



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

INTERIM FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2023

Group	Note	1st Quarter Ended		Three Months Ended	
		31 March	Restated	31 March	Restated
		2023	31 March	2023	31 March
		RM'000	RM'000	RM'000	RM'000
Interest income	A8	2,230,435	1,580,628	2,230,435	1,580,628
Interest expense	A9	(1,346,397)	(590,630)	(1,346,397)	(590,630)
Net interest income		884,038	989,998	884,038	989,998
Other operating income	A10	470,440	353,974	470,440	353,974
Income from Islamic Banking business	A30(b)	553,247	508,939	553,247	508,939
Net income		1,907,725	1,852,911	1,907,725	1,852,911
Other operating expenses	A11	(856,508)	(830,888)	(856,508)	(830,888)
Operating profit before allowances		1,051,217	1,022,023	1,051,217	1,022,023
Allowance for credit losses on financial assets	A12	(46,036)	(153,815)	(46,036)	(153,815)
		1,005,181	868,208	1,005,181	868,208
Share of results of associates		1	-	1	-
Share of results of joint venture		-	(2)	-	(2)
Profit before taxation and zakat		1,005,182	868,206	1,005,182	868,206
Taxation and zakat	B5	(242,553)	(285,905)	(242,553)	(285,905)
Net profit for the financial period		762,629	582,301	762,629	582,301
Attributable to:					
- Equity holders of the Bank		761,668	582,328	761,668	582,328
- Non-controlling interests		961	(27)	961	(27)
		762,629	582,301	762,629	582,301
Earnings per share (sen):					
- Profit attributable to equity holders of the Bank					
- Basic	B12	17.9	14.1	17.9	14.1
- Diluted	B12	17.9	14.1	17.9	14.1

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and the Bank for the financial year ended 31 December 2022.



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

INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED 31 MARCH 2023

	1st Quarter Ended		Three Months Ended	
	31 March 2023	Restated 31 March 2022	31 March 2023	Restated 31 March 2022
	RM'000	RM'000	RM'000	RM'000
Group				
Net profit for the financial period	762,629	582,301	762,629	582,301
Other comprehensive income/(loss) in respect of:				
(i) Items that will not be reclassified to profit or loss:				
(a) Actuarial (loss)/gain on defined benefit plan of subsidiaries	(524)	91	(524)	91
(b) Equity instruments designated at fair value through other comprehensive income ('FVOCI')				
- Unrealised net gain on revaluation	113	458	113	458
(ii) Items that will be reclassified subsequently to profit or loss:				
(a) Foreign currency translation reserves				
- Currency translation differences	39,036	24,377	39,036	24,377
- Realisation of translation reserves	-	(347)	-	(347)
(b) Debt instruments measured at FVOCI				
- Unrealised net gain/(loss) on revaluation	473,238	(692,223)	473,238	(692,223)
- Net transfer to income statements on disposal	(18,125)	(37,847)	(18,125)	(37,847)
- Changes in expected credit losses and exchange differences	(115)	(497)	(115)	(497)
Income tax relating to components of other comprehensive (income)/loss	(109,443)	175,458	(109,443)	175,458
Other comprehensive income/(loss), net of tax, for the financial period	384,180	(530,530)	384,180	(530,530)
Total comprehensive income for the financial period	1,146,809	51,771	1,146,809	51,771
Total comprehensive income/(loss) attributable to:				
- Equity holders of the Bank	1,145,778	51,792	1,145,778	51,792
- Non-controlling interests	1,031	(21)	1,031	(21)
	1,146,809	51,771	1,146,809	51,771

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and the Bank for the financial year ended 31 December 2022.



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

INTERIM FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2023

	Note	1st Quarter Ended		Three Months Ended	
		31 March	31 March	31 March	31 March
		2023	2022	2023	2022
		RM'000	RM'000	RM'000	RM'000
Bank					
Interest income	A8	2,237,040	1,547,357	2,237,040	1,547,357
Interest expense	A9	(1,309,662)	(572,650)	(1,309,662)	(572,650)
Net interest income		927,378	974,707	927,378	974,707
Other operating income	A10	582,251	535,291	582,251	535,291
Income from Islamic Banking business	A30(b)	(5,633)	1,435	(5,633)	1,435
Net income		1,503,996	1,511,433	1,503,996	1,511,433
Other operating expenses	A11	(622,715)	(560,837)	(622,715)	(560,837)
Operating profit before allowances		881,281	950,596	881,281	950,596
Allowance for credit losses on financial assets	A12	(33,401)	(19,776)	(33,401)	(19,776)
Profit before taxation		847,880	930,820	847,880	930,820
Taxation	B5	(140,312)	(199,384)	(140,312)	(199,384)
Net profit for the financial period		707,568	731,436	707,568	731,436

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and the Bank for the financial year ended 31 December 2022.



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

INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED 31 MARCH 2023

	1st Quarter Ended		Three Months Ended	
	31 March	31 March	31 March	31 March
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Bank				
Net profit for the financial period	707,568	731,436	707,568	731,436
Other comprehensive income/(loss) in respect of:				
(i) Items that will not be reclassified to profit or loss:				
(a) Equity instruments designated at fair value through other comprehensive income ('FVOCI')				
- Unrealised net gain on revaluation	60	301	60	301
(ii) Items that will be reclassified subsequently to profit or loss:				
(a) Foreign currency translation reserves				
- Currency translation differences	20,459	10,467	20,459	10,467
(b) Debt instruments measured at FVOCI				
- Unrealised net gain/(loss) on revaluation	397,111	(629,548)	397,111	(629,548)
- Net transfer to income statements on disposal	(14,071)	(33,388)	(14,071)	(33,388)
- Changes in expected credit losses and exchange differences	(545)	287	(545)	287
Income tax relating to components of other comprehensive (income)/loss	(91,930)	159,106	(91,930)	159,106
Other comprehensive income/(loss), net of tax, for the financial period	311,084	(492,775)	311,084	(492,775)
Total comprehensive income for the financial period	1,018,652	238,661	1,018,652	238,661

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and the Bank for the financial year ended 31 December 2022.


RHB BANK BERHAD
Registration No. 196501000373 (6171-M)
**INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2023**

		Group		Bank	
		As at	As at	As at	As at
	Note	31 March	31 December	1 January	31 March
		2023	2022	2022	2023
		RM'000	RM'000	RM'000	RM'000
ASSETS					
Cash and short-term funds		13,680,046	19,134,835	19,831,323	9,081,260
Securities purchased under resale agreements		101,898	101,258	-	895,689
Deposits and placements with banks and other financial institutions		861,609	652,365	3,486,773	6,790,680
Investment account due from designated financial institutions	A13	-	-	-	8,400,639
Financial assets at fair value through profit or loss ('FVTPL')	A14	3,262,091	3,089,411	2,778,239	1,117,276
Financial assets at fair value through other comprehensive income ('FVOCI')	A15	41,595,424	38,973,689	41,140,873	35,455,900
Financial investments at amortised cost	A16	29,195,705	27,006,708	17,961,511	18,896,547
Loans, advances and financing	A17	209,556,705	208,378,584	194,896,614	121,146,133
Clients' and brokers' balances		1,305,581	741,140	879,595	-
Reinsurance assets		484,634	522,920	438,215	-
Other assets	A18	1,757,860	1,412,381	1,680,022	1,336,580
Derivative assets	B8	1,646,256	1,960,479	718,615	1,670,453
Statutory deposits		3,691,932	3,429,582	635,012	1,897,648
Tax recoverable		97,568	121,033	131,283	-
Deferred tax assets		461,556	619,508	374,554	332,222
Investments in subsidiaries		-	-	-	4,662,204
Investments in associates and joint venture		40,026	25	12	40,000
Right-of-use assets		141,497	152,305	174,482	91,205
Property, plant and equipment		1,061,765	1,060,577	1,016,824	810,138
Goodwill		2,654,122	2,654,122	2,654,122	1,714,913
Intangible assets		776,554	760,340	694,753	666,767
TOTAL ASSETS		312,372,829	310,771,262	289,492,822	215,006,254
LIABILITIES					
Deposits from customers	A19/B7(a)	226,432,406	227,159,762	218,732,585	138,553,083
Deposits and placements of banks and other financial institutions	A20/B7(a)	25,437,000	24,593,869	23,406,827	28,392,696
Obligations on securities sold under repurchase agreements		8,049,736	7,298,911	2,066,068	8,430,853
Investment accounts	A21	958,303	1,246,026	581,291	-
Bills and acceptances payable		263,200	249,679	210,119	255,081
Clients' and brokers' balances		1,351,470	776,789	948,511	-
General insurance contract liabilities		1,111,097	1,109,466	965,141	-
Other liabilities	A22	3,814,272	4,097,501	4,034,220	3,310,386
Derivative liabilities	B8	1,220,961	1,939,391	887,926	1,312,047
Recourse obligation on loans sold to Cagamas Berhad ('Cagamas')		4,798,155	4,786,746	2,259,895	3,028,339
Provision for taxation and zakat		208,642	396,041	124,163	97,663
Deferred tax liabilities		6,364	3,598	11,683	-
Lease liabilities		149,556	160,632	182,607	92,406
Borrowings	B7(b)	1,420,483	1,476,185	127,380	1,274,104
Senior debt securities	B7(c)	3,846,566	3,841,190	3,646,369	3,846,566
Subordinated obligations	B7(d)	3,387,305	2,867,083	3,221,882	2,522,853
TOTAL LIABILITIES		282,455,516	282,002,869	261,406,667	191,116,077

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and the Bank for the financial year ended 31 December 2022.



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

INTERIM FINANCIAL STATEMENTS

UNAUDITED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT 31 MARCH 2023

		Group		Bank	
		As at	As at	As at	As at
	Note	31 March	31 December	31 March	31 December
		2023	2022	2023	2022
		RM'000	RM'000	RM'000	RM'000
EQUITY					
Share capital		8,145,585	8,145,585	8,145,585	8,145,585
Reserves		21,738,376	20,590,487	15,744,592	14,723,829
Equity attributable to holders of the Bank		29,883,961	28,736,072	23,890,177	22,869,414
Non-controlling interests ('NCI')		33,352	32,321	-	-
TOTAL EQUITY		29,917,313	28,768,393	23,890,177	22,869,414
TOTAL LIABILITIES AND EQUITY		312,372,829	310,771,262	215,006,254	214,903,270
COMMITMENTS AND CONTINGENCIES	A27(a)	219,121,001	206,796,408	211,529,660	199,316,377
NET ASSETS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK (RM)		7.04	6.77	6.77	

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and the Bank for the financial year ended 31 December 2022.


RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2023**

Group	Note	Attributable to equity holders of the Bank						Share-Based		Total	Non-	Total
		Share Capital	Statutory Reserves	Regulatory Reserves	FVOCI Reserves	Translation Reserves	Other Reserves	Payment Reserves	Retained Profits	Shareholders' Equity	controlling Interests	Equity
		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 2023												
- As previously reported		8,145,585	111,203	882,145	(546,712)	683,491	23,331	4,337	19,411,713	28,715,093	31,147	28,746,240
- Effect of adoption of MFRS 17	B10	-	-	-	-	-	-	-	20,979	20,979	1,174	22,153
- As restated		8,145,585	111,203	882,145	(546,712)	683,491	23,331	4,337	19,432,692	28,736,072	32,321	28,768,393
Net profit for the financial period		-	-	-	-	-	-	-	761,668	761,668	961	762,629
Foreign currency translation reserves:												
- Currency translation differences		-	204	-	-	38,748	-	-	-	38,952	84	39,036
Financial assets measured at FVOCI:												
- Equity instruments												
- Unrealised net gain on revaluation		-	-	-	113	-	-	-	-	113	-	113
- Debt instruments												
- Unrealised net gain on revaluation		-	-	-	473,238	-	-	-	-	473,238	-	473,238
- Net transfer to income statements on disposal		-	-	-	(18,125)	-	-	-	-	(18,125)	-	(18,125)
- Changes in expected credit losses and exchange differences		-	-	-	(115)	-	-	-	-	(115)	-	(115)
Actuarial loss on defined benefit plan of subsidiaries		-	-	-	-	-	-	-	(511)	(511)	(13)	(524)
Income tax relating to components of other comprehensive income		-	-	-	(109,364)	-	-	-	(78)	(109,442)	(1)	(109,443)
Other comprehensive income/(loss), net of tax, for the financial period		-	204	-	345,747	38,748	-	-	(589)	384,110	70	384,180
Total comprehensive income for the financial period		-	204	-	345,747	38,748	-	-	761,079	1,145,778	1,031	1,146,809
Share-based payment expenses		-	-	-	-	-	-	2,111	-	2,111	-	2,111
Transfer to regulatory reserves		-	-	42,085	-	-	-	-	(42,085)	-	-	-
Balance as at 31 March 2023		8,145,585	111,407	924,230	(200,965)	722,239	23,331	6,448	20,151,686	29,883,961	33,352	29,917,313

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and the Bank for the financial year ended 31 December 2022.


RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)
FOR THE THREE MONTHS ENDED 31 MARCH 2023

		← Attributable to equity holders of the Bank →									
	Note	Share Capital	Statutory Reserves	Regulatory Reserves	FVOCI Reserves	Translation Reserves	Other Reserves	Retained Profits	Total Shareholders' Equity	Non-controlling Interests	Total Equity
Group		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2022											
- As previously reported	B10	7,612,612	104,645	328,129	443,003	562,410	23,331	18,924,198	27,998,328	32,183	28,030,511
- Effect of adoption of MFRS 17		-	-	-	-	-	-	52,695	52,695	2,949	55,644
- As restated		7,612,612	104,645	328,129	443,003	562,410	23,331	18,976,893	28,051,023	35,132	28,086,155
Net profit/(loss) for the financial period		-	-	-	-	-	-	582,328	582,328	(27)	582,301
Foreign currency translation reserves:											
- Currency translation differences		-	-	-	(3)	23,404	-	973	24,374	3	24,377
- Realisation of translation reserves		-	-	-	-	(347)	-	-	(347)	-	(347)
Financial assets measured at FVOCI:											
- Equity instruments											
- Unrealised net gain on revaluation		-	-	-	458	-	-	-	458	-	458
- Debt instruments											
- Unrealised net loss on revaluation		-	-	-	(692,223)	-	-	-	(692,223)	-	(692,223)
- Net transfer to income statements on disposal		-	-	-	(37,847)	-	-	-	(37,847)	-	(37,847)
- Changes in expected credit losses and exchange differences		-	-	-	(497)	-	-	-	(497)	-	(497)
Actuarial gain on defined benefit plan of subsidiaries		-	-	-	-	-	-	90	90	1	91
Income tax relating to components of other comprehensive loss		-	-	-	175,228	-	-	228	175,456	2	175,458
Other comprehensive (loss)/income, net of tax, for the financial period		-	-	-	(554,884)	23,057	-	1,291	(530,536)	6	(530,530)
Total comprehensive income/(loss) for the financial period		-	-	-	(554,884)	23,057	-	583,619	51,792	(21)	51,771
Transfer to statutory reserves		-	973	-	-	-	-	(973)	-	-	-
Transfer to regulatory reserves		-	-	34,628	-	-	-	(34,628)	-	-	-
Disposal of a subsidiary		-	-	-	-	-	-	-	-	(25)	(25)
Balance as at 31 March 2022		7,612,612	105,618	362,757	(111,881)	585,467	23,331	19,524,911	28,102,815	35,086	28,137,901

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and the Bank for the financial year ended 31 December 2022.



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

INTERIM FINANCIAL STATEMENTS

UNAUDITED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

FOR THE THREE MONTHS ENDED 31 MARCH 2023

	Non-Distributable				Distributable		Total Equity
	Share Capital	Regulatory Reserves	FVOCI Reserves	Translation Reserves	Share-Based Payment Reserves	Retained Profits	
Bank	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2023	8,145,585	561,654	(471,165)	421,133	4,337	14,207,870	22,869,414
Net profit for the financial period	-	-	-	-	-	707,568	707,568
Foreign currency translation reserves:							
- Currency translation differences	-	-	-	20,459	-	-	20,459
Financial assets measured at FVOCI:							
- Equity instruments							
- Unrealised net gain on revaluation	-	-	60	-	-	-	60
- Debt instruments							
- Unrealised net gain on revaluation	-	-	397,111	-	-	-	397,111
- Net transfer to income statements on disposal	-	-	(14,071)	-	-	-	(14,071)
- Changes in expected credit losses and exchange differences	-	-	(545)	-	-	-	(545)
Income tax relating to components of other comprehensive income	-	-	(91,930)	-	-	-	(91,930)
Other comprehensive income, net of tax, for the financial period	-	-	290,625	20,459	-	-	311,084
Total comprehensive income for the financial period	-	-	290,625	20,459	-	707,568	1,018,652
Share-based payment expenses	-	-	-	-	2,111	-	2,111
Transfer to regulatory reserves	-	2,521	-	-	-	(2,521)	-
Balance as at 31 March 2023	8,145,585	564,175	(180,540)	441,592	6,448	14,912,917	23,890,177

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and the Bank for the financial year ended 31 December 2022.



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

INTERIM FINANCIAL STATEMENTS

UNAUDITED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

FOR THE THREE MONTHS ENDED 31 MARCH 2023

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 2022	7,612,612	227,289	429,544	353,068	13,726,275	22,348,788
Net profit for the financial period	-	-	-	-	731,436	731,436
Foreign currency translation reserves:						
- Currency translation differences	-	-	-	10,467	-	10,467
Financial assets measured at FVOCI:						
- Equity instruments						
- Unrealised net gain on revaluation	-	-	301	-	-	301
- Debt instruments						
- Unrealised net loss on revaluation	-	-	(629,548)	-	-	(629,548)
- Net transfer to income statements on disposal	-	-	(33,388)	-	-	(33,388)
- Changes in expected credit losses and exchange differences	-	-	287	-	-	287
Income tax relating to components of other comprehensive loss	-	-	159,106	-	-	159,106
Other comprehensive (loss)/income, net of tax, for the financial period	-	-	(503,242)	10,467	-	(492,775)
Total comprehensive income/(loss) for the financial period	-	-	(503,242)	10,467	731,436	238,661
Transfer to regulatory reserves	-	17,479	-	-	(17,479)	
Balance as at 31 March 2022	7,612,612	244,768	(73,698)	363,535	14,440,232	22,587,449

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and the Bank for the financial year ended 31 December 2022.


RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED 31 MARCH 2023**

	Three Months Ended	
	31 March 2023	Restated 31 March 2022
Group	RM'000	RM'000
Cash flows from operating activities		
Profit before taxation and zakat	1,005,182	868,206
Adjustments for:		
Allowance for credit losses on loans, advances and financing	139,757	236,192
Allowance for credit losses on other financial assets	(5,514)	6,149
Property, plant and equipment:		
- Depreciation	36,945	32,721
- Gain on disposal	(787)	(5)
- Written off	9	90
Intangible assets:		
- Amortisation	42,472	37,462
Right-of-use assets:		
- Depreciation	16,147	18,072
- Gain on modification	(19)	-
Share-based payment expenses	2,111	-
Net allowance (written back)/made on financial assets at FVOCI and financial investments at amortised cost	(3,322)	1,680
Share of results of associates and joint venture	(1)	2
Gain on disposal of a subsidiary	-	(24,595)
Net gain on financial instruments	(91,620)	(30,788)
Dividend income from financial assets at FVTPL and financial assets at FVOCI	(31,118)	(10,263)
Interest expense on borrowings, senior debt securities, subordinated obligations and lease liabilities	72,427	57,516
Other non-cash items	(578,999)	(460,208)
Operating profit before working capital changes	603,670	732,231
Decrease/(Increase) in operating assets:		
Securities purchased under resale agreements	(640)	(144,099)
Deposits and placements with banks and other financial institutions	(202,061)	(4,466,535)
Financial assets at FVTPL	(129,016)	(1,174,322)
Loans, advances and financing	(1,204,389)	(2,696,495)
Clients' and brokers' balances	(563,616)	62,779
Other assets	23,121	(199,892)
Statutory deposits	(261,262)	143,219
	(2,337,863)	(8,475,345)
Increase/(Decrease) in operating liabilities:		
Deposits from customers	(872,980)	7,632,550
Deposits and placements of banks and other financial institutions	823,343	(120,568)
Obligations on securities sold under repurchase agreements	748,199	208,189
Investment accounts	(287,723)	547,102
Bills and acceptances payable	13,227	(50,531)
Clients' and brokers' balances	574,681	(108,663)
Other liabilities	(1,004,356)	(521,732)
Recourse obligation on loans sold to Cagamas	11,409	16,068
	5,800	7,602,415

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and the Bank for the financial year ended 31 December 2022.



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

INTERIM FINANCIAL STATEMENTS

**UNAUDITED STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE THREE MONTHS ENDED 31 MARCH 2023**

	Three Months Ended	
	31 March 2023	Restated 31 March 2022
Group	RM'000	RM'000
Cash flows from operating activities (continued)		
Cash used in operations	(1,728,393)	(140,699)
Interest/Profit paid	(51,176)	(43,275)
Net tax and zakat paid	(355,401)	(94,271)
Net cash used in operating activities	(2,134,970)	(278,245)
Cash flows from investing activities		
Net purchase of financial assets at FVOCI and financial investments at amortised cost	(4,172,724)	(2,040,676)
Property, plant and equipment:		
- Purchase	(33,551)	(41,021)
- Proceeds from disposal	1,150	34
Intangible assets:		
- Purchase	(59,682)	(35,516)
Financial assets at FVOCI and financial investments at amortised cost:		
- Interest income received	402,183	355,501
- Investment income received	95,097	103,463
Dividend income received from financial assets at FVTPL and financial assets at FVOCI	31,118	10,263
Net cash inflow from disposal of a subsidiary	-	26,652
Capital injection in an associate	(40,000)	-
Net cash used in investing activities	(3,776,409)	(1,621,300)
Cash flows from financing activities		
Net (repayment)/drawdown of borrowings	(71,556)	23,856
Proceeds from issuance of subordinated notes	500,000	-
Principal lease payments	(19,992)	(20,472)
Net cash generated from financing activities	408,452	3,384
Net decrease in cash and cash equivalents	(5,502,927)	(1,896,161)
Effects of exchange rate differences	48,138	21,957
Cash and cash equivalents:		
- at the beginning of the financial period	19,134,835	19,831,323
- at the end of the financial period	13,680,046	17,957,119
Cash and cash equivalents comprise the following:		
- Cash and short term funds	13,680,046	17,957,119

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and the Bank for the financial year ended 31 December 2022.



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

INTERIM FINANCIAL STATEMENTS

UNAUDITED STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE THREE MONTHS ENDED 31 MARCH 2023

	Three Months Ended	
	31 March 2023	31 March 2022
	RM'000	RM'000
Bank		
Cash flows from operating activities		
Profit before taxation	847,880	930,820
Adjustments for:		
Allowance for credit losses on loans, advances and financing	116,359	95,927
Allowance for credit losses on other financial assets	(4,353)	3,198
Property, plant and equipment:		
- Depreciation	30,417	26,918
- Gain on disposal	(2)	(9)
- Written off	3	19
Intangible assets:		
- Amortisation	35,914	31,989
Right-of-use assets:		
- Depreciation	12,749	14,251
Share-based payment expenses	1,496	-
Net allowance (written back)/made on financial assets at FVOCI and financial investments at amortised cost	(2,576)	1,512
Net gain on financial instruments	(38,348)	(60,761)
Dividend income from financial assets at FVOCI	(1,000)	(1,000)
Dividend income from subsidiaries	(291,014)	(334,279)
Interest expense on borrowings, senior debt securities, subordinated obligations and lease liabilities	60,743	45,010
Other non-cash items	(435,436)	(342,400)
Operating profit before working capital changes	332,832	411,195
(Increase)/Decrease in operating assets:		
Securities purchased under resale agreements	(5,150)	(144,099)
Deposits and placements with banks and other financial institutions	(42,520)	(2,905,214)
Investment account due from designated financial institutions	(49,403)	178,141
Financial assets at FVTPL	(14,464)	(1,091,401)
Loans, advances and financing	130,011	(1,045,657)
Other assets	897,768	(149,459)
Statutory deposits	(209,768)	132,325
	706,474	(5,025,364)
Increase/(Decrease) in operating liabilities:		
Deposits from customers	2,134,778	9,209,505
Deposits and placements of banks and other financial institutions	(4,121,348)	870,605
Obligations on securities sold under repurchase agreements	546,682	4,431
Bills and acceptances payable	12,101	(49,968)
Other liabilities	(316,426)	(195,778)
Recourse obligation on loans sold to Cagamas	6,654	11,542
	(1,737,559)	9,850,337

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and the Bank for the financial year ended 31 December 2022.



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

INTERIM FINANCIAL STATEMENTS

UNAUDITED STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE THREE MONTHS ENDED 31 MARCH 2023

	Three Months Ended	
	31 March 2023	31 March 2022
	RM'000	RM'000
Bank		
Cash flows from operating activities (continued)		
Cash (used in)/generated from operations	(698,253)	5,236,168
Interest paid	(49,022)	(42,621)
Net tax (paid)/refunded	(255,871)	1,803
Net cash (used in)/generated from operating activities	<u>(1,003,146)</u>	<u>5,195,350</u>
Cash flows from investing activities		
Net purchase of financial assets at FVOCI and financial investments at amortised cost	(2,501,228)	(1,928,599)
Property, plant and equipment:		
- Purchase	(26,637)	(29,786)
- Proceeds from disposal	41	12
Intangible assets:		
- Purchase	(56,340)	(31,256)
Interest received from financial assets at FVOCI and financial investments at amortised cost	393,003	348,826
Dividend income received from subsidiaries	291,986	335,479
Dividend income received from financial assets at FVOCI	1,000	1,000
Capital injection in an associate	(40,000)	-
Net cash used in investing activities	<u>(1,938,175)</u>	<u>(1,304,324)</u>
Cash flows from financing activities		
Proceeds from issuance of subordinated notes	500,000	-
Principal lease payments	(13,587)	(14,287)
Net cash generated from/(used in) financing activities	<u>486,413</u>	<u>(14,287)</u>
Net (decrease)/increase in cash and cash equivalents	(2,454,908)	3,876,739
Effects of exchange rate differences	41,262	18,136
Cash and cash equivalents:		
- at the beginning of the financial period	11,494,906	10,409,623
- at the end of the financial period	<u>9,081,260</u>	<u>14,304,498</u>
Cash and cash equivalents comprise the following:		
- Cash and short term funds	<u>9,081,260</u>	<u>14,304,498</u>

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and the Bank for the financial year ended 31 December 2022.



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2023**

A1. Basis Of Preparation

The interim financial statements are unaudited and have been prepared in compliance with Malaysian Financial Reporting Standard ('MFRS') 134, 'Interim Financial Reporting' issued by Malaysian Accounting Standards Board ('MASB') and should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2022.

The accounting policies and presentation adopted by the Group and the Bank for the interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2022, except for the adoption of the following accounting standards, annual improvements and amendments to MFRS during the current financial period:

(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 2023:

- Amendments to MFRS 101, MFRS Practice Statement 2 and MFRS 108 on disclosure of accounting policies and definition of accounting estimates
- Amendments to MFRS 112 on 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction'
- MFRS 17 'Insurance Contracts' and its amendments
- Amendment to MFRS 17 'Insurance Contracts': Initial application of MFRS 17 and MFRS 9 - Comparative information

The adoption of the above accounting standards, annual improvements and amendments do not give rise to any material financial impact to the Group and the Bank other than the effects and change in accounting policy arising from the adoption of MFRS 17 as disclosed in Note B10.

