fair value is based on discounted cash flows using prevailing money market interest rates at which similar deposits and placements would be made with financial institutions of similar credit risk and remaining period to maturity.

- (ii) Securities purchased under resale agreements

The fair values of securities purchased under resale agreements with maturities of less than six months approximate the carrying values. For securities purchased under resale agreements with maturities of six months and above, the estimated fair values are based on discounted cash flows using prevailing market rates for the remaining term to maturity.

- (iii) Financial assets at FVTPL, FVOCI and financial investments at amortised cost

The estimated fair value of financial assets at FVTPL, FVOCI and financial investments at amortised cost is based on quoted and observable market prices. Where there is no ready market in certain securities, fair values have been assessed by reference to market indicative yield or net tangible asset backing of the investee. Where discounted cash flow technique is used, the estimated future cash flows are discounted using the prevailing market rates for similar instrument at the date of statements of financial position.

- (iv) Loans and advances

For floating rate loans, the carrying value is generally a reasonable estimate of fair value.

For fixed rate loans, the fair value is estimated by discounting the estimated future cash flows using the prevailing market rates of loans with similar credit risk and maturities.

The fair values of impaired loans are represented by their carrying value, net of allowance for ECL.

- (v) Other assets and liabilities

The carrying value less any estimated allowance for ECL for financial assets and liabilities included in 'other assets and liabilities' are assumed to approximate their fair values as these items are not materially sensitive to the shift in market interest rates.

- (vi) Deposits from customers

For deposits from customers with maturities of less than six months, the carrying amounts are reasonable estimates of their fair values. For deposits with maturities of six months and above, fair values are estimated using discounted cash flows based on prevailing market rates for similar deposits from customers.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

49 FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

The fair values are based on the following methodologies and assumptions: (continued)

- (vii) Deposits and placements of banks and other financial institutions and obligations on securities sold under repurchase agreements

The estimated fair values of deposits and placements of banks and other financial institutions and obligations on securities sold under repurchase agreements with maturities of less than six months approximate the carrying values. For the items with maturities of six months and above, the fair values are estimated based on discounted cash flows using prevailing money market interest rates with similar remaining period to maturity.

- (viii) Lease liabilities

The estimated fair value of lease liabilities with maturities of less than six months approximate the carrying values. For other lease liabilities with maturities of six months or more, the fair values are estimated based on discounted cash flows using prevailing market rates of incremental borrowings.

- (ix) Borrowings

For floating rate borrowings, the carrying value is generally a reasonable estimate of fair value.

The estimated fair values of other borrowings with maturities of less than six months approximate the carrying values. For other borrowings with maturities of six months or more, the fair values are estimated based on discounted cash flows using prevailing market rates for borrowings with similar risk profile.

- (x) Subordinated obligations

The estimated fair value of subordinated obligations is generally based on quoted and observable market prices at the date of statements of financial position.

- (xi) Credit related commitments and contingencies

The net fair value of these items was not calculated as estimated fair values are not readily ascertainable. These financial instruments generally relate to credit risks and attract fees in line with market prices for similar arrangements. They are not presently sold nor traded. The fair value may be represented by the present value of fees expected to be received, less associated costs.

- (xii) Foreign exchange and interest rate related contracts

The fair values of foreign exchange and interest rate related contracts are the estimated amounts the Group or the Bank would receive to sell or pay to transfer the contracts at the date of statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

50 CAPITAL ADEQUACY RATIO

BNM guidelines on capital adequacy requires the Group and the Bank 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.

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

	2024	Group 2023	2024	Bank 2023
	RM'000	RM'000	RM'000	RM'000
<u>Common Equity Tier I ('CET I')/Tier I Capital</u>				
Share capital	1,220,000	1,220,000	1,220,000	1,220,000
Retained profits	1,085,777	832,385	509,809	469,723
Other reserves	28,596	114,775	5,904	2,830
FVOCI reserves	43,716	39,473	42,452	38,675
	2,378,089	2,206,633	1,778,165	1,731,228
Less:				
- Goodwill	(445,163)	(449,978)	(372,395)	(372,395)
- Investments in subsidiaries	-	-	(507,059)	(715,344)
- Investments in associates and joint venture	(22,281)	(13,139)	(5,028)	(5,028)
- Other intangible assets	(34,298)	(43,076)	(23,349)	(25,074)
- 55% of cumulative gains arising from change in value of FVOCI financial instruments	(24,044)	(21,710)	(23,349)	(21,271)
- Deferred tax assets	(27,537)	(25,573)	(19,311)	(17,020)
Total CET I Capital	1,824,766	1,653,157	827,674	575,096
Qualifying non-controlling interests recognised as Tier I Capital	1,146	1,177	-	-
Total Tier I Capital	1,825,912	1,654,334	827,674	575,096
<u>Tier II Capital</u>				
Subordinated obligations meeting all relevant criteria	100,000	100,000	100,000	100,000
Qualifying non-controlling interests recognised as Tier II Capital	83	85	-	-
General provisions ^	29,484	25,763	8,452	7,700
Total Tier II Capital	129,567	125,848	108,452	107,700
Total Capital	1,955,479	1,780,182	936,126	682,796

