

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

INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2022

	Note	Group		Bank	
		As at 31 March 2022	As at 31 December 2021	As at 31 March 2022	As at 31 December 2021
		RM'000	RM'000	RM'000	RM'000
ASSETS					
Cash and short-term funds		2,163,455	2,403,096	1,823,784	1,518,663
Deposits and placements with banks and other financial institutions		263,215	196,780	-	-
Financial assets at fair value through profit or loss ('FVTPL')	8	810,293	851,797	72,016	116,690
Financial assets at fair value through other comprehensive income ('FVOCI')	9	524,143	597,672	521,508	595,235
Financial investments at amortised costs	10	1,524,407	1,486,708	1,524,407	1,486,708
Loans and advances	11	1,675,452	1,681,479	1,327,990	1,348,177
Clients' and brokers' balances	12	816,728	879,595	666,147	641,119
Other assets	13	362,736	324,725	32,528	85,529
Derivative assets		409	928	102	17
Statutory deposits		7,752	13,090	3,600	9,000
Tax recoverable		18,796	7,294	16,057	3,841
Deferred tax assets		30,203	32,651	21,014	22,684
Investments in subsidiaries		-	-	708,471	712,127
Investments in associates and joint ventures		4,657	4,644	5,028	5,028
Right-of-use assets		21,320	23,013	9,325	9,860
Property, plant and equipment		36,754	36,486	20,262	19,471
Goodwill and other intangible assets		496,950	496,272	403,474	402,578
		8,757,270	9,036,230	7,155,713	6,976,727
Non-current assets held for sale	32(b)	-	12,521	-	-
TOTAL ASSETS		8,757,270	9,048,751	7,155,713	6,976,727
LIABILITIES AND EQUITY					
Deposits from customers	14	1,895,410	1,560,040	1,895,410	1,560,040
Deposits and placements of banks and other financial institutions	15	2,430,434	2,428,314	2,430,434	2,428,314
Clients' and brokers' balances		839,849	948,511	722,486	722,891
Other liabilities	16	708,420	1,187,487	221,654	270,780
Derivative liabilities		8,956	21,941	7,932	21,567
Tax liabilities		12,106	8,753	-	-
Lease liabilities		21,219	22,871	9,485	9,999
Borrowings		565,793	531,588	-	-
Subordinated obligations		204,591	202,175	204,591	202,175
		6,686,778	6,911,680	5,491,992	5,215,766
Non-current liabilities held for sale	32(b)	-	6,003	-	-
TOTAL LIABILITIES		6,686,778	6,917,683	5,491,992	5,215,766
Share capital		1,220,000	1,220,000	1,220,000	1,220,000
Reserves		839,772	900,801	443,721	540,961
		2,059,772	2,120,801	1,663,721	1,760,961
Non-controlling interests		10,720	10,267	-	-
TOTAL EQUITY		2,070,492	2,131,068	1,663,721	1,760,961
TOTAL LIABILITIES AND EQUITY		8,757,270	9,048,751	7,155,713	6,976,727
COMMITMENTS AND CONTINGENCIES	27	1,086,232	941,817	830,656	707,601

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

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

INTERIM FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2022

Group	Note	1st Quarter Ended		Three Months Ended	
		31 March 2022	31 March 2021	31 March 2022	31 March 2021
		RM'000	RM'000	RM'000	RM'000
Interest income	17	52,966	55,085	52,966	55,085
Interest expense	18	(26,418)	(25,282)	(26,418)	(25,282)
Net interest income		26,548	29,803	26,548	29,803
Fee and commission income	19	151,948	308,078	151,948	308,078
Fee and commission expense	20	(40,999)	(122,771)	(40,999)	(122,771)
Other operating income	21	15,492	57,159	15,492	57,159
		152,989	272,269	152,989	272,269
Other operating expenses	22	(124,702)	(130,197)	(124,702)	(130,197)
Operating profit before allowances		28,287	142,072	28,287	142,072
Allowance (made)/written back for expected credit losses	23	(1,896)	3,337	(1,896)	3,337
		26,391	145,409	26,391	145,409
Share of results of associates		15	5	15	5
Share of results of joint ventures		(2)	-	(2)	-
Profit before taxation		26,404	145,414	26,404	145,414
Taxation		(9,280)	(36,436)	(9,280)	(36,436)
Profit from continuing operations		17,124	108,978	17,124	108,978
Profit/(loss) from discontinued operation attributable to equity holder	32(b)	20,848	(520)	20,848	(520)
Net profit for the financial period		37,972	108,458	37,972	108,458
Profit attributable to:					
- Equity holder of the Bank	25	37,540	108,155	37,540	108,155
- Non-controlling interests		432	303	432	303
		37,972	108,458	37,972	108,458
Basic earnings/(loss) per share (sen)					
- Continuing operations	25	20.9	108.7	20.9	108.7
- Discontinued operation	25	26.1	(0.5)	26.1	(0.5)
		47.0	108.2	47.0	108.2

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

INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED 31 MARCH 2022

Group	Note	1st Quarter Ended		Three Months Ended	
		31 March 2022	31 March 2021	31 March 2022	31 March 2021
		RM'000	RM'000	RM'000	RM'000
Net profit for the financial period		37,972	108,458	37,972	108,458
Other comprehensive income:					
(a) Items that will not be reclassified to income statements:					
(i) Actuarial gain/(loss) on defined benefit plan of subsidiaries		93	(599)	93	(599)
(ii) Financial assets at FVOCI, equity instruments:					
- Unrealised net gain on revaluation		196	2,427	196	2,427
(b) Items that will be reclassified subsequently to income statements:					
(i) Foreign currency translation reserves:					
- Currency translation differences		4,224	7,757	4,224	7,757
- Realisation of translation reserves from discontinued operation	32(b)	(347)	-	(347)	-
(ii) Financial assets at FVOCI, debt instruments:					
- Unrealised net loss on revaluation		(3,841)	(6,302)	(3,841)	(6,302)
Income tax relating to components of other comprehensive loss		1,152	1,304	1,152	1,304
Other comprehensive income, net of tax, for the financial period		1,477	4,587	1,477	4,587
Total comprehensive income for the financial period		<u>39,449</u>	<u>113,045</u>	<u>39,449</u>	<u>113,045</u>
Total comprehensive income attributable to:					
- Equity holder of the Bank		38,971	112,271	38,971	112,271
- Non-controlling interests		478	774	478	774
		<u>39,449</u>	<u>113,045</u>	<u>39,449</u>	<u>113,045</u>
Total comprehensive income/(loss) attributable to equity holder of the Bank from:					
- Continuing operations		18,117	112,909	18,117	112,909
- Discontinued operation	32(b)	20,854	(638)	20,854	(638)
		<u>38,971</u>	<u>112,271</u>	<u>38,971</u>	<u>112,271</u>

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

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

INTERIM FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENT
FOR THE THREE MONTHS ENDED 31 MARCH 2022

Bank	Note	1st Quarter Ended		Three Months Ended	
		31 March 2022	31 March 2021	31 March 2022	31 March 2021
		RM'000	RM'000	RM'000	RM'000
Interest income	17	42,683	43,453	42,683	43,453
Interest expense	18	(22,518)	(20,456)	(22,518)	(20,456)
Net interest income		20,165	22,997	20,165	22,997
Fee and commission income	19	56,056	129,117	56,056	129,117
Fee and commission expense	20	(1,563)	(9,543)	(1,563)	(9,543)
Other operating income	21	12,009	54,507	12,009	54,507
		86,667	197,078	86,667	197,078
Other operating expenses	22	(73,093)	(72,692)	(73,093)	(72,692)
Operating profit before allowances		13,574	124,386	13,574	124,386
Allowance (made)/written back for expected credit losses	23	(2,105)	435	(2,105)	435
Impairment loss on other non-financial assets	24	(656)	(547)	(656)	(547)
Profit before taxation		10,813	124,274	10,813	124,274
Taxation		(5,134)	(29,804)	(5,134)	(29,804)
Net profit for the financial period		5,679	94,470	5,679	94,470

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

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

INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED 31 MARCH 2022

Bank	1st Quarter Ended		Three Months Ended	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period	5,679	94,470	5,679	94,470
Other comprehensive loss:				
Item that will be reclassified subsequently to income statement:				
(i) Financial assets at FVOCI, debt instruments:				
- Unrealised net loss on revaluation	(3,841)	(6,302)	(3,841)	(6,302)
Income tax relating to components of other comprehensive loss	922	1,512	922	1,512
Other comprehensive loss, net of tax, for the financial period	(2,919)	(4,790)	(2,919)	(4,790)
Total comprehensive income for the financial period	2,760	89,680	2,760	89,680