A2. Auditors' Report

The auditors' report for the financial year ended 31 December 2022 was not subject to any qualification.

A3. Seasonal Or Cyclical Factors

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

A4. Exceptional Or Unusual Items

There were no exceptional or unusual items for the three months ended 31 March 2023.

A5. Changes In Estimates

There were no material changes in estimates of amounts reported in prior financial years that have a material effect for the three months ended 31 March 2023.

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 2023, other than as disclosed below:

- (a) The Bank had on 19 January 2023 issued Subordinated Notes of RM500 million in nominal value under a RM5 billion (or its equivalent in other currencies) multi-currency medium term note programme. The Subordinated Notes is issued for a tenure of 10 non-callable 5 years with a fixed coupon rate of 4.51% per annum, payable semi-annually in arrears throughout the entire tenure.



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2023**

A7. Dividends Paid

A second interim single-tier dividend of 25.0 sen per share in respect of the financial year ended 31 December 2022, amounting RM1,061,843,000, consisting of cash portion of 20.0 sen per share and an electable portion of 5.0 sen per share has been declared by the Board of Directors. The Board of Directors in its absolute discretion, recommends that the shareholders of the Bank be given an option to elect to reinvest the electable portion of the second interim single-tier dividend into new ordinary shares in the Bank in accordance with the approved Dividend Reinvestment Plan ('DRP') scheme of the Bank.

The Bank had on 21 March 2023, submitted an application to Bursa Securities Malaysia Berhad ('Bursa Securities') for the listing and quotation of new ordinary shares to be issued pursuant to the DRP on the main market of Bursa Securities.

On 24 March 2023, RHB Investment Bank Berhad ('RHB Investment Bank'), on behalf of the Bank, announced that Bursa Securities had vide its letter dated on even date, approved the listing and quotation of up to 59,155,621 new ordinary shares to be issued pursuant to the DRP subject to the following conditions:

- (i) The Bank and RHB Investment Bank must fully comply with the relevant provisions under the Main Market Listing Requirements of Bursa Securities pertaining to the implementation of the DRP;
- (ii) The Bank and RHB Investment Bank to inform Bursa Securities upon completion of the DRP;
- (iii) The Bank to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the DRP is completed; and
- (iv) Payment of additional listing fee, if any, based on the final issue price together with a copy of the details of the computation of the amount of listing fees payable.

On 3 April 2023, the issue price of the new RHB Bank Shares to be issued pursuant to the DRP for the second interim dividend has been fixed at RM4.74 per new RHB Bank Share. On even date, the book closure date pursuant to the second interim dividend and the DRP has been fixed for 17 April 2023.

On 11 May 2023, RHB Investment Bank, on behalf of the Bank, announced that the Bank would be issuing 38,974,473 new RHB Bank shares, representing 87.02% of 44,790,060 new RHB Bank shares that would have been issued pursuant to the DRP for the second interim dividend, had all the entitled shareholders elect to reinvest their respective electable portions of the second interim dividend into new RHB Bank shares.

The new RHB Bank Shares arising from the DRP for the second interim dividend has been issued and allotted on 15 May 2023, and are listed on the Main Market of Bursa Securities on 16 May 2023.



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2023**

A8. Interest Income

Group	1st Quarter Ended		Three Months Ended	
	31 March	31 March	31 March	31 March
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Loans and advances	1,622,622	1,169,901	1,622,622	1,169,901
Money at call and deposits and placements with banks and other financial institutions	96,428	36,588	96,428	36,588
Securities purchased under resale agreements	640	38	640	38
Financial assets at FVTPL	7,763	9,647	7,763	9,647
Financial assets at FVOCI - debt instruments	299,686	257,974	299,686	257,974
Financial investments at amortised cost	191,003	104,724	191,003	104,724
Others	12,293	1,756	12,293	1,756
	<u>2,230,435</u>	<u>1,580,628</u>	<u>2,230,435</u>	<u>1,580,628</u>
Of which:				
Interest income accrued on impaired financial assets	<u>19,002</u>	<u>9,388</u>	<u>19,002</u>	<u>9,388</u>
Bank				
Loans and advances	1,505,713	1,049,503	1,505,713	1,049,503
Money at call and deposits and placements with banks and other financial institutions	156,654	65,790	156,654	65,790
Investment account due from designated financial institutions	76,332	75,492	76,332	75,492
Securities purchased under resale agreements	5,150	38	5,150	38
Financial assets at FVTPL	7,763	9,631	7,763	9,631
Financial assets at FVOCI - debt instruments	297,596	253,360	297,596	253,360
Financial investments at amortised cost	178,066	93,032	178,066	93,032
Others	9,766	511	9,766	511
	<u>2,237,040</u>	<u>1,547,357</u>	<u>2,237,040</u>	<u>1,547,357</u>
Of which:				
Interest income accrued on impaired financial assets	<u>18,818</u>	<u>8,577</u>	<u>18,818</u>	<u>8,577</u>



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2023**

A9. Interest Expense

Group	1st Quarter Ended		Three Months Ended	
	31 March	Restated 31 March	31 March	Restated 31 March
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	199,158	52,343	199,158	52,343
Deposits from customers	963,789	463,272	963,789	463,272
Obligations on securities sold under repurchase agreements	69,217	5,504	69,217	5,504
Recourse obligation on loans sold to Cagamas	26,594	11,542	26,594	11,542
Subordinated obligations	23,978	23,895	23,978	23,895
Senior debt securities	23,901	23,024	23,901	23,024
Borrowings	15,383	797	15,383	797
Others	24,377	10,253	24,377	10,253
	1,346,397	590,630	1,346,397	590,630
Bank				
Deposits and placements of banks and other financial institutions	304,087	56,099	304,087	56,099
Deposits from customers	822,701	433,568	822,701	433,568
Obligations on securities sold under repurchase agreements	72,619	17,776	72,619	17,776
Recourse obligation on loans sold to Cagamas	26,594	11,542	26,594	11,542
Subordinated obligations	22,415	21,478	22,415	21,478
Senior debt securities	23,901	23,024	23,901	23,024
Borrowings	13,850	-	13,850	-
Others	23,495	9,163	23,495	9,163
	1,309,662	572,650	1,309,662	572,650


RHB BANK BERHAD
Registration No. 196501000373 (6171-M)
**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2023**
A10. Other Operating Income

Group	1st Quarter Ended		Three Months Ended	
	31 March	Restated 31 March	31 March	Restated 31 March
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Fee income				
- Service charges and fees	33,603	35,699	33,603	35,699
- Commission	49,409	53,636	49,409	53,636
- Guarantee fees	9,195	7,744	9,195	7,744
- Commitment fees	9,771	10,059	9,771	10,059
- Brokerage income	46,663	59,196	46,663	59,196
- Fund management fees	56,094	62,811	56,094	62,811
- Unit trust fee income	7,631	11,448	7,631	11,448
- Corporate advisory fees	5,351	3,414	5,351	3,414
- Underwriting and arrangement fees	1,052	1,195	1,052	1,195
- Other fee income	14,342	18,887	14,342	18,887
	233,111	264,089	233,111	264,089
- Fee and commission expenses	(30,658)	(37,122)	(30,658)	(37,122)
	202,453	226,967	202,453	226,967
Net gain/(loss) arising from financial assets at FVTPL				
- Net gain/(loss) on disposal	12,206	(22,496)	12,206	(22,496)
- Unrealised net gain/(loss) on revaluation	19,634	(29,799)	19,634	(29,799)
- Dividend income	30,118	9,263	30,118	9,263
	61,958	(43,032)	61,958	(43,032)
Net gain on revaluation of derivatives	32,965	54,598	32,965	54,598
Net gain on fair value hedges	1,276	205	1,276	205
Net gain arising from derecognition of financial investments at amortised cost	-	206	-	206
Net gain arising from financial assets at FVOCI				
- Net gain on debt instruments on disposal	14,204	33,460	14,204	33,460
- Dividend income	1,000	1,000	1,000	1,000
	15,204	34,460	15,204	34,460
Other income				
Net foreign exchange gain	141,616	30,158	141,616	30,158
Insurance service result	11,432	18,122	11,432	18,122
Net insurance finance expenses	(1,867)	(2,507)	(1,867)	(2,507)
Gain on disposal of property, plant and equipment	787	5	787	5
Gain on disposal of a subsidiary	-	24,595	-	24,595
Gain on modification of right-of-use assets	29	-	29	-
Rental income	405	59	405	59
Other operating income	3,739	8,108	3,739	8,108
Other non-operating income	443	2,030	443	2,030
	156,584	80,570	156,584	80,570
	470,440	353,974	470,440	353,974



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2023**

A10. Other Operating Income (continued)

	1st Quarter Ended		Three Months Ended	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Bank	RM'000	RM'000	RM'000	RM'000
Fee income				
- Service charges and fees	30,660	33,850	30,660	33,850
- Commission	54,381	59,831	54,381	59,831
- Guarantee fees	8,994	7,704	8,994	7,704
- Commitment fees	9,433	9,676	9,433	9,676
- Corporate advisory fees	173	225	173	225
- Underwriting and arrangement fees	-	250	-	250
- Other fee income	5,013	5,114	5,013	5,114
	108,654	116,650	108,654	116,650
Net gain/(loss) arising from financial assets at FVTPL				
- Net gain/(loss) on disposal	19,498	(11,460)	19,498	(11,460)
- Unrealised net loss on revaluation	(6,028)	(10,338)	(6,028)	(10,338)
	13,470	(21,798)	13,470	(21,798)
Net gain on revaluation of derivatives	9,614	48,760	9,614	48,760
Net gain on fair values hedges	1,193	205	1,193	205
Net gain arising from derecognition of financial investments at amortised cost	-	206	-	206
Net gain arising from financial assets at FVOCI				
- Net gain on debt instruments on disposal	14,071	33,388	14,071	33,388
- Dividend income	1,000	1,000	1,000	1,000
	15,071	34,388	15,071	34,388
Dividend income from subsidiaries	291,014	334,279	291,014	334,279
Other income				
Net foreign exchange gain	135,064	10,624	135,064	10,624
Gain on disposal of property, plant and equipment	2	9	2	9
Rental income	2,945	2,822	2,945	2,822
Other operating income	4,551	7,277	4,551	7,277
Other non-operating income	673	1,869	673	1,869
	143,235	22,601	143,235	22,601
	582,251	535,291	582,251	535,291


RHB BANK BERHAD
Registration No. 196501000373 (6171-M)
**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2023**
A11. Other Operating Expenses

Group	Note	1st Quarter Ended		Three Months Ended	
		31 March	Restated 31 March	31 March	Restated 31 March
		2023	2022	2023	2022
		RM'000	RM'000	RM'000	RM'000
Personnel costs					
- Salaries, allowances and bonuses		393,594	418,360	393,594	418,360
- Defined contribution plan		64,741	57,586	64,741	57,586
- Share-based expenses	(a)	2,047	-	2,047	-
- Other staff related costs		45,260	41,761	45,260	41,761
		<u>505,642</u>	<u>517,707</u>	<u>505,642</u>	<u>517,707</u>
Establishment costs					
- Property, plant and equipment:					
- Depreciation		36,537	32,209	36,537	32,209
- Written off		8	89	8	89
- Intangible assets:					
- Amortisation		41,291	36,450	41,291	36,450
- Right-of-use assets:					
- Depreciation		15,543	17,486	15,543	17,486
- Rental of premises		5,136	6,200	5,136	6,200
- Rental of equipment		2,516	2,187	2,516	2,187
- Insurance		10,394	9,547	10,394	9,547
- Water and electricity		5,520	5,721	5,520	5,721
- Repair and maintenance		9,446	7,710	9,446	7,710
- Security and escorting expenses		12,348	10,375	12,348	10,375
- Information technology expenses		74,180	66,054	74,180	66,054
- Others		1,458	1,806	1,458	1,806
		<u>214,377</u>	<u>195,834</u>	<u>214,377</u>	<u>195,834</u>
Marketing expenses					
- Sales commission		20,073	21,641	20,073	21,641
- Advertisement and publicity		8,370	6,645	8,370	6,645
- Others		21,481	14,676	21,481	14,676
		<u>49,924</u>	<u>42,962</u>	<u>49,924</u>	<u>42,962</u>
Administration and general expenses					
- Communication expenses		44,733	34,867	44,733	34,867
- Legal and professional fees		9,471	8,196	9,471	8,196
- Others		32,361	31,322	32,361	31,322
		<u>86,565</u>	<u>74,385</u>	<u>86,565</u>	<u>74,385</u>
		<u>856,508</u>	<u>830,888</u>	<u>856,508</u>	<u>830,888</u>


RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2023**
A11. Other Operating Expenses (continued)

