



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

INTERIM FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2020

		1st Quarter Ended		Three Months Ended	
	Note	31 March 2020	31 March 2019	31 March 2020	31 March 2019
		RM'000	RM'000	RM'000	RM'000
Group					
Interest income	A8	1,903,709	2,035,062	1,903,709	2,035,062
Interest expense	A9	(1,009,241)	(1,154,806)	(1,009,241)	(1,154,806)
Net interest income		894,468	880,256	894,468	880,256
Other operating income	A10	403,652	481,199	403,652	481,199
Income from Islamic Banking business	A29(b)	447,058	380,950	447,058	380,950
Net income		1,745,178	1,742,405	1,745,178	1,742,405
Other operating expenses	A11	(841,487)	(846,336)	(841,487)	(846,336)
Operating profit before allowances		903,691	896,069	903,691	896,069
Allowance for credit losses on financial assets	A12	(151,427)	(72,868)	(151,427)	(72,868)
		752,264	823,201	752,264	823,201
Share of results of joint ventures		-	(30)	-	(30)
Profit before taxation and zakat		752,264	823,171	752,264	823,171
Taxation and zakat	B5	(180,104)	(192,104)	(180,104)	(192,104)
Net profit for the financial period		572,160	631,067	572,160	631,067
Attributable to:					
- Equity holders of the Bank		570,880	630,186	570,880	630,186
- Non-controlling interests		1,280	881	1,280	881
		572,160	631,067	572,160	631,067
Earnings per share (sen)					
- Basic	B11	14.2	15.7	14.2	15.7
- Diluted	B11	14.2	15.7	14.2	15.7

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and the Bank for the financial year ended 31 December 2019.



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED 31 MARCH 2020**

	1st Quarter Ended		Three Months Ended	
	31 March	31 March	31 March	31 March
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Group				
Net profit for the financial period	572,160	631,067	572,160	631,067
Other comprehensive (loss)/income in respect of:				
(i) Items that will not be reclassified to profit or loss:				
(a) Actuarial gain/(loss) on defined benefit plan of subsidiaries	1,603	(2,189)	1,603	(2,189)
(b) Equity instruments designated at fair value through other comprehensive income ('FVOCI')				
- Net gain on disposal	-	4,788	-	4,788
- Unrealised net gain on revaluation	1,286	1,251	1,286	1,251
(ii) Items that will be reclassified subsequently to profit or loss:				
(a) Foreign currency translation reserves				
- Currency translation differences	89,380	(36,011)	89,380	(36,011)
- Net investment hedge	611	9	611	9
(b) Debt instruments measured at FVOCI				
- Unrealised net (loss)/gain on revaluation	(433,349)	468,473	(433,349)	468,473
- Net transfer to income statements on disposal	(80,638)	(41,513)	(80,638)	(41,513)
- Changes in expected credit losses and exchange differences	(1,619)	(5,561)	(1,619)	(5,561)
Income tax relating to components of other comprehensive loss	122,970	3,647	122,970	3,647
Other comprehensive (loss)/income, net of tax, for the financial period	(299,756)	392,894	(299,756)	392,894
Total comprehensive income for the financial period	272,404	1,023,961	272,404	1,023,961
Total comprehensive income attributable to:				
- Equity holders of the Bank	271,329	1,023,113	271,329	1,023,113
- Non-controlling interests	1,075	848	1,075	848
	272,404	1,023,961	272,404	1,023,961

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and the Bank for the financial year ended 31 December 2019.



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Registration No. 196501000373 (6171-M)

INTERIM FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2020

		1st Quarter Ended		Three Months Ended	
		31 March	31 March	31 March	31 March
	Note	2020	2019	2020	2019
		RM'000	RM'000	RM'000	RM'000
Bank					
Interest income	A8	1,902,106	2,025,852	1,902,106	2,025,852
Interest expense	A9	(989,732)	(1,125,076)	(989,732)	(1,125,076)
Net interest income		912,374	900,776	912,374	900,776
Other operating income	A10	489,809	267,648	489,809	267,648
Income from Islamic Banking business	A29(b)	884	587	884	587
Net income		1,403,067	1,169,011	1,403,067	1,169,011
Other operating expenses	A11	(568,240)	(565,761)	(568,240)	(565,761)
Operating profit before allowances		834,827	603,250	834,827	603,250
Allowance for credit losses on financial assets	A12	(50,737)	(67,081)	(50,737)	(67,081)
Profit before taxation		784,090	536,169	784,090	536,169
Taxation	B5	(136,930)	(137,134)	(136,930)	(137,134)
Net profit for the financial period		647,160	399,035	647,160	399,035

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and the Bank for the financial year ended 31 December 2019.



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED 31 MARCH 2020**

	1st Quarter Ended		Three Months Ended	
	31 March	31 March	31 March	31 March
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Bank				
Net profit for the financial period	647,160	399,035	647,160	399,035
Other comprehensive (loss)/income in respect of:				
(i) Items that will not be reclassified to profit or loss:				
(a) Equity instruments designated at fair value through other comprehensive income ('FVOCI')				
- Net gain on disposal	-	668	-	668
- Unrealised net gain on revaluation	1,679	44	1,679	44
(ii) Items that will be reclassified subsequently to profit or loss:				
(a) Foreign currency translation reserves				
- Currency translation differences	8,898	(15,508)	8,898	(15,508)
(b) Debt instruments measured at FVOCI				
- Unrealised net (loss)/gain on revaluation	(409,142)	390,921	(409,142)	390,921
- Net transfer to income statements on disposal	(73,115)	(38,090)	(73,115)	(38,090)
- Changes in expected credit losses and exchange differences	(1,244)	(4,993)	(1,244)	(4,993)
Income tax relating to components of other comprehensive loss	115,742	22,664	115,742	22,664
Other comprehensive (loss)/income, net of tax, for the financial period	(357,182)	355,706	(357,182)	355,706
Total comprehensive income for the financial period	289,978	754,741	289,978	754,741

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and the Bank for the financial year ended 31 December 2019.


RHB BANK BERHAD
Registration No. 196501000373 (6171-M)
INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2020

		Group		Bank	
		As at	As at	As at	As at
	Note	31 March	31 December	31 March	31 December
		2020	2019	2020	2019
		RM'000	RM'000	RM'000	RM'000
ASSETS					
Cash and short-term funds		10,405,833	11,627,992	7,659,814	5,502,893
Deposits and placements with banks and other financial institutions		1,180,033	1,095,567	3,670,091	5,349,632
Investment account due from designated financial institutions	A13	-	-	8,069,361	8,229,334
Financial assets at fair value through profit or loss ('FVTPL')	A14	4,489,572	4,623,447	2,649,730	2,530,288
Financial assets at fair value through other comprehensive income ('FVOCI')	A15	41,922,803	39,805,304	36,083,043	33,934,272
Financial investments at amortised cost	A16	14,921,624	14,249,409	10,074,342	9,702,802
Loans, advances and financing	A17	173,225,353	173,236,672	107,528,740	107,345,665
Clients' and brokers' balances		1,083,714	893,448	-	-
Reinsurance assets		482,445	510,176	-	-
Other assets	A18	1,593,612	1,258,179	1,331,815	1,104,726
Derivative assets	B8	1,951,554	855,256	2,043,772	903,584
Statutory deposits		1,634,065	4,549,296	1,036,742	2,608,316
Tax recoverable		410,690	467,103	365,716	433,364
Deferred tax assets		22,042	22,989	-	-
Investments in subsidiaries		-	-	4,913,885	4,913,885
Investments in associates and joint ventures		9,512	9,512	-	-
Right of use assets		160,574	112,807	85,370	85,960
Property, plant and equipment		1,001,837	991,305	766,868	753,638
Goodwill		2,654,122	2,654,122	1,651,542	1,651,542
Intangible assets		618,798	629,912	540,353	548,434
TOTAL ASSETS		257,768,183	257,592,496	188,471,184	185,598,335
LIABILITIES					
Deposits from customers	A19/B7(a)	193,978,973	190,555,225	132,595,863	131,571,124
Deposits and placements of banks and other financial institutions	A20/B7(a)	19,331,756	21,539,329	20,697,952	19,173,832
Obligations on securities sold under repurchase agreements		1,815,960	2,048,516	4,596,750	3,772,623
Bills and acceptances payable		476,239	254,945	461,723	205,528
Clients' and brokers' balances		1,142,468	824,166	-	-
General insurance contract liabilities		1,093,726	1,106,886	-	-
Other liabilities	A21	2,223,679	3,210,479	1,283,976	1,780,860
Derivative liabilities	B8	1,742,704	1,160,927	1,745,327	1,155,074
Recourse obligation on loans sold to Cagamas Berhad ('Cagamas')		2,272,695	3,535,996	-	1,265,757
Tax liabilities		50,809	60,172	-	-
Deferred tax liabilities		71,471	169,763	47,790	136,711
Lease liabilities		160,983	111,769	85,995	85,267
Borrowings	B7(b)	1,100,236	1,182,527	865,504	840,177
Senior debt securities	B7(c)	3,484,546	3,296,763	3,484,546	3,296,763
Subordinated obligations	B7(d)	2,738,725	2,724,224	1,566,557	1,565,396
TOTAL LIABILITIES		231,684,970	231,781,687	167,431,983	164,849,112

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RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

INTERIM FINANCIAL STATEMENTS

UNAUDITED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT 31 MARCH 2020

	Note	Group		Bank	
		As at	As at	As at	As at
		31 March 2020 RM'000	31 December 2019 RM'000	31 March 2020 RM'000	31 December 2019 RM'000
EQUITY					
Share capital		6,994,103	6,994,103	6,994,103	6,994,103
Reserves		19,052,620	18,781,291	14,045,098	13,755,120
Equity attributable to holders of the Bank		26,046,723	25,775,394	21,039,201	20,749,223
Non-controlling interests ('NCI')		36,490	35,415	-	-
TOTAL EQUITY		26,083,213	25,810,809	21,039,201	20,749,223
TOTAL LIABILITIES AND EQUITY		257,768,183	257,592,496	188,471,184	185,598,335
COMMITMENTS AND CONTINGENCIES	A26(a)	157,927,206	150,427,794	151,237,485	143,445,965
NET ASSETS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK (RM)		6.50	6.43		

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RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2020**

Group	Note	Attributable to equity holders of the Bank						Total Shareholders' Equity	Non-controlling Interests	Total Equity
		Share Capital	Statutory Reserves	Regulatory Reserves	FVOCI Reserves	Translation Reserves	Other Reserves	Retained Profits		
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2020		6,994,103	513	838,992	1,328,060	688,866	23,331	15,901,529	25,775,394	25,810,809
Net profit for the financial period		-	-	-	-	-	-	570,880	570,880	572,160
Foreign currency translation reserves:										
- Currency translation differences		-	-	-	(183)	89,780	-	-	89,597	89,380
- Net investment hedge		-	-	-	-	611	-	-	611	611
Financial assets measured at FVOCI:										
- Equity instruments										
- Unrealised net gain on revaluation		-	-	-	1,286	-	-	-	1,286	1,286
- Debt instruments										
- Unrealised net loss on revaluation		-	-	-	(433,349)	-	-	-	(433,349)	(433,349)
- Net transfer to income statements on disposal		-	-	-	(80,638)	-	-	-	(80,638)	(80,638)
- Changes in expected credit losses and exchange differences		-	-	-	(1,619)	-	-	-	(1,619)	(1,619)
Actuarial gain on defined benefit plan of subsidiaries		-	-	-	-	-	-	1,587	1,587	1,603
Income tax relating to components of other comprehensive (income)/loss		-	-	-	123,333	-	-	(359)	122,974	122,970
Other comprehensive income/(loss), net of tax, for the financial period		-	-	-	(391,170)	90,391	-	1,228	(299,551)	(299,756)
Total comprehensive income/(loss) for the financial period		-	-	-	(391,170)	90,391	-	572,108	271,329	272,404
Transfer from regulatory reserves		-	-	(61,152)	-	-	-	61,152	-	-
Balance as at 31 March 2020		6,994,103	513	777,840	936,890	779,257	23,331	16,534,789	26,046,723	26,083,213

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RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

INTERIM FINANCIAL STATEMENTS

UNAUDITED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

FOR THE THREE MONTHS ENDED 31 MARCH 2020

Group	Attributable to equity holders of the Bank							Total Shareholders' Equity	Non-controlling Interests	Total Equity
	Share Capital	Statutory Reserves	Regulatory Reserves	FVOCI Reserves	Translation Reserves	Other Reserves	Retained Profits	RM'000	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2019	6,994,103	513	249,687	376,108	684,275	23,331	15,026,912	23,354,929	37,954	23,392,883
Net profit for the financial period	-	-	-	-	-	-	630,186	630,186	881	631,067
Foreign currency translation reserves:										
- Currency translation differences	-	-	-	(6)	(36,001)	-	-	(36,007)	(4)	(36,011)
- Net investment hedge	-	-	-	-	9	-	-	9	-	9
Financial assets measured at FVOCI:										
- Equity instruments										
- Net gain/(loss) on disposal	-	-	-	(1,729)	-	-	6,517	4,788	-	4,788
- Unrealised net gain on revaluation	-	-	-	1,251	-	-	-	1,251	-	1,251
- Debt instruments										
- Unrealised net gain on revaluation	-	-	-	468,473	-	-	-	468,473	-	468,473
- Net transfer to income statements on disposal	-	-	-	(41,513)	-	-	-	(41,513)	-	(41,513)
- Changes in expected credit losses and exchange differences	-	-	-	(5,561)	-	-	-	(5,561)	-	(5,561)
Actuarial loss on defined benefit plan of subsidiaries	-	-	-	-	-	-	(2,170)	(2,170)	(19)	(2,189)
Income tax relating to components of other comprehensive (income)/loss	-	-	-	4,828	-	-	(1,171)	3,657	(10)	3,647
Other comprehensive income/(loss), net of tax, for the financial period	-	-	-	425,743	(35,992)	-	3,176	392,927	(33)	392,894
Total comprehensive income/(loss) for the financial period	-	-	-	425,743	(35,992)	-	633,362	1,023,113	848	1,023,961
Transfer to regulatory reserves	-	-	317,245	-	-	-	(317,245)	-	-	-
Balance as at 31 March 2019	<u>6,994,103</u>	<u>513</u>	<u>566,932</u>	<u>801,851</u>	<u>648,283</u>	<u>23,331</u>	<u>15,343,029</u>	<u>24,378,042</u>	<u>38,802</u>	<u>24,416,844</u>

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RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2020**

Bank	Note	Non-Distributable			Distributable	
		Share Capital	Regulatory Reserves	FVOCI Reserves	Translation Reserves	Retained Profits
		RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2020		6,994,103	352,506	1,165,505	374,754	11,862,355
Net profit for the financial period		-	-	-	-	647,160
Foreign currency translation reserves:						
- Currency translation differences		-	-	-	8,898	-
Financial assets measured at FVOCI:						
- Equity instruments						
- Unrealised net gain on revaluation		-	-	1,679	-	-
- Debt instruments						
- Unrealised net loss on revaluation		-	-	(409,142)	-	-
- Net transfer to income statements on disposal		-	-	(73,115)	-	-
- Changes in expected credit losses and exchange differences		-	-	(1,244)	-	-
Income tax relating to components of other comprehensive loss		-	-	115,742	-	-
Other comprehensive income/(loss), net of tax, for the financial period		-	-	(366,080)	8,898	-
Total comprehensive income/(loss) for the financial period		-	-	(366,080)	8,898	647,160
Transfer from regulatory reserves		-	(5,944)	-	-	5,944
Balance as at 31 March 2020		6,994,103	346,562	799,425	383,652	12,515,459

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RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