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

INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2022

Attributable to the Equity Holder of the Bank

Group	Note	Share capital	Statutory reserves	FVOCI reserves	Translation reserves	Regulatory reserves	Retained profits	Total	Non-controlling interests	Total
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2022		1,220,000	515	38,949	63,460	30,471	767,406	2,120,801	10,267	2,131,068
Net profit for the financial period		-	-	-	-	-	37,540	37,540	432	37,972
Foreign currency translation reserves:										
- Currency translation differences		-	-	-	4,222	-	-	4,222	2	4,224
- Realisation of translation reserves from discontinued operation	32(b)	-	-	-	(347)	-	-	(347)	-	(347)
Financial assets at FVOCI:										
- Equity instruments										
- Unrealised net gain on revaluation		-	-	157	-	-	-	157	39	196
- Debt instruments										
- Unrealised net loss on revaluation		-	-	(3,841)	-	-	-	(3,841)	-	(3,841)
Actuarial gain on defined benefit plan of subsidiaries		-	-	-	-	-	90	90	3	93
Income tax relating to components of other comprehensive loss		-	-	922	-	-	228	1,150	2	1,152
Other comprehensive (loss)/income, net of tax, for the financial period		-	-	(2,762)	3,875	-	318	1,431	46	1,477
Total comprehensive (loss)/income for the financial period		-	-	(2,762)	3,875	-	37,858	38,971	478	39,449
Disposal of a subsidiary		-	-	-	-	-	-	-	(25)	(25)
Transfer to regulatory reserves		-	-	-	-	76	(76)	-	-	-
Dividend paid	7	-	-	-	-	-	(100,000)	(100,000)	-	(100,000)
Balance as at 31 March 2022		1,220,000	515	36,187	67,335	30,547	705,188	2,059,772	10,720	2,070,492

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INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2021

Attributable to Equity Holder of the Bank

Group	Share capital	Statutory reserves	FVOCI reserves	Translation reserves	Regulatory reserves	Retained profits	Total	Non-controlling interests	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2021	1,487,773	515	50,380	61,582	35,282	522,727	2,158,259	10,238	2,168,497
Net profit for the financial period	-	-	-	-	-	108,155	108,155	303	108,458
Foreign currency translation reserves:									
- Currency translation differences	-	-	-	7,763	-	-	7,763	(6)	7,757
Financial assets at FVOCI:									
- Equity instruments									
- Unrealised net gain on revaluation	-	-	1,942	-	-	-	1,942	485	2,427
- Debt instruments									
- Unrealised net loss on revaluation	-	-	(6,302)	-	-	-	(6,302)	-	(6,302)
Actuarial loss on defined benefit plan of subsidiaries	-	-	-	-	-	(593)	(593)	(6)	(599)
Income tax relating to components of other comprehensive loss/(income)	-	-	1,512	-	-	(206)	1,306	(2)	1,304
Other comprehensive (loss)/income, net of tax, for the financial period	-	-	(2,848)	7,763	-	(799)	4,116	471	4,587
Total comprehensive (loss)/income for the financial period	-	-	(2,848)	7,763	-	107,356	112,271	774	113,045
Transfer to regulatory reserves	-	-	-	-	2,390	(2,390)	-	-	-
Balance as at 31 March 2021	1,487,773	515	47,532	69,345	37,672	627,693	2,270,530	11,012	2,281,542

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RHB INVESTMENT BANK BERHAD
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INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2022

	Note	Non-Distributable		Distributable	Total	
		Share capital	FVOCI reserves	Regulatory reserves		Retained profits
		RM'000	RM'000	RM'000	RM'000	
Bank						
Balance as at 1 January 2022		1,220,000	38,642	21,030	481,289	1,760,961
Net profit for the financial period		-	-	-	5,679	5,679
Financial assets at FVOCI:						
- Debt instruments						
- Unrealised net loss on revaluation		-	(3,841)	-	-	(3,841)
Income tax relating to components of other comprehensive loss		-	922	-	-	922
Other comprehensive loss, net of tax, for the financial period		-	(2,919)	-	-	(2,919)
Total comprehensive (loss)/income for the financial period		-	(2,919)	-	5,679	2,760
Transfer to regulatory reserves		-	-	115	(115)	-
Dividend paid	7	-	-	-	(100,000)	(100,000)
Balance as at 31 March 2022		1,220,000	35,723	21,145	386,853	1,663,721

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RHB INVESTMENT BANK BERHAD
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INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2021

	Non-Distributable		Distributable		Total
	Share capital	FVOCI reserves	Regulatory reserves	Retained profits	
<u>Bank</u>	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2021	1,487,773	47,839	24,937	331,261	1,891,810
Net profit for the financial period	-	-	-	94,470	94,470
Financial assets at FVOCI:					
- Debt instruments					
- Unrealised net loss on revaluation	-	(6,302)	-	-	(6,302)
Income tax relating to components of other comprehensive loss	-	1,512	-	-	1,512
Other comprehensive loss, net of tax, for the financial period	-	(4,790)	-	-	(4,790)
Total comprehensive (loss)/income for the financial period	-	(4,790)	-	94,470	89,680
Transfer to regulatory reserves	-	-	1,160	(1,160)	-
Balance as at 31 March 2021	1,487,773	43,049	26,097	424,571	1,981,490

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

INTERIM FINANCIAL STATEMENTS
 UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
 FOR THE THREE MONTHS ENDED 31 MARCH 2022

Note	Three Months Ended	
	31 March 2022	31 March 2021
	RM'000	RM'000
Group		
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation:		
- Continuing operations	26,404	145,414
- Discontinued operation	32(b) 24,646	(518)
	51,050	144,896
Adjustments for non-operating and non-cash items	(29,370)	(26,238)
Operating profit before working capital changes	21,680	118,658
Changes in working capital:		
Net changes in operating assets	5,177	(18,567)
Net changes in operating liabilities	(244,930)	(392,969)
Cash used in operations	(218,073)	(292,878)
Lease interest	(284)	(361)
Net tax paid	(13,841)	(27,293)
Net cash used in operating activities	(232,198)	(320,532)
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment:		
- Purchases	(3,466)	(1,743)
- Proceeds from disposal	-	66
Purchase of other intangible assets	(3,680)	(4,099)
Net proceeds from financial assets at FVOCI and financial investments at amortised costs	30,071	33,306
Interest income received from financial assets at FVTPL, FVOCI and financial investments at amortised costs	16,818	13,850
Dividend income received from financial assets at FVTPL and FVOCI	2,748	3,794
Net cash inflow from disposal of a subsidiary	32(b) 26,652	-
Contingent consideration received arising from disposal of a subsidiary	-	1,256
Net cash generated from investing activities	69,143	46,430
CASH FLOWS FROM FINANCING ACTIVITIES		
Net drawdown/(repayment) of borrowings	29,606	(134,557)
Borrowings interest paid	(3,433)	(4,306)
Lease principal payment	(2,551)	(2,579)
Dividend paid to shareholder	7 (100,000)	-
Net cash used in financing activities	(76,378)	(141,442)
Net decrease in cash and cash equivalents	(239,433)	(415,544)
Effects of exchange rate differences	(565)	(1,518)
Cash and cash equivalents:		
- At the beginning of the financial year	2,403,573	2,422,584
- At the end of the financial period	2,163,575	2,005,522
ANALYSIS OF CASH AND CASH EQUIVALENTS:		
Cash and short-term funds before expected credit losses ('ECL')	2,163,575	2,005,522
Less: Allowance for expected credit losses	(120)	(122)
Cash and short-term funds, net of expected credit losses	2,163,455	2,005,400
Cash flows of discontinued operation	32(b) (3,707)	144

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

INTERIM FINANCIAL STATEMENTS
 UNAUDITED CONDENSED STATEMENT OF CASH FLOWS
 FOR THE THREE MONTHS ENDED 31 MARCH 2022

Note	Three Months Ended	
	31 March 2022	31 March 2021
	RM'000	RM'000
Bank		
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	10,813	124,274
Adjustments for non-operating and non-cash items	(8,105)	(28,363)
Operating profit before working capital changes	2,708	95,911
Changes in working capital:		
Net changes in operating assets	46,675	(29,080)
Net changes in operating liabilities	286,957	(306,890)
Cash generated from/(used in) operations	336,340	(240,059)
Lease interest	(88)	(74)
Net tax paid	(14,758)	(21,998)
Net cash generated from/(used in) operating activities	321,494	(262,131)
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment:		
- Purchases	(2,551)	(391)
- Proceeds from disposal	-	73
Purchase of other intangible assets	(3,006)	(3,292)
Net proceeds from financial assets at FVOCI and financial investments at amortised costs	30,073	34,804
Interest income received from financial assets at FVTPL, FVOCI and financial investments at amortised costs	16,816	13,850
Dividend income received from financial assets at FVTPL and FVOCI	335	1,241
Dividend income received from subsidiaries	40,200	36,000
Subscription of redeemable preference shares issued by a subsidiary	32(c) (10,000)	-
Capital distribution from winding up subsidiaries	13,000	229
Contingent consideration received arising from disposal of a subsidiary	-	1,256
Net cash generated from investing activities	84,867	83,770
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease principal payment	(1,232)	(1,221)
Dividend paid to shareholder	7 (100,000)	-
Net cash used in financing activities	(101,232)	(1,221)
Net increase/(decrease) in cash and cash equivalents	305,129	(179,582)
Cash and cash equivalents:		
- At the beginning of the financial year	1,518,690	1,793,383
- At the end of the financial period	1,823,819	1,613,801
ANALYSIS OF CASH AND CASH EQUIVALENTS:		
Cash and short-term funds before expected credit losses	1,823,819	1,613,801
Less: Allowance for expected credit losses	(35)	(24)
Cash and short-term funds, net of expected credit losses	1,823,784	1,613,777

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

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2022

1 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 2021.