Bank	Note	1st Quarter Ended		Three Months Ended	
		31 March 2023	31 March 2022	31 March 2023	31 March 2022
		RM'000	RM'000	RM'000	RM'000
Personnel costs					
- Salaries, allowances and bonuses		381,078	341,491	381,078	341,491
- Defined contribution plan		55,158	49,540	55,158	49,540
- Share-based expenses	(a)	1,496	-	1,496	-
- Other staff related costs		35,182	30,574	35,182	30,574
		<u>472,914</u>	<u>421,605</u>	<u>472,914</u>	<u>421,605</u>
Establishment costs					
- Property, plant and equipment:					
- Depreciation		30,417	26,918	30,417	26,918
- Written off		3	19	3	19
- Intangible assets:					
- Amortisation		35,914	31,989	35,914	31,989
- Right-of-use assets:					
- Depreciation		12,749	14,251	12,749	14,251
- Rental of premises		4,393	5,301	4,393	5,301
- Rental of equipment		2,505	2,174	2,505	2,174
- Insurance		10,117	9,903	10,117	9,903
- Water and electricity		4,112	4,115	4,112	4,115
- Repair and maintenance		7,694	6,137	7,694	6,137
- Security and escorting expenses		13,604	11,366	13,604	11,366
- Information technology expenses		58,418	51,366	58,418	51,366
		<u>179,926</u>	<u>163,539</u>	<u>179,926</u>	<u>163,539</u>
Marketing expenses					
- Sales commission		16,060	15,994	16,060	15,994
- Advertisement and publicity		6,590	4,835	6,590	4,835
- Others		16,564	12,465	16,564	12,465
		<u>39,214</u>	<u>33,294</u>	<u>39,214</u>	<u>33,294</u>
Administration and general expenses					
- Communication expenses		30,299	25,622	30,299	25,622
- Legal and professional fees		12,182	8,907	12,182	8,907
- Others		22,945	22,257	22,945	22,257
		<u>65,426</u>	<u>56,786</u>	<u>65,426</u>	<u>56,786</u>
Operating expenses allocated to subsidiaries		(134,765)	(114,387)	(134,765)	(114,387)
		<u>622,715</u>	<u>560,837</u>	<u>622,715</u>	<u>560,837</u>



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2023**

A11. Other Operating Expenses (continued)

- (a) The Share Grant Scheme ('SGS') was established and implemented by the Group and the Bank in June 2022. The SGS is intended to motivate employees, attract talents and retain key employees through the grant of the ordinary shares in the Bank of up to 2% of the total number of issued shares of the Bank (excluding treasury shares, if any) at any point in time during the duration of the SGS for employees and Executive Directors of the Bank and its subsidiaries (excluding subsidiaries which are dormant) who fulfil the eligibility criteria ('Eligible Employees'). The SGS which is to be administered by the Board Nominating and Remuneration Committee ('BNRC') comprising such persons as may be appointed by the Board from time to time, shall be in force for a period of nine years commencing from the effective implementation date of the SGS, and the vesting period for each grant offered will be 3 years from the offer date.

A12. Allowance for Credit Losses on Financial Assets

	1st Quarter Ended		Three Months Ended	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Group	RM'000	RM'000	RM'000	RM'000
<u>Charge/(Writeback)</u>				
Loans, advances and financing:				
- Net charge	82,923	207,445	82,923	207,445
- Bad debts recovered	(84,885)	(90,206)	(84,885)	(90,206)
- Bad debts written off	56,834	28,747	56,834	28,747
	54,872	145,986	54,872	145,986
Financial assets at FVOCI	(214)	(577)	(214)	(577)
Financial investments at amortised cost	(3,108)	2,257	(3,108)	2,257
Other financial assets	(5,514)	6,149	(5,514)	6,149
	46,036	153,815	46,036	153,815
Bank				
<u>Charge/(Writeback)</u>				
Loans, advances and financing:				
- Net charge	68,402	78,234	68,402	78,234
- Bad debts recovered	(76,029)	(80,861)	(76,029)	(80,861)
- Bad debts written off	47,957	17,693	47,957	17,693
	40,330	15,066	40,330	15,066
Financial assets at FVOCI	(645)	207	(645)	207
Financial investments at amortised cost	(1,931)	1,305	(1,931)	1,305
Other financial assets	(4,353)	3,198	(4,353)	3,198
	33,401	19,776	33,401	19,776



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2023**

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.

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

	Bank	
	As at 31 March 2023	As at 31 December 2022
	RM'000	RM'000
<u>Principal</u>		
Personal financing	1,000,000	1,000,000
Other term financing	5,986,875	6,238,222
Short-term funds	331,000	33,000
Unquoted securities	1,007,022	1,008,105
	8,324,897	8,279,327

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

	Group		Bank	
	As at 31 March 2023	As at 31 December 2022	As at 31 March 2023	As at 31 December 2022
	RM'000	RM'000	RM'000	RM'000
Mandatory measured at fair value				
<u>Money market instruments:</u>				
Malaysian Government Securities	357,464	49,879	357,464	49,879
Malaysian Government Investment Issues	742,315	803,720	568,183	711,723
Singapore Housing Development Board	-	23,503	-	23,503
<u>Quoted securities:</u>				
In Malaysia				
Shares, exchange traded funds and warrants	40,073	36,970	-	-
Unit trusts	51,001	36,921	-	-
Corporate bond/sukuk	1,393	2,270	1,393	2,270
Outside Malaysia				
Shares, exchange traded funds and warrants	108,803	102,034	-	258
Unit trusts	25,988	24,849	-	-
<u>Unquoted securities:</u>				
In Malaysia				
Corporate bond/sukuk	28,318	199,474	28,285	199,472
Unit trusts	1,045,064	1,026,646	-	-
Outside Malaysia				
Corporate bond/sukuk	161,951	93,661	161,951	93,661
Private equity funds	699,721	689,484	-	-
	3,262,091	3,089,411	1,117,276	1,080,766



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2023**

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

	Group		Bank	
	As at 31 March 2023 RM'000	As at 31 December 2022 RM'000	As at 31 March 2023 RM'000	As at 31 December 2022 RM'000
At fair value				
(a) Debt instruments	40,854,848	38,233,244	34,756,816	32,293,277
(b) Equity instruments	740,576	740,445	699,084	699,024
	41,595,424	38,973,689	35,455,900	32,992,301
(a) Debt instruments				
<u>Money market instruments:</u>				
Malaysian Government Securities	3,507,913	3,300,948	3,447,023	3,241,592
Malaysian Government Investment Issues	8,498,001	8,434,385	6,586,831	6,554,541
Cagamas bonds	884,677	770,075	690,180	770,075
Khazanah bonds	66,456	63,909	66,456	63,909
Negotiable instruments of deposits	802,003	999,506	802,003	998,876
Other foreign government investment issues	91,575	90,272	91,575	90,272
Sukuk Perumahan Kerajaan	71,159	70,637	-	-
Singapore Government Securities	960,170	997,372	960,170	997,372
Thailand Government Securities	601,552	593,194	601,552	593,194
Singapore Housing Development Board	502,709	494,852	502,709	494,852
<u>Unquoted securities:</u>				
<u>In Malaysia</u>				
Corporate bond/sukuk	16,462,894	16,186,552	12,602,578	12,257,052
<u>Outside Malaysia</u>				
Corporate bond/sukuk	8,405,739	6,231,542	8,405,739	6,231,542
	40,854,848	38,233,244	34,756,816	32,293,277
(b) Equity instruments				
<u>Quoted securities:</u>				
<u>Outside Malaysia</u>				
Shares	2,567	2,503	-	-
<u>Unquoted securities:</u>				
<u>In Malaysia</u>				
Shares	737,599	737,539	699,082	699,022
<u>Outside Malaysia</u>				
Shares	410	403	2	2
	740,576	740,445	699,084	699,024

Included in financial investments at FVOCI of the Group and the Bank are corporate bond/sukuk, which are pledged as collateral for obligations on securities sold under repurchase agreements amounting to RM3,038,000,000 (31 December 2022: RM2,841,000,000) and RM3,038,000,000 (31 December 2022: RM2,841,000,000) respectively.



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2023**

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
	2023	2022
	RM'000	RM'000
Balance as at the beginning of the financial period/year	-	1,020
Derecognition	-	(1,020)
Balance as at the end of the financial period/year	-	-

(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 2023				
Balance as at the beginning of the financial period	48,615	3,376	-	51,991
Transfer to lifetime ECL not credit impaired (Stage 2)	(2)	2	-	-
Changes in credit risk	(2,627)	(98)	-	(2,725)
Purchases and origination	3,141	-	-	3,141
Derecognition and disposal	(630)	-	-	(630)
Exchange differences	99	-	-	99
Balance as at the end of the financial period	48,596	3,280	-	51,876
31 December 2022				
Balance as at the beginning of the financial year	36,896	77	-	36,973
Transfer to 12-month ECL (Stage 1)	69	(69)	-	-
Transfer to lifetime ECL not credit impaired (Stage 2)	(64)	64	-	-
Changes in credit risk	8,588	3,312	-	11,900
Purchases and origination	10,215	-	-	10,215
Derecognition and disposal	(7,794)	(8)	-	(7,802)
Exchange differences	705	-	-	705
Balance as at the end of the financial year	48,615	3,376	-	51,991



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2023**

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 2023				
Balance as at the beginning of the financial period	42,517	3,376	-	45,893
Transfer to lifetime ECL not credit impaired (Stage 2)	(2)	2	-	-
Changes in credit risk	(2,582)	(98)	-	(2,680)
Purchases and origination	2,851	-	-	2,851
Derecognition and disposal	(816)	-	-	(816)
Exchange differences	99	1	-	100
Balance as at the end of the financial period	<u>42,067</u>	<u>3,281</u>	<u>-</u>	<u>45,348</u>
31 December 2022				
Balance as at the beginning of the financial year	34,554	77	-	34,631
Transfer to 12-month ECL (Stage 1)	69	(69)	-	-
Transfer to lifetime ECL not credit impaired (Stage 2)	(64)	64	-	-
Changes in credit risk	6,000	3,312	-	9,312
Purchases and origination	8,417	-	-	8,417
Derecognition and disposal	(7,164)	(8)	-	(7,172)
Exchange differences	705	-	-	705
Balance as at the end of the financial year	<u>42,517</u>	<u>3,376</u>	<u>-</u>	<u>45,893</u>



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2023**

A16. Financial Investments at Amortised Cost

	Group		Bank	
	As at 31 March 2023 RM'000	As at 31 December 2022 RM'000	As at 31 March 2023 RM'000	As at 31 December 2022 RM'000
At amortised cost				
<u>Money market instruments:</u>				
Malaysian Government Securities	4,109,450	3,725,255	3,692,371	3,310,259
Malaysian Government Investment Issues	7,350,988	5,447,600	3,320,889	3,111,955
Malaysian Government Treasury Bills	248,240	246,410	248,240	246,410
Cagamas bonds	1,583,136	1,581,202	1,244,548	1,242,431
Khazanah bonds	189,664	163,108	46,873	21,382
Sukuk Perumahan Kerajaan	60,965	110,947	50,806	100,883
Singapore Government Treasury Bills	2,332,438	2,050,250	2,332,438	2,050,250
Singapore Government Securities	62,509	127,532	62,509	127,532
Singapore Central Bank Bills	1,554,522	1,143,713	1,554,522	1,143,713
Thailand Government Bonds	101,776	99,126	101,776	99,126
Sukuk (Brunei) Incorporation	30,856	32,529	30,856	32,529
Brunei Central Bank Bills	18,245	16,409	18,245	16,409
<u>Unquoted securities:</u>				
<u>In Malaysia</u>				
Corporate bond/sukuk	12,171,528	12,885,413	6,775,787	7,347,688
Corporate loan stocks	22,652	22,652	-	-
<u>Outside Malaysia</u>				
Corporate bond/sukuk	56,797	55,714	25,977	25,294
	29,893,766	27,707,860	19,505,837	18,875,861
Allowance for credit losses	(698,061)	(701,152)	(609,290)	(611,207)
	29,195,705	27,006,708	18,896,547	18,264,654

- (i) Included in financial investments at amortised cost of the Group and the Bank are corporate bond/sukuk, which are pledged as collateral for obligations on securities sold under repurchase agreements amounting to RM5,230,000,000 (31 December 2022: RM4,419,000,000) and RM5,619,000,000 (31 December 2022: RM4,995,000,000) respectively.
- (ii) Included in financial investments at amortised cost of the Group are exposures to Restricted Investment Account ('RIA'), as part of the arrangement between RHB Islamic Bank and other investors based on Mudharabah concept. The investors will provide capital and the business venture is managed solely by RHB Islamic Bank. The profit of the business venture will be shared based on pre-agreed ratios with RHB Islamic Bank as Mudharib (manager or manager of funds), and losses shall be borne solely by investors. As at 31 March 2023, gross exposure to RIA financing funded by investors at the Group is RM398,487,000 (31 December 2022: RM392,980,000). The portfolio expected credit losses for financial investments at amortised cost relating to RIA is borne solely by the investors.



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2023**

A16. Financial investments at amortised cost (continued)

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

	Group		Bank	
	As at 31 March 2023	As at 31 December 2022	As at 31 March 2023	As at 31 December 2022
	RM'000	RM'000	RM'000	RM'000
Balance as at the beginning of the financial period/year	1,294,649	1,236,638	56,041	59,832
Purchases and origination	13,465	63,789	-	-
Derecognition	-	(6,231)	-	(4,244)
Exchange differences	14	453	14	453
Balance as at the end of the financial period/year	1,308,128	1,294,649	56,055	56,041

The credit impaired financial investments at amortised cost relate to certain exposures to RIA, of which exposure with other investors amounted to RM398,487,000 (31 December 2022: RM392,980,000).