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

50 CAPITAL ADEQUACY RATIO (CONTINUED)

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

	2024	Group 2023	2024	Bank 2023
<u>Capital ratios</u>				
Before proposed dividends:				
CET I Capital Ratio	44.892%	44.297%	51.722%	36.653%
Tier I Capital Ratio	44.920%	44.328%	51.722%	36.653%
Total Capital Ratio	48.107%	47.701%	58.499%	43.517%
After proposed dividends:				
CET I Capital Ratio	42.358%	42.528%	45.285%	32.446%
Tier I Capital Ratio	42.386%	42.560%	45.285%	32.446%
Total Capital Ratio	45.574%	45.932%	52.062%	39.310%

^ Pursuant to BNM's policy document on Financial Reporting, 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 RM28,867,000 (2023: RM25,113,000) and RM8,350,000 (2023: RM7,611,000) respectively.

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

	2024	Group 2023	2024	Bank 2023
	RM'000	RM'000	RM'000	RM'000
Credit risk	2,358,738	2,061,013	676,141	616,039
Market risk	379,141	282,091	205,983	155,584
Operational risk	1,326,935	1,388,888	718,125	797,424
Total risk-weighted assets	4,064,814	3,731,992	1,600,249	1,569,047

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

51 SEGMENT 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 RHB Banking Group's Management Committee as its chief operating decision-maker.

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 centre and the application of transfer pricing, where appropriate, has been used in preparing the segmental reporting.

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

(a) Investment Banking

Investment Banking provides services for advisory, fund raising in the structuring and issuance of debt securities and capital market instruments, mergers and acquisitions, private placements, underwriting and initial public offerings of equity related instruments. This segment also covers facilities for equity share trading in local and foreign markets, share margin financing, futures broking products and services and custodian and nominees services.

Included in Investment Banking are stockbroking and investment banking products and services to RHB regional customers in Indonesia, Thailand, Cambodia and Vietnam.

The Investment Banking businesses in Vietnam and Thailand were disposed on 28 June 2024 and 27 December 2024 respectively. The details are disclosed in Note 52(b) and Note 52(d).

(b) Treasury

Treasury and money market operations are involved in non-proprietary trading of various financial products that include short-term money market instruments, long-term securities and foreign exchange and derivatives products, as well as funding centre.

Treasury includes treasury operations in Malaysia, Indonesia and Thailand.

Treasury business in Thailand was disposed on 27 December 2024. The details are disclosed in Note 52(d).

(c) Asset Management

Asset Management business focuses on providing investment management services, unit trust fund management services, Islamic funds management services, wills and trustee services.

Asset Management consists of the Group's Asset Management and Trustee businesses, which includes overseas business operations in Singapore.

During the financial year, no one group of related customers accounted for more than 10% of the Group's revenue.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

51 SEGMENT REPORTING (CONTINUED)

(a) Segment analysis

Group 2024	Continuing Operations					Discontinued Operations		
	Investment Banking	Treasury	Asset Management	Others and Elimination	Total	Investment Banking	Treasury	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	558,938	46,971	171,684	-	777,593	119,701	(8)	897,286
Inter-segment revenue	4,013	-	(654)	(3,359)	-	-	-	-
Segment revenue	562,951	46,971	171,030	(3,359)	777,593	119,701	(8)	897,286
Other operating expenses	(353,169)	(16,243)	(108,139)	3,359	(474,192)	(58,770)	(470)	(533,432)
Including:								
Depreciation of property, plant and equipment	(9,083)	(58)	(1,167)	-	(10,308)	(1,862)	-	(12,170)
Depreciation of right-of-use assets	(6,545)	(90)	(1,302)	-	(7,937)	(2,589)	-	(10,526)
Amortisation of other intangible assets	(9,678)	-	(2,603)	-	(12,281)	(899)	-	(13,180)
Allowance written back/(made) for expected credit losses	261	(1)	(159)	-	101	(2,753)	-	(2,652)
Impairment losses on other non-financial assets	-	-	-	-	-	(1,788)	-	(1,788)
	210,043	30,727	62,732	-	303,502	56,390	(478)	359,414
Share of results of associates					1,251	-	-	1,251
Profit/(Loss) before taxation					304,753	56,390	(478)	360,665
Taxation					(37,995)	(7,599)	-	(45,594)
Net profit/(loss) for the financial year					266,758	48,791	(478)	315,071