INTERIM FINANCIAL STATEMENTS

UNAUDITED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

FOR THE THREE MONTHS ENDED 31 MARCH 2020

Bank	Non-Distributable				Distributable	Total Equity
	Share Capital	Regulatory Reserves	FVOCI Reserves	Translation Reserves	Retained Profits	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2019	6,994,103	126,230	349,347	371,680	11,460,176	19,301,536
Net profit for the financial period	-	-	-	-	399,035	399,035
Foreign currency translation reserves:						
- Currency translation differences	-	-	-	(15,508)	-	(15,508)
Financial assets measured at FVOCI:						
- Equity instruments						
- Net gain/(loss) on disposal	-	-	(479)	-	1,147	668
- Unrealised net gain on revaluation	-	-	44	-	-	44
- Debt instruments						
- Unrealised net gain on revaluation	-	-	390,921	-	-	390,921
- Net transfer to income statements on disposal	-	-	(38,090)	-	-	(38,090)
- Changes in expected credit losses and exchange differences	-	-	(4,993)	-	-	(4,993)
Income tax relating to components of other comprehensive loss	-	-	22,664	-	-	22,664
Other comprehensive income/(loss), net of tax, for the financial period	-	-	370,067	(15,508)	1,147	355,706
Total comprehensive income for the financial period	-	-	370,067	(15,508)	400,182	754,741
Transfer to regulatory reserves	-	145,739	-	-	(145,739)	-
Balance as at 31 March 2019	<u>6,994,103</u>	<u>271,969</u>	<u>719,414</u>	<u>356,172</u>	<u>11,714,619</u>	<u>20,056,277</u>

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RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED 31 MARCH 2020**

	Three Months Ended	
	31 March 2020	31 March 2019
	RM'000	RM'000
Group		
Cash flows from operating activities		
Profit before taxation and zakat	752,264	823,171
Adjustments for:		
Allowance for credit losses on loans, advances and financing	220,520	159,187
Allowance for credit losses on other financial assets	1,814	5,380
Property, plant and equipment:		
- Depreciation	27,444	30,596
- Gain on disposal	(55)	(274)
- Written off	4	263
Intangible assets:		
- Amortisation	29,920	28,775
- Written off	-	5
Right of use assets:		
- Depreciation	18,926	17,260
- Gain on modification	(38)	-
Net allowance written back on financial assets at FVOCI and financial investments at amortised cost	(1,041)	(24,668)
Share of results of joint ventures	-	30
Net gain on financial instruments	(33,065)	(76,373)
Gain on remeasurement of previously held equity interest in a joint venture	-	(258)
Dividend income from financial assets at FVTPL and financial assets at FVOCI	(14,318)	(24,857)
Interest expense on borrowings, senior debt securities, Hybrid Tier-1 Capital Securities, subordinated obligations and lease liabilities	68,454	95,575
Other non-cash items	(525,907)	(484,816)
Operating profit before working capital changes	544,922	548,996
Decrease/(Increase) in operating assets:		
Deposits and placements with banks and other financial institutions	(85,511)	(939,713)
Financial assets at FVTPL	64,321	(123,973)
Loans, advances and financing	(281,461)	(1,437,640)
Clients' and brokers' balances	(190,266)	(502,322)
Other assets	(1,368,954)	346,071
Statutory deposits	2,914,415	(56,628)
	1,052,544	(2,714,205)
Increase/(Decrease) in operating liabilities:		
Deposits from customers	3,515,481	8,154,260
Deposits and placements of banks and other financial institutions	(2,198,239)	(2,721,718)
Obligations on securities sold under repurchase agreements	(231,015)	(1,792,595)
Bills and acceptances payable	221,348	(18,430)
Clients' and brokers' balances	318,302	543,055
Other liabilities	(267,015)	45,576
Recourse obligation on loans sold to Cagamas	(1,263,301)	8,686
	95,561	4,218,834

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RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE THREE MONTHS ENDED 31 MARCH 2020**

	Three Months Ended	
	31 March 2020	31 March 2019
	RM'000	RM'000
Group		
Cash flows from operating activities (continued)		
Cash generated from operations	1,693,027	2,053,625
Interest paid	(49,155)	(70,493)
Net tax and zakat paid	(106,958)	(250,006)
Net cash generated from operating activities	1,536,914	1,733,126
Cash flows from investing activities		
Net purchase of financial assets at FVOCI and financial investments at amortised cost	(3,063,047)	(3,803,077)
Property, plant and equipment:		
- Purchase	(39,100)	(36,839)
- Proceeds from disposal	80	277
Intangible assets:		
- Purchase	(19,235)	(38,750)
Financial assets at FVOCI and financial investments at amortised cost:		
- Interest received	349,486	356,950
- Investment income received	86,560	65,282
Dividend income received from financial assets at FVTPL and financial assets at FVOCI	14,318	24,857
Net cash inflow from additional equity acquisition of a joint venture	-	10,710
Net cash used in investing activities	(2,670,938)	(3,420,590)
Cash flows from financing activities		
Net repayment of borrowings	(153,489)	(4,726)
Proceeds from issuance of senior debt securities	-	1,255,580
Redemption of Hybrid Tier-1 Capital Securities	-	(370,000)
Principal lease payments	(19,313)	(17,742)
Net cash (used in)/generated from financing activities	(172,802)	863,112
Net decrease in cash and cash equivalents	(1,306,826)	(824,352)
Effects of exchange rate differences	84,667	(53,410)
Cash and cash equivalents:		
- at the beginning of the financial year	11,627,992	12,553,188
- at the end of the financial year	10,405,833	11,675,426
Cash and cash equivalents comprise the following:		
- Cash and short term funds	10,405,833	11,675,426

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and the Bank for the financial year ended 31 December 2019.



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

INTERIM FINANCIAL STATEMENTS

UNAUDITED STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE THREE MONTHS ENDED 31 MARCH 2020

	Three Months Ended	
	31 March 2020	31 March 2019
	RM'000	RM'000
Bank		
Cash flows from operating activities		
Profit before taxation	784,090	536,169
Adjustments for:		
Allowance for credit losses on loans, advances and financing	114,827	149,679
Allowance for credit losses on other financial assets	(300)	1,139
Property, plant and equipment:		
- Depreciation	22,189	23,516
- Gain on disposal	(5)	(126)
- Written off	-	106
Intangible assets:		
- Amortisation	25,057	23,715
- Written off	-	5
Right of use assets:		
- Depreciation	13,176	11,220
Net allowance written back on financial assets at FVOCI and financial investments at amortised cost	(515)	(21,212)
Net gain on financial instruments	(41,030)	(71,462)
Dividend income from subsidiaries	(232,863)	-
Interest expense on borrowings, senior debt securities, Hybrid Tier-1 Capital Securities, subordinated obligations and lease liabilities	51,584	79,071
Other non-cash items	(416,999)	(378,341)
Operating profit before working capital changes	319,211	353,479
Decrease/(Increase) in operating assets:		
Deposits and placements with banks and other financial institutions	1,679,192	256,333
Investment accounts due from designated financial institutions	159,973	(156,351)
Financial assets at FVTPL	(110,322)	(167,206)
Loans, advances and financing	(447,348)	349,078
Other assets	(1,421,579)	256,820
Statutory deposits	1,571,230	94,504
	1,431,146	633,178
Increase/(Decrease) in operating liabilities:		
Deposits from customers	1,024,739	3,812,205
Deposits and placements of banks and other financial institutions	1,640,820	(2,826,184)
Obligations on securities sold under repurchase agreements	858,766	(1,766,041)
Bills and acceptances payable	256,826	(72,866)
Other liabilities	193,451	(415,989)
Recourse obligation on loans sold to Cagamas	(1,265,757)	6,340
	2,708,845	(1,262,535)
Cash generated from/(used in) operations	4,459,202	(275,878)
Interest paid	(46,963)	(67,902)
Net tax paid	(42,839)	(190,051)
Net cash generated from/(used in) operating activities	4,369,400	(533,831)

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and the Bank for the financial year ended 31 December 2019.



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

INTERIM FINANCIAL STATEMENTS

UNAUDITED STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE THREE MONTHS ENDED 31 MARCH 2020

	Three Months Ended	
	31 March	31 March
	2020	2019
	RM'000	RM'000
Bank		
Cash flows from investing activities		
Net purchase of financial assets at FVOCI and financial investments at amortised cost	(2,929,246)	(1,914,630)
Property, plant and equipment:		
- Purchase	(35,688)	(31,011)
- Proceeds from disposal	5	126
Intangible assets:		
- Purchase	(17,192)	(35,588)
Interest received from financial assets at FVOCI and financial investments at amortised cost	335,583	328,937
Dividend income received from subsidiaries	232,863	-
Net cash used in investing activities	<u>(2,413,675)</u>	<u>(1,652,166)</u>
Cash flows from financing activities		
Net repayment of borrowings	(21,073)	(84,068)
Proceeds from issuance of senior debt securities	-	1,255,580
Redemption of Hybrid Tier-1 Capital Securities	-	(370,000)
Principal lease payments	(11,872)	(11,020)
Net cash (used in)/generated from financing activities	<u>(32,945)</u>	<u>790,492</u>
Net increase/(decrease) in cash and cash equivalents	1,922,780	(1,395,505)
Effects of exchange rate differences	234,141	(33,702)
Cash and cash equivalents:		
- at the beginning of the financial year	5,502,893	8,855,326
- at the end of the financial year	<u>7,659,814</u>	<u>7,426,119</u>
Cash and cash equivalents comprise the following:		
- Cash and short term funds	<u>7,659,814</u>	<u>7,426,119</u>

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and the Bank for the financial year ended 31 December 2019.



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2020**

A1. Basis Of Preparation

The interim financial statements are unaudited and has been prepared in compliance with Malaysian Financial Reporting Standard ('MFRS') 134, 'Interim Financial Reporting' issued by Malaysian Accounting Standards Board ('MASB') and should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2019.

The accounting policies and presentation adopted by the Group and the Bank for the interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2019, except for the adoption of the following:

- (a) Accounting standards, annual improvements and amendments to MFRS which are effective and applicable for the Group and the Bank for financial period beginning on or after 1 January 2020:

- The Conceptual Framework for Financial Reporting (Revised 2018)
- Amendments to MFRS 101 and MFRS 108 'Definition of Material'
- Amendments to MFRS 3 'Definition of a Business'
- Amendments to MFRS 7, MFRS 9 and MFRS 139 'Interest Rate Benchmark Reform'

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

- (b) Changes in regulatory requirements - additional measures issued by Bank Negara Malaysia ('BNM')

Given the exceptional circumstances brought about by the COVID-19 pandemic, BNM announced on 24 March 2020 the following measures which are aimed to ensure that the financial intermediation function of the financial sector remains intact, access to financing continues to be available and banking institutions remain focused on supporting the economy during this challenging period:

- (i) Banking institutions to grant an automatic moratorium on all loan/financing repayments covering both principal and interest/profit (except for credit card balances) by individuals and small and medium-sized enterprises ('SMEs') for a period of 6 months effective 1 April 2020. This automatic moratorium is applicable to loans/financing that are not in arrears exceeding 90 days as at 1 April 2020 and denominated in Malaysian Ringgit;
- (ii) For credit cards, customers shall have the option of converting the outstanding balances into a term loan/financing of a tenure of not more than 3 years and an effective interest/profit rate capped at 13% per annum. For customers who have been unable to meet the minimum repayment for 3 consecutive months, their credit card balances will be automatically converted into a term loan with the abovementioned terms;
- (iii) Banking institutions are also strongly encouraged to facilitate requests for a moratorium for corporate borrowers in a way that enables viable corporations to preserve jobs and swiftly resume economic activities;
- (iv) Banking institutions are given the following relaxation of the prudential buffers, which will need to be restored to the minimum regulatory requirements by 30 September 2021:
 - Drawdown of capital conservation buffer of 2.5%;
 - Operate below the minimum liquidity coverage ratio ('LCR') of 100%; and
 - Reduce the regulatory reserves held against expected credit losses to 0%.
- (v) The implementation of the Net Stable Funding Ratio ('NSFR') will proceed as scheduled on 1 July 2020. However, the minimum NSFR will be lowered to 80% and banking institutions will be required to comply with the requirement of 100% from 30 September 2021.

The adoption of the above additional measures will give rise to the following observations:

- (i) Loans/Financing granted with moratorium will not be considered as 'restructured and rescheduled', unless they come with other concessions such as tenure extension and/or revision of repayment amount;
- (ii) Forward-looking information used must be reasonable and supportable including reflecting the impact of COVID-19 pandemic and fully accounting for the mitigating effects of the economic and financial measures announced;
- (iii) Moratorium should not automatically result in stage transfer under MFRS 9 in the absence of other factors relevant to the assessment of whether there has been a significant increase in credit risk. Instead, the Group and the Bank will assess other factors, such as historical repayment and delinquency trends before the COVID-19 outbreak, in considering whether the borrower has experienced a significant increase in credit risk.

The Group and the Bank are now progressing to assess the financial impact of these additional measures, the results of which will be released in the interim financial statements in the next quarter.



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2020**

A2. Auditors' Report

The auditors' report for the financial year ended 31 December 2019 was not subject to any qualification.

A3. Seasonal Or Cyclical Factors

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

A4. Exceptional Or Unusual Items

There were no exceptional or unusual items for the three months ended 31 March 2020.

A5. Changes In Estimates

There were no material changes in estimates of amounts reported in prior financial years that have a material effect for the three months ended 31 March 2020.

A6. Changes In Debt and Equity Securities

There were no issuances and repayments of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the three months ended 31 March 2020.

A7. Dividends Paid

No dividend was paid during the three months ended 31 March 2020.


RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2020**
A8. Interest Income

Group	1st Quarter Ended		Three Months Ended	
	31 March	31 March	31 March	31 March
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Loans and advances	1,437,196	1,580,604	1,437,196	1,580,604
Money at call and deposits and placements with banks and other financial institutions	25,745	51,831	25,745	51,831
Financial assets at FVTPL	17,384	19,992	17,384	19,992
Financial assets at FVOCI - debt instruments	307,650	259,717	307,650	259,717
Financial investments at amortised cost	111,220	118,269	111,220	118,269
Others	4,514	4,649	4,514	4,649
	1,903,709	2,035,062	1,903,709	2,035,062
Of which:				
Interest income accrued on impaired financial assets	22,878	29,307	22,878	29,307
Bank				
Loans and advances	1,346,484	1,490,253	1,346,484	1,490,253
Money at call and deposits and placements with banks and other financial institutions	55,607	69,909	55,607	69,909
Investment account due from designated financial institutions	81,797	85,161	81,797	85,161
Financial assets at FVTPL	17,381	19,787	17,381	19,787
Financial assets at FVOCI - debt instruments	300,949	251,433	300,949	251,433
Financial investments at amortised cost	98,669	107,121	98,669	107,121
Others	1,219	2,188	1,219	2,188
	1,902,106	2,025,852	1,902,106	2,025,852
Of which:				
Interest income accrued on impaired financial assets	19,425	22,298	19,425	22,298



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2020**

A9. Interest Expense

Group	1st Quarter Ended		Three Months Ended	
	31 March	31 March	31 March	31 March
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	123,803	129,072	123,803	129,072
Deposits from customers	802,580	893,045	802,580	893,045
Obligations on securities sold under repurchase agreements	6,481	8,136	6,481	8,136
Recourse obligation on loans sold to Cagamas	11,045	32,994	11,045	32,994
Subordinated obligations	24,099	36,136	24,099	36,136
Senior debt securities	25,874	27,942	25,874	27,942
Hybrid Tier-1 Capital Securities	-	10,907	-	10,907
Borrowings	8,527	10,419	8,527	10,419
Others	6,832	6,155	6,832	6,155
	1,009,241	1,154,806	1,009,241	1,154,806
Bank				
Deposits and placements of banks and other financial institutions	127,996	140,135	127,996	140,135
Deposits from customers	773,687	849,906	773,687	849,906
Obligations on securities sold under repurchase agreements	20,640	18,372	20,640	18,372
Recourse obligation on loans sold to Cagamas	11,045	32,994	11,045	32,994
Subordinated obligations	19,188	31,278	19,188	31,278
Senior debt securities	25,874	27,942	25,874	27,942
Hybrid Tier-1 Capital Securities	-	10,991	-	10,991
Borrowings	5,714	8,218	5,714	8,218
Others	5,588	5,240	5,588	5,240
	989,732	1,125,076	989,732	1,125,076


RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2020**
A10. Other Operating Income

Group	1st Quarter Ended		Three Months Ended	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	RM'000	RM'000	RM'000	RM'000
Fee income				
- Service charges and fees	43,666	41,191	43,666	41,191
- Commission	48,619	35,606	48,619	35,606
- Guarantee fees	8,596	8,119	8,596	8,119
- Commitment fees	10,116	10,702	10,116	10,702
- Net brokerage income	78,596	61,188	78,596	61,188
- Fund management fees	64,651	53,909	64,651	53,909
- Unit trust fee income	23,753	13,599	23,753	13,599
- Corporate advisory fees	7,974	19,541	7,974	19,541
- Underwriting and arrangement fees	5,036	15,461	5,036	15,461
- Other fee income	15,926	23,138	15,926	23,138
	306,933	282,454	306,933	282,454
- Fee and commission expenses	(51,162)	(35,713)	(51,162)	(35,713)
	255,771	246,741	255,771	246,741
Net (loss)/gain arising from financial assets at FVTPL				
- Net gain on disposal	6,270	30,612	6,270	30,612
- Unrealised net (loss)/gain on revaluation	(88,980)	31,473	(88,980)	31,473
- Dividend income	14,318	24,773	14,318	24,773
	(68,392)	86,858	(68,392)	86,858
Net gain/(loss) on revaluation of derivatives	35,995	(32,704)	35,995	(32,704)
Net gain on fair value hedges	2,766	23	2,766	23
Net loss arising from derecognition of financial investments at amortised cost	(2)	-	(2)	-
Net gain arising from financial assets at FVOCI				
- Net gain on debt instruments on disposal	73,197	38,205	73,197	38,205
- Dividend income	-	84	-	84
	73,197	38,289	73,197	38,289
Other income				
Net foreign exchange gain	30,796	86,960	30,796	86,960
Insurance underwriting surplus before management expenses	52,732	44,807	52,732	44,807
Gain on disposal of property, plant and equipment	55	274	55	274
Gain on remeasurement of previously held equity interest in a joint venture	-	258	-	258
Gain on modification of right of use assets	38	-	38	-
Rental income	490	530	490	530
Other operating income	6,034	8,827	6,034	8,827
Other non-operating income	14,172	336	14,172	336
	104,317	141,992	104,317	141,992
	403,652	481,199	403,652	481,199


RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2020**
A10. Other Operating Income (continued)

Bank	1st Quarter Ended		Three Months Ended	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	RM'000	RM'000	RM'000	RM'000
Fee income				
- Service charges and fees	40,063	38,023	40,063	38,023
- Commission	53,195	42,507	53,195	42,507
- Guarantee fees	8,190	7,852	8,190	7,852
- Commitment fees	9,767	9,804	9,767	9,804
- Other fee income	5,286	5,423	5,286	5,423
	116,501	103,609	116,501	103,609
Net (loss)/gain arising from financial assets at FVTPL				
- Net gain on disposal	72,015	18,749	72,015	18,749
- Unrealised net (loss)/gain on revaluation	(79,509)	17,657	(79,509)	17,657
	(7,494)	36,406	(7,494)	36,406
Net loss on revaluation of derivatives	(27,360)	(3,057)	(27,360)	(3,057)
Net gain on fair values hedges	2,766	23	2,766	23
Net loss arising from derecognition of financial investments at amortised cost	(2)	-	(2)	-
Net gain arising from financial assets at FVOCI				
- Net gain on debt instruments on disposal	73,120	38,090	73,120	38,090
Dividend income from subsidiaries	232,863	-	232,863	-
Other income				
Net foreign exchange gain	77,440	80,696	77,440	80,696
Gain on disposal of property, plant and equipment	5	126	5	126
Rental income	2,849	2,968	2,849	2,968
Other operating income	5,546	8,321	5,546	8,321
Other non-operating income	13,575	466	13,575	466
	99,415	92,577	99,415	92,577
	489,809	267,648	489,809	267,648


RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2020**
A11. Other Operating Expenses

Group	1st Quarter Ended		Three Months Ended	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
- Salaries, allowances and bonuses	413,574	411,896	413,574	411,896
- Defined contribution plan	61,908	56,339	61,908	56,339
- Other staff related costs	41,989	39,522	41,989	39,522
	517,471	507,757	517,471	507,757
Establishment costs				
- Property, plant and equipment:				
- Depreciation	27,444	30,596	27,444	30,596
- Written off	4	263	4	263
- Intangible assets:				
- Amortisation	29,920	28,775	29,920	28,775
- Written off	-	5	-	5
- Right of use assets:				
- Depreciation	18,926	17,260	18,926	17,260
- Rental of premises	8,423	9,878	8,423	9,878
- Rental of equipment	2,138	1,568	2,138	1,568
- Insurance	9,620	7,730	9,620	7,730
- Water and electricity	7,179	7,331	7,179	7,331
- Repair and maintenance	7,715	7,677	7,715	7,677
- Security and escorting expenses	10,922	11,446	10,922	11,446
- Information technology expenses	67,317	69,689	67,317	69,689
- Others	2,147	1,708	2,147	1,708
	191,755	193,926	191,755	193,926
Marketing expenses				
- Sales commission	22,964	22,176	22,964	22,176
- Advertisement and publicity	9,705	14,600	9,705	14,600
- Others	19,814	22,261	19,814	22,261
	52,483	59,037	52,483	59,037
Administration and general expenses				
- Communication expenses	38,079	40,066	38,079	40,066
- Legal and professional fee	7,267	7,714	7,267	7,714
- Others	34,432	37,836	34,432	37,836
	79,778	85,616	79,778	85,616
	841,487	846,336	841,487	846,336


RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2020**
A11. Other Operating Expenses (continued)

	1st Quarter Ended		Three Months Ended	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	RM'000	RM'000	RM'000	RM'000
Bank				
Personnel costs				
- Salaries, allowances and bonuses	269,072	273,844	269,072	273,844
- Defined contribution plan	43,728	38,798	43,728	38,798
- Other staff related costs	26,145	22,853	26,145	22,853
	338,945	335,495	338,945	335,495
Establishment costs				
- Property, plant and equipment:				
- Depreciation	22,189	23,516	22,189	23,516
- Written off	-	106	-	106
- Intangible assets:				
- Amortisation	25,057	23,715	25,057	23,715
- Written off	-	5	-	5
- Right of use assets:				
- Depreciation	13,176	11,220	13,176	11,220
- Rental of premises	3,636	5,056	3,636	5,056
- Rental of equipment	2,130	1,397	2,130	1,397
- Insurance	9,035	8,093	9,035	8,093
- Water and electricity	4,309	4,329	4,309	4,329
- Repair and maintenance	5,750	5,331	5,750	5,331
- Security and escorting expenses	11,333	10,899	11,333	10,899
- Information technology expenses	37,375	39,994	37,375	39,994
	133,990	133,661	133,990	133,661
Marketing expenses				
- Sales commission	16,283	15,133	16,283	15,133
- Advertisement and publicity	4,380	8,118	4,380	8,118
- Others	9,309	9,005	9,309	9,005
	29,972	32,256	29,972	32,256
Administration and general expenses				
- Communication expenses	24,327	24,463	24,327	24,463
- Legal and professional fee	20,164	16,085	20,164	16,085
- Others	20,842	23,801	20,842	23,801
	65,333	64,349	65,333	64,349
	568,240	565,761	568,240	565,761



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2020

A12. Allowance for Credit Losses on Financial Assets

Group	1st Quarter Ended		Three Months Ended	
	31 March	31 March	31 March	31 March
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
<u>Charge/(Writeback)</u>				
Loans, advances and financing:				
- Net charge	183,301	116,602	183,301	116,602
- Bad debts recovered	(69,866)	(67,031)	(69,866)	(67,031)
- Bad debts written off	37,219	42,585	37,219	42,585
	150,654	92,156	150,654	92,156
Financial assets at FVOCI	(1,430)	(5,483)	(1,430)	(5,483)
Financial investments at amortised cost	389	(19,185)	389	(19,185)
Other financial assets	1,814	5,380	1,814	5,380
	151,427	72,868	151,427	72,868

Bank

Charge/(Writeback)

Loans, advances and financing:

- Net charge	81,908	113,995	81,908	113,995
- Bad debts recovered	(63,275)	(62,525)	(63,275)	(62,525)
- Bad debts written off	32,919	35,684	32,919	35,684
	51,552	87,154	51,552	87,154
Financial assets at FVOCI	(1,055)	(4,914)	(1,055)	(4,914)
Financial investments at amortised cost	540	(16,298)	540	(16,298)
Other financial assets	(300)	1,139	(300)	1,139
	50,737	67,081	50,737	67,081

A13. Investment Account Due From Designated Financial Institutions

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

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

Principal	Bank	
	As at	As at
	31 March	31 December
	2020	2019
	RM'000	RM'000
Personal financing	1,000,000	1,000,000
Other term financing	6,157,801	6,320,301
Unquoted securities	811,775	811,775
	7,969,576	8,132,076



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2020**

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

	Group		Bank	
	As at 31 March 2020 RM'000	As at 31 December 2019 RM'000	As at 31 March 2020 RM'000	As at 31 December 2019 RM'000
Mandatory measured at fair value				
<u>Money market instruments:</u>				
Malaysian Government Securities	732,889	491,029	732,887	491,029
Malaysian Government Investment Issues	1,618,463	1,606,524	1,489,818	1,399,379
Thailand Government bonds	44,960	-	44,960	-
Singapore Housing Development Board	-	30,383	-	30,383
Singapore Government Securities	-	16,922	-	16,922
<u>Quoted securities:</u>				
<u>In Malaysia</u>				
Shares, exchange traded funds and warrants	25,179	23,716	-	-
Unit trusts	72,898	65,906	-	-
Corporate bond/sukuk	3,328	3,324	3,328	3,324
<u>Outside Malaysia</u>				
Shares, exchange traded funds and warrants	53,192	282,457	3,410	3,337
<u>Unquoted securities:</u>				
<u>In Malaysia</u>				
Corporate bond/sukuk	69,797	254,807	69,498	254,807
Unit trusts	1,030,117	1,024,555	-	-
Commercial paper	-	119,813	-	119,813
<u>Outside Malaysia</u>				
Corporate bond/sukuk	305,829	211,294	305,829	211,294
Private equity funds	532,920	492,717	-	-
	4,489,572	4,623,447	2,649,730	2,530,288



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2020**

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

	Group		Bank	
	As at 31 March 2020 RM'000	As at 31 December 2019 RM'000	As at 31 March 2020 RM'000	As at 31 December 2019 RM'000
At fair value				
(a) Debt instruments	41,226,014	39,109,505	35,427,053	33,279,961
(b) Equity instruments	696,789	695,799	655,990	654,311
	41,922,803	39,805,304	36,083,043	33,934,272
(a) Debt instruments				
<u>Money market instruments:</u>				
Malaysian Government Securities	3,175,323	2,471,928	3,042,251	2,338,619
Malaysian Government Investment Issues	6,775,375	6,111,157	5,455,735	4,618,503
Cagamas bonds	169,182	168,360	159,064	158,135
Khazanah bonds	46,468	45,910	-	-
Negotiable instruments of deposits	-	650,517	-	500,980
Other foreign government investment issues	48,598	50,473	48,598	50,473
Sukuk Perumahan Kerajaan	72,591	71,596	-	-
Singapore Government Securities	1,126,543	1,125,612	1,126,543	1,125,612
Thailand Government Securities	651,860	581,245	651,860	581,245
Other Foreign Government Treasury Bills	1,830,145	1,920,742	1,830,145	1,920,742
Singapore Housing Development Board	655,291	677,603	655,291	677,603
<u>Unquoted securities:</u>				
<u>In Malaysia</u>				
Corporate bond/sukuk	19,705,537	18,990,597	15,514,159	15,115,781
Perpetual notes/sukuk	101,839	102,651	101,839	102,651
Prasarana bonds	2,661,090	2,175,940	2,635,396	2,150,023
<u>Outside Malaysia</u>				
Corporate bond/sukuk	4,206,172	3,965,174	4,206,172	3,939,594
	41,226,014	39,109,505	35,427,053	33,279,961
(b) Equity instruments				
<u>Quoted securities:</u>				
<u>Outside Malaysia</u>				
Shares	1,792	2,418	-	-
<u>Unquoted securities:</u>				
<u>In Malaysia</u>				
Shares	694,589	692,963	655,989	654,310
<u>Outside Malaysia</u>				
Shares	408	418	1	1
	696,789	695,799	655,990	654,311

Included in financial investments at FVOCI of the Group and the Bank are corporate bond/sukuk, which are pledged as collateral for obligations on securities sold under repurchase agreements amounting to RMNil (31 December 2019: RM204,000,000) and RM1,857,000,000 (31 December 2019: RM787,000,000) respectively.



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2020**

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

(a) Movement in credit impaired financial assets at FVOCI

	Group and Bank	
	As at	As at
	31 March	31 December
	2020	2019
	RM'000	RM'000
Balance as at the beginning of the financial period/year	1,020	5,252
Derecognition	-	(4,224)
Exchange differences	-	(8)
Balance as at the end of the financial period/year	1,020	1,020

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

Group	12-month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
	RM'000	RM'000	RM'000	RM'000
31 March 2020				
Balance as at the beginning of the financial period	44,264	-	-	44,264
Allowance made during the financial period	356	-	-	356
Purchases and origination	2,176	-	-	2,176
Derecognition and disposal	(3,962)	-	-	(3,962)
Exchange differences	(189)	-	-	(189)
Balance as at the end of the financial period	42,645	-	-	42,645
31 December 2019				
Balance as at the beginning of the financial year	55,977	306	-	56,283
Transfer to 12-month ECL (Stage 1)	306	(306)	-	-
Allowance written back during the financial year	(5,065)	-	-	(5,065)
Purchases and origination	8,125	-	-	8,125
Derecognition and disposal	(15,407)	-	-	(15,407)
Exchange differences	328	-	-	328
Balance as at the end of the financial year	44,264	-	-	44,264



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2020**

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

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

Bank	12-month ECL (Stage 1) RM'000	Lifetime ECL not credit impaired (Stage 2) RM'000	Lifetime ECL credit impaired (Stage 3) RM'000	Total RM'000
31 March 2020				
Balance as at the beginning of the financial period	41,865	-	-	41,865
Allowance made during the financial period	418	-	-	418
Purchases and origination	2,113	-	-	2,113
Derecognition and disposal	(3,586)	-	-	(3,586)
Exchange differences	(189)	-	-	(189)
Balance as at the end of the financial period	<u>40,621</u>	<u>-</u>	<u>-</u>	<u>40,621</u>
31 December 2019				
Balance as at the beginning of the financial year	50,278	-	-	50,278
Allowance written back during the financial year	(2,921)	-	-	(2,921)
Purchases and origination	7,851	-	-	7,851
Derecognition and disposal	(13,671)	-	-	(13,671)
Exchange differences	328	-	-	328
Balance as at the end of the financial year	<u>41,865</u>	<u>-</u>	<u>-</u>	<u>41,865</u>



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2020**

A16. Financial Investments at Amortised Cost

	Group		Bank	
	As at 31 March 2020	As at 31 December 2019	As at 31 March 2020	As at 31 December 2019
	RM'000	RM'000	RM'000	RM'000
At amortised cost				
<u>Money market instruments:</u>				
Malaysian Government Securities	233,538	100,698	141,453	100,698
Malaysian Government Investment Issues	3,314,185	3,182,753	2,673,805	2,651,130
Cagamas bonds	238,589	237,412	238,589	237,412
Khazanah bonds	127,458	186,108	19,541	79,180
Wakala Global Sukuk	30,930	29,682	22,101	21,211
Sukuk Perumahan Kerajaan	111,116	111,034	101,005	101,020
Singapore Government Treasury Bills	540,513	272,494	540,513	272,494
Sukuk (Brunei) Incorporation	30,308	30,400	30,308	30,400
<u>Unquoted securities:</u>				
<u>In Malaysia</u>				
Corporate bond/sukuk	10,210,421	10,041,472	6,235,364	6,164,844
Corporate loan stocks	25,853	25,853	-	-
Prasarana bonds	371,797	343,732	301,101	272,894
	15,234,708	14,561,638	10,303,780	9,931,283
Allowance for credit losses	(313,084)	(312,229)	(229,438)	(228,481)
	14,921,624	14,249,409	10,074,342	9,702,802

Included in financial investments at amortised cost of the Group and the Bank are corporate bond/sukuk, which are pledged as collateral for obligations on securities sold under repurchase agreements amounting to RM1,760,000,000 (31 December 2019: RM1,839,000,000) and RM2,630,000,000 (31 December 2019: RM2,973,000,000) respectively.