The accounting policies and presentation adopted by the Group and the Bank for the interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2021, except for the adoption of the following accounting standards, annual improvements and amendments to MFRS which are effective and applicable for the Group and the Bank for financial periods beginning on or after 1 January 2022:

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

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

2 Auditors' Report

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

3 Seasonal or Cyclical Factors

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

4 Exceptional or Unusual Items

There were no exceptional or unusual items for the three months ended 31 March 2022.

5 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 2022.

6 Changes in Debt and Equity Securities

There were no issuances and repayments of debt and equity securities, share buy-back, share cancellations, shares held as treasury shares and resale of treasury shares for the three months ended 31 March 2022.

7 Dividend Paid

The dividend paid by the Bank since 31 December 2021 was as follows:

In respect of the financial year ended 31 December 2021:

Second single-tier interim dividend of 125.00 sen per ordinary share, paid on 28 March 2022

RM'000

100,000

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2022 (cont'd)

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

	Group		Bank	
	As at	As at	As at	As at
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
	RM'000	RM'000	RM'000	RM'000
At fair value				
<u>Quoted securities:</u>				
In Malaysia				
Shares and exchange traded funds	33,726	74,375	33,726	74,375
Unit trusts	25,335	28,076	8,559	8,261
Outside Malaysia				
Shares and exchange traded funds	90,961	94,878	3,800	6,249
Unit trusts	25,909	24,386	25,909	24,386
<u>Unquoted securities:</u>				
In Malaysia				
Corporate bonds/Sukuk	22	3,419	22	3,419
Outside Malaysia				
Private equity funds	634,340	626,663	-	-
	810,293	851,797	72,016	116,690

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2022 (cont'd)

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

	Note	Group		Bank	
		As at	As at	As at	As at
		31 March 2022	31 December 2021	31 March 2022	31 December 2021
		RM'000	RM'000	RM'000	RM'000
At fair value					
Debt instruments	(a)	484,838	558,565	484,838	558,565
Equity instruments	(b)	39,305	39,107	36,670	36,670
		<u>524,143</u>	<u>597,672</u>	<u>521,508</u>	<u>595,235</u>
(a) Debt instruments					
<u>Money market instruments:</u>					
Malaysian Government Securities		131,211	132,908	131,211	132,908
Malaysian Government Investment Issues		60,676	61,291	60,676	61,291
Khazanah bonds		49,577	49,368	49,577	49,368
Sukuk Perumahan Kerajaan		72,219	71,888	72,219	71,888
<u>Unquoted securities:</u>					
<u>In Malaysia</u>					
Corporate bonds/Sukuk		107,140	178,020	107,140	178,020
Prasarana bonds		64,015	65,090	64,015	65,090
		<u>484,838</u>	<u>558,565</u>	<u>484,838</u>	<u>558,565</u>

There are no allowance for expected credit losses on FVOCI, debt instruments as all instruments are guaranteed by the Government of Malaysia.

(b) Equity instruments

Quoted securities:

Outside Malaysia

Shares	2,343	2,146	-	-
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Unquoted securities:

In Malaysia

Shares	36,670	36,670	36,670	36,670
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Outside Malaysia

Shares	292	291	-	-
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	<u>39,305</u>	<u>39,107</u>	<u>36,670</u>	<u>36,670</u>
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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2022 (cont'd)

10 Financial Investments at Amortised Costs

	As at 31 March 2022 RM'000	Group and Bank As at 31 December 2021 RM'000
At amortised cost		
Money market instruments:		
Malaysian Government Securities	91,845	92,757
Malaysian Government Investment Issues	301,635	300,603
Khazanah bonds	13,654	13,522
Negotiable Instruments of Deposit	600,550	500,596
Unquoted securities:		
In Malaysia		
Corporate bonds/Sukuk	534,440	596,600
Loan stocks	23,835	23,835
Prasarana bonds	30,230	30,577
	<u>1,596,189</u>	<u>1,558,490</u>
Allowance for expected credit losses	<u>(71,782)</u>	<u>(71,782)</u>
	<u><u>1,524,407</u></u>	<u><u>1,486,708</u></u>

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

Balance as at the beginning of the financial year	71,782	77,447
Amount recovered	-	(5,665)
Balance as at the end of the financial period/year	<u>71,782</u>	<u>71,782</u>

(b) Movement in allowance for expected credit losses at financial investments at amortised costs

Group and 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 2022				
Balance as at the beginning/end of the financial year/period	-	-	71,782	71,782
Group and Bank				
31 December 2021				
Balance as at the beginning of the financial year	-	-	77,447	77,447
Net allowance written back	-	-	(5,665)	(5,665)
Balance as at the end of the financial year	<u>-</u>	<u>-</u>	<u>71,782</u>	<u>71,782</u>

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2022 (cont'd)

11 Loans and Advances

	Group		Bank	
	As at	As at	As at	As at
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
	RM'000	RM'000	RM'000	RM'000
(a) By type				
At amortised cost				
Term loans	2	2	2	2
Share margin financing	1,686,312	1,691,779	1,327,712	1,347,893
Staff loans	277	283	277	283
Other loans	80	399	-	-
Gross loans and advances	<u>1,686,671</u>	<u>1,692,463</u>	<u>1,327,991</u>	<u>1,348,178</u>
Less: Allowance for ECL	(11,219)	(10,984)	(1)	(1)
Net loans and advances	<u><u>1,675,452</u></u>	<u><u>1,681,479</u></u>	<u><u>1,327,990</u></u>	<u><u>1,348,177</u></u>
(b) By type of customer				
Domestic business enterprises:				
- Small and medium enterprises	197,675	206,970	197,675	206,970
- Others	233,953	228,527	233,953	228,527
Individuals	856,552	870,950	856,552	870,950
Foreign entities	398,491	386,016	39,811	41,731
	<u>1,686,671</u>	<u>1,692,463</u>	<u>1,327,991</u>	<u>1,348,178</u>
(c) By geographical distribution				
In Malaysia	1,327,991	1,348,178	1,327,991	1,348,178
Outside Malaysia:				
- Thailand operations	239,981	210,201	-	-
- Indonesia operations	115,434	131,127	-	-
- Vietnam operations	3,265	2,957	-	-
	<u>1,686,671</u>	<u>1,692,463</u>	<u>1,327,991</u>	<u>1,348,178</u>
(d) By interest rate sensitivity				
Fixed rate:				
- Other fixed rate loans	1,446,688	1,482,260	1,327,989	1,348,176
Variable rate:				
- Base rate plus	239,983	210,203	2	2
	<u>1,686,671</u>	<u>1,692,463</u>	<u>1,327,991</u>	<u>1,348,178</u>

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2022 (cont'd)

11 Loans and Advances (cont'd)

	Group		Bank	
	As at	As at	As at	As at
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
	RM'000	RM'000	RM'000	RM'000
(e) By purpose				
Purchase of securities	1,686,392	1,692,178	1,327,712	1,347,893
Purchase of landed property:				
- Residential	279	285	279	285
	<u>1,686,671</u>	<u>1,692,463</u>	<u>1,327,991</u>	<u>1,348,178</u>
(f) By economic sector				
Agriculture, hunting, forestry and fishing	164	-	164	-
Mining and quarrying	86	86	86	86
Manufacturing	2,878	3,369	2,878	3,369
Construction	4,829	5,156	4,829	5,156
Wholesale and retail trade and restaurant and hotel	1,866	1,926	1,454	1,582
Transport, storage and communication	4,992	4,992	4,992	4,992
Finance, insurance, real estate and business services	417,634	420,457	416,347	419,434
Education, health and others	2,499	2,499	2,499	2,499
Household sector	1,251,723	1,253,978	894,742	911,060
	<u>1,686,671</u>	<u>1,692,463</u>	<u>1,327,991</u>	<u>1,348,178</u>
(g) By remaining contractual maturities				
Maturity within one year	1,686,395	1,692,182	1,327,715	1,347,897
Three years to five years	16	17	16	17
Over five years	260	264	260	264
	<u>1,686,671</u>	<u>1,692,463</u>	<u>1,327,991</u>	<u>1,348,178</u>
(h) By stages				
Group	12-month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
31 March 2022	RM'000	RM'000	RM'000	RM'000
Balance as at the beginning of the financial year	1,681,439	16	11,008	1,692,463
Transfer to 12-month ECL (Stage 1)	4,355	(4,330)	(25)	-
Transfer to Lifetime ECL not credit impaired (Stage 2)	(6,155)	6,155	-	-
Transfer to Lifetime ECL credit impaired (Stage 3)	(1)	-	1	-
Addition and origination	1,015,358	-	165	1,015,523
Derecognition	(1,022,801)	-	-	(1,022,801)
Exchange differences	1,417	-	69	1,486
Balance as at the end of the financial period	<u>1,673,612</u>	<u>1,841</u>	<u>11,218</u>	<u>1,686,671</u>

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2022 (cont'd)

11 Loans and Advances (cont'd)

(h) By stages (cont'd)

Group	12-month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
31 December 2021	RM'000	RM'000	RM'000	RM'000
Balance as at the beginning of the financial year	1,816,035	1,123	9,667	1,826,825
Transfer to 12-month ECL (Stage 1)	11,001	(8,817)	(2,184)	-
Transfer to Lifetime ECL not credit impaired (Stage 2)	(7,979)	7,979	-	-
Transfer to Lifetime ECL credit impaired (Stage 3)	(1,477)	-	1,477	-
Addition and origination	12,321,037	-	-	12,321,037
Derecognition	(12,454,716)	(276)	-	(12,454,992)
Exchange differences and other movements	(2,462)	7	2,048	(407)
Balance as at the end of the financial year	<u>1,681,439</u>	<u>16</u>	<u>11,008</u>	<u>1,692,463</u>