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

51 SEGMENT REPORTING (CONTINUED)

(a) Segment analysis (continued)

Group	Investment	Treasury	Asset	Others and	Total
2024	Banking		Management	Elimination	
	RM'000	RM'000	RM'000	RM'000	RM'000
Segment assets	4,985,809	3,312,593	780,119	(936,883)	8,141,638
Goodwill	301,796	-	143,367	-	445,163
Investments in associates and joint venture					22,281
Tax recoverable					18,366
Deferred tax assets					22,703
Total assets					<u>8,650,151</u>
Segment liabilities	1,257,338	4,015,080	494,702	(118,907)	5,648,213
Tax liabilities					7,287
Borrowings					474,990
Subordinated obligations					101,085
Total liabilities					<u>6,231,575</u>
Other segment items					
Capital expenditure	34,161	-	1,603	-	35,764

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

51 SEGMENT REPORTING (CONTINUED)

(a) Segment analysis (continued)

Group 2023	Continuing Operations					Discontinued Operations		
	Investment Banking	Treasury	Asset Management	Others and Elimination	Total	Investment Banking	Treasury	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	405,584	42,991	166,168	-	614,743	39,509	-	654,252
Inter-segment revenue	4,237	-	(719)	(3,518)	-	-	-	-
Segment revenue	409,821	42,991	165,449	(3,518)	614,743	39,509	-	654,252
Other operating expenses Including:	(354,523)	(13,585)	(111,023)	3,518	(475,613)	(53,420)	(1,085)	(530,118)
Depreciation of property, plant and equipment	(9,585)	(72)	(1,301)	-	(10,958)	(1,978)	-	(12,936)
Depreciation of right-of-use assets	(6,762)	(93)	(1,227)	-	(8,082)	(2,553)	-	(10,635)
Amortisation of other intangible assets	(9,022)	-	(2,159)	-	(11,181)	(1,141)	-	(12,322)
Allowance written back/(made) for expected credit losses	7,715	(3)	(45)	-	7,667	156	-	7,823
	63,013	29,403	54,381	-	146,797	(13,755)	(1,085)	131,957
Share of results of associates					148	-	-	148
Profit/(Loss) before taxation					146,945	(13,755)	(1,085)	132,105
Taxation					(15,106)	159	-	(14,947)
Net profit/(loss) for the financial year					131,839	(13,596)	(1,085)	117,158

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

51 SEGMENT REPORTING (CONTINUED)

(a) Segment analysis (continued)

Group 2023	Continuing Operations					Discontinued Operations		
	Investment Banking	Treasury	Asset Management	Others and Elimination	Total	Investment Banking	Treasury	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Segment assets	4,635,452	3,177,776	608,053	(802,117)	7,619,164	446,460	-	8,065,624
Goodwill	306,611	-	143,367	-	449,978	-	-	449,978
Investments in associates and joint venture					13,139	-	-	13,139
Tax recoverable					37,591	-	-	37,591
Deferred tax assets					20,944	-	-	20,944
Total assets					8,140,816	446,460	-	8,587,276
Segment liabilities	1,399,327	3,756,345	323,100	(53,328)	5,425,444	214,609	-	5,640,053
Tax liabilities					3,901	-	-	3,901
Borrowings					422,795	167,285	-	590,080
Subordinated obligations					101,097	-	-	101,097
Total liabilities					5,953,237	381,894	-	6,335,131
<u>Other segment items</u>								
Capital expenditure	17,213	-	4,065	-	21,278	7,740	-	29,018

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

51 SEGMENT REPORTING (CONTINUED)

(b) The geographical information is prepared based on the location of the assets:

Group	Revenue	Non-current assets	Segment assets	Capital expenditure
2024	RM'000	RM'000	RM'000	RM'000
<u>Continuing operations</u>				
Attributed to the country of domicile:				
- Malaysia	704,554	506,974	7,718,595	22,205
Attributed to foreign countries:				
- Singapore	15,854	3,302	14,289	2,775
- Indonesia	53,766	20,281	330,333	10,769
- Cambodia	3,419	1,782	50,412	15
- Hong Kong	-	-	4,183	-
	777,593	532,339	8,117,812	35,764
<u>Discontinued operations</u>				
Attributed to foreign countries:				
- Vietnam	34,986	-	-	-
- Thailand	84,707	-	-	-
	119,693	-	-	-
Group				
2023				
<u>Continuing operations</u>				
Attributed to the country of domicile:				
- Malaysia	547,511	512,350	7,265,860	16,318
Attributed to foreign countries:				
- Singapore	15,715	1,835	14,753	70
- Indonesia	47,969	16,752	271,813	4,882
- Cambodia	3,548	2,092	51,178	8
- Hong Kong	-	-	4,183	-
	614,743	533,029	7,607,787	21,278
<u>Discontinued operations</u>				
Attributed to foreign countries:				
- Vietnam	2,575	2,085	31,645	-
- Thailand	36,934	12,980	399,750	7,740
	39,509	15,065	431,395	7,740