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

	Group		Bank	
	As at 31 March 2020	As at 31 December 2019	As at 31 March 2020	As at 31 December 2019
	RM'000	RM'000	RM'000	RM'000
Balance as at the beginning of the financial period/year	140,425	141,405	62,978	63,341
Derecognition	(38)	(897)	(38)	(280)
Exchange differences	455	(83)	455	(83)
Balance as at the end of the financial period/year	140,842	140,425	63,395	62,978



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2020**

A16. Financial investments at amortised cost (continued)

(b) Movement in allowance for credit losses

Group	12-month ECL (Stage 1) RM'000	Lifetime ECL not credit impaired (Stage 2) RM'000	Lifetime ECL credit impaired (Stage 3) RM'000	Total RM'000
31 March 2020				
Balance as at the beginning of the financial period	23,081	149,285	139,863	312,229
Allowance (written back)/made during the financial period	(671)	405	-	(266)
Purchases and origination	862	219	-	1,081
Derecognition	(237)	(189)	-	(426)
Exchange differences	49	-	417	466
Balance as at the end of the financial period	<u>23,084</u>	<u>149,720</u>	<u>140,280</u>	<u>313,084</u>

31 December 2019

Balance as at the beginning of the financial year	23,820	176,683	140,844	341,347
Allowance written back during the financial year	(2,429)	(26,873)	(280)	(29,582)
Purchases and origination	7,211	-	-	7,211
Derecognition	(5,518)	(525)	(617)	(6,660)
Exchange differences	(3)	-	(84)	(87)
Balance as at the end of the financial year	<u>23,081</u>	<u>149,285</u>	<u>139,863</u>	<u>312,229</u>

Bank

31 March 2020

Balance as at the beginning of the financial period	16,970	149,096	62,415	228,481
Allowance (written back)/made during the financial period	(417)	405	-	(12)
Purchases and origination	782	-	-	782
Derecognition	(230)	-	-	(230)
Exchange differences	-	-	417	417
Balance as at the end of the financial period	<u>17,105</u>	<u>149,501</u>	<u>62,832</u>	<u>229,438</u>

31 December 2019

Balance as at the beginning of the financial year	19,017	174,430	62,779	256,226
Allowance written back during the financial year	(757)	(25,334)	(280)	(26,371)
Purchases and origination	3,249	-	-	3,249
Derecognition	(4,539)	-	-	(4,539)
Exchange differences	-	-	(84)	(84)
Balance as at the end of the financial year	<u>16,970</u>	<u>149,096</u>	<u>62,415</u>	<u>228,481</u>



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2020**

A17. Loans, Advances and Financing

(a) By type

	Group		Bank	
	As at 31 March 2020	As at 31 December 2019	As at 31 March 2020	As at 31 December 2019
	RM'000	RM'000	RM'000	RM'000
At amortised cost				
Overdrafts	6,707,117	6,837,516	5,505,522	5,639,721
Term loans/financing				
- Housing loans/financing	62,063,549	61,144,001	42,686,925	42,455,732
- Syndicated term loans/financing	7,293,792	7,016,496	3,840,477	3,466,440
- Hire purchase receivables/financing	8,952,974	9,108,539	1,224,779	1,385,512
- Lease receivables	181	193	-	-
- Other term loans/financing	67,782,331	67,530,547	40,803,719	40,939,402
Bills receivables	4,270,213	3,961,067	3,348,665	3,049,995
Trust receipts	685,180	686,290	632,716	657,190
Claims on customers under acceptance credits	3,372,950	3,452,118	3,372,950	3,452,118
Staff loans/financing	110,499	112,373	102,036	105,342
Credit/charge card receivables	2,077,015	2,225,932	1,797,147	1,932,411
Revolving credits/financing	12,883,235	14,099,776	6,514,004	6,564,356
Gross loans, advances and financing	176,199,036	176,174,848	109,828,940	109,648,219
Fair value changes arising from fair value hedges	102,774	41,906	8,063	3,342
	176,301,810	176,216,754	109,837,003	109,651,561
Less: Allowance for credit losses	(3,076,457)	(2,980,082)	(2,308,263)	(2,305,896)
Net loans, advances and financing	173,225,353	173,236,672	107,528,740	107,345,665

Included in loans, advances and financing are housing loans, hire purchase receivables and other term loans/financing sold to Cagamas with recourse to the Group and the Bank amounting to RM2,124,319,000 (31 December 2019: RM3,312,744,000) and RMNil (31 December 2019: RM1,173,094,000) respectively.

(b) By type of customer

	Group		Bank	
	As at 31 March 2020	As at 31 December 2019	As at 31 March 2020	As at 31 December 2019
	RM'000	RM'000	RM'000	RM'000
Domestic non-bank financial institutions:				
- Others	3,250,141	3,923,700	423,804	831,549
Domestic business enterprises:				
- Small medium enterprises	25,305,693	25,523,338	20,616,823	20,702,527
- Others	28,796,531	29,410,330	14,727,723	14,866,227
Government and statutory bodies	7,042,958	7,005,672	1,882,974	1,911,967
Individuals	89,890,008	90,163,496	54,698,514	55,525,488
Other domestic entities	138,699	137,795	16,593	15,456
Foreign entities	21,775,006	20,010,517	17,462,509	15,795,005
	176,199,036	176,174,848	109,828,940	109,648,219



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2020**

A17. Loans, Advances and Financing (continued)

(c) By geographical distribution

	Group		Bank	
	As at 31 March 2020	As at 31 December 2019	As at 31 March 2020	As at 31 December 2019
	RM'000	RM'000	RM'000	RM'000
Malaysia	155,193,995	156,943,906	93,703,271	95,203,293
Labuan Offshore	2,030,269	1,978,689	-	-
Singapore	14,733,408	12,828,721	14,589,300	12,614,249
Thailand	1,483,263	1,829,253	1,367,498	1,663,059
Brunei	168,871	167,618	168,871	167,618
Indonesia	33,533	88,690	-	-
Hong Kong	17	27,032	-	-
Cambodia	2,347,791	2,113,095	-	-
Lao	207,889	197,844	-	-
	176,199,036	176,174,848	109,828,940	109,648,219

(d) By interest/profit rate sensitivity

	Group		Bank	
	As at 31 March 2020	As at 31 December 2019	As at 31 March 2020	As at 31 December 2019
	RM'000	RM'000	RM'000	RM'000
Fixed rate				
- Housing loans/financing	113,738	114,426	91,122	93,249
- Hire purchase receivables/financing	3,250,720	3,631,363	1,224,779	1,385,512
- Other fixed rate loans/financing	15,398,743	16,270,398	8,566,192	9,117,878
Variable rate				
- Base lending/financing rate plus	99,639,706	98,476,244	68,338,319	68,357,932
- Cost-plus	49,196,243	50,043,944	24,525,933	24,521,787
- Other variable rates	8,599,886	7,638,473	7,082,595	6,171,861
	176,199,036	176,174,848	109,828,940	109,648,219



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2020**

A17. Loans, Advances and Financing (continued)

(e) By economic sector

	Group		Bank	
	As at 31 March 2020	As at 31 December 2019	As at 31 March 2020	As at 31 December 2019
	RM'000	RM'000	RM'000	RM'000
Agriculture, hunting, forestry and fishing	3,556,881	3,640,554	2,010,450	2,096,069
Mining and quarrying	631,272	655,608	319,219	350,371
Manufacturing	9,174,236	9,492,621	6,950,697	7,075,716
Electricity, gas and water	2,065,197	2,122,290	1,690,070	1,728,133
Construction	12,771,824	12,316,993	7,512,269	7,282,412
Wholesale and retail trade and restaurant and hotel	17,122,892	14,319,252	14,383,042	11,702,940
Transport, storage and communication	6,779,158	7,216,382	2,047,874	2,066,500
Finance, insurance, real estate and business services	18,750,149	19,982,481	12,616,875	13,316,611
Government and government agencies	5,516,760	5,495,679	1,882,974	1,911,967
Education, health and others	4,786,191	5,514,353	2,056,112	2,791,386
Household sector	93,945,377	94,400,973	57,924,764	58,856,599
Others	1,099,099	1,017,662	434,594	469,515
	176,199,036	176,174,848	109,828,940	109,648,219

(f) By purpose

	Group		Bank	
	As at 31 March 2020	As at 31 December 2019	As at 31 March 2020	As at 31 December 2019
	RM'000	RM'000	RM'000	RM'000
Purchase of securities	10,268,109	11,305,453	4,348,393	5,072,680
Purchase of transport vehicles	8,593,392	8,702,883	830,905	947,556
Purchase of landed property:				
- Residential	60,343,134	59,458,474	41,993,560	41,770,722
- Non-residential	18,801,816	18,786,302	13,622,393	13,772,009
Purchase of property, plant and equipment other than land and building	2,569,538	2,645,065	1,880,628	1,962,043
Personal use	10,346,382	10,420,875	5,986,742	6,146,621
Credit card	2,077,015	2,225,932	1,797,147	1,932,411
Purchase of consumer durables	13,678	14,585	13,678	14,585
Construction	7,969,413	7,551,967	6,064,982	5,558,253
Working capital	37,610,583	37,465,094	24,636,659	23,752,175
Merger and acquisition	2,092,887	2,423,564	792,416	1,022,647
Other purposes	15,513,089	15,174,654	7,861,437	7,696,517
	176,199,036	176,174,848	109,828,940	109,648,219



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2020**

A17. Loans, Advances and Financing (continued)

(g) By remaining contractual maturities

	Group		Bank	
	As at 31 March 2020	As at 31 December 2019	As at 31 March 2020	As at 31 December 2019
	RM'000	RM'000	RM'000	RM'000
Maturity within one year	44,002,687	45,435,134	33,612,736	33,846,039
One year to three years	7,989,921	7,541,535	4,111,649	4,286,651
Three years to five years	14,122,245	14,742,896	5,648,190	5,581,448
Over five years	110,084,183	108,455,283	66,456,365	65,934,081
	176,199,036	176,174,848	109,828,940	109,648,219

(h) Impaired loans, advances and financing

**(i) Movement in impaired loans, advances
and financing**

	Group		Bank	
	As at 31 March 2020	As at 31 December 2019	As at 31 March 2020	As at 31 December 2019
	RM'000	RM'000	RM'000	RM'000
Balance as at the beginning of the financial period/year	3,479,175	3,483,554	2,623,781	2,555,206
Transfer to 12-month ECL (Stage 1)	(40,970)	(140,946)	(29,329)	(107,565)
Transfer to Lifetime ECL not credit impaired (Stage 2)	(147,372)	(204,057)	(113,142)	(132,860)
Transfer to Lifetime ECL credit impaired (Stage 3)	538,845	1,161,633	381,701	920,681
Purchases and origination	237,702	706,283	154,426	605,266
Derecognition	(422,769)	(668,725)	(263,924)	(516,048)
Amount written off	(131,442)	(857,988)	(109,018)	(704,846)
Exchange differences	12,346	(579)	(4,215)	3,947
Balance as at the end of the financial period/year	3,525,515	3,479,175	2,640,280	2,623,781



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2020**

A17. Loans, Advances and Financing (continued)

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

(ii) By economic sector

	Group		Bank	
	As at 31 March 2020	As at 31 December 2019	As at 31 March 2020	As at 31 December 2019
	RM'000	RM'000	RM'000	RM'000
Agriculture, hunting, forestry and fishing	65,531	60,515	43,527	39,635
Mining and quarrying	209,961	205,586	4,540	4,778
Manufacturing	522,852	505,152	405,210	392,742
Electricity, gas and water	269,010	288,619	263,868	267,404
Construction	299,964	272,855	253,018	222,660
Wholesale and retail trade and restaurant and hotel	294,413	311,918	225,752	241,942
Transport, storage and communication	387,825	422,749	371,259	408,896
Finance, insurance, real estate and business services	267,320	222,659	231,439	195,084
Education, health and others	34,977	32,962	22,394	23,000
Household sector	1,137,622	1,124,457	811,978	821,157
Others	36,040	31,703	7,295	6,483
	3,525,515	3,479,175	2,640,280	2,623,781

(iii) By purpose

	Group		Bank	
	As at 31 March 2020	As at 31 December 2019	As at 31 March 2020	As at 31 December 2019
	RM'000	RM'000	RM'000	RM'000
Purchase of securities	44,670	49,214	27,024	25,534
Purchase of transport vehicles	84,935	75,345	23,118	22,676
Purchase of landed property:				
- Residential	783,533	775,570	552,832	560,655
- Non-residential	350,238	350,674	275,008	273,914
Purchase of property, plant and equipment other than land and building	78,755	86,651	76,650	78,999
Personal use	172,312	178,882	160,673	168,579
Credit card	31,645	29,456	27,768	25,852
Purchase of consumer durables	669	853	669	853
Construction	117,158	119,083	89,215	92,915
Working capital	1,708,210	1,691,412	1,311,199	1,301,656
Other purposes	153,390	122,035	96,124	72,148
	3,525,515	3,479,175	2,640,280	2,623,781



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2020**

A17. Loans, Advances and Financing (continued)

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

(iv) By geographical distribution

	Group		Bank	
	As at	As at	As at	As at
	31 March	31 December	31 March	31 December
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Malaysia	2,248,569	2,206,536	1,777,578	1,740,174
Labuan Offshore	282,057	266,821	-	-
Singapore	815,815	865,907	809,371	852,015
Thailand	56,590	34,476	46,884	25,152
Brunei	6,447	6,440	6,447	6,440
Cambodia	90,948	81,881	-	-
Hong Kong	17	97	-	-
Lao	25,072	17,017	-	-
	3,525,515	3,479,175	2,640,280	2,623,781



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2020**

A17. Loans, Advances and Financing (continued)

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

(v) Movement in allowance for credit losses

Group	12-month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
	RM'000	RM'000	RM'000	RM'000
31 March 2020				
Balance as at the beginning of the financial period	567,095	864,051	1,548,936	2,980,082
Changes due to financial assets recognised in the opening balance that have been:				
- Transferred to 12-month ECL (Stage 1)	78,073	(67,998)	(10,075)	-
- Transferred to Lifetime ECL not credit impaired (Stage 2)	(21,487)	65,391	(43,904)	-
- Transferred to Lifetime ECL credit impaired (Stage 3)	(937)	(35,677)	36,614	-
	55,649	(38,284)	(17,365)	-
Allowance made/(written back) during the financial period	(41,617)	89,173	198,433	245,989
Bad debts written off	-	-	(95,213)	(95,213)
Derecognition	(11,648)	(13,757)	(37,283)	(62,688)
Exchange differences	739	(201)	7,749	8,287
Balance as at the end of the financial period	570,218	900,982	1,605,257	3,076,457
31 December 2019				
Balance as at the beginning of the financial year	591,911	994,604	1,665,078	3,251,593
Changes due to financial assets recognised in the opening balance that have been:				
- Transferred to 12-month ECL (Stage 1)	182,069	(141,866)	(40,203)	-
- Transferred to Lifetime ECL not credit impaired (Stage 2)	(35,256)	87,303	(52,047)	-
- Transferred to Lifetime ECL credit impaired (Stage 3)	(11,211)	(49,845)	61,056	-
	135,602	(104,408)	(31,194)	-
Allowance made/(written back) during the financial year	(71,778)	219,210	740,370	887,802
Bad debts written off	-	-	(672,336)	(672,336)
Changes to model methodologies	(15,311)	(24,356)	(2)	(39,669)
Derecognition	(73,990)	(220,406)	(152,777)	(447,173)
Exchange differences	661	(593)	(203)	(135)
Balance as at the end of the financial year	567,095	864,051	1,548,936	2,980,082