Bank

31 March 2022

Balance as at the beginning of the financial year	1,348,138	15	25	1,348,178
Transfer to 12-month ECL (Stage 1)	4,356	(4,330)	(26)	-
Transfer to Lifetime ECL not credit impaired (Stage 2)	(6,155)	6,155	-	-
Transfer to Lifetime ECL credit impaired (Stage 3)	(1)	-	1	-
Addition and origination	635,479	-	-	635,479
Derecognition	(655,666)	-	-	(655,666)
Balance as at the end of the financial period	<u>1,326,151</u>	<u>1,840</u>	<u>-</u>	<u>1,327,991</u>

Bank

31 December 2021

Balance as at the beginning of the financial year	1,495,682	802	-	1,496,484
Transfer to 12-month ECL (Stage 1)	7,322	(6,983)	(339)	-
Transfer to Lifetime ECL not credit impaired (Stage 2)	(6,471)	6,471	-	-
Transfer to Lifetime ECL credit impaired (Stage 3)	(364)	-	364	-
Addition and origination	4,819,769	-	-	4,819,769
Derecognition	(4,967,800)	(275)	-	(4,968,075)
Balance as at the end of the financial year	<u>1,348,138</u>	<u>15</u>	<u>25</u>	<u>1,348,178</u>

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2022 (cont'd)

11 Loans and Advances (cont'd)

	Group		Bank	
	As at 31 March 2022	As at 31 December 2021	As at 31 March 2022	As at 31 December 2021
	RM'000	RM'000	RM'000	RM'000
(i) Impaired loans and advances				
(i) By purpose				
Purchase of securities	11,218	11,008	-	25
(ii) By economic sector				
Household sector	11,218	11,008	-	25
(iii) By geographical distribution				
In Malaysia	-	25	-	25
Outside Malaysia:				
- Thailand	11,218	10,983	-	-
	11,218	11,008	-	25
(iv) Movement in allowance for ECL				
Group	12-month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
31 March 2022	RM'000	RM'000	RM'000	RM'000
Balance as at the beginning of the financial year	1	-	10,983	10,984
Exchange differences and other movements	-	-	235	235
Balance as at the end of the financial period	1	-	11,218	11,219
Group				
31 December 2021				
Balance as at the beginning of the financial year	1	-	8,950	8,951
Exchange differences and other movements	-	-	2,033	2,033
Balance as at the end of the financial year	1	-	10,983	10,984

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2022 (cont'd)

11 Loans and Advances (cont'd)

(i) Impaired loans and advances (cont'd)

(iv) Movement in allowance for ECL (cont'd)

	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
Bank				
31 March 2022				
Balance as at the beginning/end of the financial year/period	1	-	-	1
Bank				
31 December 2021				
Balance as at the beginning/end of the financial year	1	-	-	1

12 Clients' and Brokers' Balances

	Group		Bank	
	As at 31 March 2022 RM'000	As at 31 December 2021 RM'000	As at 31 March 2022 RM'000	As at 31 December 2021 RM'000
Amounts owing by clients	518,693	507,679	399,952	360,827
Less: Allowance for ECL	(25,537)	(23,545)	(4,974)	(2,946)
	493,156	484,134	394,978	357,881
Amounts owing by brokers	113,214	138,381	111,594	138,375
Amounts owing by clearing houses and stock exchanges	210,358	257,080	159,575	144,863
	816,728	879,595	666,147	641,119

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2022 (cont'd)

12 Clients' and Brokers' Balances (cont'd)

Movement in allowance for ECL

	Group		Bank	
	As at 31 March 2022	As at 31 December 2021	As at 31 March 2022	As at 31 December 2021
	RM'000	RM'000	RM'000	RM'000
(a) Non-credit impaired				
Balance as at the beginning of the financial year	47	2	47	2
Transferred to credit impaired	(46)	-	(46)	-
Allowance for expected credit losses	-	50	-	50
Derecognition	-	(5)	-	(5)
Balance as at the end of the financial period/year	<u>1</u>	<u>47</u>	<u>1</u>	<u>47</u>
(b) Credit impaired				
Balance as at the beginning of the financial year	23,498	30,065	2,899	4,463
Transferred from non-credit impaired	46	-	46	-
Allowance for expected credit losses	2,074	2,074	2,074	575
Derecognition	(146)	(7,157)	(46)	(768)
Amount written off	-	(1,371)	-	(1,371)
Exchange differences	64	(113)	-	-
Balance as at the end of the financial period/year	<u>25,536</u>	<u>23,498</u>	<u>4,973</u>	<u>2,899</u>

13 Other Assets

	Group		Bank	
	As at 31 March 2022	As at 31 December 2021	As at 31 March 2022	As at 31 December 2021
	RM'000	RM'000	RM'000	RM'000
Other receivables	38,831	45,859	13,957	19,154
Unit trust fee receivables	23,098	33,359	-	-
Management fee receivables	4,033	3,855	-	-
Deposits	6,536	6,707	2,643	2,642
Prepayments	20,594	14,672	13,516	9,992
Amount receivable for release of units from funds	268,823	207,850	-	-
Transferable memberships	262	262	262	262
Amount due from subsidiaries	-	-	1,591	41,344
Amount due from related companies	559	12,161	559	12,135
	<u>362,736</u>	<u>324,725</u>	<u>32,528</u>	<u>85,529</u>

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14 Deposits from Customers

	As at 31 March 2022 RM'000	Group and Bank As at 31 December 2021 RM'000
(a) By type of deposits		
Short-term deposits	1,895,410	1,560,040
(b) By type of customers		
Government and statutory bodies	226,314	305,808
Business enterprises	1,669,096	1,254,232
	1,895,410	1,560,040
(c) By maturity structure of the deposits		
Due within six months	1,895,410	1,560,040

15 Deposits and Placements of Banks and Other Financial Institutions

	As at 31 March 2022 RM'000	Group and Bank As at 31 December 2021 RM'000
Licensed banks	2,430,434	2,428,314

16 Other Liabilities

	Group		Bank	
	As at 31 March 2022 RM'000	As at 31 December 2021 RM'000	As at 31 March 2022 RM'000	As at 31 December 2021 RM'000
Other creditors and accruals	150,662	166,923	81,670	90,426
Contract liabilities	5,767	5,940	1,813	1,769
Remisiers' trust deposits	96,784	97,828	96,784	97,828
Amount payable for creation of units due to funds	7,073	457,587	-	-
Amount payable for redemption units	395,904	348,404	-	-
Short-term employee benefits	20,619	70,200	14,102	48,425
Amount due to holding company	29,921	39,182	27,100	32,157
Amount due to subsidiaries	-	-	105	26
Amount due to related companies	437	235	80	149
Provision for restructuring costs	1,253	1,188	-	-
	708,420	1,187,487	221,654	270,780

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	1st Quarter Ended		Three Months Ended	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	RM'000	RM'000	RM'000	RM'000
17 Interest Income				
<u>Group</u>				
Loans and advances	23,179	25,420	23,179	25,420
Money at call and deposit placements with banks and other financial institutions	14,348	10,983	14,348	10,983
Financial assets at FVTPL	16	23	16	23
Financial assets at FVOCI, debt instruments	4,614	5,158	4,614	5,158
Financial investments at amortised costs	9,565	9,623	9,565	9,623
Others	1,244	3,878	1,244	3,878
	52,966	55,085	52,966	55,085
Of which:				
Interest income accrued on impaired financial assets	811	1,129	811	1,129
<u>Bank</u>				
Loans and advances	16,227	17,541	16,227	17,541
Money at call and deposit placements with banks and other financial institutions	11,545	8,122	11,545	8,122
Financial assets at FVTPL	16	23	16	23
Financial assets at FVOCI, debt instrument	4,612	5,158	4,612	5,158
Financial investments at amortised costs	9,565	9,623	9,565	9,623
Others	718	2,986	718	2,986
	42,683	43,453	42,683	43,453
Of which:				
Interest income accrued on impaired financial assets	2	2	2	2

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	1st Quarter Ended		Three Months Ended	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	RM'000	RM'000	RM'000	RM'000
18 Interest Expense				
<u>Group</u>				
Deposits and placements of banks and other financial institutions	11,380	13,138	11,380	13,138
Deposits from customers	8,630	4,814	8,630	4,814
Subordinated obligations	2,416	2,416	2,416	2,416
Borrowings	3,499	4,318	3,499	4,318
Others	493	596	493	596
	26,418	25,282	26,418	25,282
<u>Bank</u>				
Deposits and placements of banks and other financial institutions	11,380	13,138	11,380	13,138
Deposits from customers	8,630	4,814	8,630	4,814
Subordinated obligations	2,416	2,416	2,416	2,416
Others	92	88	92	88
	22,518	20,456	22,518	20,456
19 Fee and Commission Income				
(a) By type of fee income				
<u>Group</u>				
Brokerage income	59,193	139,764	59,193	139,764
Fund management fees	62,447	68,710	62,447	68,710
Unit trust fee income	11,448	74,639	11,448	74,639
Corporate advisory fees	3,189	5,137	3,189	5,137
Arrangement fees and underwriting	946	1,492	946	1,492
Placement fees	719	4,659	719	4,659
Rollover fees	1,067	1,153	1,067	1,153
Commission	626	1,128	626	1,128
Service charges and fees	403	322	403	322
Other fee income	11,910	11,074	11,910	11,074
	151,948	308,078	151,948	308,078
<u>Bank</u>				
Brokerage income	43,485	111,861	43,485	111,861
Corporate advisory fees	3,057	4,277	3,057	4,277
Arrangement fees and underwriting	18	475	18	475
Placement fees	719	4,659	719	4,659
Rollover fees	1,067	1,153	1,067	1,153
Commission	206	289	206	289
Service charges and fees	267	185	267	185
Other fee income	7,237	6,218	7,237	6,218
	56,056	129,117	56,056	129,117