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

52 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND PRECEDING FINANCIAL YEAR

Current Year

(a) Cessation of RHB Goldenlife 2030 ('RGL3' or 'the Fund') as an Indirect Subsidiary

In December 2023, RHB Asset Management Sdn Bhd ('RHBAM'), a wholly-owned subsidiary of the Bank, has gained significant influence in RGL3 by virtue of its holding in the units issued by the Fund. Accordingly, the Group has consolidated the Fund in accordance with the equity method of accounting as indirect associate of the Group with effective equity interest of 47.62%.

In February 2024, RHBAM has gained effective control in RGL3 by virtue of increasing its holding in the units issued by the Fund with effective equity interest of 52.80%. The Group has consolidated the Fund in accordance with MFRS 10 'Consolidated Financial Statements' as an indirect subsidiary.

As at the end of financial year ended 31 December 2024, RHBAM has reduced its holding in the units issued by the Fund with effective equity interest of 0.48%. Accordingly, RGL3 has ceased to be an indirect subsidiary of the Group.

(b) Disposal by RHB Investment Bank Berhad ('the Bank') of its Entire Equity Interest in RHB Securities Vietnam Company Limited ('RHBSVN') ('Disposal')

On 19 February 2024, RHB Bank Berhad announced that the Bank had entered into a Sale and Purchase Agreement ('SPA') with Public Bank Vietnam Limited ('PBVN'), a wholly-owned subsidiary of Public Bank Berhad, in respect of the Disposal for a cash consideration of approximately VND374,000,000,000, subject to certain terms and conditions as set out in the SPA and price adjustments to be mutually agreed between the Bank and PBVN.

The Disposal is conditional and subject to the approval from the State Securities Commission of Vietnam ('SSC'). The SSC had, vide its letter dated 4 June 2024, granted its approval for the Disposal.

On 28 June 2024, the Board of RHB Bank Berhad announced that the SPA has been completed. With the completion of the SPA, RHBSVN has ceased to be a wholly-owned subsidiary of the Bank.

The Disposal has enabled the Bank to monetise its investment in RHBSVN to be utilised for working capital requirements of the Group.

The Group has accounted for the Disposal as discontinued operation in accordance with MFRS 5 'Non-current Assets Held for Sale and Discontinued Operations'. Financial information relating to the Disposal are as follows:

(i) Cash flows and net assets of RHBSVN on completion date

	Note	Group RM'000
Cash and short-term funds		479
Deposits and placements with banks and other financial institutions		10,588
Loans and advances	7(h)	18,851
Other assets		548
Right-of-use assets	16	40
Property, plant and equipment	17	588
Goodwill and other intangible assets	18(a), 18(b)	5,905
Other liabilities		(304)
Lease liabilities		(38)
Borrowings		(2,250)
Total net assets derecognised		34,407
Realisation of translation reserves		1,047
Gain on disposal of a subsidiary		33,596
Gross sales consideration		69,050
Less: Taxation	39	(7,595)
Less: Exchange differences		(1,214)
Net sales consideration		60,241
Less: Cash and short-term funds of the subsidiary disposed		(11,067)
Net cash inflow on disposal of a subsidiary		49,174

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

52 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND PRECEDING FINANCIAL YEAR (CONTINUED)

Current Year (continued)

- (b) Disposal by RHB Investment Bank Berhad ('the Bank') of its Entire Equity Interest in RHB Securities Vietnam Company Limited ('RHBSVN') ('Disposal') (continued)

The Group has accounted for the Disposal as discontinued operation in accordance with MFRS 5 'Non-current Assets Held for Sale and Discontinued Operations'. Financial information relating to the Disposal are as follows: (continued)

(ii) Income Statement

	2024	2023
	RM'000	RM'000
Interest income	1,280	2,645
Interest expense	(102)	(232)
Net interest income	1,178	2,413
Fee and commission income	107	156
Other operating income	105	6
	1,390	2,575
Other operating expenses	(1,473)	(3,358)
Operating loss before allowances	(83)	(783)
Allowance written back for expected credit losses	4	10
Loss before taxation of discontinued operation	(79)	(773)
Taxation	(7,595)	-
Gain on disposal of a subsidiary	33,596	-
Net profit/(loss) after tax from discontinued operation	25,922	(773)