(b) Movement in allowance for credit losses

Group	12-month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
31 March 2023	RM'000	RM'000	RM'000	RM'000
Balance as at the beginning of the financial period	35,582	5,371	660,199	701,152
Changes in credit risk	(749)	(2,056)	-	(2,805)
Purchases and origination	52	199	-	251
Derecognition	(478)	(76)	-	(554)
Exchange differences	3	-	14	17
Balance as at the end of the financial period	34,410	3,438	660,213	698,061

31 December 2022

Balance as at the beginning of the financial year	18,599	1,778	577,742	598,119
Changes in credit risk	12,944	(119)	85,227	98,052
Purchases and origination	8,583	3,712	-	12,295
Derecognition	(4,626)	-	(1,053)	(5,679)
Written off	-	-	(2,170)	(2,170)
Exchange differences	82	-	453	535
Balance as at the end of the financial year	35,582	5,371	660,199	701,152



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2023**

A16. Financial investments at amortised cost (continued)

(b) 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 2023				
Balance as at the beginning of the financial period	17,587	3,217	590,403	611,207
Changes in credit risk	230	(1,675)	-	(1,445)
Purchases and origination	34	-	-	34
Derecognition	(444)	(76)	-	(520)
Exchange differences	-	-	14	14
Balance as at the end of the financial period	<u>17,407</u>	<u>1,466</u>	<u>590,417</u>	<u>609,290</u>
31 December 2022				
Balance as at the beginning of the financial year	13,560	-	505,959	519,519
Changes in credit risk	2,737	-	87,214	89,951
Purchases and origination	4,046	3,217	-	7,263
Derecognition	(2,756)	-	(1,053)	(3,809)
Written off	-	-	(2,170)	(2,170)
Exchange differences	-	-	453	453
Balance as at the end of the financial year	<u>17,587</u>	<u>3,217</u>	<u>590,403</u>	<u>611,207</u>



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2023**

A17. Loans, Advances and Financing

(a) By type

	Group		Bank	
	As at 31 March 2023	As at 31 December 2022	As at 31 March 2023	As at 31 December 2022
	RM'000	RM'000	RM'000	RM'000
At amortised cost				
Overdrafts	5,818,339	5,682,506	4,109,916	4,093,249
Term loans/financing:				
- Housing loans/financing	79,689,270	78,216,973	49,153,346	48,658,350
- Syndicated term loans/financing	15,580,178	15,544,484	9,032,680	8,909,063
- Hire purchase receivables/financing	10,464,007	10,315,968	342,612	392,188
- Other term loans/financing	76,534,231	77,332,120	42,152,910	42,640,686
Bills receivables	4,146,741	3,892,128	3,807,420	3,570,030
Trust receipts	814,604	807,390	761,075	739,682
Claims on customers under acceptance credits	5,310,000	5,432,419	3,998,833	4,033,264
Share margin financing	2,338,066	2,382,860	444,986	489,720
Staff loans/financing	90,318	92,367	71,713	73,934
Credit/charge card receivables	2,062,003	2,069,207	1,755,386	1,766,927
Revolving credits/financing	10,510,885	10,431,720	7,490,665	7,716,326
Gross loans, advances and financing	213,358,642	212,200,142	123,121,542	123,083,419
Fair value changes arising from fair value hedges	(95,511)	(111,556)	(18,604)	(19,709)
	213,263,131	212,088,586	123,102,938	123,063,710
Less: Allowance for credit losses	(3,706,426)	(3,710,002)	(1,956,805)	(1,962,209)
Net loans, advances and financing	209,556,705	208,378,584	121,146,133	121,101,501

- (i) Included in loans, advances and financing are housing loans/financing sold to Cagamas with recourse to the Group and the Bank amounting to RM4,673,899,000 (31 December 2022: RM4,728,898,000) and RM2,875,884,000 (31 December 2022: RM2,908,132,000) respectively.
- (ii) Included in loans, advances and financing of the Group are exposures to Unrestricted Investment Account ('URIA'), as part of the arrangement between RHB Islamic Bank and other investors based on Wakalah concept, a trust-based contract in which a party (muwakkil) appoints another party as his agent (wakil) to perform a particular task, in matters that may be delegated, either voluntarily or with imposition of a fee. The fee shall be recognised based on agreement. Profit generated/losses incurred is based on net distributable income calculated. Net distributable income is derived after deducting Wakalah fee, direct expenses and provisions (if any). Losses (if any) will be borne solely by the investors unless such losses are due to RHB Islamic Bank's misconduct, negligence or breach of specified terms in the contract between the investors and RHB Islamic Bank. As at 31 March 2023, gross exposure to URIA financing funded by investors at the Group is RM511,241,000 (31 December 2022: RM802,978,000). The portfolio expected credit losses for financing and advances relating to URIA is borne solely by the investors.



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2023**

A17. Loans, Advances and Financing (continued)

(b) By type of customer

	Group		Bank	
	As at 31 March 2023	As at 31 December 2022	As at 31 March 2023	As at 31 December 2022
	RM'000	RM'000	RM'000	RM'000
Domestic non-bank financial institutions	3,465,193	3,193,617	1,349,941	1,064,672
Domestic business enterprises:				
- Small and medium enterprises	31,283,968	31,041,237	22,518,089	22,500,959
- Others	31,692,751	32,799,509	15,761,664	16,418,947
Government and statutory bodies	6,605,091	6,144,478	-	5,007
Individuals	107,160,846	106,201,343	56,783,325	56,641,963
Other domestic entities	161,532	163,611	28,665	28,550
Foreign entities	32,989,261	32,656,347	26,679,858	26,423,321
	213,358,642	212,200,142	123,121,542	123,083,419

(c) By geographical distribution

	Group		Bank	
	As at 31 March 2023	As at 31 December 2022	As at 31 March 2023	As at 31 December 2022
	RM'000	RM'000	RM'000	RM'000
Malaysia	181,992,495	181,129,401	97,979,814	98,180,685
Labuan Offshore	2,196,506	2,277,954	-	-
Singapore	23,322,797	23,087,482	23,322,797	23,087,482
Thailand	1,958,537	1,967,516	1,627,957	1,620,513
Brunei	190,974	194,739	190,974	194,739
Cambodia	3,466,569	3,334,856	-	-
Lao	78,438	73,585	-	-
Indonesia	135,724	118,223	-	-
Vietnam	16,602	16,386	-	-
	213,358,642	212,200,142	123,121,542	123,083,419



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2023**

A17. Loans, Advances and Financing (continued)

(d) By interest/profit rate sensitivity

	Group		Bank	
	As at 31 March 2023	As at 31 December 2022	As at 31 March 2023	As at 31 December 2022
	RM'000	RM'000	RM'000	RM'000
Fixed rate:				
- Housing loans/financing	133,932	142,068	84,277	93,267
- Hire purchase receivables/financing	926,242	1,066,701	342,612	392,188
- Other fixed rate loans/financing	21,560,760	21,893,082	10,122,662	10,356,895
Variable rate:				
- Base lending/financing rate/base rate plus	125,905,107	123,950,398	72,816,046	72,089,432
- Cost-plus	48,631,943	49,315,685	25,234,341	26,105,488
- Other variable rates	16,200,658	15,832,208	14,521,604	14,046,149
	213,358,642	212,200,142	123,121,542	123,083,419

(e) By economic sector

	Group		Bank	
	As at 31 March 2023	As at 31 December 2022	As at 31 March 2023	As at 31 December 2022
	RM'000	RM'000	RM'000	RM'000
Agriculture, hunting, forestry and fishing	4,937,399	4,629,560	2,480,201	2,631,062
Mining and quarrying	232,312	249,354	135,126	141,146
Manufacturing	11,827,764	11,602,869	8,313,137	8,085,739
Electricity, gas and water	1,828,368	1,541,379	571,739	361,740
Construction	13,355,533	13,347,956	8,435,014	8,447,916
Wholesale and retail trade and restaurant and hotel	21,708,516	21,842,273	16,723,776	17,007,796
Transport, storage and communication	7,938,508	7,843,641	1,627,010	1,659,637
Finance, insurance, real estate and business services	26,540,459	26,757,642	19,508,263	19,252,052
Education, health and others	9,563,961	9,754,308	2,198,396	2,390,554
Household sector	115,001,980	114,176,607	62,898,787	62,875,805
Others	423,842	454,553	230,093	229,972
	213,358,642	212,200,142	123,121,542	123,083,419



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2023**

A17. Loans, Advances and Financing (continued)

(f) By purpose

	Group		Bank	
	As at 31 March 2023	As at 31 December 2022	As at 31 March 2023	As at 31 December 2022
	RM'000	RM'000	RM'000	RM'000
Purchase of securities	12,309,121	12,976,360	4,791,590	5,126,878
Purchase of transport vehicles	10,416,934	10,234,231	255,790	282,646
Purchase of landed property:				
- Residential	78,942,047	77,404,367	49,170,892	48,663,045
- Non-residential	25,412,470	25,399,348	19,276,897	19,161,912
Purchase of property, plant and equipment other than land and building	1,480,424	1,595,020	764,556	857,259
Personal use	12,121,709	12,019,969	6,807,751	6,863,166
Credit card	2,062,003	2,069,207	1,755,386	1,766,927
Purchase of consumer durables	7,230	7,279	7,230	7,279
Construction	6,305,642	6,567,401	5,004,821	5,303,859
Working capital	54,573,583	54,064,715	32,924,579	32,569,534
Merger and acquisition	1,647,687	1,648,237	176,383	176,529
Other purposes	8,079,792	8,214,008	2,185,667	2,304,385
	213,358,642	212,200,142	123,121,542	123,083,419

(g) By remaining contractual maturities

	Group		Bank	
	As at 31 March 2023	As at 31 December 2022	As at 31 March 2023	As at 31 December 2022
	RM'000	RM'000	RM'000	RM'000
Maturity within one year	38,525,489	38,104,568	27,452,159	27,351,711
One year to three years	12,315,588	12,108,274	6,421,767	5,947,184
Three years to five years	19,556,464	19,327,578	10,086,579	10,728,433
Over five years	142,961,101	142,659,722	79,161,037	79,056,091
	213,358,642	212,200,142	123,121,542	123,083,419



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2023**

A17. Loans, Advances and Financing (continued)

(h) Impaired loans, advances and financing

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

	Group		Bank	
	As at 31 March 2023	As at 31 December 2022	As at 31 March 2023	As at 31 December 2022
	RM'000	RM'000	RM'000	RM'000
Balance as at the beginning of the financial period/year	3,288,731	2,950,507	1,681,715	1,744,632
Transfer to 12-month ECL (Stage 1)	(27,002)	(61,383)	(19,108)	(49,481)
Transfer to lifetime ECL not credit impaired (Stage 2)	(157,169)	(100,346)	(98,462)	(81,400)
Transfer to lifetime ECL credit impaired (Stage 3)	621,591	1,256,207	364,114	765,463
Purchases and origination	49,697	601,612	30,352	483,641
Derecognition	(243,597)	(784,107)	(92,279)	(630,564)
Amount written off	(156,116)	(683,842)	(127,335)	(567,466)
Exchange differences	5,548	66,889	3,462	21,598
Other movements	6,983	43,194	1,666	(4,708)
Balance as at the end of the financial period/year	3,388,666	3,288,731	1,744,125	1,681,715

(ii) By economic sector

	Group		Bank	
	As at 31 March 2023	As at 31 December 2022	As at 31 March 2023	As at 31 December 2022
	RM'000	RM'000	RM'000	RM'000
Agriculture, hunting, forestry and fishing	29,171	12,112	24,174	6,912
Mining and quarrying	21,057	20,471	16,201	15,638
Manufacturing	207,352	215,294	170,975	179,477
Electricity, gas and water	10,162	9,965	-	-
Construction	428,458	421,948	326,646	327,228
Wholesale and retail trade and restaurant and hotel	378,412	355,838	231,924	217,473
Transport, storage and communication	40,634	37,677	23,494	23,393
Finance, insurance, real estate and business services	385,362	334,117	324,925	277,813
Education, health and others	868,770	892,141	52,917	52,882
Household sector	965,487	937,738	572,287	580,899
Others	53,801	51,430	582	-
	3,388,666	3,288,731	1,744,125	1,681,715



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2023**

A17. Loans, Advances and Financing (continued)

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

(iii) By purpose

	Group		Bank	
	As at 31 March 2023	As at 31 December 2022	As at 31 March 2023	As at 31 December 2022
	RM'000	RM'000	RM'000	RM'000
Purchase of securities	32,385	31,136	17,771	17,749
Purchase of transport vehicles	62,957	55,148	7,842	8,872
Purchase of landed property:				
- Residential	760,987	733,496	478,370	478,779
- Non-residential	623,854	610,074	344,793	331,844
Purchase of property, plant and equipment other than land and building	18,640	19,906	15,437	16,640
Personal use	151,458	153,747	119,573	123,910
Credit card	23,646	21,407	20,047	18,191
Purchase of consumer durables	516	595	516	595
Construction	55,472	51,858	51,731	51,728
Working capital	1,429,289	1,417,245	552,413	531,368
Other purposes	229,462	194,119	135,632	102,039
	3,388,666	3,288,731	1,744,125	1,681,715

(iv) By geographical distribution

	Group		Bank	
	As at 31 March 2023	As at 31 December 2022	As at 31 March 2023	As at 31 December 2022
	RM'000	RM'000	RM'000	RM'000
Malaysia	2,086,429	2,007,232	1,439,939	1,406,744
Labuan Offshore	727,350	756,636	-	-
Singapore	198,296	198,679	198,296	198,679
Thailand	111,846	82,032	99,702	70,319
Brunei	6,188	5,973	6,188	5,973
Cambodia	254,550	234,447	-	-
Lao	4,007	3,732	-	-
	3,388,666	3,288,731	1,744,125	1,681,715



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2023**

A17. Loans, Advances and Financing (continued)