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2020**

A17. Loans, Advances and Financing (continued)

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

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

Bank	12-month ECL (Stage 1) RM'000	Lifetime ECL not credit impaired (Stage 2) RM'000	Lifetime ECL credit impaired (Stage 3) RM'000	Total RM'000
31 March 2020				
Balance as at the beginning of the financial period	324,042	802,764	1,179,090	2,305,896
Changes due to financial assets recognised in the opening balance that have been:				
- Transferred to 12-month ECL (Stage 1)	65,277	(57,794)	(7,483)	-
- Transferred to Lifetime ECL not credit impaired (Stage 2)	(17,214)	50,733	(33,519)	-
- Transferred to Lifetime ECL credit impaired (Stage 3)	(795)	(31,204)	31,999	-
	47,268	(38,265)	(9,003)	-
Allowance made/(written back) during the financial period	(32,077)	20,836	143,275	132,034
Bad debts written off	-	-	(76,570)	(76,570)
Derecognition	(8,588)	(12,491)	(29,047)	(50,126)
Exchange differences	(452)	(439)	(2,080)	(2,971)
Balance as at the end of the financial period	330,193	772,405	1,205,665	2,308,263
31 December 2019				
Balance as at the beginning of the financial year	489,408	774,591	1,193,133	2,457,132
Changes due to financial assets recognised in the opening balance that have been:				
- Transferred to 12-month ECL (Stage 1)	148,061	(114,425)	(33,636)	-
- Transferred to Lifetime ECL not credit impaired (Stage 2)	(29,318)	68,519	(39,201)	-
- Transferred to Lifetime ECL credit impaired (Stage 3)	(10,688)	(45,922)	56,610	-
	108,055	(91,828)	(16,227)	-
Allowance made/(written back) during the financial year	(205,027)	247,662	667,330	709,965
Bad debts written off	-	-	(545,426)	(545,426)
Changes to model methodologies	(12,683)	(20,252)	(2)	(32,937)
Derecognition	(56,477)	(107,903)	(121,743)	(286,123)
Exchange differences	766	494	2,025	3,285
Balance as at the end of the financial year	324,042	802,764	1,179,090	2,305,896



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2020**

A18. Other Assets

	Group		Bank	
	As at	As at	As at	As at
	31 March	31 December	31 March	31 December
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Other receivables	788,920	929,870	384,720	384,159
Cash collateral in relation to derivative transactions	598,164	162,603	562,784	162,603
Deposits	62,399	63,768	32,224	31,892
Prepayments	144,129	101,938	82,406	58,374
Amounts due from subsidiaries	-	-	269,681	467,698
	<u>1,593,612</u>	<u>1,258,179</u>	<u>1,331,815</u>	<u>1,104,726</u>



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2020**

A19. Deposits from Customers

(a) By type of deposits

	Group		Bank	
	As at 31 March 2020	As at 31 December 2019	As at 31 March 2020	As at 31 December 2019
	RM'000	RM'000	RM'000	RM'000
Demand deposits	42,012,208	38,376,019	34,001,175	31,538,822
Savings deposits	11,161,256	10,554,978	9,209,335	8,739,694
Fixed/investment deposits	139,966,277	140,705,781	88,546,121	90,374,161
Negotiable instruments of deposits	839,232	918,447	839,232	918,447
	193,978,973	190,555,225	132,595,863	131,571,124

(b) By type of customer

	Group		Bank	
	As at 31 March 2020	As at 31 December 2019	As at 31 March 2020	As at 31 December 2019
	RM'000	RM'000	RM'000	RM'000
Government and statutory bodies	18,369,178	13,905,730	6,256,514	3,711,730
Business enterprises	105,010,144	107,669,851	74,787,432	79,328,733
Individuals	64,336,505	62,773,983	45,725,231	42,718,943
Others	6,263,146	6,205,661	5,826,686	5,811,718
	193,978,973	190,555,225	132,595,863	131,571,124

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

	Group		Bank	
	As at 31 March 2020	As at 31 December 2019	As at 31 March 2020	As at 31 December 2019
	RM'000	RM'000	RM'000	RM'000
Due within six months	100,448,650	95,216,919	63,244,914	62,411,341
Six months to one year	36,136,419	41,871,670	23,392,492	25,827,669
One year to three years	3,804,418	3,935,590	2,727,797	2,936,737
Three years to five years	416,022	600,049	20,150	116,861
	140,805,509	141,624,228	89,385,353	91,292,608



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2020**

A20. Deposits and Placements of Banks and Other Financial Institutions

	Group		Bank	
	As at 31 March 2020	As at 31 December 2019	As at 31 March 2020	As at 31 December 2019
	RM'000	RM'000	RM'000	RM'000
Licensed banks	17,775,832	19,492,073	18,306,434	18,640,809
Licensed Islamic banks	659,443	996,510	2,391	2,739
Licensed investment banks	300,188	500,155	1,958,674	76,175
Bank Negara Malaysia	492,799	511,165	428,276	451,805
Other financial institutions	103,494	39,426	2,177	2,304
	19,331,756	21,539,329	20,697,952	19,173,832

A21. Other Liabilities

	Group		Bank	
	As at 31 March 2020	As at 31 December 2019	As at 31 March 2020	As at 31 December 2019
	RM'000	RM'000	RM'000	RM'000
Other creditors and accruals	1,222,623	1,879,774	602,931	1,004,785
Amount payable for redemption units	174,258	312,101	-	-
Contract liabilities	119,128	47,498	99,750	22,710
Short term employee benefits	150,768	416,781	120,719	323,540
Accrual for operational expenses	201,909	217,227	156,204	173,804
Prepaid instalments	33,452	36,220	33,452	36,220
Cash collateral pledged for derivative transactions	246,374	194,010	246,374	194,010
Remisiers' trust deposits	64,173	64,861	-	-
Amount due to trust funds	10,994	42,007	-	-
Amounts due to subsidiaries	-	-	24,546	25,791
	2,223,679	3,210,479	1,283,976	1,780,860



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2020**

A22. Segmental Reporting

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

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

(a) Group Retail Banking

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

This segment also covers the asset management business that focuses on providing investment management services, unit trust fund management services, Islamic funds management services, wills and trustee services.

(b) Group Business Banking

Group Business Banking caters for funding needs as well as deposit collection from small and medium sized enterprises and wholesale clients.

(c) Group Wholesale Banking

(i) Group Corporate Banking and Group Investment Banking

Group Corporate Banking caters to funding or lending needs of corporate customers including public listed corporations and its related entities, multinational corporations (including Japanese), financial institutions and Government and state owned enterprises. Included under Group Corporate Banking are offshore banking activities carried out by RHB Bank (L) Ltd whose borrowings and lending facilities are offered in major currencies mainly to corporate customers.

Group Investment Banking provides services for advisory, fund raising in the structuring and issuance of debt securities and capital market instruments, corporate and debt restructuring, mergers and acquisitions, private placements, underwriting and structuring of bilateral lending, project financing, loans syndication, infrastructure financing, initial public offerings of equity related instruments, private placements and underwriting. 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 nominee services.

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

(ii) Group Treasury and Global Markets

Group Treasury and Global Markets operations are involved in proprietary and non-proprietary trading in fixed income securities and foreign exchange, derivatives trading and structuring, managing customer-based foreign exchange and money market transactions, funding and investments in ringgit and foreign currencies for the Group, as well as funding center.



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2020**

A22. Segmental Reporting (continued)

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

(d) Group International Business

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

(e) Support Center and Others

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

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



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2020**

A22. Segmental Reporting (continued)

Three months ended 31 March 2020

	<div>← GWB →</div>							
	Group Retail Banking	Group Business Banking	Group CBIB	Group Treasury and Global Markets	Group International Business	Support Center and Others	Inter- Segment Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	678,502	282,468	341,256	300,046	150,136	(7,230)	-	1,745,178
Inter-segment revenue	223	-	18,497	(13,901)	446	7,897	(13,162)	-
Segment revenue	678,725	282,468	359,753	286,145	150,582	667	(13,162)	1,745,178
Other operating expenses	(345,875)	(153,914)	(176,024)	(40,747)	(103,451)	(34,638)	13,162	(841,487)
Including:								
- Depreciation of property, plant and equipment	(14,325)	(3,595)	(4,369)	(850)	(3,738)	(567)	-	(27,444)
- Depreciation of right of use assets	(5,029)	(3,620)	(5,209)	(104)	(3,911)	(1,053)	-	(18,926)
- Amortisation of intangible assets	(13,400)	(6,593)	(5,228)	(1,108)	(2,766)	(825)	-	(29,920)
Allowance for credit losses on financial assets	(59,562)	(24,870)	(35,861)	1,637	(34,935)	2,164	-	(151,427)
Segment profit/(loss)	273,288	103,684	147,868	247,035	12,196	(31,807)	-	752,264
Share of results of joint ventures								-
Profit before taxation and zakat								752,264
Taxation and zakat								(180,104)
Net profit for the financial period								572,160



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2020**

A22. Segmental Reporting (continued)

As at 31 March 2020

	←— GWB —→						
	Group Retail Banking	Group Business Banking	Group CBIB	Group Treasury and Global Markets	Group International Business	Support Center and Others	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Segment assets	90,438,414	26,095,761	49,154,295	55,848,250	31,166,777	3,678,036	256,381,533
Investments in associates and joint ventures							9,512
Tax recoverable							410,690
Deferred tax assets							22,042
Unallocated assets							944,406
Total assets							<u>257,768,183</u>
Segment liabilities	59,342,501	28,415,084	60,073,968	50,904,785	23,317,602	1,364,403	223,418,343
Tax liabilities							50,809
Deferred tax liabilities							71,471
Borrowings							1,100,236
Senior debt securities							3,484,546
Subordinated obligations							2,738,725
Unallocated liabilities							820,840
Total liabilities							<u>231,684,970</u>



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2020**

A22. Segmental Reporting (continued)

Three months ended 31 March 2019

	<div> <div>←</div> <div>GWB</div> <div>→</div> </div>							
	Group Retail Banking	Group Business Banking	Group CBIB	Group Treasury and Global Markets	Group International Business	Support Center and Others	Inter- Segment Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	648,831	267,297	345,681	377,358	135,690	(32,452)	-	1,742,405
Inter-segment revenue	5,329	-	6,449	(388)	1,873	7,458	(20,721)	-
Segment revenue	654,160	267,297	352,130	376,970	137,563	(24,994)	(20,721)	1,742,405
Other operating expenses	(336,430)	(159,179)	(176,867)	(46,644)	(109,134)	(38,803)	20,721	(846,336)
Including:								
- Depreciation of property, plant and equipment	(13,988)	(4,698)	(5,526)	(735)	(4,914)	(735)	-	(30,596)
- Depreciation of right of use assets	(4,772)	(3,459)	(4,397)	(47)	(3,901)	(684)	-	(17,260)
- Amortisation of intangible assets	(11,620)	(7,263)	(4,908)	(827)	(3,285)	(872)	-	(28,775)
Allowance for credit losses on financial assets	(54,335)	(7,637)	(33,057)	(2,015)	25,849	(1,673)	-	(72,868)
Segment profit/(loss)	263,395	100,481	142,206	328,311	54,278	(65,470)	-	823,201
Share of results of joint ventures								(30)
Profit before taxation and zakat								823,171
Taxation and zakat								(192,104)
Net profit for the financial period								631,067



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2020**

A22. Segmental Reporting (continued)

As at 31 December 2019

	← GWB →						
	Group Retail Banking	Group Business Banking	Group CBIB	Group Treasury and Global Markets	Group International Business	Support Center and Others	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Segment assets	91,298,174	25,945,544	50,791,190	56,309,901	28,517,801	3,179,893	256,042,503
Investments in associates and joint ventures							9,512
Tax recoverable							467,103
Deferred tax assets							22,989
Unallocated assets							1,050,389
Total assets							<u>257,592,496</u>
Segment liabilities	58,197,219	28,844,637	54,527,434	58,994,460	22,115,796	1,442,592	224,122,138
Tax liabilities							60,172
Deferred tax liabilities							169,763
Borrowings							1,182,527
Senior debt securities							3,296,763
Subordinated obligations							2,724,224
Unallocated liabilities							226,100
Total liabilities							<u>231,781,687</u>



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2020**

A23. Valuation of Property, Plant and Equipment

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

A24. Events Subsequent to Balance Sheet Date

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

- (a) The Bank has on 9 April 2020 injected additional capital of LAK79.4 billion (equivalent to RM39.4 million) into its wholly-owned subsidiary, RHB Bank Lao Limited ('RHB Bank Lao'). As a result, the issued share capital of RHB Bank Lao increased from LAK301.5 billion to LAK380.9 billion.
- (b) RHB Investment Bank Berhad ('RHB Investment Bank'), a wholly-owned subsidiary of the Bank, had on 16 April 2020 fully redeemed its existing subordinated notes of RM200 million in nominal value under a RM1 billion Multi-Currency Medium Term Note Programme which was issued on 16 April 2015.
- (c) The Bank had on 29 April 2020 fully redeemed its existing subordinated notes of RM300 million in nominal value under a RM3 billion medium term note programme which was issued on 29 April 2010.
- (d) The Bank had on 8 May 2020 fully redeemed its existing subordinated notes of RM500 million in nominal value under a RM5 billion multi-currency medium term note programme which was issued on 8 May 2015.
- (e) The Bank had on 28 May 2020 issued Subordinated Notes of RM500 million in nominal value under a RM5 billion (or its equivalent in other currencies) multi-currency medium term note programme ('Subordinated Notes'). The Subordinated Notes is issued for a tenure of 10 non-callable 5 years with a fixed coupon rate of 3.35% per annum, payable semi-annually in arrears throughout the entire tenure.

Proceeds raised from the Subordinated Notes will be utilised for the Bank's general working capital and other corporate purposes.

A25. Changes in the Composition of the Group

There were no significant changes in the composition of the Group for the three months ended 31 March 2020 other than the following:

- (a) Subscription of 10 million Redeemable Preference Shares ('RPS') in RHB Private Equity Holdings Sdn Bhd ('RHBPEH')

RHB Investment Bank had on 28 January 2020, 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.
- (b) Subscription of HKD150,000,000 new ordinary shares in RHB Hong Kong Limited ('RHB Hong Kong')

RHB Investment Bank had on 14 February 2020, subscribed for 150 million new ordinary shares in RHB Hong Kong amounting to HKD150,000,000. The issued and paid-up share capital of RHB Hong Kong increased from HKD300,000,000 to HKD450,000,000. The rationale for the increase is to ensure that RHB Hong Kong Group are solvent for the purposes of the Proposed Cessation and winding up as disclosed in Note B6(a).
- (c) Application for dissolution of RHB (China) Investment Advisory Co. Ltd

RHB (China) Investment Advisory Co. Ltd., an indirect wholly-owned subsidiary of the Bank, had on 31 March 2020, commenced the application for dissolution pursuant to Article 180(ii) of the Company Law of the People's Republic of China. An application for dissolution will be submitted to Shanghai Tax Bureau, Shanghai Municipal Commission of Commerce and Shanghai Municipal Administration of Industry and Commerce accordingly.

The dissolution of RHB (China) Investment Advisory Co. Ltd., will not have any material effect on the earnings and net assets of the Group for the financial year ending 31 December 2020.