(iii) Statement of Comprehensive Income

	2024	2023
	RM'000	RM'000
Net profit/(loss) after tax from discontinued operation	25,922	(773)
Other comprehensive income in respect of:		
(a) Item that will be reclassified subsequently to income statements:		
- Realisation of translation reserves from discontinued operation	1,047	-
Other comprehensive income, net of tax for the financial year	1,047	-
Total comprehensive income/(loss) from discontinued operation for the financial year	26,969	(773)

(iv) Condensed Statement of Cash Flow

	2024	2023
	RM'000	RM'000
Net cash generated from/(used in) operating activities	2,228	(1,006)
Net cash (used in)/generated from financing activities	(2,676)	638
Net decrease in cash and cash equivalents from discontinued operation	(448)	(368)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

52 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND PRECEDING FINANCIAL YEAR (CONTINUED)

Current Year (continued)

- (c) Subscription of 10 million Redeemable Preference Shares ('RPS') in RHB Private Equity Holdings Sdn Bhd ('RHBPEH')

On 3 September 2024, the Bank subscribed for 10 million RPS of RM2.00 each in RHBPEH amounting to RM20,000,000 for additional working capital purpose. Upon completion of the subscription, the equity interest held by the Bank in RHBPEH remains the same.

- (d) Disposal by RHB Investment Bank Berhad ('the Bank') of approximately 99.95% Equity Interest in RHB Securities (Thailand) Public Company Limited ('RHBST') ('Disposal')

On 25 November 2024, RHB Bank Berhad announced that the Bank had entered into a Conditional Share Sale Agreement ('SSA') with Phillip Brokerage Pte Ltd ('PBPL') in respect of the Disposal for a cash consideration of approximately THB1,253,770,000, subject to certain terms and conditions as set out in the SSA and price adjustments to be mutually agreed between the Bank and PBPL.

Subject to the post-closing adjustments, the final consideration may differ from the provisional cash consideration in the event if there are any changes to the price adjustment items, which are to be mutually agreed between the Bank and PBPL.

The Disposal is conditional and subject to approval from the Securities and Exchange Commission of Thailand ('SEC').

The SEC had granted the following approvals in respect of the Disposal:

- (i) Change of major shareholder of RHBST from the Bank to PBPL on 6 December 2024.
- (ii) Change of directors of RHBST as nominated by PBPL on 23 December 2024.

On 27 December 2024, the Board of RHB Bank Berhad announced that the Disposal has been completed. With the completion of the Disposal, RHBST has ceased to be a subsidiary to the Bank.

The Disposal has enabled the Bank to monetise its investment in RHBST to be utilised for working capital requirements of the Group.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

52 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND PRECEDING FINANCIAL YEAR (CONTINUED)

Current Year (continued)

- (d) Disposal by RHB Investment Bank Berhad ('the Bank') of approximately 99.95% Equity Interest in RHB Securities (Thailand) Public Company Limited ('RHBST') ('Disposal') (continued)

The Group has accounted for the Disposal as discontinued operation in accordance with MFRS 5 'Non-current Assets Held for Sale and Discontinued Operations'. Financial information relating to the Disposal are as follows:

- (i) Cash flows and net assets of RHBST on completion date

	Note	Group RM'000
Cash and short-term funds		13,425
Financial assets at fair value through profit or loss ('FVTPL')		23,747
Financial assets at fair value through other comprehensive income ('FVOCI')		261
Loans and advances	7(h) , 7(i)	197,143
Net clients' and brokers' balances		13,172
Other assets		19,849
Derivative assets		334
Right-of-use assets	16	1,410
Property, plant and equipment	17	2,172
Other intangible assets	18(b)	1,334
Other liabilities		(20,590)
Derivative liabilities		(105)
Lease liabilities		(1,478)
Borrowings		(77,791)
Non-controlling interests	29	(49)
Total net assets derecognised		172,834
Realisation of translation reserves		(61,416)
Gain on disposal of a subsidiary		51,565
Gross sales consideration received		162,983
Less: Contingent consideration	23(a)	(4,575)
Less: Non cash consideration	23(a)	(164)
Net sales consideration		158,244
Less: Cash and short-term funds of the subsidiary disposed		(13,425)
Net cash inflow on disposal of a subsidiary		144,819

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

52 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND PRECEDING FINANCIAL YEAR (CONTINUED)

Current Year (continued)

- (d) Disposal by RHB Investment Bank Berhad ("the Bank") of approximately 99.95% Equity Interest in RHB Securities (Thailand) Public Company Limited ("RHBST") ("Disposal") (continued)