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

(v) Movement in allowance for credit losses

Group	12-month ECL (Stage 1) RM'000	Lifetime ECL not credit impaired (Stage 2) RM'000	Lifetime ECL credit impaired (Stage 3) RM'000	Total RM'000
31 March 2023				
Balance as at the beginning of the financial period	846,101	1,055,527	1,808,374	3,710,002
Changes due to financial assets recognised in the opening balance that have been:				
- Transferred to 12-month ECL (Stage 1)	75,451	(68,762)	(6,689)	-
- Transferred to lifetime ECL not credit impaired (Stage 2)	(21,597)	72,404	(50,807)	-
- Transferred to lifetime ECL credit impaired (Stage 3)	(1,725)	(56,179)	57,904	-
	52,129	(52,537)	408	-
Changes in credit risk	(52,021)	24,591	109,803	82,373
Purchases and origination	21,056	29,966	5,161	56,183
Derecognition	(10,088)	(20,676)	(24,869)	(55,633)
Bad debts written off	-	-	(98,403)	(98,403)
Exchange differences	1,163	769	2,989	4,921
Other movements	-	-	6,983	6,983
Balance as at the end of the financial period	858,340	1,037,640	1,810,446	3,706,426
31 December 2022				
Balance as at the beginning of the financial year	1,015,663	1,186,991	1,407,463	3,610,117
Changes due to financial assets recognised in the opening balance that have been:				
- Transferred to 12-month ECL (Stage 1)	196,146	(179,726)	(16,420)	-
- Transferred to lifetime ECL not credit impaired (Stage 2)	(31,853)	65,382	(33,529)	-
- Transferred to lifetime ECL credit impaired (Stage 3)	(15,483)	(51,693)	67,176	-
	148,810	(166,037)	17,227	-
Changes in credit risk	(352,433)	9,865	1,191,823	849,255
Purchases and origination	113,114	118,999	27,149	259,262
Changes to model methodologies	(11,434)	(40,369)	(1,303)	(53,106)
Derecognition	(70,097)	(54,600)	(419,983)	(544,680)
Bad debts written off	-	-	(494,580)	(494,580)
Exchange differences	2,478	678	37,384	40,540
Other movements	-	-	43,194	43,194
Balance as at the end of the financial year	846,101	1,055,527	1,808,374	3,710,002



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2023**

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 2023				
Balance as at the beginning of the financial period	554,551	620,951	786,707	1,962,209
Changes due to financial assets recognised in the opening balance that have been:				
- Transferred to 12-month ECL (Stage 1)	35,999	(31,382)	(4,617)	-
- Transferred to lifetime ECL not credit impaired (Stage 2)	(18,195)	49,850	(31,655)	-
- Transferred to lifetime ECL credit impaired (Stage 3)	(1,522)	(45,519)	47,041	-
	16,282	(27,051)	10,769	-
Changes in credit risk	(25,723)	18,754	70,513	63,544
Purchases and origination	17,118	24,883	5,156	47,157
Derecognition	(7,546)	(15,826)	(18,927)	(42,299)
Bad debts written off	-	-	(78,402)	(78,402)
Exchange differences	930	520	1,480	2,930
Other movements	-	-	1,666	1,666
Balance as at the end of the financial period	555,612	622,231	778,962	1,956,805
31 December 2022				
Balance as at the beginning of the financial year	708,275	848,909	793,522	2,350,706
Changes due to financial assets recognised in the opening balance that have been:				
- Transferred to 12-month ECL (Stage 1)	145,689	(134,074)	(11,615)	-
- Transferred to lifetime ECL not credit impaired (Stage 2)	(25,520)	52,232	(26,712)	-
- Transferred to lifetime ECL credit impaired (Stage 3)	(12,182)	(40,540)	52,722	-
	107,987	(122,382)	14,395	-
Changes in credit risk	(292,774)	(149,163)	772,689	330,752
Purchases and origination	81,556	113,587	21,784	216,927
Changes to model methodologies	(7,769)	(25,418)	(1,160)	(34,347)
Derecognition	(51,455)	(47,473)	(396,961)	(495,889)
Bad debts written off	-	-	(428,334)	(428,334)
Exchange differences	8,731	2,891	15,480	27,102
Other movements	-	-	(4,708)	(4,708)
Balance as at the end of the financial year	554,551	620,951	786,707	1,962,209



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2023**

A18. Other Assets

	Group			Bank	
	As at	Restated	Restated	As at	As at
	31 March	As at	As at	31 March	31 December
	2023	31 December	1 January	2023	2022
	RM'000	RM'000	RM'000	RM'000	RM'000
Other receivables	964,730	643,853	840,898	742,305	392,739
Cash collateral in relation to derivative transactions	399,915	514,797	417,368	399,915	514,797
Deposits	50,273	44,189	45,191	38,551	33,338
Prepayments	188,659	153,469	168,715	118,057	101,409
Amount receivable for release of units from funds	154,283	56,073	207,850	-	-
Amount due from subsidiaries	-	-	-	37,752	870,157
	1,757,860	1,412,381	1,680,022	1,336,580	1,912,440



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2023**

A19. Deposits from Customers

(a) By type of deposits

	Group		Bank	
	As at	As at	As at	As at
	31 March	31 December	31 March	31 December
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Demand deposits	49,948,354	51,933,661	39,783,464	42,284,487
Savings deposits	13,750,653	14,505,771	11,005,411	11,841,346
Fixed/investment deposits	162,526,362	160,212,605	87,557,171	81,455,913
Negotiable instruments of deposits	207,037	507,725	207,037	507,725
	226,432,406	227,159,762	138,553,083	136,089,471

(b) By type of customer

	Group		Bank	
	As at	As at	As at	As at
	31 March	31 December	31 March	31 December
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Government and statutory bodies	23,534,811	21,460,674	7,376,830	5,592,868
Business enterprises	109,573,571	117,592,692	70,734,225	72,798,795
Individuals	85,606,921	80,503,285	53,460,599	50,975,787
Others	7,717,103	7,603,111	6,981,429	6,722,021
	226,432,406	227,159,762	138,553,083	136,089,471

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

	Group		Bank	
	As at	As at	As at	As at
	31 March	31 December	31 March	31 December
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Due within six months	124,908,438	129,992,709	65,779,254	65,247,406
Six months to one year	32,718,994	26,159,154	18,704,658	14,083,157
One year to three years	3,739,219	3,120,220	3,064,112	2,323,733
Three years to five years	1,366,748	1,448,247	216,184	309,342
	162,733,399	160,720,330	87,764,208	81,963,638



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2023

A20. Deposits and Placements of Banks and Other Financial Institutions

Note	Group		Bank	
	As at	As at	As at	As at
	31 March	31 December	31 March	31 December
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Licensed banks	17,650,271	17,622,246	22,198,113	26,672,749
Licensed Islamic banks	1,866,102	1,538,161	4,255	3,623
Licensed investment banks	251,270	322,526	983,307	1,144,400
BNM/Other central banks	4,519,376	4,736,004	4,315,502	4,542,468
Other financial institutions	1,149,981	374,932	891,519	82,222
	<u>25,437,000</u>	<u>24,593,869</u>	<u>28,392,696</u>	<u>32,445,462</u>

- (a) Included in deposits and placements by BNM/other central banks are amounts received under the Government scheme as part of the COVID-19 relief measures for the purpose of lending/financing to SMEs at a concessionary rate and with maturity period ranging between two to nine years.

A21. Investment Accounts

Note	Group	
	As at	As at
	31 March	31 December
	2023	2022
	RM'000	RM'000
Mudharabah Restricted Investment Account	(a) 441,195	427,640
Wakalah Unrestricted Investment Account	(b) 517,108	818,386
	<u>958,303</u>	<u>1,246,026</u>

(a) Mudharabah Restricted Investment Account

By type of counterparty:

- Licensed banks	<u>441,195</u>	<u>427,640</u>
------------------	----------------	----------------

Investment asset (principal):

- Unquoted securities	<u>398,487</u>	<u>392,980</u>
-----------------------	----------------	----------------

(b) Wakalah Unrestricted Investment Account

By type of counterparty:

- Business enterprises	<u>517,108</u>	<u>818,386</u>
------------------------	----------------	----------------

Investment asset (principal):

- Personal financing	408,993	642,382
- Housing financing	102,248	160,596
	<u>511,241</u>	<u>802,978</u>



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2023**

A22. Other Liabilities

	Group		Restated	Bank	
	As at	Restated	As at	As at	As at
	31 March	31 December	1 January	31 March	31 December
	2023	2022	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000	RM'000
Other creditors and accruals	1,148,919	1,364,873	1,296,306	584,163	844,422
Amount payable for redemption units	273,747	82,211	348,404	-	-
Contract liabilities	133,758	147,368	205,971	36,750	42,000
Short term employee benefits	155,430	444,087	455,763	129,775	311,087
Accrual for operational expenses	250,488	246,929	265,925	190,200	191,828
Prepaid instalments	15,919	17,278	22,406	15,919	17,278
Cash collateral pledged for derivative transactions	431,438	538,691	112,719	431,438	538,691
Structured deposits	1,301,971	958,666	771,311	1,260,502	917,646
Remisiers' trust deposits	91,994	94,266	97,828	-	-
Amount payable for creation of units due to funds	10,608	203,132	457,587	-	-
Amount due to subsidiaries	-	-	-	661,639	5,452
	3,814,272	4,097,501	4,034,220	3,310,386	2,868,404



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2023**

A23. Segmental Reporting

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

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

(a) Group Community Banking ('GCB')

GCB comprise Group Retail Banking and Group Small and Medium Enterprises ('SME's) Banking.

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

Group SME Banking focuses on providing financing solutions to SMEs and family-owned enterprises, as well as trade and cash management solutions for SMEs.

(b) Group Wholesale Banking ('GWB')

GWB comprise the following key business portfolio/functional group:

I. Group Treasury & Global Markets; and

II. Group Corporate Banking and Investment Banking ('Group CBIB') which consist of Group Corporate Banking, Group Investment Banking, Group Asset Management, Group Commercial Banking, Group Transaction Banking and Group Economics.

(i) Group Treasury and Global Markets offers a comprehensive suite of treasury products and solutions including foreign exchange ('FX'), derivatives, capital markets, structured products, money market investments and Islamic Treasury products catering to the hedging and investment needs of our diverse customers in Malaysia, Singapore and Thailand. This segment is also responsible for the overall management of the liquidity and funding needs of the Group as well as for investing excess capital and funds to enhance the returns for the Group.

(ii) Group Corporate Banking provides a comprehensive suite of conventional and Shariah-compliant financing solutions to corporate clients whose shares are listed on stock exchanges locally and/or abroad, multinational companies, government and government agencies and government-linked companies. Financial solutions provided include working capital funding, trade financing, foreign currency hedging, project financing and syndication, as well as funding of corporate exercises.

(iii) Group Investment Banking offers a full range of investment banking products and services covering primary markets, such as advisory (corporate and debt restructuring, mergers and acquisitions, takeovers), fundraising via both equity and debt instruments, and secondary markets including securities trading for both institutional and retail clients. This segment leverages on the Group's regional platforms to provide cross-border transactional services to clients across ASEAN.

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



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2023**

A23. Segmental Reporting (continued)

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

(b) Group Wholesale Banking ('GWB') (continued)

- (iv) Group Asset Management manages a full set of investment services and offerings including management of unit trust funds, investment management advisory, private mandates, product development and trustee services.
- (v) Group Commercial Banking offers a wide range of business solutions ranging from financing, deposits, cash management solutions, trade finance, FX and remittance among others for Commercial customers (Mid-size to Large-Size Private Companies).
- (vi) Group Transaction Banking offers a wide range of business solutions ranging from cash management solutions, trade finance and services including supply chain financing solutions among others for SME, Commercial & Large corporates.
- (vii) Group Economics which includes Foreign Exchange and Fixed Income Strategy, provides expert advice on Macroeconomic developments as well as local economic and sectoral trends. This segment is also responsible for engaging with corporate and institutional clients to provide advice on economic developments and trends.

(c) Group International Business

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

(d) Insurance

RHB Insurance Berhad provides general insurance for retail, SME, commercial and corporate customers.

(e) Support Center and Others

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

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

The corresponding segment operating expenses have been restated to align to current basis of allocation in between the segments.



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2023**

A23. Segmental Reporting (continued)

Three months ended 31 March 2023

	Group Community Banking	Group Wholesale Banking	Group International Business	Insurance *	Support Center and Others	Inter- Segment Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	1,070,481	636,604	204,694	17,243	(21,297)	-	1,907,725
Inter-segment revenue	-	6,230	(185)	4,842	3,858	(14,745)	-
Segment revenue	1,070,481	642,834	204,509	22,085	(17,439)	(14,745)	1,907,725
Other operating expenses	(509,799)	(253,352)	(127,505)	(417)	19,820	14,745	(856,508)
Including:							
- Depreciation of property, plant and equipment	(23,754)	(7,536)	(5,189)	-	(58)	-	(36,537)
- Depreciation of right-of-use assets	(6,008)	(5,384)	(4,125)	-	(26)	-	(15,543)
- Amortisation of intangible assets	(25,734)	(10,283)	(5,274)	-	-	-	(41,291)
Allowance for credit losses on financial assets	(64,505)	28,981	(10,510)	(2)	-	-	(46,036)
Segment profit	496,177	418,463	66,494	21,666	2,381	-	1,005,181
Share of results of associates							1
Profit before taxation and zakat							1,005,182
Taxation and zakat							(242,553)
Net profit for the financial period							762,629

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



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2023**

A23. Segmental Reporting (continued)

As at 31 March 2023

	Group Community Banking	Group Wholesale Banking	Group International Business	Insurance	Support Center and Others	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Segment assets	133,510,161	128,631,024	44,083,473	1,675,366	2,286,237	310,186,261
Investments in associates and joint venture						40,026
Tax recoverable						97,568
Deferred tax assets						461,556
Unallocated assets						1,587,418
Total assets						<u>312,372,829</u>
Segment liabilities	110,276,018	124,942,044	35,950,512	1,194,958	117,061	272,480,593
Provision for taxation and zakat						208,642
Deferred tax liabilities						6,364
Borrowings						1,420,483
Senior debt securities						3,846,566
Subordinated obligations						3,387,305
Unallocated liabilities						1,105,563
Total liabilities						<u>282,455,516</u>



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2023**

A23. Segmental Reporting (continued)