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2020**

A26. Changes In Contingent Liabilities Since The Last Annual Statements Of Financial Position

(a) Commitments and Contingencies

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

The commitments and contingencies comprise the following:

	Group		Bank	
	As at 31 March 2020 RM'000	As at 31 December 2019 RM'000	As at 31 March 2020 RM'000	As at 31 December 2019 RM'000
Direct credit substitutes	1,274,598	1,386,004	1,270,250	1,381,759
Transaction-related contingent items	4,297,231	4,258,393	3,913,516	3,984,356
Short term self-liquidating trade-related contingencies	1,732,937	1,311,586	1,580,822	1,240,297
Lending of banks' securities or the posting of securities as collateral by banks, including instances where these arise out of repo-style transactions, and commitment to buy-back Islamic securities under Sell and Buy Back Agreement transactions	4,199,754	4,119,202	5,056,237	4,119,202
Forward asset purchases, forward deposits, partly paid shares and securities which represent commitments with certain drawdowns	109,394	-	45,434	-
Irrevocable commitments to extend credit				
- Maturity less than one year	2,179,521	1,861,774	548,315	670,237
- Maturity more than one year	27,720,216	27,701,607	19,705,637	19,424,618
Foreign exchange related contracts [^]				
- Less than one year	58,076,842	54,600,403	59,872,527	56,549,934
- One year to less than five years	3,079,216	2,719,057	3,187,219	2,821,309
- More than five years	1,023,442	1,112,190	1,023,442	1,112,190
Commodity related contracts [^]				
- Less than one year	255,537	266,117	255,537	266,117
- One year to less than five years	-	24,192	-	24,192
Equity related contracts [^]				
- Less than one year	1,896	-	1,896	-
Interest rate related contracts [^]				
- Less than one year	7,646,180	6,407,422	9,736,180	8,267,422
- One year to less than five years	20,321,781	19,713,844	21,321,781	20,713,844
- More than five years	9,226,791	8,642,163	9,726,791	9,142,163
Any commitments that are unconditionally cancellable at any time by the Bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	16,781,870	16,303,840	13,991,901	13,728,325
	157,927,206	150,427,794	151,237,485	143,445,965

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



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2020**

A26. Changes In Contingent Liabilities Since The Last Annual Statements Of Financial Position (continued)

(b) Guarantees Issued by the Group and the Bank

	Group	
	As at 31 March 2020 RM'000	As at 31 December 2019 RM'000
Corporate guarantee issued in favour of Monetary Authority of Singapore in relation to undertaking of subsidiaries	151,540	152,009
Corporate guarantee issued in favour of the Stock Exchange of Thailand in relation to a derivative warrant programme of a subsidiary	965	458
	152,505	152,467

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

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

A27. Capital Commitments

	Group		Bank	
	As at 31 March 2020 RM'000	As at 31 December 2019 RM'000	As at 31 March 2020 RM'000	As at 31 December 2019 RM'000
Authorised and contracted for:				
- Property, plant and equipment	202,044	209,078	179,101	185,483
- Investment securities	6,122	5,796	-	-
	208,166	214,874	179,101	185,483



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2020

A28. Capital Adequacy Ratio

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

RHB Bank (Cambodia) Plc (formerly known as RHB Indochina Bank Limited) ('RHB Bank Cambodia') is subject to National Bank of Cambodia's capital adequacy requirements.

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

	Group		Bank [@]	
	As at 31 March 2020 RM'000	As at 31 December 2019 RM'000	As at 31 March 2020 RM'000	As at 31 December 2019 RM'000
Common Equity Tier I ('CET I')/Tier I Capital				
Share capital	6,994,103	6,994,103	6,994,103	6,994,103
Retained profits	15,675,737	15,614,585	12,604,675	12,606,320
Other reserves	817,523	727,132	565,929	490,905
FVOCI reserves	894,228	1,283,816	758,729	1,123,748
	24,381,591	24,619,636	20,923,436	21,215,076
Less:				
Goodwill	(2,638,198)	(2,638,198)	(1,651,542)	(1,651,542)
Intangible assets (include associated deferred tax liabilities)	(528,873)	(535,880)	(473,755)	(478,305)
Deferred tax assets	(143,484)	(175,214)	(111,338)	(141,690)
55% of cumulative gains arising from change in value of FVOCI instruments	(491,825)	(706,099)	(417,301)	(618,061)
Investments in subsidiaries	(102,425)	(102,425)	(4,713,568)	(4,713,568)
Investments in associates and joint ventures	(9,512)	(9,512)	-	-
Other deductions [#]	(14,696)	(16,144)	(18,113)	(14,189)
Total CET I Capital	20,452,578	20,436,164	13,537,819	13,597,721
Qualifying non-controlling interests recognised as Tier I Capital	219	220	-	-
Total Tier I Capital	20,452,797	20,436,384	13,537,819	13,597,721
Tier II Capital				
Subordinated obligations subject to gradual phase out treatment [*]	300,000	300,000	300,000	300,000
Subordinated obligations meeting all relevant criteria	1,249,593	1,249,527	1,249,593	1,249,527
Qualifying capital instruments of a subsidiary issued to third parties ⁺	495,103	490,764	-	-
Surplus eligible provisions over expected losses	490,567	478,626	372,291	363,909
General provisions [^]	273,399	293,276	174,687	183,354
Investment in capital instrument of financial and insurance/takaful entities	(3,934)	-	(224,936)	(134,187)
Total Tier II Capital	2,804,728	2,812,193	1,871,635	1,962,603
Total Capital	23,257,525	23,248,577	15,409,454	15,560,324



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2020**

A28. Capital Adequacy Ratio (continued)

	Group		Bank[@]	
	As at	As at	As at	As at
	31 March	31 December	31 March	31 December
	2020	2019	2020	2019
<u>Capital ratios</u>				
Before proposed dividends:				
CET I Capital Ratio	16.648%	16.883%	14.932%	15.145%
Tier I Capital Ratio	16.648%	16.884%	14.932%	15.145%
Total Capital Ratio	18.931%	19.207%	16.996%	17.331%
After proposed dividends:				
CET I Capital Ratio	16.044%	16.271%	14.114%	14.319%
Tier I Capital Ratio	16.044%	16.271%	14.114%	14.319%
Total Capital Ratio	18.327%	18.594%	16.178%	16.505%

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

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

^{*} Subordinated obligations that are recognised as Tier II capital instruments are subject to gradual phase out treatment effective from 1 January 2013 as prescribed under paragraph 37.7 of the BNM's Guideline on Capital Adequacy Framework (Capital Components).

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

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

Includes the qualifying regulatory reserves of the Group and the Bank of RM183,181,000 (31 December 2019: RM202,449,000) and RM97,142,000 (31 December 2019: RM101,096,000) respectively.



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2020**

A28. Capital Adequacy Ratio (continued)

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

	RHB Islamic Bank		RHB Investment Bank	
	As at 31 March 2020	As at 31 December 2019	As at 31 March 2020	As at 31 December 2019
	RM'000	RM'000	RM'000	RM'000
CET I/Tier I Capital				
Share capital	1,673,424	1,673,424	1,487,773	1,487,773
Retained profits	2,451,410	2,530,491	425,144	567,193
FVOCI reserves	93,267	117,635	39,691	39,360
	4,218,101	4,321,550	1,952,608	2,094,326
Less:				
Goodwill	-	-	(372,395)	(372,395)
Investments in subsidiaries, associates and joint ventures	-	-	(1,148,242)	(1,098,725)
Intangible assets (include associated deferred tax liabilities)	(2,796)	(3,295)	(25,345)	(25,905)
Deferred tax assets	(12,019)	(12,068)	(9,521)	(10,106)
55% of cumulative gains arising from change in value of FVOCI instruments	(51,297)	(64,699)	(21,830)	(21,648)
Other deductions [#]	(1,471)	(1,955)	-	-
Total CET I Capital/Tier I Capital	4,150,518	4,239,533	375,275	565,547
Tier II Capital				
Subordinated sukuk	750,000	750,000	-	-
Subordinated obligations meeting all relevant criteria	-	-	400,000	400,000
Surplus eligible provisions over expected losses	118,581	114,957	-	-
General provisions [^]	48,345	53,940	11,505	9,932
Total Tier II Capital	916,926	918,897	411,505	409,932
Total Capital	5,067,444	5,158,430	786,780	975,479
Capital ratios				
Before proposed dividends:				
CET I Capital Ratio	13.719%	13.922%	20.623%	33.144%
Tier I Capital Ratio	13.719%	13.922%	20.623%	33.144%
Total Capital Ratio	16.750%	16.939%	43.237%	57.169%
After proposed dividends:				
CET I Capital Ratio	13.719%	13.627%	20.623%	24.764%
Tier I Capital Ratio	13.719%	13.627%	20.623%	24.764%
Total Capital Ratio	16.750%	16.644%	43.237%	48.788%



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2020**

A28. Capital Adequacy Ratio (continued)

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

Includes the qualifying regulatory reserves for non-impaired loans of RHB Islamic Bank and RHB Investment Bank of RM39,800,000 (31 December 2019: RM44,447,000) and RM11,236,000 (31 December 2019: RM9,917,000) respectively.

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

	Group	Bank[@]	RHB Islamic Bank	RHB Investment Bank
	RM'000	RM'000	RM'000	RM'000
31 March 2020				
Credit risk	106,953,826	78,695,008	23,631,133	920,364
Market risk	3,729,728	3,377,291	239,215	141,804
Operational risk	12,172,842	8,592,356	1,997,799	757,515
Additional risk-weighted assets due to capital floor	-	-	4,386,041	-
Total risk-weighted assets	<u>122,856,396</u>	<u>90,664,655</u>	<u>30,254,188</u>	<u>1,819,683</u>
	Group	Bank[@]	RHB Islamic Bank	RHB Investment Bank
	RM'000	RM'000	RM'000	RM'000
31 December 2019				
Credit risk	105,139,766	77,851,675	23,474,740	794,533
Market risk	3,844,722	3,394,037	293,518	127,778
Operational risk	12,058,426	8,535,951	1,937,774	784,006
Additional risk-weighted assets due to capital floor	-	-	4,746,219	-
Total risk-weighted assets	<u>121,042,914</u>	<u>89,781,663</u>	<u>30,452,251</u>	<u>1,706,317</u>

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



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2020**

A28. Capital Adequacy Ratio (continued)

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

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

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

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

	As at 31 March 2020 RM'000	As at 31 December 2019 RM'000
Before proposed dividends:		
Solvency ratio	16.886%	15.477%
After proposed dividends:		
Solvency ratio	16.886%	15.477%

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



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2020**

A29. Operations of Islamic Banking

(a) Statement of Financial Position as at 31 March 2020

	Group		Bank	
	As at	As at	As at	As at
	31 March	31 December	31 March	31 December
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
ASSETS				
Cash and short-term funds	3,204,476	4,051,889	-	-
Deposits and placements with banks and other financial institutions	-	36,886	-	-
Financial assets at FVTPL	128,646	207,145	-	-
Financial assets at FVOCI	5,086,031	5,118,305	-	-
Financial investments at amortised cost	3,600,942	3,407,470	-	-
Financing and advances	61,205,133	60,799,611	1,014,737	570,204
Other assets	773,418	452,036	633,589	183,075
Derivative assets	176,234	8,703	-	-
Statutory deposits	161,175	1,517,000	-	-
Right of use assets	2,763	2,924	-	-
Property, plant and equipment	3,798	3,979	-	-
Intangible assets	3,381	3,633	-	-
Total assets	<u>74,345,997</u>	<u>75,609,581</u>	<u>1,648,326</u>	<u>753,279</u>
LIABILITIES				
Deposits from customers	55,732,486	54,416,970	-	-
Deposits and placements of banks and other financial institutions	2,646,315	2,506,723	1,180,627	576,300
Bills and acceptances payable	14,516	12,460	-	-
Other liabilities	712,186	644,477	407,359	143,419
Derivative liabilities	29,445	123,614	-	-
Recourse obligation on financing sold to Cagamas	2,272,695	2,270,239	-	-
Provision for taxation and zakat	36,593	36,025	-	-
Deferred tax liabilities	18,018	25,421	-	-
Lease liabilities	2,852	3,040	-	-
Subordinated obligations	762,992	754,565	-	-
Total liabilities	<u>62,228,098</u>	<u>60,793,534</u>	<u>1,587,986</u>	<u>719,719</u>
Islamic Banking Funds	12,117,899	14,816,047	60,340	33,560
Total liabilities and Islamic Banking Funds	<u>74,345,997</u>	<u>75,609,581</u>	<u>1,648,326</u>	<u>753,279</u>
Commitments and contingencies	<u>17,629,411</u>	<u>15,779,974</u>	<u>28,894</u>	<u>13,422</u>

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2020**
A29. Operations of Islamic Banking (continued)
(b) Income Statement for the Three Months Ended 31 March 2020

	1st Quarter Ended		Three Months Ended	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	RM'000	RM'000	RM'000	RM'000
Group				
Income derived from investment of depositors' funds	723,954	662,186	723,954	662,186
Income derived from investment account funds	103,258	107,196	103,258	107,196
Income derived from investment of shareholders' funds	95,665	62,904	95,665	62,904
Allowance for credit losses	(35,752)	(3,228)	(35,752)	(3,228)
Total distributable income	887,125	829,058	887,125	829,058
Income attributable to depositors	(475,819)	(451,336)	(475,819)	(451,336)
	411,306	377,722	411,306	377,722
Personnel expenses	(7,675)	(8,983)	(7,675)	(8,983)
Other overheads and expenditures	(88,398)	(100,892)	(88,398)	(100,892)
Profit before taxation and zakat	315,233	267,847	315,233	267,847
Taxation and zakat	(43,491)	(37,379)	(43,491)	(37,379)
Net profit for the financial period	271,742	230,468	271,742	230,468

Statement of Comprehensive Income for the Three Months Ended 31 March 2020

	1st Quarter Ended		Three Months Ended	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	RM'000	RM'000	RM'000	RM'000
Group				
Net profit for the financial period	271,742	230,468	271,742	230,468
Other comprehensive income/(loss) in respect of:				
Items that will be reclassified subsequently to profit or loss				
(a) Debt instruments measured at FVOCI				
- Unrealised net (loss)/gain	(24,540)	72,911	(24,540)	72,911
- Net transfer to income statement on disposal	(7,524)	(3,423)	(7,524)	(3,423)
- Changes in expected credit losses	(376)	(569)	(376)	(569)
Income tax relating to components of other comprehensive loss/(income)	7,695	(16,677)	7,695	(16,677)
Other comprehensive (loss)/income, net of tax, for the financial period	(24,745)	52,242	(24,745)	52,242
Total comprehensive income for the financial period	246,997	282,710	246,997	282,710

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2020**
A29. Operations of Islamic Banking (continued)
(b) Income Statement for the Three Months Ended 31 March 2020

	1st Quarter Ended		Three Months Ended	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	RM'000	RM'000	RM'000	RM'000
Bank				
Income derived from investment of depositors' funds	4,299	2,579	4,299	2,579
Income derived from investment of shareholders' funds	76	3	76	3
Allowance for credit losses	(874)	1,074	(874)	1,074
Total distributable income	3,501	3,656	3,501	3,656
Income attributable to depositors	(3,491)	(1,995)	(3,491)	(1,995)
	10	1,661	10	1,661
Personnel expenses	(355)	-	(355)	-
Other overheads and expenditures	(16)	-	(16)	-
(Loss)/Profit before taxation	(361)	1,661	(361)	1,661
Taxation	-	-	-	-
Net (loss)/profit for the financial period	(361)	1,661	(361)	1,661

Statement of Comprehensive Income for the Three Months Ended 31 March 2020

	1st Quarter Ended		Three Months Ended	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	RM'000	RM'000	RM'000	RM'000
Bank				
Net (loss)/profit for the financial period	(361)	1,661	(361)	1,661
Total comprehensive (loss)/income for the financial period	(361)	1,661	(361)	1,661



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2020**

A29. Operations of Islamic Banking (continued)