The Group has accounted for the Disposal as discontinued operation in accordance with MFRS 5 'Non-current Assets Held for Sale and Discontinued Operations'. Financial information relating to the Disposal are as follows: (continued)

(ii) Income Statement

	2024	2023
	RM'000	RM'000
Interest income	18,767	20,087
Interest expense	(5,046)	(9,676)
Net interest income	13,721	10,411
Fee and commission income	16,769	18,433
Fee and commission expense	(180)	(86)
Other operating income	2,832	8,176
	33,142	36,934
Other operating expenses	(57,767)	(51,147)
Operating loss before allowances	(24,625)	(14,213)
Allowance (made)/written back for expected credit losses	(2,757)	146
Impairment loss on other non-financial assets	(1,788)	-
Loss before taxation of discontinued operation	(29,170)	(14,067)
Taxation	(4)	159
Gain on disposal of a subsidiary	51,565	-
Net profit/(loss) after tax from discontinued operation	22,391	(13,908)

(iii) Statement of Comprehensive Income

	2024	2023
	RM'000	RM'000
Net profit/(loss) after tax from discontinued operation	22,391	(13,908)
Other comprehensive (loss)/income in respect of:		
(a) Item that will not be reclassified to income statements:		
- Actuarial gain on defined benefit plan of a subsidiary	-	780
(b) Item that will be reclassified subsequently to income statements:		
- Realisation of translation reserves from discontinued operation	(61,416)	-
Income tax relating to components of other comprehensive income	-	(159)
Other comprehensive (loss)/income, net of tax for the financial year	(61,416)	621
Total comprehensive loss from discontinued operation for the financial year	(39,025)	(13,287)

(iv) Condensed Statement of Cash Flow

	2024	2023
	RM'000	RM'000
Net cash generated from operating activities	87,837	148,735
Net cash used in operating activities	(852)	(1,560)
Net cash used in financing activities	(92,639)	(142,547)
Net (decrease)/increase in cash and cash equivalents from discontinued operation	(5,654)	4,628

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

52 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND PRECEDING FINANCIAL YEAR (CONTINUED)

Current Year (continued)

(e) Consolidation of RHB Energy Fund ('ENERGY')

RHBAM, a wholly-owned subsidiary of the Bank, has gained significant influence in ENERGY in December 2024. The Group has consolidated ENERGY in accordance with the equity method of accounting as an indirect associate of the Group with effective equity interest of 24.42% as at the end of the financial year.

(f) Consolidation of RHB Dana Hazeem, RHB Smart Income Fund and RHB Smart Balanced Fund ('the Funds') as Indirect Associates

In June 2023, RHBAM, a wholly-owned subsidiary of the Bank, has gained effective control in RHB Dana Hazeem and RHB Smart Income Fund with the effective equity interest of 53.50% and 56.38% respectively. In December 2023, RHBAM has gained effective control in RHB Smart Balanced Fund with the effective equity interest of 53.25%. The effective control was gained by virtue of RHBAM holding the units issued by the Funds.

As at the end of financial year ended 31 December 2023, the Group has consolidated the Funds in accordance with MFRS 10 'Consolidated Financial Statements' as indirect subsidiaries based on the effective equity interest of 53.58% for RHB Dana Hazeem, 57.55% for RHB Smart Income Fund and 53.25% for RHB Smart Balanced Fund respectively.

As at the end of financial year ended 31 December 2024, RHBAM has reduced its holding in the units issued by the Funds with the effective equity interest of 44.61% for RHB Dana Hazeem, 24.42% for RHB Smart Income Fund and 42.54% for RHB Smart Balanced Fund respectively and the Funds ceased to be indirect subsidiaries of the Group.

Accordingly, the Funds will be consolidated in accordance with the equity method of accounting based on the respective effective equity interest as set out in the preceding paragraph and will be treated as indirect associates to the Group as at the end of financial year ended 31 December 2024.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

52 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND PRECEDING FINANCIAL YEAR (CONTINUED)

Prior Year

(g) Consolidation of RHB Dana Hazeem, RHB Smart Income Fund and RHB Smart Balanced Fund

During the financial year, RHB Asset Management Sdn Bhd ('RHBAM'), a wholly-owned subsidiary of the Bank, has acquired effective control in RHB Dana Hazeem and RHB Smart Income Fund in June 2023 with effective equity interest of 53.50% and 56.38% and acquired effective control in RHB Smart Balanced Fund in December 2023, by virtue of its holdings in the units issued by the Funds.

The Group has consolidated the Funds in accordance with MFRS 10 'Consolidated Financial Statements' as indirect subsidiaries of the Group with effective equity interest of 53.58%, 57.55% and 53.25% respectively as at the end of the financial year.