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	1st Quarter Ended		Three Months Ended	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	RM'000	RM'000	RM'000	RM'000
19 Fee and Commission Income (cont'd)				
(b) By geographical market of fee income				
<u>Group</u>				
Malaysia	133,806	273,589	133,806	273,589
Thailand	10,816	14,771	10,816	14,771
Indonesia	6,269	16,172	6,269	16,172
Singapore	639	3,352	639	3,352
Cambodia	361	105	361	105
Vietnam	36	2	36	2
Hong Kong	21	87	21	87
	151,948	308,078	151,948	308,078
<u>Bank</u>				
Malaysia	56,056	129,117	56,056	129,117
(c) By timing of fee income recognition				
<u>Group</u>				
At a point in time	86,325	235,585	86,325	235,585
Over time	65,623	72,493	65,623	72,493
	151,948	308,078	151,948	308,078
<u>Bank</u>				
At a point in time	55,195	127,977	55,195	127,977
Over time	861	1,140	861	1,140
	56,056	129,117	56,056	129,117
20 Fee and Commission Expense				
<u>Group</u>				
Fund management fees	25,361	32,103	25,361	32,103
Unit trust fees	11,616	74,877	11,616	74,877
Commission and incentives	4,022	15,791	4,022	15,791
	40,999	122,771	40,999	122,771
<u>Bank</u>				
Commission and incentives	1,563	9,543	1,563	9,543

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2022 (cont'd)

	1st Quarter Ended		Three Months Ended	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	RM'000	RM'000	RM'000	RM'000
21 Other Operating Income				
<u>Group</u>				
(a) Net (loss)/gain arising from financial assets at FVTPL				
- net (loss)/gain on disposal	(11,040)	32,802	(11,040)	32,802
- unrealised net gain/(loss) on revaluation	343	(433)	343	(433)
- gross dividend income	2,748	3,794	2,748	3,794
	<u>(7,949)</u>	<u>36,163</u>	<u>(7,949)</u>	<u>36,163</u>
(b) Net gain/(loss) arising from derivatives	<u>15,151</u>	<u>(12,790)</u>	<u>15,151</u>	<u>(12,790)</u>
(c) Net gain arising from financial assets at FVOCI, debt instruments				
- net gain on disposal	<u>73</u>	<u>53</u>	<u>73</u>	<u>53</u>
(d) Other income				
- net foreign exchange gain	4,648	10,635	4,648	10,635
- net gain on disposal of property, plant and equipment	-	66	-	66
- fair value changes to sales consideration	-	1,251	-	1,251
- other operating income	3,569	21,781	3,569	21,781
	<u>8,217</u>	<u>33,733</u>	<u>8,217</u>	<u>33,733</u>
	<u><u>15,492</u></u>	<u><u>57,159</u></u>	<u><u>15,492</u></u>	<u><u>57,159</u></u>

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2022 (cont'd)

	1st Quarter Ended		Three Months Ended	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	RM'000	RM'000	RM'000	RM'000
21 Other Operating Income (cont'd)				
<u>Bank</u>				
(a) Net loss arising from financial assets at FVTPL				
- net loss on disposal	(10,834)	(9,253)	(10,834)	(9,253)
- unrealised net gain on revaluation	1,969	7,552	1,969	7,552
- gross dividend income	335	1,241	335	1,241
	<u>(8,530)</u>	<u>(460)</u>	<u>(8,530)</u>	<u>(460)</u>
(b) Net gain arising from derivatives	<u>12,538</u>	<u>21,363</u>	<u>12,538</u>	<u>21,363</u>
(c) Net gain arising from financial assets at FVOCI, debt instruments				
- net gain on disposal	<u>73</u>	<u>53</u>	<u>73</u>	<u>53</u>
(d) Other income				
- net foreign exchange gain	4,612	10,775	4,612	10,775
- net gain on disposal of property, plant and equipment	-	73	-	73
- fair value changes to sales consideration	-	1,251	-	1,251
- other operating income	3,316	21,452	3,316	21,452
	<u>7,928</u>	<u>33,551</u>	<u>7,928</u>	<u>33,551</u>
	<u><u>12,009</u></u>	<u><u>54,507</u></u>	<u><u>12,009</u></u>	<u><u>54,507</u></u>

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	1st Quarter Ended		Three Months Ended	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	RM'000	RM'000	RM'000	RM'000
22 Other Operating Expenses				
<u>Group</u>				
<u>Personnel costs</u>				
- Salaries, bonus, wages and allowances	61,932	62,236	61,932	62,236
- Defined contribution plan	6,786	7,220	6,786	7,220
- Other staff related costs	8,196	8,414	8,196	8,414
	76,914	77,870	76,914	77,870
<u>Establishment costs</u>				
- Property, plant and equipment				
- Depreciation	3,171	2,851	3,171	2,851
- Written off	70	-	70	-
- Amortisation of other intangible assets	3,041	2,249	3,041	2,249
- Depreciation of right-of-use assets	2,689	2,658	2,689	2,658
- Information technology expenses	12,364	15,693	12,364	15,693
- Security and escorting charges	132	116	132	116
- Repair and maintenance	581	569	581	569
- Rental of premises	2,972	3,772	2,972	3,772
- Water and electricity	713	824	713	824
- Rental of equipment	11	13	11	13
- Insurance	917	971	917	971
- Others	1,720	5,179	1,720	5,179
	28,381	34,895	28,381	34,895
<u>Marketing expenses</u>				
- Advertisements and publicity	1,324	953	1,324	953
- Sales commission	598	1,086	598	1,086
- Others	1,319	2,691	1,319	2,691
	3,241	4,730	3,241	4,730
<u>Administration and general expenses</u>				
- Communication expenses	5,653	5,790	5,653	5,790
- Legal and professional fees	1,524	2,168	1,524	2,168
- Management fee	3,856	184	3,856	184
- Others	5,133	4,560	5,133	4,560
	16,166	12,702	16,166	12,702
	124,702	130,197	124,702	130,197

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2022 (cont'd)

	1st Quarter Ended		Three Months Ended	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	RM'000	RM'000	RM'000	RM'000
22 Other Operating Expenses (cont'd)				
<u>Bank</u>				
<u>Personnel costs</u>				
- Salaries, bonus, wages and allowances	35,968	33,339	35,968	33,339
- Defined contribution plan	4,895	5,279	4,895	5,279
- Other staff related costs	4,176	4,008	4,176	4,008
	45,039	42,626	45,039	42,626
<u>Establishment costs</u>				
- Property, plant and equipment				
- Depreciation	1,734	1,460	1,734	1,460
- Written off	26	-	26	-
- Amortisation of other intangible assets	2,110	1,533	2,110	1,533
- Depreciation of right-of-use assets	1,253	1,213	1,253	1,213
- Information technology expenses	8,223	11,646	8,223	11,646
- Security and escorting charges	107	91	107	91
- Repair and maintenance	386	324	386	324
- Rental of premises	1,718	1,987	1,718	1,987
- Water and electricity	546	619	546	619
- Rental of equipment	3	4	3	4
- Insurance	606	586	606	586
- Others	1,720	5,186	1,720	5,186
	18,432	24,649	18,432	24,649
<u>Marketing expenses</u>				
- Advertisements and publicity	317	49	317	49
- Sales commission	96	122	96	122
- Others	581	1,602	581	1,602
	994	1,773	994	1,773
<u>Administration and general expenses</u>				
- Communication expenses	3,010	2,835	3,010	2,835
- Legal and professional fees	123	195	123	195
- Management fee	3,208	131	3,208	131
- Others	2,287	483	2,287	483
	8,628	3,644	8,628	3,644
	73,093	72,692	73,093	72,692

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	1st Quarter Ended		Three Months Ended	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	RM'000	RM'000	RM'000	RM'000
23 Allowance Made/(Written Back) for Expected Credit Losses				
<u>Group</u>				
Allowance made/(written back) for expected credit losses on other receivables and clients' and brokers' balances	1,936	(3,314)	1,936	(3,314)
Bad debts recovered	(73)	-	(73)	-
Other financial assets	33	(23)	33	(23)
	1,896	(3,337)	1,896	(3,337)
	1,896	(3,337)	1,896	(3,337)
<u>Bank</u>				
Allowance made/(written back) for expected credit losses on other receivables and clients' and brokers' balances	2,177	(444)	2,177	(444)
Bad debts recovered	(73)	-	(73)	-
Other financial assets	1	9	1	9
	2,105	(435)	2,105	(435)
	2,105	(435)	2,105	(435)
24 Impairment Loss on Other Non-financial Assets				
<u>Bank</u>				
Investments in subsidiaries	656	547	656	547
	656	547	656	547

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25 Basic Earnings/(Loss) Per Share

Basic earnings/(loss) per share ('EPS') is calculated by dividing the net profit/(loss) attributable to equity holder of the Group for the first quarter and three months ended 31 March by the weighted average number of outstanding ordinary shares during the financial period.