(d) Financing and Advances

	Group		Bank	
	As at 31 March 2020	As at 31 December 2019	As at 31 March 2020	As at 31 December 2019
	RM'000	RM'000	RM'000	RM'000
At amortised cost				
Cashline	862,200	847,596	-	-
Term financing				
- Housing financing	18,992,113	18,357,927	-	-
- Syndicated term financing	2,785,107	2,881,891	-	-
- Hire purchase receivables	7,728,195	7,723,027	-	-
- Other term financing	25,961,721	25,317,460	1,019,851	574,458
Bills receivables	921,548	910,771	-	-
Trust receipts	52,464	29,100	-	-
Staff financing	8,148	6,709	-	-
Credit/charge card receivables	279,868	293,523	-	-
Revolving financing	3,986,506	4,776,914	-	-
Gross financing and advances	61,577,870	61,144,918	1,019,851	574,458
Less: Allowance for credit losses	(372,737)	(345,307)	(5,114)	(4,254)
Net financing and advances	61,205,133	60,799,611	1,014,737	570,204

(i) Movements in impaired financing and advances

Balance as at the beginning of the financial period/year	466,169	509,183	-	-
Transfer to 12-month ECL (Stage 1)	(8,440)	(18,522)	-	-
Transfer to Lifetime ECL not credit impaired (Stage 2)	(32,989)	(71,197)	-	-
Transfer to Lifetime ECL credit impaired (Stage 3)	138,708	209,647	-	-
Purchases and origination	6,279	46,347	-	-
Derecognition	(83,789)	(99,603)	-	-
Amount written off	(15,334)	(109,686)	-	-
Balance as at the end of the financial period/year	470,604	466,169	-	-



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL
FOR THE THREE MONTHS ENDED 31 MARCH 2020**

A29. Operations of Islamic Banking (continued)

(d) Financing and Advances (continued)

(ii) Movement in allowance for credit losses

Group	12-month ECL (Stage 1) RM'000	Lifetime ECL not credit impaired (Stage 2) RM'000	Lifetime ECL credit impaired (Stage 3) RM'000	Total RM'000
31 March 2020				
Balance as at the beginning of the financial period	71,816	99,609	173,882	345,307
Changes due to financial assets recognised in the opening balance that have been:				
- Transferred to 12-month ECL (Stage 1)	12,775	(10,184)	(2,591)	-
- Transferred to Lifetime ECL not credit impaired (Stage 2)	(3,859)	13,991	(10,132)	-
- Transferred to Lifetime ECL credit impaired (Stage 3)	(131)	(4,239)	4,370	-
	8,785	(432)	(8,353)	-
Allowance made/(written back) during the financial period	(9,748)	14,846	43,456	48,554
Bad debts written off	-	-	(11,001)	(11,001)
Derecognition	(1,067)	(1,141)	(7,901)	(10,109)
Exchange differences	(14)	-	-	(14)
Balance as at the end of the financial period	69,772	112,882	190,083	372,737
31 December 2019				
Balance as at the beginning of the financial year	76,050	116,254	233,219	425,523
Changes due to financial assets recognised in the opening balance that have been:				
- Transferred to 12-month ECL (Stage 1)	31,585	(25,017)	(6,568)	-
- Transferred to Lifetime ECL not credit impaired (Stage 2)	(5,332)	18,178	(12,846)	-
- Transferred to Lifetime ECL credit impaired (Stage 3)	(483)	(3,649)	4,132	-
	25,770	(10,488)	(15,282)	-
Allowance made/(written back) during the financial year	(19,113)	13,448	66,258	60,593
Bad debts written off	-	-	(84,924)	(84,924)
Changes to model methodologies	(2,628)	(4,104)	-	(6,732)
Derecognition	(8,260)	(15,501)	(25,389)	(49,150)
Exchange differences	(3)	-	-	(3)
Balance as at the end of the financial year	71,816	99,609	173,882	345,307



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL
FOR THE THREE MONTHS ENDED 31 MARCH 2020**

A29. Operations of Islamic Banking (continued)

(d) Financing and Advances (continued)

(ii) Movement in allowance for credit losses

Bank	12-month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
	RM'000	RM'000	RM'000	RM'000
31 March 2020				
Balance as at the beginning of the financial period	4,254	-	-	4,254
Allowance made during the financial period	874	-	-	874
Exchange differences	(14)	-	-	(14)
Balance as at the end of the financial period	<u>5,114</u>	<u>-</u>	<u>-</u>	<u>5,114</u>
31 December 2019				
Balance as at the beginning of the financial year	2,435	-	-	2,435
Allowance made during the financial year	1,822	-	-	1,822
Exchange differences	(3)	-	-	(3)
Balance as at the end of the financial year	<u>4,254</u>	<u>-</u>	<u>-</u>	<u>4,254</u>



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2020**

B1. Review of Group Results

(a) Current Financial Period vs Previous Financial Period

The Group reported a net profit of RM570.9 million for the first three months ended 31 March 2020, 9.4% lower from RM630.2 million recorded a year ago. The year-on-year earnings decline was mainly due to higher allowances for credit losses and lower non-funding income, partially offset by higher net funding income and lower operating expenses.

Net fund based income increased by 4.4% to RM1,260.4 million from a year ago, driven by proactive management of funding costs which dropped 7.5% year-on-year as a result of the increase in CASA composition and redemption of RM600 million Hybrid Tier- I Capital and RM1 billion sub-debts in 2019.

Non-fund based income was 9.3% lower at RM484.8 million. This was largely attributed to the lower trading and investment income in line with higher bond yields at the end of the quarter, lower foreign exchange gain and lower capital market fee income, partially offset by an increase in transactional banking fee income and brokerage income as well as higher insurance underwriting surplus.

Operating expenses declined by 0.6% to RM841.5 million from a year ago driven by disciplined cost management efforts in the current volatile market. Cost-to-income ratio improved to 48.2% from 48.6% a year ago.

Allowances for credit losses was at RM151.4 million, primarily due to higher allowances for loan impairment and higher allowances written back for financial investments at amortised cost and financial assets at fair value through other comprehensive income in the corresponding year. Annualised loan credit costs stood at 0.34%.

Total assets of the Group remained stable from December 2019 to RM257.8 billion as at 31 March 2020. Net assets per share was at RM6.50, with shareholders' equity at RM26.0 billion as at 31 March 2020.

The Group's gross loans and financing grew by 3.6% year-on-year to RM176.2 billion, supported mainly by resilient growth in mortgages, SME and Singapore loans. Domestic loans and financing grew 2.2% year-on-year. The Group's domestic loan market share stood at 8.8% as at end March 2020.

Customer deposits increased by 3.8% year-on-year to RM194.0 billion, largely attributable to growth in CASA and money market time deposits ("MMTD"), partially offset by decrease in fixed deposits. CASA increased by 16.4% year-on-year, with CASA composition at 27.4% as at 31 March 2020.

Gross impaired loans remained relatively stable at RM3.5 billion, with gross impaired loans ratio at 2.00%. Loan loss coverage for the Group, including regulatory reserves was at 107.63%.



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2020**

B1. Review of Group Results

(b) Performance by Operating Segment

(i) Group Retail Banking

Group Retail Banking reported a pre-tax profit of RM273.3 million for the first three months ended 31 March 2020, 3.8% higher than previous year. This was mainly attributed to higher net fund based income, partially offset by lower non-fund based income, higher operating expenses and higher allowances for loans and financing.

Retail loans and financing was at RM90.1 billion, 4.5% higher year-on-year primarily from growth recorded in mortgages.

Retail deposits increased by 3.9% over the last one year to RM59.0 billion as at March 2020, contributed by growth in both CASA and fixed deposits.

(ii) Group Business Banking

Group Business Banking recorded a pre-tax profit of RM103.7 million for the first quarter, 3.2% higher mainly due to higher net fund based income and lower operating expenses, partially offset by higher allowances for loans and financing.

Gross loans and financing expanded by 4.3% over the year, driven mainly by the Middle Market and Retail SME portfolio.

Strong current account growth contributed to the overall deposits growth of 3.6% over the same period to RM28.1 billion.

(iii) GWB

Group Wholesale Banking ("GWB") recorded a pre-tax profit of RM394.9 million, a decrease of 16.1% from the previous year.

- (a) Group Corporate & Investment Banking registered a pre-tax profit of RM147.9 million, a 4.0% improvement on the back of higher net funding income, partially offset by lower non-fund based income.

Gross loans and financing declined by 3.7% to RM40.9 billion due primarily to a few large corporate repayments.

Deposits declined by 3.1% to RM57.2 billion, largely contributed by decrease in fixed deposits but negated by growth in current account.

- (b) Group Treasury & Global Markets recorded a 24.8% decline in pre-tax profit to RM247.0 million over the year, mainly due to lower net funding income, lower trading/investment income and lower net foreign exchange gain and derivatives.

Total deposits grew by 6.3% to RM28.5 billion with increase in money market time deposits.



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2020**

B1. Review of Group Results (continued)

(b) Performance by Operating Segment (continued)

(iv) Group International Business

RHB Bank Singapore recorded a pre-tax profit of SGD5.8 million, 28.4% lower compared to the previous year, mainly attributed to higher impairment losses on loans, partially offset by higher non-fund based income and lower operating expenses.

Singapore loans and advances recorded a robust 20.4% growth to SGD4.8 billion year-on-year, while deposits increased by 24.0% to SGD5.6 billion over the same period.

Group International Business excluding Singapore registered a pre-tax loss of RM5.5 million as compared to a pre-tax profit in the corresponding year, mainly due to higher losses recorded in Thailand and lower profitability in Cambodia.

B2. Current Quarter vs Previous Quarter

Net profit of the Group declined by 8.1% to RM570.9 million from RM621.0 million recorded in the preceding quarter ended 31 December 2019. This was primarily due to higher allowances for credit losses and lower total income, partially offset by lower operating expenses and tax expense.

B3. Prospects for Financial Year 2020

The COVID-19 pandemic has caused a significant disruption to economic activities. Another challenge facing the industry is the potential effects of low commodities prices, although it is too early to ascertain its full impact to the economy. The Malaysian government's relief measures, however, are expected to mitigate the negative effects of the pandemic.

One of the relief measures was the introduction by Bank Negara Malaysia of automatic moratorium on all loans/financing repayments by individuals and SME borrowers for a period of six months from April to September 2020. While borrowers are relieved of repayment obligations during this period, the banking industry will be actively monitoring the portfolio of clients during this period to assess the implications to the banks post the moratorium period. Nevertheless, RHB Banking Group has sufficient liquidity and ample capital to steer through the moratorium and pandemic.

Under the challenging operating environment, we remain cautious, placing utmost importance in ensuring business continuity, attending to urgent customer needs and assisting our staff who may be facing difficulties. We will continue to engage with our customers and support them in this difficult period. Our focus on implementing FIT22 remains, though we may have to prioritise certain initiatives in light of the pandemic and Movement Control Order.

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

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



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2020**

B5. Taxation and zakat

	1st Quarter Ended		Three Months Ended	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	RM'000	RM'000	RM'000	RM'000
Group				
Income tax based on profit for the financial period				
- Malaysian income tax	149,153	147,471	149,153	147,471
- Overseas tax	5,548	4,680	5,548	4,680
Deferred tax	24,838	40,644	24,838	40,644
	179,539	192,795	179,539	192,795
Under provision in respect of prior financial years	(344)	(1,509)	(344)	(1,509)
Tax expense	179,195	191,286	179,195	191,286
 Zakat	 909	 818	 909	 818
	180,104	192,104	180,104	192,104

The effective tax rate of the Group for the first quarter and three months ended 31 March 2020 was lower than the statutory tax rate mainly due to the effects of lower tax rates in other tax jurisdictions and certain income not subject to tax.

	1st Quarter Ended		Three Months Ended	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	RM'000	RM'000	RM'000	RM'000
Bank				
Income tax based on profit for the financial period				
- Malaysian income tax	110,277	105,282	110,277	105,282
- Overseas tax	148	-	148	-
Deferred tax	26,505	31,852	26,505	31,852
	136,930	137,134	136,930	137,134

The effective tax rate of the Bank for the first quarter and three months ended 31 March 2020 was lower than the statutory tax rate mainly due to certain income not subject to tax.



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2020**

B6. Status of Corporate Proposals

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

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

Pursuant to the Proposed Cessation, RHB Hong Kong Group will gradually discontinue offering financial services to its existing and potential clients. RHB Investment Bank, being the shareholder of RHB Hong Kong Group will provide the requisite support to ensure an orderly winding down of their business operations. RHB Investment Bank had on 14 February 2020 injected additional capital into RHB Hong Kong as disclosed in Note A25(b).

The increasingly challenging operating broking environment in Hong Kong has resulted in losses being recorded for RHB Hong Kong Group. As a result, it is no longer viable for RHB Hong Kong Group to continue its business operations. The Proposed Cessation would allow RHB Investment Bank to refocus efforts and resources in driving long-term growth in other ASEAN markets in line with the larger RHB Banking Group's FIT22 strategy.

As part of RHB Hong Kong Group, RHB (China) Investment Advisory Co. Ltd had commenced the application for dissolution as disclosed in Note A25(c).



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2020**

B7. Deposits from Customers and Placements of Banks and Other Financial Institutions, Borrowings, Senior Debt Securities, Hybrid Tier-1 Capital Securities and Subordinated Obligations

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

	Group		Bank	
	As at 31 March 2020	As at 31 December 2019	As at 31 March 2020	As at 31 December 2019
	RM'000	RM'000	RM'000	RM'000
Deposits from customers				
- One year or less	189,758,533	186,019,586	129,847,916	128,517,526
- More than one year	4,220,440	4,535,639	2,747,947	3,053,598
	193,978,973	190,555,225	132,595,863	131,571,124
Deposits and placements of banks and other financial institutions				
- Maturing within one year	18,916,339	21,112,852	20,346,944	18,806,380
- One year to three years	147,131	155,872	121,259	136,630
- Three years to five years	66,376	69,400	27,839	29,617
- Over five years	201,910	201,205	201,910	201,205
	19,331,756	21,539,329	20,697,952	19,173,832

(b) Borrowings

	Group		Bank	
	As at 31 March 2020	As at 31 December 2019	As at 31 March 2020	As at 31 December 2019
	RM'000	RM'000	RM'000	RM'000
Secured				
Term loans:				
- Cambodian Riel	177,242	112,930	-	-
Unsecured				
Term loans:				
- United States Dollar	865,504	840,177	865,504	840,177
- Hong Kong Dollar	2,340	3,101	-	-
- Singapore Dollar	28,491	72,972	-	-
Promissory note:				
- Indonesia Rupiah	26,659	29,673	-	-
- Thai Baht	-	123,674	-	-
	1,100,236	1,182,527	865,504	840,177
Scheduled repayment of borrowings:				
- Within one year	1,100,236	978,026	865,504	635,676
- One year to three years	-	204,501	-	204,501
	1,100,236	1,182,527	865,504	840,177



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2020**

B7. Deposits from Customers and Placements of Banks and Other Financial Institutions, Borrowings, Senior Debt Securities, Hybrid Tier-1 Capital Securities and Subordinated Obligations (continued)

(c) Senior debt securities

	Group and Bank	
	As at 31 March 2020 RM'000	As at 31 December 2019 RM'000
USD500 million 2.503% senior debt securities due in 2021	2,184,744	2,055,132
USD300 million 3.766% senior debt securities due in 2024	1,299,802	1,241,631
	<u>3,484,546</u>	<u>3,296,763</u>

(d) Subordinated obligations

		Group		Bank	
		As at 31 March 2020 RM'000	As at 31 December 2019 RM'000	As at 31 March 2020 RM'000	As at 31 December 2019 RM'000
5.60% RM300 million Tier II Subordinated Notes 2010/2025	(i)	307,134	302,946	307,134	302,946
4.95% RM200 million Tier II Subordinated Notes 2015/2025	(ii)	204,530	202,061	-	-
4.75% RM500 million Tier II Subordinated Notes 2015/2025	(iii)	509,423	503,474	509,423	503,474
4.88% RM250 million Tier II Subordinated Sukuk Murabahah 2017/2027		255,181	252,139	-	-
4.82% RM750 million Tier II Subordinated Notes 2017/2027		750,000	758,976	750,000	758,976
4.90% RM200 million Tier II Subordinated Notes 2017/2027		204,645	202,202	-	-
4.32% RM500 million Tier II Subordinated Sukuk Murabahah 2019/2029		507,812	502,426	-	-
		<u>2,738,725</u>	<u>2,724,224</u>	<u>1,566,557</u>	<u>1,565,396</u>

The subordinated obligations comprise unsecured liabilities of the Bank and its investment and islamic bank subsidiaries and are subordinated to the senior indebtedness in accordance with their respective terms and conditions of issuance and qualify as Tier II capital (as disclosed in Note A28) for the purpose of determining the capital adequacy ratios of the respective subsidiaries.