(h) Dissolution of joint venture and subsidiaries

Dissolution of RHB GC-Millennium Capital Pte. Ltd. ('RHB-GC')

On 25 August 2022, RHB-GC, an indirect joint venture of the Bank, had commenced Member's Voluntary Winding Up pursuant to Section 160(1)(b) of the Insolvency, Restructuring and Dissolution Act 2018 (No. 40 of 2018).

RHB-GC has been subsequently dissolved on 2 August 2023 pursuant to Section 180(6) of the Insolvency, Restructuring and Dissolution Act 2018 (No. 40 of 2018). Arising therefrom, RHB-GC is no longer an indirect joint venture of the Bank.

Dissolution of KE-ZAN Nominees (Asing) Sdn Bhd ('KE-ZAN')

On 30 June 2017, KE-ZAN, a direct wholly-owned subsidiary of the Bank, had commenced Member's Voluntary Winding Up pursuant to Section 439(1)(b) of the Companies Act 2016 ('CA 2016').

KE-ZAN has been subsequently dissolved on 11 August 2023 pursuant to Section 459(5) of the CA 2016. Arising therefrom, KE-ZAN is no longer a direct wholly-owned subsidiary of the Bank.

Dissolution of RHB Futures Hong Kong Limited ('RHBFBHK')

On 14 December 2022, RHBFBHK, an indirect wholly-owned subsidiary of the Bank, had commenced Member's Voluntary Winding Up pursuant to The Companies (Winding Up and Miscellaneous Provisions) Ordinance of Hong Kong.

RHBFBHK has been subsequently dissolved on 15 September 2023 pursuant to The Companies (Winding Up and Miscellaneous Provisions) Ordinance of Hong Kong. Arising therefrom, RHBFBHK is no longer an indirect wholly-owned subsidiary of the Bank.

Dissolution of RHBIB Nominees (Tempatan) Sdn Bhd ('RHBIBNT')

On 30 June 2017, RHBIBNT, a direct wholly-owned subsidiary of the Bank, had commenced Member's Voluntary Winding Up pursuant to Section 439(1)(b) of the Companies Act 2016 ('CA 2016').

RHBIBNT has been subsequently dissolved on 25 November 2023 pursuant to Section 459(5) of the CA 2016. Arising therefrom, RHBIBNT is no longer a direct wholly-owned subsidiary of the Bank.

The dissolutions of the indirect joint venture and direct and indirect wholly-owned subsidiaries do not have any material effect on the earnings and net assets of the Group for the financial year ended 31 December 2023.

(i) Subscription of 10 million Redeemable Preference Shares ('RPS') in RHB Private Equity Holdings Sdn Bhd ('RHBPEH')

On 7 November 2023, the Bank subscribed for 10 million RPS of RM2.00 each in RHBPEH amounting to RM20,000,000 for additional working capital purpose. Upon completion of the subscription, the equity interest held by the Bank in RHBPEH remains the same.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

52 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND PRECEDING FINANCIAL YEAR (CONTINUED)

Prior Year (continued)

- (j) Consolidation of RHB Growth and Income Focus Trust and RHB Goldenlife 2030

RHBAM, a wholly-owned subsidiary of the Bank, has gained significant influence in RHB Growth and Income Focus Trust and RHB Goldenlife 2030 in December 2023.

The Group has consolidated these two funds in accordance with the equity method of accounting as indirect associates of the Group with effective equity interest of 42.44% and 47.62% respectively as at the end of the financial year.

53 CONTINGENT LIABILITIES

As at 31 December 2024, the Group has contingent liabilities amounting to approximately RM86 million where the Bank agreed to indemnify Phillip Brokerage Pte Ltd ('PBPL'), on the litigation claims against RHB Securities (Thailand) Public Company Limited ('RHBST'). This indemnity is in relation to the disposal of approximately 99.95% equity interest in RHBST by the Bank to PBPL, which was completed on 27 December 2024 and the said indemnity shall apply to the following claims:

- legal proceedings or lawsuits based on actions or circumstances that occurred prior to the completion of disposal of RHBST;
- the on-going litigation cases; and
- the criminal claims filed by eight investors against the Company in relation to defaulted bill of exchange and promissory note in the event the public prosecutor decides to proceed with the case.

The maximum aggregate liability of the Bank of the abovementioned claims shall not exceed an amount equivalent to 140% of the sales consideration.