Restated

Three months ended 31 March 2022

	Group Community Banking RM'000	Group Wholesale Banking RM'000	Group International Business RM'000	Insurance * RM'000	Support Center and Others RM'000	Inter- Segment Elimination RM'000	Total RM'000
External revenue	975,214	739,355	164,554	11,677	(37,889)	-	1,852,911
Inter-segment revenue	-	3,887	358	4,592	4,588	(13,425)	-
Segment revenue	975,214	743,242	164,912	16,269	(33,301)	(13,425)	1,852,911
Other operating expenses	(477,867)	(237,275)	(122,183)	(2,280)	(4,708)	13,425	(830,888)
Including:							
- Depreciation of property, plant and equipment	(21,483)	(5,992)	(4,677)	-	(57)	-	(32,209)
- Depreciation of right-of-use assets	(8,860)	(4,156)	(4,440)	-	(30)	-	(17,486)
- Amortisation of intangible assets	(24,231)	(8,384)	(3,835)	-	-	-	(36,450)
Allowance for credit losses on financial assets	(95,251)	(37,859)	(21,729)	987	37	-	(153,815)
Segment profit/(loss)	402,096	468,108	21,000	14,976	(37,972)	-	868,208
Share of results of joint venture							(2)
Profit before taxation and zakat							868,206
Taxation and zakat							(285,905)
Net profit for the financial period							582,301

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



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2023**

A23. Segmental Reporting (continued)

Restated

As at 31 December 2022

	Group Community Banking RM'000	Group Wholesale Banking RM'000	Group International Business RM'000	Insurance RM'000	Support Center and Others RM'000	Total RM'000
Segment assets	132,149,149	129,733,543	42,723,470	1,661,977	2,299,556	308,567,695
Investments in associates and joint venture						25
Tax recoverable						121,033
Deferred tax assets						619,508
Unallocated assets						1,463,001
Total assets						<u>310,771,262</u>
Segment liabilities	105,805,400	130,096,002	34,635,756	1,200,949	108,600	271,846,707
Provision for taxation and zakat						396,041
Deferred tax liabilities						3,598
Borrowings						1,476,185
Senior debt securities						3,841,190
Subordinated obligations						2,867,083
Unallocated liabilities						1,572,065
Total liabilities						<u>282,002,869</u>



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2023**

A24. Valuation of Property, Plant and Equipment

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

A25. Events Subsequent to Balance Sheet Date

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

- (a) The Bank has on 22 May 2023, made an offer of 5,445,000 RHB Bank Shares at RM5.50 per share to the eligible employees and Executive Directors of the Bank and its subsidiaries under the SGS which was implemented in June 2022. The vesting period of the shares offered will be on 30 June 2026; and
- (b) The Bank had on 25 May 2023 completed its second issuance of RM1.5 billion in nominal value Senior Sukuk based on the Shariah principle of Murabahah (via Tawarruq arrangement) ('Senior Sukuk Murabahah') under the Multi-Currency Islamic Medium Term Notes Programme of up to RM10 billion (or its equivalent in other currencies) in nominal value. The Senior Sukuk Murabahah is issued for a tenure of 3 years with a fixed coupon rate of 3.95% per annum, payable semi-annually in arrears.

A26. 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 2023, other than the Bank's 40% subscription into Boost Berhad as further explained in Note B6(a).



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2023

A27. Changes In Contingent Liabilities Since The Last Annual Statements Of Financial Position

(a) Commitments and Contingencies

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

The commitments and contingencies comprise the following:

	Group		Bank	
	As at 31 March 2023	As at 31 December 2022	As at 31 March 2023	As at 31 December 2022
	RM'000	RM'000	RM'000	RM'000
Contingent liabilities				
Direct credit substitutes	1,469,905	1,410,617	1,468,358	1,405,541
Transaction-related contingent items	2,459,723	2,788,293	2,087,453	2,387,653
Short term self-liquidating trade-related contingencies	1,128,282	984,888	858,747	730,635
	5,057,910	5,183,798	4,414,558	4,523,829
Commitments				
Lending of banks' securities or the posting of securities as collateral by banks, including instances where these arise out of repo-style transactions, and commitment to buy-back Islamic securities under Sell and Buy Back Agreement transactions	9,258,321	8,573,179	9,258,321	8,777,386
Forward asset purchases, forward deposits, partly paid shares and securities which represent commitments with certain drawdowns	140,380	-	86,575	-
Irrevocable commitments to extend credit:				
- Maturity less than one year	4,251,061	8,480,483	3,149,754	7,136,645
- Maturity more than one year	31,676,494	27,241,322	21,151,121	16,986,025
Any commitments that are unconditionally cancellable at any time by the Bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	16,461,467	16,329,254	13,769,405	13,695,272
	61,787,723	60,624,238	47,415,176	46,595,328
Derivative financial instruments				
Foreign exchange related contracts [^] :				
- Less than one year	62,529,938	62,316,756	65,563,814	65,135,214
- One year to less than five years	6,473,190	5,647,134	6,473,190	5,647,134
- More than five years	1,171,572	1,169,510	1,171,572	1,169,510
Commodity related contracts [^] :				
- Less than one year	404,359	267,363	404,570	267,486
- One year to less than five years	364,476	364,149	364,747	364,306
- More than five years	103,035	102,941	103,035	102,941
Equity related contracts [^] :				
- Less than one year	575,220	649,166	575,420	649,276
- One year to less than five years	23,810	3,090	23,810	3,090
Interest rate related contracts [^] :				
- Less than one year	25,282,548	18,684,828	26,372,548	19,774,828
- One year to less than five years	49,260,649	45,588,339	52,560,649	48,888,339
- More than five years	6,086,571	6,195,096	6,086,571	6,195,096
	152,275,368	140,988,372	159,699,926	148,197,220
	219,121,001	206,796,408	211,529,660	199,316,377

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



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2023**

A27. Changes In Contingent Liabilities Since The Last Annual Statements Of Financial Position (continued)

(b) Guarantees Issued by the Group and the Bank

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

(c) Contingent Liabilities

As at 31 March 2023, the Group has contingent liabilities amounting to approximately RM72 million in respect of litigation. As the cases are still preliminary and the reliable exposure cannot be estimated, no provision is recognised in the financial statements.

A28. Capital Commitments

	Group		Bank	
	As at 31 March 2023	As at 31 December 2022	As at 31 March 2023	As at 31 December 2022
	RM'000	RM'000	RM'000	RM'000
Authorised and contracted for property, plant and equipment	267,646	284,529	234,135	249,674



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2023**

A29. Capital Adequacy Ratio

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

RHB Bank (Cambodia) Plc ('RHB Bank Cambodia') is subject to National Bank of Cambodia's capital adequacy requirements.

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

	Group		Bank[@]	
	As at 31 March 2023	As at 31 December 2022	As at 31 March 2023	As at 31 December 2022
	RM'000	RM'000	RM'000	RM'000
Common Equity Tier I ('CET I')/Tier I Capital				
Share capital	8,145,585	8,145,585	8,145,585	8,145,585
Retained profits	19,154,799	19,196,884	14,478,198	14,479,618
Other reserves	877,847	836,784	634,915	610,659
FVOCI reserves	(243,281)	(599,020)	(226,090)	(517,256)
	27,934,950	27,580,233	23,032,608	22,718,606
Less:				
Goodwill	(2,638,198)	(2,638,198)	(1,714,913)	(1,714,913)
Intangible assets (include associated deferred tax liabilities)	(621,356)	(602,106)	(545,831)	(524,689)
Deferred tax assets	(333,623)	(384,052)	(220,712)	(271,633)
Investments in subsidiaries	(102,425)	(102,425)	(4,461,887)	(4,461,272)
Investments in associates and joint venture	(40,026)	(25)	(40,000)	-
Other deductions [#]	(27,674)	(30,313)	(26,821)	(29,388)
Total CET I Capital	24,171,648	23,823,114	16,022,444	15,716,711
Qualifying non-controlling interests recognised as Tier I Capital	171	159	-	-
Total Tier I Capital	24,171,819	23,823,273	16,022,444	15,716,711
Tier II Capital				
Subordinated obligations meeting all relevant criteria	2,499,194	1,999,353	2,499,194	1,999,353
Qualifying capital instruments of a subsidiary issued to third parties ⁺	422,269	393,975	-	-
Surplus eligible provisions over expected losses	519,984	513,764	375,084	373,005
General provisions [^]	414,236	404,754	256,462	271,763
Investment in capital instrument of financial and insurance/takaful entities	-	-	(88,271)	(88,116)
Total Tier II Capital	3,855,683	3,311,846	3,042,469	2,556,005
Total Capital	28,027,502	27,135,119	19,064,913	18,272,716



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2023**

A29. Capital Adequacy Ratio (continued)

	Group		Bank[@]	
	As at 31 March 2023	As at 31 December 2022	As at 31 March 2023	As at 31 December 2022
<u>Capital ratios</u>				
Before proposed dividends:				
CET I Capital Ratio	17.600%	17.593%	16.300%	16.036%
Tier I Capital Ratio	17.600%	17.593%	16.300%	16.036%
Total Capital Ratio	20.408%	20.039%	19.396%	18.644%
After proposed dividends and DRP*:				
CET I Capital Ratio	16.904%	16.887%	15.328%	15.061%
Tier I Capital Ratio	16.904%	16.887%	15.328%	15.061%
Total Capital Ratio	19.712%	19.333%	18.423%	17.669%

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

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

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

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

Includes the qualifying regulatory reserves of the Group and the Bank of RM255,642,000 (31 December 2022: RM242,061,000) and RM156,725,000 (31 December 2022: RM155,937,000) respectively.

^{*} The Board of Directors have declared a second interim single-tier dividend of 25.0 sen per share in respect of the financial year ended 31 December 2022, amounting to RM1,061,843,000, consisting of cash portion of 20.0 sen per share and an electable portion of 5.0 sen per share. There is no irrevocable written undertaking from its shareholders, hence, the amount of the dividend may be reduced either by the average of the preceding 3-year take up rates or if less than 3 preceding years, the available average historical take up rates, subject to the amount being not more than 50% of the total electable portion of the dividend, in accordance with the Implementation Guidance on Capital Adequacy Framework (Capital Components) dated 9 December 2020.



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2023

A29. Capital Adequacy Ratio (continued)

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

	RHB Islamic Bank		RHB Investment Bank	
	As at 31 March 2023	As at 31 December 2022	As at 31 March 2023	As at 31 December 2022
	RM'000	RM'000	RM'000	RM'000
CET I/Tier I Capital				
Share capital	1,673,424	1,673,424	1,220,000	1,220,000
Retained profits	3,904,387	4,177,805	380,723	426,746
Other reserves	307	205	1,028	685
FVOCI reserves	(64,167)	(118,059)	36,376	35,060
	5,513,951	5,733,375	1,638,127	1,682,491
Less:				
Goodwill	-	-	(372,395)	(372,395)
Investments in subsidiaries, associates and joint venture	-	-	(704,342)	(704,352)
Intangible assets (include associated deferred tax liabilities)	(3,988)	(4,227)	(25,997)	(25,592)
Deferred tax assets	(100,178)	(100,598)	(14,677)	(13,300)
55% of cumulative gains arising from change in value of FVOCI instruments	-	-	(20,007)	(19,283)
Other deductions [#]	(857)	(941)	-	-
Total CET I Capital/Tier I Capital	5,408,928	5,627,609	500,709	547,569
Tier II Capital				
Subordinated sukuk	750,000	750,000	-	-
Subordinated obligations meeting all relevant criteria	-	-	100,000	100,000
Surplus eligible provisions over expected losses	144,938	140,835	-	-
General provisions [^]	60,989	55,462	9,787	7,933
Total Tier II Capital	955,927	946,297	109,787	107,933
Total Capital	6,364,855	6,573,906	610,496	655,502
<u>Capital ratios</u>				
Before proposed dividends:				
CET I Capital Ratio	16.435%	17.828%	26.220%	31.348%
Tier I Capital Ratio	16.435%	17.828%	26.220%	31.348%
Total Capital Ratio	19.340%	20.826%	31.969%	37.528%
After proposed dividends:				
CET I Capital Ratio	16.435%	17.033%	26.220%	29.058%
Tier I Capital Ratio	16.435%	17.033%	26.220%	29.058%
Total Capital Ratio	19.340%	20.031%	31.969%	35.238%



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2023

A29. Capital Adequacy Ratio (continued)

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

Includes the qualifying regulatory reserves of RHB Islamic Bank and RHB Investment Bank of RM39,627,000 (31 December 2022: RM34,664,000) and RM9,687,000 (31 December 2022: RM7,850,000) respectively.

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

			RHB Islamic Bank	RHB Investment Bank
	Group	Bank [@]	Bank	Bank
	RM'000	RM'000	RM'000	RM'000
31 March 2023				
Credit risk	119,802,814	86,319,934	29,285,669	782,920
Market risk	3,350,934	2,737,926	419,726	206,138
Operational risk	14,184,796	9,237,555	3,205,306	920,563
Total risk-weighted assets	<u>137,338,544</u>	<u>98,295,415</u>	<u>32,910,701</u>	<u>1,909,621</u>
	Group	Bank [@]	RHB Islamic Bank	RHB Investment Bank
	RM'000	RM'000	Bank	Bank
	RM'000	RM'000	RM'000	RM'000
31 December 2022				
Credit risk	118,007,600	85,761,518	28,280,645	634,603
Market risk	3,358,227	3,075,095	170,490	188,204
Operational risk	14,047,918	9,171,749	3,114,515	923,914
Total risk-weighted assets	<u>135,413,745</u>	<u>98,008,362</u>	<u>31,565,650</u>	<u>1,746,721</u>

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

**RHB BANK BERHAD**

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2023****A29. 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 2023 RM'000	As at 31 December 2022 RM'000
Before proposed dividends:		
Solvency ratio	16.102%	16.581%
After proposed dividends:		
Solvency ratio	16.102%	16.581%

The Solvency Ratio of RHB Bank Cambodia is the nearest equivalent regulatory compliance ratio in Cambodia computed in accordance with Prakas No. B7-00-46, B7-04-206 and B7-07-135 issued by the National Bank of Cambodia. This ratio is derived as RHB Bank Cambodia's net worth divided by its risk-weighted assets and off-balance sheet items. The minimum regulatory solvency ratio requirement in Cambodia is 15%.