- (i) The Bank had on 29 April 2020 fully redeemed the existing RM300 million in nominal value of subordinated notes as disclosed in Note A24(c).
- (ii) RHB Investment Bank had on 16 April 2020 fully redeemed the existing RM200 million in nominal value of subordinated notes as disclosed in Note A24(b).
- (iii) The Bank had on 8 May 2020 fully redeemed the existing RM500 million in nominal value of subordinated notes as disclosed in Note A24(d).



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2020**

B8. Derivative Financial Instruments

Details of derivative financial instruments outstanding are as follows:

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

Group	As at 31 March 2020			As at 31 December 2019		
	Contract/ Notional Amount	Fair Value		Contract/ Notional Amount	Fair Value	
	RM'000	Assets RM'000	Liabilities RM'000	RM'000	Assets RM'000	Liabilities RM'000
By type						
<u>Trading Derivatives:</u>						
Foreign exchange related contracts						
- Forwards/swaps	55,232,636	954,366	553,337	52,494,800	304,168	623,039
- Options	2,931,241	33,283	24,054	2,181,278	11,933	5,226
- Cross-currency interest rate swaps	4,015,623	220,623	166,440	3,755,572	217,884	161,926
	62,179,500	1,208,272	743,831	58,431,650	533,985	790,191
Interest rate related contracts						
- Swaps	32,228,334	714,603	694,568	30,255,839	303,302	262,100
Commodity related contracts						
- Options	255,537	27,337	27,337	290,309	11,831	11,831
Equity related contracts						
- Options	1,896	48	62	-	-	-
Structured warrants	141,428	-	5,658	43,817	-	4,277
Structured investments	18,116	1,294	-	18,116	4,437	-
<u>Fair Value Hedging Derivatives:</u>						
Interest rate related contracts						
- Swaps	4,966,418	-	271,248	4,507,590	1,701	92,528
Total	99,791,229	1,951,554	1,742,704	93,547,321	855,256	1,160,927



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2020**

B8. Derivative Financial Instruments (continued)

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

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

Bank	As at 31 March 2020			As at 31 December 2019		
	Contract/ Notional Amount	Fair Value Assets	Liabilities	Contract/ Notional Amount	Fair Value Assets	Liabilities
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
By type						
<u>Trading Derivatives:</u>						
Foreign exchange related contracts						
- Forwards/swaps	55,905,665	950,075	563,146	53,381,479	314,700	622,944
- Options	2,931,241	33,283	24,054	2,181,278	11,933	5,226
- Cross-currency interest rate swaps	5,246,282	218,564	164,896	4,920,676	215,877	160,422
	<u>64,083,188</u>	<u>1,201,922</u>	<u>752,096</u>	<u>60,483,433</u>	<u>542,510</u>	<u>788,592</u>
Interest rate related contracts						
- Swaps	37,318,334	814,046	792,226	35,115,839	346,105	302,968
Commodity related contracts						
- Options	255,537	27,337	27,337	290,309	11,831	11,831
Equity related contracts						
- Options	1,896	48	62	-	-	-
Structured investments	5,866	419	-	5,866	1,437	-
<u>Fair Value Hedging Derivatives:</u>						
Interest rate related contracts						
- Swaps	3,466,418	-	173,606	3,007,590	1,701	51,683
Total	<u>105,131,239</u>	<u>2,043,772</u>	<u>1,745,327</u>	<u>98,903,037</u>	<u>903,584</u>	<u>1,155,074</u>



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2020**

B8. Derivative Financial Instruments (continued)

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

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

Group	As at 31 March 2020			As at 31 December 2019		
	Contract/ Notional Amount	Fair Value		Contract/ Notional Amount	Fair Value	
	RM'000	Assets RM'000	Liabilities RM'000	RM'000	Assets RM'000	Liabilities RM'000
By remaining period to maturity/next re-pricing date						
<u>Trading Derivatives:</u>						
Foreign exchange related contracts						
- Less than one year	58,076,842	1,028,189	606,642	54,600,403	372,580	639,164
- One year to three years	2,242,848	90,335	62,304	2,254,492	91,489	58,394
- More than three years	1,859,810	89,748	74,885	1,576,755	69,916	92,633
	<u>62,179,500</u>	<u>1,208,272</u>	<u>743,831</u>	<u>58,431,650</u>	<u>533,985</u>	<u>790,191</u>
Interest rate related contracts						
- Less than one year	7,646,180	24,141	29,431	6,407,422	9,842	5,154
- One year to three years	9,793,285	65,505	86,717	11,123,197	39,942	44,133
- More than three years	14,788,869	624,957	578,420	12,725,220	253,518	212,813
	<u>32,228,334</u>	<u>714,603</u>	<u>694,568</u>	<u>30,255,839</u>	<u>303,302</u>	<u>262,100</u>
Commodity related contracts						
- Less than one year	255,537	27,337	27,337	266,117	10,665	10,665
- One year to three years	-	-	-	24,192	1,166	1,166
	<u>255,537</u>	<u>27,337</u>	<u>27,337</u>	<u>290,309</u>	<u>11,831</u>	<u>11,831</u>
Equity related contracts						
- Less than one year	1,896	48	62	-	-	-
	<u>1,896</u>	<u>48</u>	<u>62</u>	<u>-</u>	<u>-</u>	<u>-</u>
Structured warrants						
- Less than one year	141,286	-	5,645	43,817	-	4,277
- One year to three years	142	-	13	-	-	-
	<u>141,428</u>	<u>-</u>	<u>5,658</u>	<u>43,817</u>	<u>-</u>	<u>4,277</u>
Structured investments						
- Less than one year	18,116	1,294	-	18,116	4,437	-
	<u>18,116</u>	<u>1,294</u>	<u>-</u>	<u>18,116</u>	<u>4,437</u>	<u>-</u>
Fair Value Hedging Derivatives:						
Interest rate related contracts						
- One year to three years	525,466	-	11,610	514,567	299	5,338
- More than three years	4,440,952	-	259,638	3,993,023	1,402	87,190
	<u>4,966,418</u>	<u>-</u>	<u>271,248</u>	<u>4,507,590</u>	<u>1,701</u>	<u>92,528</u>
Total	<u>99,791,229</u>	<u>1,951,554</u>	<u>1,742,704</u>	<u>93,547,321</u>	<u>855,256</u>	<u>1,160,927</u>



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2020**

B8. Derivative Financial Instruments (continued)

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

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

Bank	As at 31 March 2020			As at 31 December 2019		
	Contract/ Notional Amount	Fair Value		Contract/ Notional Amount	Fair Value	
	RM'000	Assets RM'000	Liabilities RM'000	RM'000	Assets RM'000	Liabilities RM'000
By remaining period to maturity/next re-pricing date						
<u>Trading Derivatives:</u>						
Foreign exchange related contracts						
- Less than one year	59,872,527	1,023,714	616,441	56,549,934	382,939	639,060
- One year to three years	2,242,847	90,335	62,314	2,254,494	91,489	58,403
- More than three years	1,967,814	87,873	73,341	1,679,005	68,082	91,129
	<u>64,083,188</u>	<u>1,201,922</u>	<u>752,096</u>	<u>60,483,433</u>	<u>542,510</u>	<u>788,592</u>
Interest rate related contracts						
- Less than one year	9,736,180	24,287	29,447	8,267,422	10,100	5,154
- One year to three years	9,814,885	65,502	86,717	11,296,204	39,942	44,156
- More than three years	17,767,269	724,257	676,062	15,552,213	296,063	253,658
	<u>37,318,334</u>	<u>814,046</u>	<u>792,226</u>	<u>35,115,839</u>	<u>346,105</u>	<u>302,968</u>
Commodity related contracts						
- Less than one year	255,537	27,337	27,337	266,117	10,665	10,665
- One year to three years	-	-	-	24,192	1,166	1,166
	<u>255,537</u>	<u>27,337</u>	<u>27,337</u>	<u>290,309</u>	<u>11,831</u>	<u>11,831</u>
Equity related contracts						
- Less than one year	1,896	48	62	-	-	-
	<u>1,896</u>	<u>48</u>	<u>62</u>	<u>-</u>	<u>-</u>	<u>-</u>
Structured investments						
- Less than one year	5,866	419	-	5,866	1,437	-
	<u>5,866</u>	<u>419</u>	<u>-</u>	<u>5,866</u>	<u>1,437</u>	<u>-</u>
<u>Fair Value Hedging Derivatives:</u>						
Interest rate related contracts						
- One year to three years	525,466	-	11,610	514,567	299	5,338
- More than three years	2,940,952	-	161,996	2,493,023	1,402	46,345
	<u>3,466,418</u>	<u>-</u>	<u>173,606</u>	<u>3,007,590</u>	<u>1,701</u>	<u>51,683</u>
Total	<u>105,131,239</u>	<u>2,043,772</u>	<u>1,745,327</u>	<u>98,903,037</u>	<u>903,584</u>	<u>1,155,074</u>

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2020****B8. Derivative Financial Instruments (continued)****(b) Related accounting policies**Derivative financial instruments and hedge accounting

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

The method of recognising the resulting fair value gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group and the Bank designate certain derivatives as either: (1) hedges of the fair value of recognised assets or liabilities or firm commitments (fair value hedge); or (2) hedges of highly probable future cash flows attributable to a recognised asset or liability, or a forecasted transaction (cash flow hedge); or (3) net investment hedge. Hedge accounting is used for derivatives designated in this way provided certain criteria are met.

(i) Fair value hedge

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

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

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

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to the income statements over the period to maturity and recorded as other operating income.

(ii) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in reserves within equity. The gain and loss relating to the ineffective portion is recognised immediately in the income statements.

Amounts accumulated in equity are recycled to the income statements in the periods when the hedged item affects profit or loss. They are recorded in the income or expense lines in which the revenue or expense associated with the related hedged item is reported.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised in the periods when the hedged item affects profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss previously recognised in other comprehensive income is immediately reclassified to the income statements.



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2020**

B8. Derivative Financial Instruments (continued)

(b) Related accounting policies (continued)

(iii) Net investment hedge

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

(iv) Derivatives that do not qualify for hedge accounting

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



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2020**

B9. Fair Value of Financial Instruments

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

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

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

Level 3: Valuations derived from valuation techniques in which 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 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
31 March 2020				
<u>Financial assets</u>				
Financial assets at FVTPL:	151,187	3,788,986	549,399	4,489,572
- Money market instruments	-	2,396,312	-	2,396,312
- Quoted securities	151,187	-	3,410	154,597
- Unquoted securities	-	1,392,674	545,989	1,938,663
Financial assets at FVOCI:	1,792	41,224,993	696,018	41,922,803
- Money market instruments	-	14,551,376	-	14,551,376
- Quoted securities	1,792	-	-	1,792
- Unquoted securities	-	26,673,617	696,018	27,369,635
Derivative assets	875	1,950,679	-	1,951,554
	<u>153,854</u>	<u>46,964,658</u>	<u>1,245,417</u>	<u>48,363,929</u>
<u>Financial liabilities</u>				
Derivative liabilities	5,658	1,737,046	-	1,742,704
	<u>5,658</u>	<u>1,737,046</u>	<u>-</u>	<u>1,742,704</u>
31 December 2019				
<u>Financial assets</u>				
Financial assets at FVTPL:	372,066	3,742,448	508,933	4,623,447
- Money market instruments	-	2,144,858	-	2,144,858
- Quoted securities	372,066	-	3,337	375,403
- Unquoted securities	-	1,597,590	505,596	2,103,186
Financial assets at FVOCI:	2,418	39,108,486	694,400	39,805,304
- Money market instruments	-	13,875,143	-	13,875,143
- Quoted securities	2,418	-	-	2,418
- Unquoted securities	-	25,233,343	694,400	25,927,743
Derivative assets	3,000	852,256	-	855,256
	<u>377,484</u>	<u>43,703,190</u>	<u>1,203,333</u>	<u>45,284,007</u>
<u>Financial liabilities</u>				
Derivative liabilities	4,277	1,156,650	-	1,160,927
	<u>4,277</u>	<u>1,156,650</u>	<u>-</u>	<u>1,160,927</u>

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2020**
B9. Fair Value of Financial Instruments (continued)

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

Bank	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
31 March 2020				
<u>Financial assets</u>				
Financial assets at FVTPL:	3,328	2,629,923	16,479	2,649,730
- Money market instruments	-	2,267,665	-	2,267,665
- Quoted securities	3,328	-	3,410	6,738
- Unquoted securities	-	362,258	13,069	375,327
Financial assets at FVOCI:	-	35,426,033	657,010	36,083,043
- Money market instruments	-	12,969,487	-	12,969,487
- Unquoted securities	-	22,456,546	657,010	23,113,556
Derivative assets	-	2,043,772	-	2,043,772
	<u>3,328</u>	<u>40,099,728</u>	<u>673,489</u>	<u>40,776,545</u>
<u>Financial liabilities</u>				
Derivative liabilities	-	1,745,327	-	1,745,327
31 December 2019				
<u>Financial assets</u>				
Financial assets at FVTPL:	3,324	2,510,748	16,216	2,530,288
- Money market instruments	-	1,937,713	-	1,937,713
- Quoted securities	3,324	-	3,337	6,661
- Unquoted securities	-	573,035	12,879	585,914
Financial assets at FVOCI:	-	33,278,941	655,331	33,934,272
- Money market instruments	-	11,971,912	-	11,971,912
- Unquoted securities	-	21,307,029	655,331	21,962,360
Derivative assets	-	903,584	-	903,584
	<u>3,324</u>	<u>36,693,273</u>	<u>671,547</u>	<u>37,368,144</u>
<u>Financial liabilities</u>				
Derivative liabilities	-	1,155,074	-	1,155,074

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

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2020**
B9. Fair Value of Financial Instruments (continued)
(i) Valuation techniques

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

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

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

(ii) Reconciliation of fair value movements in Level 3

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

	Group		Bank	
	As at	As at	As at	As at
	31 March	31 December	31 March	31 December
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Financial assets at FVTPL				
Balance as at the beginning of the financial period/year	508,933	453,010	16,216	15,735
Total net gain/(loss) recognised in income statements	12,389	30,847	(23)	(2,970)
Purchases	328	30,908	328	3,424
Settlements	-	(792)	-	-
Exchange differences	27,749	(5,040)	(42)	27
Balance as at the end of the financial period/year	549,399	508,933	16,479	16,216
Financial assets at FVOCI				
Balance as at the beginning of the financial period/year	694,400	767,926	655,331	638,477
Total net gain recognised in other comprehensive income	1,627	18,745	1,679	16,854
Settlements/disposal	-	(92,290)	-	-
Exchange differences	(9)	19	-	-
Balance as at the end of the financial period/year	696,018	694,400	657,010	655,331



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2020**

B10. Dividends

No dividend has been declared for the first quarter ended 31 March 2020.

B11. Earnings per Share

	1st Quarter Ended		Three Months Ended	
	31 March	31 March	31 March	31 March
	2020	2019	2020	2019
Basic earnings per share				
Profit attributable to equity holders of the Bank (RM'000)	570,880	630,186	570,880	630,186
Weighted average number of ordinary shares in issue ('000)	4,010,045	4,010,045	4,010,045	4,010,045
Earnings per share (sen)				
- Basic	14.2	15.7	14.2	15.7
- Diluted	14.2	15.7	14.2	15.7

There were no dilutive potential ordinary shares outstanding as at 31 March 2020. As a result, the diluted earnings per share equal to the basic earnings per share for the financial period ended 31 March 2020.

BY ORDER OF THE BOARD

AZMAN SHAH MD YAMAN

(License No. LS0006901)

Company Secretary

29 May 2020