<u>Group</u>	<u>Note</u>	<u>1st Quarter Ended</u>		<u>Three Months Ended</u>	
		<u>31 March 2022</u>	<u>31 March 2021</u>	<u>31 March 2022</u>	<u>31 March 2021</u>
Net profit/(loss) attributable to equity holder (RM'000)					
- Continuing operations		16,692	108,675	16,692	108,675
- Discontinued operation	32(b)	20,848	(520)	20,848	(520)
		37,540	108,155	37,540	108,155
Weighted average number of ordinary shares in issue ('000)		80,000	100,000	80,000	100,000
Basic earnings/(loss) per share (sen)					
- Continuing operations		20.9	108.7	20.9	108.7
- Discontinued operation		26.1	(0.5)	26.1	(0.5)
		47.0	108.2	47.0	108.2

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2022 (cont'd)

26 Capital Adequacy Ratio

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

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

	Group		Bank	
	As at 31 March 2022 RM'000	As at 31 December 2021 RM'000	As at 31 March 2022 RM'000	As at 31 December 2021 RM'000
<u>Common Equity Tier I ('CET I')</u>				
<u>Tier I Capital</u>				
Share capital	1,220,000	1,220,000	1,220,000	1,220,000
Retained profits	667,330	767,406	380,297	481,289
Other reserves	67,850	63,975	-	-
FVOCI reserves	36,187	38,949	35,723	38,642
	1,991,367	2,090,330	1,636,020	1,739,931
Less:				
- Goodwill	(449,978)	(449,978)	(372,395)	(372,395)
- Investments in subsidiaries	-	-	(708,471)	(712,127)
- Investments in associates and joint ventures	(4,657)	(4,644)	(5,028)	(5,028)
- Other intangible assets	(46,972)	(46,663)	(31,079)	(30,183)
- 55% of cumulative gains arising from change in value of FVOCI financial instruments	(19,903)	(21,422)	(19,648)	(21,253)
- Other deductions #	-	(71)	-	(71)
- Deferred tax assets	(30,203)	(33,571)	(21,014)	(22,684)
Total CET I Capital	1,439,654	1,533,981	478,385	576,190
Qualifying non-controlling interests recognised as Tier I Capital	1,051	1,187	-	-
Total Tier I Capital	1,440,705	1,535,168	478,385	576,190
<u>Tier II Capital</u>				
Subordinated obligations meeting all relevant criteria	200,000	200,000	200,000	200,000
Qualifying non-controlling interests recognised as Tier II Capital	71	98	-	-
General provision ^	29,054	29,480	9,954	10,428
Total Tier II Capital	229,125	229,578	209,954	210,428
Total Capital	1,669,830	1,764,746	688,339	786,618

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2022 (cont'd)

26 Capital Adequacy Ratio (cont'd)

The capital adequacy ratios of the Group and the Bank are as follows: (cont'd)

	Group		Bank	
	As at 31 March 2022	As at 31 December 2021	As at 31 March 2022	As at 31 December 2021
<u>Capital ratios</u>				
Before proposed dividends:				
CET I Capital Ratio	33.836%	35.348%	25.332%	29.319%
Tier I Capital Ratio	33.861%	35.376%	25.332%	29.319%
Total Capital Ratio	<u>39.246%</u>	<u>40.666%</u>	<u>36.450%</u>	<u>40.027%</u>
After proposed dividends:				
CET I Capital Ratio	33.836%	33.044%	25.332%	24.231%
Tier I Capital Ratio	33.861%	33.071%	25.332%	24.231%
Total Capital Ratio	<u>39.246%</u>	<u>38.361%</u>	<u>36.450%</u>	<u>34.938%</u>

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

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

Includes the qualifying regulatory reserves of the Group and the Bank of RM28,443,000 (31 December 2021: RM28,903,000) and RM9,918,000 (31 December 2021: RM10,400,000) respectively.

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

	Group		Bank	
	As at 31 March 2022 RM'000	As at 31 December 2021 RM'000	As at 31 March 2022 RM'000	As at 31 December 2021 RM'000
Credit risk	2,324,323	2,358,408	796,303	834,269
Market risk	253,962	285,276	138,517	162,040
Operational risk	1,676,494	1,695,946	953,631	968,930
Total risk-weighted assets	<u>4,254,779</u>	<u>4,339,630</u>	<u>1,888,451</u>	<u>1,965,239</u>

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

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2022 (cont'd)

27 Commitments and Contingencies

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

The commitments and contingencies comprise the following:

	Group		Bank	
	As at 31 March 2022	As at 31 December 2021	As at 31 March 2022	As at 31 December 2021
	RM'000	RM'000	RM'000	RM'000
Principal amount				
Direct credit substitutes [#]	-	-	30,515	35,265
Forward assets purchases	47,182	-	47,182	-
Irrevocable commitments to extend credit:				
- maturity not exceeding one year	996,097	917,299	710,006	647,818
- maturity exceeding one year	22	22	22	22
Equity related contracts: [^]				
- less than one year	9,274	-	9,274	-
Foreign exchange related contracts: [^]				
- less than one year	33,657	24,496	33,657	24,496
	<u>1,086,232</u>	<u>941,817</u>	<u>830,656</u>	<u>707,601</u>

[#] Included in direct credit substitutes is financial guarantee contract to external parties for subsidiaries.

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

28 Capital and Other Commitments

	Group		Bank	
	As at 31 March 2022	As at 31 December 2021	As at 31 March 2022	As at 31 December 2021
	RM'000	RM'000	RM'000	RM'000
Authorised and contracted for:				
Property, plant and equipment	<u>29,680</u>	<u>28,192</u>	<u>23,273</u>	<u>22,004</u>

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2022 (cont'd)

29 Valuation of Property, Plant and Equipment

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

30 Status of Corporate Proposal

Cessation of Business Operations of Subsidiaries in Hong Kong

On 5 December 2019, RHB Bank announced that RHB Hong Kong Limited ('RHB Hong Kong') and its subsidiaries (collectively known as 'RHB Hong Kong Group') had on 4 December 2019 decided to cease business operations ('Cessation').

With 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 Cessation would allow the Bank to refocus efforts and resources in driving long-term growth in other ASEAN markets in line with the larger RHB Banking Group's strategy.

Pursuant to the Cessation, RHB Hong Kong Group has discontinued offering financial services to its existing and potential clients. The Bank being the shareholder of RHB Hong Kong Group has provided the requisite support to ensure an orderly winding down of their business operations.

In relation to this Corporate Proposal, the significant update for the period is as disclosed in Note 32(a).

31 Event Subsequent to the Date of Statements of Financial Position

There were no significant events subsequent to the date of statements of financial position that have not been reflected in the financial statements.

32 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 2022 other than the following:

(a) Dissolution of RHB Wealth Management Hong Kong Limited ('RHBWMHK')

RHBWMHK, an indirect wholly-owned subsidiary of the Bank, has been dissolved on 4 January 2022 pursuant to The Companies (Winding Up and Miscellaneous Provisions) Ordinance of Hong Kong. Arising therefrom, RHBWMHK is no longer an indirect wholly-owned subsidiary of the Bank.

The dissolution of the indirect wholly-owned subsidiaries do not have any material effect on the earnings and net assets of the Group for the financial year ending 31 December 2022.

(b) Disposal by PT RHB Sekuritas Indonesia ('RSI') of Its Entire 99.62% Equity Interest in PT RHB Asset Management Indonesia ('RAMI') ('Disposal')

In prior year

On 26 July 2021, RHB Bank announced that RSI, a 99% subsidiary of the Bank, had on 23 July 2021, entered into Conditional Share Purchase Agreement ('CSPA') with Allianz Global Investors Asia Pacific Limited ('AllianzGI') and PT Asuransi Allianz Life Indonesia ('Allianz Life Indonesia') in respect of the Disposal.

RAMI, a company incorporated in Indonesia, was a 99.62% subsidiary of RSI. The remaining 0.38% equity interest was held by Daniel Budiman. The principal activity of RAMI was rendering of investment management services in Indonesia.

The Disposal entailed the disposal by RSI of its entire 98.62% equity interest and 1.00% equity interest in RAMI to AllianzGI and Allianz Life Indonesia respectively.

The Disposal was conditional upon of inter-alia, the approval of the Financial Services Authority of Indonesia or Otoritas Jasa Keuangan for the fit and proper test of AllianzGI as the new controlling shareholder of RAMI and the candidate for new member(s) of Board of Commissioners of RAMI as proposed by AllianzGI. The last date to fulfil all the conditions precedent for the Disposal was 8 months from the date of the CSPA which can be mutually extended.

This exercise was part of the Group's strategic plan to reprioritise its overseas businesses to focus on niche markets, leveraging on the key strengths of its investment banking team in order to meet its customers' needs. Accordingly, RHB Bank has decided to exit from the asset management business and to focus on its stock broking and investment banking business in Indonesia.