54 CLIENT TRUST ACCOUNTS

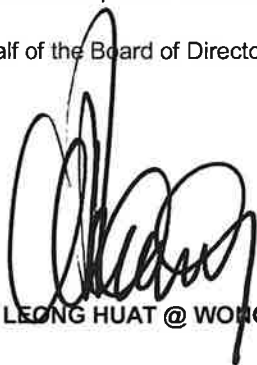
In accordance with Financial Reporting Standards Implementation Committee Consensus 18 'Monies Held in Trust by Participating Organisations of Bursa Malaysia Securities Berhad' ('FRSIC 18'), the cash held in trust for clients by the Group and the Bank amounted to RM2,757,957,000 (2023: RM2,649,623,000) and RM2,639,406,000 (2023: RM2,305,766,000) respectively, are not recognised in the financial statements as the Group and the Bank held them in a fiduciary capacity.

RHB INVESTMENT BANK BERHAD
(Incorporated in Malaysia)
Registration No. 197401002639 (19663-P)

**STATEMENT BY DIRECTORS
PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016**

We, Tan Sri Ong Leong Huat @ Wong Joo Hwa and Kevin Vijendren Davies, two of the Directors of RHB Investment Bank Berhad do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 9 to 215 are drawn up so as to give a true and fair view of the financial position of the Group and of the Bank as at 31 December 2024 and financial performance of the Group and of the Bank for the financial year ended 31 December 2024 in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:



TAN SRI ONG LEONG HUAT @ WONG JOO HWA
CHAIRMAN



KEVIN VIJENDREN DAVIES
MANAGING DIRECTOR

Kuala Lumpur
26 February 2025

**STATUTORY DECLARATION
PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT 2016**

I, Chan Sam Soon, the Officer primarily responsible for the financial management of RHB Investment Bank Berhad, do solemnly and sincerely declare that, the financial statements set out on pages 9 to 215 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act 1960.

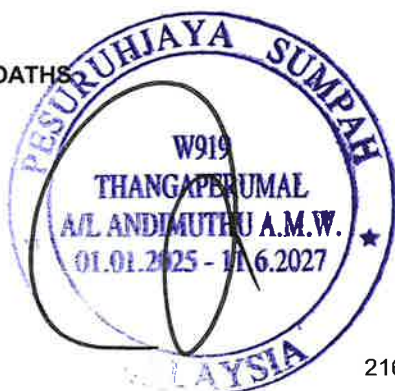


CHAN SAM SOON

Subscribed and solemnly declared by the abovenamed Chan Sam Soon at Kuala Lumpur in Wilayah Persekutuan on 26 February 2025.

COMMISSIONER FOR OATHS

Kuala Lumpur
26 February 2025





**INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF RHB INVESTMENT BANK BERHAD**
(Incorporated in Malaysia)
Registration No. 197401002639 (19663-P)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of RHB Investment Bank Berhad ("the Bank") and its subsidiaries ("the Group") give a true and fair view of the financial position of the Group and of the Bank as at 31 December 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Group and of the Bank, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Bank, and the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Bank for the financial year then ended, and notes to the financial statements, including material accounting policies, as set out on pages 9 to 215.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Bank in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information other than the financial statements and auditors' report thereon

The Directors of the Bank are responsible for the other information. The other information comprises the Directors' Report and Report of the Shariah Advisor, but does not include the financial statements of the Group and of the Bank and our auditors' report thereon.



**INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF RHB INVESTMENT BANK BERHAD (CONTINUED)**
(Incorporated in Malaysia)
Registration No. 197401002639 (19663-P)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Our opinion on the financial statements of the Group and of the Bank does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Bank, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Bank or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

The Directors of the Bank are responsible for the preparation of the financial statements of the Group and of the Bank that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Bank that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Bank, the Directors are responsible for assessing the Group's and the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Bank or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Bank as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF RHB INVESTMENT BANK BERHAD (CONTINUED)
(Incorporated in Malaysia)
Registration No. 197401002639 (19663-P)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Bank, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Bank's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Bank or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Bank to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Bank, including the disclosures, and whether the financial statements of the Group and of the Bank represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.



**INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF RHB INVESTMENT BANK BERHAD (CONTINUED)**
(Incorporated in Malaysia)
Registration No. 197401002639 (19663-P)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF RHB INVESTMENT BANK BERHAD (CONTINUED)
(Incorporated in Malaysia)
Registration No. 197401002639 (19663-P)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 13 to the financial statements.

OTHER MATTERS

This report is made solely to the member of the Bank, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

A handwritten signature in black ink, appearing to read 'PricewaterhouseCoopers PLT'.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

A handwritten signature in black ink, appearing to read 'Mohamed Zharif Bin Md Agil'.

MOHAMED ZHARIF BIN MD AGIL
03795/10/2025 J
Chartered Accountant

Kuala Lumpur
26 February 2025