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2022 (cont'd)

32 Changes in the Composition of the Group (cont'd)

(b) Disposal by PT RHB Sekuritas Indonesia ('RSI') of Its Entire 99.62% Equity Interest in PT RHB Asset Management Indonesia ('RAMI') ('Disposal') (cont'd)

During the year

The Disposal was completed on 31 January 2022 for a sales consideration of EUR6,532,000 (or approximately RM30,827,000), following the approval of the Financial Services Authority of Indonesia or Otoritas Jasa Keuangan ('OJK') for AllianzGI as the new controlling shareholder of RAMI on 6 January 2022 and the approval of OJK for the new Board of Commissioners of RAMI as proposed by AllianzGI on 29 December 2021 and 27 December 2021.

With the completion of Disposal, the Group recorded a gain on disposal of RM24,595,000 and accordingly, RAMI is no longer an indirect subsidiary of the Bank.

The Group has accounted for the Disposal as non-current assets/(liabilities) held for sale and discontinued operation in accordance with MFRS 5 'Non-current Assets Held for Sale and Discontinued Operations'. Financial information relating to the Disposal are as follows:

(i) Assets and Liabilities of RAMI

	31 January 2022	Group 31 December 2021
	RM'000	RM'000
<u>Non-current assets held for sale</u>		
Cash and short-term funds, net of ECL	4,522	8,205
Other assets	972	912
Tax recoverable	285	278
Deferred tax assets	1,081	920
Right-of-use assets	1,007	1,042
Property, plant and equipment	785	795
Other intangible assets	355	369
	9,007	12,521
<u>Non-current liabilities held for sale</u>		
Other liabilities	1,518	4,854
Lease liabilities	1,134	1,129
Tax liabilities	22	20
	2,674	6,003

(ii) Cash flow and net assets of RAMI on completion date

	Group RM'000
Non-current assets held for sale	9,007
Non-current liabilities held for sale	(2,674)
Total net assets derecognised	6,333
Gain on disposal of a subsidiary, gross	24,595
Exchange differences	(101)
Sales consideration received in cash	30,827
Less: Cash and short-term fund of the subsidiary disposed	(4,522)
Gain from realisation of translation reserves from discontinued operation	347
Cash inflow on disposal of a subsidiary	26,652
Estimated income tax expense payable	(3,608)
Estimated cash inflow on disposal of a subsidiary	23,044

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2022 (cont'd)

32 Changes in the Composition of the Group (cont'd)

(b) Disposal by PT RHB Sekuritas Indonesia ('RSI') of Its Entire 99.62% Equity Interest in PT RHB Asset Management Indonesia ('RAMI') ('Disposal') (cont'd)

The Group has accounted for the Disposal as non-current assets/(liabilities) held for sale and discontinued operation in accordance with MFRS 5 'Non-current Assets Held for Sale and Discontinued Operations'. Financial information relating to the Disposal are as follows: (cont'd)

(iii) Unaudited Income Statements

	1st Quarter Ended		Three Months Ended	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	RM'000	RM'000	RM'000	RM'000
Interest income	14	91	14	91
Interest expense	(11)	(41)	(11)	(41)
Net interest income	3	50	3	50
Fee and commission income	453	1,756	453	1,756
Fee and commission expense	(66)	(303)	(66)	(303)
Other operating income	378	89	378	89
	768	1,592	768	1,592
Other operating expenses	(721)	(2,110)	(721)	(2,110)
Operating profit/(loss) before allowances	47	(518)	47	(518)
Allowance written back for expected credit losses	4	-	4	-
Profit/(Loss) before taxation of discontinued operation	51	(518)	51	(518)
Taxation	(3,798)	(2)	(3,798)	(2)
Gain on disposal of a subsidiary, gross	24,595	-	24,595	-
Net profit/(loss) after tax from discontinued operation for the financial period	20,848	(520)	20,848	(520)

(iv) Unaudited Statements of Comprehensive Income

	1st Quarter Ended		Three Months Ended	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	RM'000	RM'000	RM'000	RM'000
Net profit/(loss) after tax from discontinued operation for the financial period	20,848	(520)	20,848	(520)
Other comprehensive income/(loss) in respect of:				
(a) Item that will not be reclassified to income statements:				
- Actuarial loss on defined benefit plan of a subsidiary	-	(67)	-	(67)
(b) Item that will be reclassified subsequently to income statements:				
- Realisation of translation reserves from discontinued operation	(347)	-	(347)	-
Income tax relating to components of other comprehensive loss/(income)	353	(51)	353	(51)
Other comprehensive income/(loss), net of tax for the financial period	6	(118)	6	(118)
Total comprehensive income/(loss) from discontinued operation for the financial period	20,854	(638)	20,854	(638)

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2022 (cont'd)

32 Changes in the Composition of the Group (cont'd)

(b) Disposal by PT RHB Sekuritas Indonesia ('RSI') of Its Entire 99.62% Equity Interest in PT RHB Asset Management Indonesia ('RAMI') ('Disposal') (cont'd)

The Group has accounted for the Disposal as non-current assets/(liabilities) held for sale and discontinued operation in accordance with MFRS 5 'Non-current Assets Held for Sale and Discontinued Operations'. Financial information relating to the Disposal are as follows: (cont'd)

(v) Unaudited Condensed Statements of Cash Flow

	Three Months Ended	
	31 March 2022	31 March 2021
	RM'000	RM'000
Net cash (used in)/generated from operating activities	(3,708)	238
Net cash used in investing activities	(9)	(13)
Net cash generated from/(used in) financing activities	10	(81)
Net (decrease)/increase in cash and cash equivalents	(3,707)	144

(c) Subscription of 5 million Redeemable Preference Shares ('RPS') in RHB Private Equity Holdings Sdn Bhd ('RHBPEH')

On 9 March 2022, the Bank subscribed for 5 million RPS of RM2.00 each in RHBPEH amounting to RM10,000,000 for additional working capital purpose. Upon completion of the subscription, the equity interest held by the Bank in RHBPEH remains the same.

33 Changes in Profit for the Quarter

For the current financial quarter ended 31 March 2022, the Group recorded a pre-tax profit of RM26.4 million, 56.9% lower as compared to the immediate preceding quarter pre-tax profit of RM61.3 million. The decrease in profit is contributed by lower net fee and commission income of RM30.5 million, lower other operating income of RM17.9 million, higher allowance made for expected credit losses of RM11.0 million and lower net interest income of RM4.2 million; partially offset by lower other operating expenses of RM28.7 million.

34 Performance Review

For the three months ended 31 March 2022, the Group recorded a pre-tax profit of RM26.4 million, 81.8% lower as compared to the previous corresponding financial period of RM145.4 million. The decrease in profit is contributed by lower net fee and commission income of RM74.4 million, lower operating income of RM41.7 million, higher allowance made for expected credit losses of RM5.2 million and lower net interest income of RM3.2 million; partially offset with lower other operating expenses of RM5.5 million.

35 Prospects for Financial Year 2022

Economic recovery continues its positive momentum as Malaysia progressively transitions into the endemic phase following the reopening of international borders. However, geopolitical crisis, supply chain disruption, global inflationary pressures and potential emergence of new variants continue to pose downside risks to the overall growth outlook.

Loans growth is expected to expand this year led by demand from businesses and consumers. Overall, the banking sector is projected to remain resilient with healthy capital and liquidity positions, supported by the adequate level of provisioning made since the beginning of the pandemic. On the monetary front, the OPR is expected to further increase in the second half 2022 towards a more normalised level.

The Group will continue to remain prudent and exercise vigilance as we strive to improve business performance amid continued uncertainty in the operating environment.

36 Client Trust Accounts

In accordance with Financial Reporting Standards Implementation Committee Consensus 18 'Monies Held in Trust by Participating Organisations of Bursa Malaysia Securities Berhad' ('FRSIC 18'), the cash held in trust for clients by the Group and the Bank amounted to RM3,395,199,000 (31 December 2021: RM2,951,342,000) and RM2,941,221,869 (31 December 2021: RM2,553,551,000) respectively, are not recognised in the financial statements as the Group and the Bank held them in a fiduciary capacity.

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2022 (cont'd)

37 Fair Value of Financial Instruments

Determination of fair value and fair value hierarchy

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

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

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

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

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

Group	Level 1	Level 2	Level 3	Total
31 March 2022	RM'000	RM'000	RM'000	RM'000
<u>Financial assets</u>				
Financial assets at FVTPL	175,931	22	634,340	810,293
- quoted securities	175,931	-	-	175,931
- unquoted securities	-	22	634,340	634,362
Financial assets at FVOCI	2,343	484,838	36,962	524,143
- money market instruments	-	313,683	-	313,683
- quoted securities	2,343	-	-	2,343
- unquoted securities	-	171,155	36,962	208,117
Derivative assets	-	409	-	409
	<u>178,274</u>	<u>485,269</u>	<u>671,302</u>	<u>1,334,845</u>
<u>Financial liabilities</u>				
Derivative liabilities	<u>7,924</u>	<u>1,032</u>	<u>-</u>	<u>8,956</u>
Group	Level 1	Level 2	Level 3	Total
31 December 2021	RM'000	RM'000	RM'000	RM'000
<u>Financial assets</u>				
Financial assets at FVTPL	221,715	3,419	626,663	851,797
- quoted securities	221,715	-	-	221,715
- unquoted securities	-	3,419	626,663	630,082
Financial assets at FVOCI	2,146	558,565	36,961	597,672
- money market instruments	-	315,455	-	315,455
- quoted securities	2,146	-	-	2,146
- unquoted securities	-	243,110	36,961	280,071
Derivative assets	-	928	-	928
	<u>223,861</u>	<u>562,912</u>	<u>663,624</u>	<u>1,450,397</u>
<u>Financial liabilities</u>				
Derivative liabilities	<u>21,549</u>	<u>392</u>	<u>-</u>	<u>21,941</u>

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2022 (cont'd)

37 Fair Value of Financial Instruments (cont'd)

Determination of fair value and fair value hierarchy (cont'd)

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

Bank	Level 1	Level 2	Level 3	Total
31 March 2022	RM'000	RM'000	RM'000	RM'000
<u>Financial assets</u>				
Financial assets at FVTPL	71,994	22	-	72,016
- quoted securities	71,994	-	-	71,994
- unquoted securities	-	22	-	22
Financial assets at FVOCI	-	484,838	36,670	521,508
- money market instruments	-	313,683	-	313,683
- unquoted securities	-	171,155	36,670	207,825
Derivative assets	-	102	-	102
	<u>71,994</u>	<u>484,962</u>	<u>36,670</u>	<u>593,626</u>
<u>Financial liabilities</u>				
Derivative liabilities	7,924	8	-	7,932

Bank	Level 1	Level 2	Level 3	Total
31 December 2021	RM'000	RM'000	RM'000	RM'000
<u>Financial assets</u>				
Financial assets at FVTPL	113,271	3,419	-	116,690
- quoted securities	113,271	-	-	113,271
- unquoted securities	-	3,419	-	3,419
Financial assets at FVOCI	-	558,565	36,670	595,235
- money market instruments	-	315,455	-	315,455
- unquoted securities	-	243,110	36,670	279,780
Derivative assets	-	17	-	17
	<u>113,271</u>	<u>562,001</u>	<u>36,670</u>	<u>711,942</u>
<u>Financial liabilities</u>				
Derivative liabilities	21,549	18	-	21,567

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2022 (cont'd)

37 Fair Value of Financial Instruments (cont'd)

Valuation techniques

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

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

Financial instruments are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data (unobservable inputs). This category includes unquoted shares held for socio economic reasons and private equity funds. Fair values for shares held for socio economic reasons are based on the net tangible assets of the affected companies. Fair value for private equity funds are based on enterprise valuation method where the main input include earnings before interest, taxes, depreciation and amortisation ('EBITDA') and adjusted for contingent receivable.

Reconciliation of fair value measurement in Level 3

The following represents the changes in Level 3 instruments for the financial period/year ended 31 March 2022 and 31 December 2021 for the Group and the Bank:

	Group		Bank	
	As at 31 March 2022	As at 31 December 2021	As at 31 March 2022	As at 31 December 2021
	RM'000	RM'000	RM'000	RM'000
<u>Financial assets at FVTPL</u>				
Balance as at the beginning of the financial year	626,663	534,684	-	1,256
Total gain recognised in income statements	1,045	66,813	-	1,251
Additions	3,721	34,175	-	-
Settlements/Distributions	(2,943)	(28,184)	-	(2,510)
Exchange differences	5,854	19,175	-	3
Balance as at the end of the financial period/year	634,340	626,663	-	-

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2022 (cont'd)

37 Fair Value of Financial Instruments (cont'd)

Reconciliation of fair value measurement in Level 3 (cont'd)

The following represents the changes in Level 3 instruments for the financial period/year ended 31 March 2022 and 31 December 2021 for the Group and the Bank: (cont'd)

	Group		Bank	
	As at 31 March 2022	As at 31 December 2021	As at 31 March 2022	As at 31 December 2021
	RM'000	RM'000	RM'000	RM'000
<u>Financial assets at FVOCI</u>				
Balance as at the beginning of the financial year	36,961	41,125	36,670	34,954
Total gain recognised in other comprehensive income	-	1,716	-	1,716
Disposals	-	(5,869)	-	-
Exchange differences	1	(11)	-	-
Balance as at the end of the financial period/year	36,962	36,961	36,670	36,670

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2022 (cont'd)

38 Segment Reporting

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

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

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

(a) Investment Banking

Investment banking provides services for advisory, fund raising in the structuring and issuance of debt securities and capital market instruments, mergers and acquisitions, private placements, underwriting, 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 nominees services.

Included in Investment Banking are Stockbroking and Investment Banking products and services to RHB regional customers in Indonesia, Thailand, Cambodia and Vietnam.

(b) Treasury

Treasury and money market operations are involved in non-proprietary trading of various financial products that include short-term money market instruments, long-term securities and foreign exchange and derivatives products, as well as funding centre.

Treasury includes treasury operations in Malaysia, Indonesia and Thailand.

(c) Asset Management

Asset Management business focuses on providing investment management services, unit trust fund management services, Islamic funds management services, wills and trustee services.

Asset Management consists of the Group's Asset Management and Trustee businesses, which includes overseas business operations in Singapore.

Asset Management business in Indonesia was disposed on 31 January 2022. The details are disclosed in Note 32(b).

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2022 (cont'd)

38 Segment Reporting (cont'd)

Segment Profit and Loss for the Three Months Ended 31 March 2022

<u>Group</u>	Continuing Operations				Discontinued Operation		
	Investment Banking	Treasury	Asset Management	Others and Elimination	Total	Asset Management	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	95,374	13,254	44,361	-	152,989	25,363	178,352
Inter-segment revenue	1,285	-	(242)	(1,043)	-	-	-
Segment revenue	96,659	13,254	44,119	(1,043)	152,989	25,363	178,352
Other operating expenses	(95,140)	(3,470)	(27,135)	1,043	(124,702)	(721)	(125,423)
Including:							
Depreciation of property, plant and equipment	(2,872)	(21)	(278)	-	(3,171)	(25)	(3,196)
Depreciation of right-of-use assets	(2,358)	(21)	(310)	-	(2,689)	(31)	(2,720)
Amortisation of other intangible assets	(2,547)	(47)	(447)	-	(3,041)	(3)	(3,044)
Allowance (made)/written back for expected credit losses	(1,828)	(29)	(39)	-	(1,896)	4	(1,892)
	(309)	9,755	16,945	-	26,391	24,646	51,037
Share of results of associates					15	-	15
Share of results of joint ventures					(2)	-	(2)
Profit before taxation					26,404	24,646	51,050
Taxation					(9,280)	(3,798)	(13,078)
Net profit for the financial period					17,124	20,848	37,972

Segment Assets and Liabilities as at 31 March 2022

<u>Group</u>	Investment Banking	Treasury	Asset Management	Others and Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Segment assets	4,363,832	3,855,088	782,414	(747,698)	8,253,636
Goodwill	306,611	-	143,367	-	449,978
Investments in associates and joint ventures					4,657
Tax recoverable					18,796
Deferred tax assets					30,203
Total assets					8,757,270
Segment liabilities	1,141,796	4,309,901	459,993	(7,402)	5,904,288
Tax liabilities					12,106
Borrowings					565,793
Subordinated obligations					204,591
Total liabilities					6,686,778

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2022 (cont'd)

38 Segment Reporting (cont'd)

Segment Profit and Loss for the Three Months Ended 31 March 2021

Group	Continuing Operations				Discontinued Operation		
	Investment Banking	Treasury	Asset Management	Others and Elimination	Total	Asset Management	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	199,746	30,658	41,865	-	272,269	1,592	273,861
Inter-segment revenue	342	-	(261)	(81)	-	-	-
Segment revenue	200,088	30,658	41,604	(81)	272,269	1,592	273,861
Other operating expenses	(103,747)	(2,121)	(24,410)	81	(130,197)	(2,110)	(132,307)
Including:							
Depreciation of property, plant and equipment	(2,620)	(15)	(216)	-	(2,851)	(85)	(2,936)
Depreciation of right-of-use assets	(2,527)	(20)	(111)	-	(2,658)	(94)	(2,752)
Amortisation of other intangible assets	(1,901)	(55)	(293)	-	(2,249)	(8)	(2,257)
Allowance written back/(made) for expected credit losses	3,485	26	(174)	-	3,337	-	3,337
	99,826	28,563	17,020	-	145,409	(518)	144,891
Share of results of associates					5	-	5
Profit/(Loss) before taxation					145,414	(518)	144,896
Taxation					(36,436)	(2)	(36,438)
Net profit/(loss) for the financial period					108,978	(520)	108,458

Segment Assets and Liabilities as at 31 December 2021

Group	Continuing Operations				Discontinued Operation		
	Investment Banking	Treasury	Asset Management	Others and Elimination	Total	Asset Management	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Segment assets	4,741,156	3,325,073	1,248,087	(772,653)	8,541,663	11,323	8,552,986
Goodwill	306,611	-	143,367	-	449,978	-	449,978
Investments in associates and joint ventures					4,644	-	4,644
Tax recoverable					7,294	278	7,572
Deferred tax assets					32,651	920	33,571
Total assets					9,036,230	12,521	9,048,751
Segment liabilities	1,321,448	3,971,775	930,413	(54,472)	6,169,164	5,983	6,175,147
Tax liabilities					8,753	20	8,773
Borrowings					531,588	-	531,588
Subordinated obligations					202,175	-	202,175
Total liabilities					6,911,680	6,003	6,917,683