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2023

A30. Operations of Islamic Banking

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

	Note	Group		Bank	
		As at	As at	As at	As at
		31 March 2023	31 December 2022	31 March 2023	31 December 2022
		RM'000	RM'000	RM'000	RM'000
ASSETS					
Cash and short-term funds		5,231,839	7,168,679	-	-
Deposits and placements with banks and other financial institutions		100,161	-	-	-
Financial assets at FVTPL		174,132	91,997	-	-
Financial assets at FVOCI		5,856,662	5,700,547	-	-
Financial investments at amortised cost		9,113,613	7,542,997	-	-
Financing and advances		82,650,472	81,616,202	678,462	674,093
Other assets		834,202	596,335	713,931	499,798
Derivative assets		44,660	18,181	-	-
Statutory deposits		1,391,000	1,426,500	-	-
Deferred tax assets		119,714	137,537	-	-
Right-of-use assets		1,054	1,264	-	-
Property, plant and equipment		5,959	6,204	-	-
Intangible assets		4,715	4,567	-	-
Total assets		<u>105,528,183</u>	<u>104,311,010</u>	<u>1,392,393</u>	<u>1,173,891</u>
LIABILITIES					
Deposits from customers		79,656,274	78,233,590	-	-
Deposits and placements of banks and other financial institutions		3,793,070	3,109,934	1,322,144	1,098,871
Investment accounts	A21	958,303	1,246,026	-	-
Bills and acceptances payable		8,119	7,421	-	-
Other liabilities		424,817	303,251	-	-
Derivative liabilities		51,777	210,543	-	-
Recourse obligation on financing sold to Cagamas		1,769,816	1,765,061	-	-
Provision for taxation and zakat		87,530	111,844	-	-
Lease liabilities		1,098	1,307	-	-
Subordinated obligations		762,257	754,428	-	-
Total liabilities		<u>87,513,061</u>	<u>85,743,405</u>	<u>1,322,144</u>	<u>1,098,871</u>
Islamic Banking Funds		18,015,122	18,567,605	70,249	75,020
Total liabilities and Islamic Banking Funds		<u>105,528,183</u>	<u>104,311,010</u>	<u>1,392,393</u>	<u>1,173,891</u>
Commitments and contingencies		<u>34,041,422</u>	<u>20,011,594</u>	<u>15,932</u>	<u>14,444</u>



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2023**

A30. Operations of Islamic Banking (continued)

(b) Income Statement for the Three Months Ended 31 March 2023

	1st Quarter Ended		Three Months Ended	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	RM'000	RM'000	RM'000	RM'000
Group				
Income derived from investment of depositors' funds	1,019,559	727,047	1,019,559	727,047
Income derived from investment account funds	125,066	109,505	125,066	109,505
Income derived from investment of shareholders' funds	72,471	36,038	72,471	36,038
Allowance for credit losses	(22,613)	(37,670)	(22,613)	(37,670)
Total distributable income	1,194,483	834,920	1,194,483	834,920
Income attributable to depositors	(648,140)	(353,561)	(648,140)	(353,561)
Profit distributed to investment account holders	(15,709)	(10,090)	(15,709)	(10,090)
	530,634	471,269	530,634	471,269
Personnel expenses	(10,849)	(7,646)	(10,849)	(7,646)
Other overheads and expenditures	(156,322)	(126,305)	(156,322)	(126,305)
Profit before taxation and zakat	363,463	337,318	363,463	337,318
Taxation and zakat	(65,389)	(89,363)	(65,389)	(89,363)
Net profit for the financial period	298,074	247,955	298,074	247,955

Statement of Comprehensive Income for the Three Months Ended 31 March 2023

	1st Quarter Ended		Three Months Ended	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	RM'000	RM'000	RM'000	RM'000
Group				
Net profit for the financial period	298,074	247,955	298,074	247,955
Other comprehensive income/(loss) in respect of items that will be reclassified subsequently to profit or loss:				
(a) Debt instruments measured at FVOCI				
- Unrealised net gain/(loss) on revaluation	74,965	(58,873)	74,965	(58,873)
- Net transfer to income statement on disposal	(4,054)	(4,459)	(4,054)	(4,459)
- Changes in expected credit losses	245	(158)	245	(158)
Income tax relating to components of other comprehensive (income)/loss	(17,019)	15,199	(17,019)	15,199
Other comprehensive income/(loss), net of tax, for the financial period	54,137	(48,291)	54,137	(48,291)
Total comprehensive income for the financial period	352,211	199,664	352,211	199,664



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2023**

A30. Operations of Islamic Banking (continued)

(b) Income Statement for the Three Months Ended 31 March 2023

	1st Quarter Ended		Three Months Ended	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	RM'000	RM'000	RM'000	RM'000
Bank				
Income derived from investment of depositors' funds	7,234	2,917	7,234	2,917
Allowance for credit losses	7	25	7	25
Total distributable income	7,241	2,942	7,241	2,942
Income attributable to depositors	(12,867)	(1,482)	(12,867)	(1,482)
(Loss)/Profit before taxation	(5,626)	1,460	(5,626)	1,460
Taxation	-	-	-	-
Net (loss)/profit for the financial period	(5,626)	1,460	(5,626)	1,460

Statement of Comprehensive Income for the Three Months Ended 31 March 2023

	1st Quarter Ended		Three Months Ended	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	RM'000	RM'000	RM'000	RM'000
Bank				
Net (loss)/profit for the financial period	(5,626)	1,460	(5,626)	1,460
Total comprehensive (loss)/income for the financial period	(5,626)	1,460	(5,626)	1,460



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2023**

A30. Operations of Islamic Banking (continued)

(d) Financing and Advances

	Group		Bank	
	As at	As at	As at	As at
	31 March	31 December	31 March	31 December
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
At amortised cost				
Cashline	1,355,274	1,247,512	-	-
Term financing				
- Housing financing	29,743,114	28,799,725	-	-
- Syndicated term financing	5,190,320	5,228,649	-	-
- Hire purchase receivables	10,121,395	9,923,780	-	-
- Other term financing	32,102,740	32,506,288	678,754	674,389
Bills receivables	339,321	322,098	-	-
Trust receipts	53,529	67,708	-	-
Claims on customers under acceptance credits	1,311,167	1,399,155	-	-
Share margin financing	11,691	9,902	-	-
Staff financing	14,770	14,868	-	-
Credit/charge card receivables	306,617	302,280	-	-
Revolving financing	2,884,466	2,577,115	-	-
Gross financing and advances	83,434,404	82,399,080	678,754	674,389
Less: Allowance for credit losses	(783,932)	(782,878)	(292)	(296)
Net financing and advances	82,650,472	81,616,202	678,462	674,093

(i) Movements in impaired financing and advances

Balance as at the beginning of the financial year/period	600,488	389,489	-	3,689
Transfer to 12-month ECL (Stage 1)	(7,839)	(11,868)	-	-
Transfer to lifetime ECL not credit impaired (Stage 2)	(58,707)	(18,946)	-	-
Transfer to lifetime ECL credit impaired (Stage 3)	247,721	387,988	-	-
Purchases and origination	8,914	52,482	-	-
Derecognition	(115,489)	(90,088)	-	-
Amount written off	(28,781)	(109,365)	-	(3,899)
Other movements	171	586	-	-
Exchange differences	-	210	-	210
Balance as at the end of the financial year/period	646,478	600,488	-	-



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL
FOR THE THREE MONTHS ENDED 31 MARCH 2023**

A30. 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 2023				
Balance as at the beginning of the financial period	156,741	374,072	252,065	782,878
Changes due to financial assets recognised in the opening balance that have been:				
- Transferred to 12-month ECL (Stage 1)	39,253	(37,181)	(2,072)	-
- Transferred to lifetime ECL not credit impaired (Stage 2)	(3,384)	22,536	(19,152)	-
- Transferred to lifetime ECL credit impaired (Stage 3)	(203)	(9,404)	9,607	-
	35,666	(24,049)	(11,617)	-
Changes in credit risk	(26,819)	7,025	44,915	25,121
Purchases and origination	3,047	769	-	3,816
Derecognition	(1,004)	(1,130)	(5,922)	(8,056)
Bad debts written off	-	-	(20,001)	(20,001)
Exchange differences	3	-	-	3
Other movements	-	-	171	171
Balance as at the end of the financial period	167,634	356,687	259,611	783,932
31 December 2022				
Balance as at the beginning of the financial year	174,674	252,606	186,960	614,240
Changes due to financial assets recognised in the opening balance that have been:				
- Transferred to 12-month ECL (Stage 1)	47,653	(42,848)	(4,805)	-
- Transferred to lifetime ECL not credit impaired (Stage 2)	(5,976)	12,793	(6,817)	-
- Transferred to lifetime ECL credit impaired (Stage 3)	(2,965)	(6,699)	9,664	-
	38,712	(36,754)	(1,958)	-
Changes in credit risk	(66,122)	174,676	148,855	257,409
Purchases and origination	26,322	5,017	5,256	36,595
Changes to model methodologies	(4,079)	(16,222)	(143)	(20,444)
Derecognition	(12,994)	(5,251)	(21,285)	(39,530)
Bad debts written off	-	-	(66,421)	(66,421)
Exchange differences	228	-	215	443
Other movements	-	-	586	586
Balance as at the end of the financial year	156,741	374,072	252,065	782,878



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL
FOR THE THREE MONTHS ENDED 31 MARCH 2023**

A30. Operations of Islamic Banking (continued)

(d) Financing and Advances (continued)

(ii) 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 2023				
Balance as at the beginning of the financial period	296	-	-	296
Changes in credit risk	(7)	-	-	(7)
Exchange differences	3	-	-	3
Balance as at the end of the financial period	<u>292</u>	<u>-</u>	<u>-</u>	<u>292</u>
31 December 2022				
Balance as at the beginning of the financial year	3,965	-	3,784	7,749
Changes in credit risk	(3,897)	-	-	(3,897)
Bad debts written off	-	-	(3,999)	(3,999)
Exchange differences	228	-	215	443
Balance as at the end of the financial year	<u>296</u>	<u>-</u>	<u>-</u>	<u>296</u>



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2023**

A30. Operations of Islamic Banking (continued)

	Group		Bank	
	As at	As at	As at	As at
	31 March	31 December	31 March	31 December
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
(e) Other Assets				
Prepayments	29,286	26,241	-	-
Deposits	1,199	1,104	-	-
Other receivables	803,717	568,990	713,931	499,798
	834,202	596,335	713,931	499,798
(f) Deposits from Customers				
Saving Deposits				
- Qard			1,496,488	1,510,397
- Commodity Murabahah			1,083,847	995,415
Demand Deposits				
- Qard			6,226,791	5,982,666
- Commodity Murabahah			3,770,856	3,448,658
Term Deposits				
- Commodity Murabahah			55,785,786	54,237,696
Specific Investment Account				
- Commodity Murabahah			11,292,431	12,058,549
General Investment Account				
- Mudharabah			75	209
			79,656,274	78,233,590
(g) Other Liabilities				
Sundry creditors			22,084	14,869
Contract liability			91,318	99,411
Short term employee benefits			3,215	4,447
Accrual for operational expenses			37,614	34,272
Structured deposits			41,469	41,020
Other accruals and payables			229,117	109,232
			424,817	303,251



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2023**

B1. Review of Group Results

(a) Current Financial Period vs Previous Financial Period

The Group reported a pre-tax profit of RM1,005.2 million for the first three months ended 31 March 2023, 15.8% higher from RM868.2 million recorded a year ago. The year-on-year improvement was mainly due to higher non-fund based income and lower allowances for credit losses, offset by lower net funding income and higher operating expenses

Net fund based income declined by 6.6% to RM1,373.7 million from a year ago driven by higher funding expense.

Non-fund based income rose by 39.7% to RM534.0 million, contributed by higher net gain on foreign exchange and derivatives and higher net trading and investment income, partly offset by lower capital market and wealth management fee income, brokerage income and net income from insurance business.

Operating expenses increased by 3.1% from a year ago to RM856.5 million. Cost-to-income ratio at 44.9% compared with 44.8% a year ago.

Allowance for credit losses was at RM46.0 million, 70.1% lower than previous year. Annualised credit charge ratio was at 0.10% compared to 0.29% last year.

Total assets of the Group increased by 0.5% from December 2022 to RM312.4 billion as at 31 March 2023. Net assets per share was at RM7.04, with shareholders' equity stood at RM29.9 billion as at 31 March 2023.

The Group's gross loans and financing grew by 6.0% year-on-year to RM213.4 billion, mainly supported by growth in mortgage, auto finance, SME and Singapore. Domestic loans and financing grew 4.7% year-on-year.

Customer deposits remained stable at RM226.4 billion, with CASA decreased by 2.9% year-on-year, offset by growth in fixed deposits and money market time deposits by 1.2%. CASA composition stood at 28.1% as at 31 March 2023.

Gross impaired loans was at RM3.4 billion as at 31 March 2023, with gross impaired loans ratio of 1.59% compared with RM3.0 billion and 1.50% at 31 March 2021. Loan loss coverage ratio for the Group, excluding regulatory reserves, remained strong at 109.4% as at end-March 2023.



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2023**

B1. Review of Group Results (continued)

(b) Performance by Operating Segment

(i) GCB

GCB reported a pre-tax profit of RM496.2 million for the first three months ended 31 March 2023, 23.4% higher than previous year. This was mainly attributed to higher net fund based income and lower allowances for credit losses, partially offset by higher operating expenses and lower non-fund based income.

Gross loans and financing was at RM134.5 billion, 6.4% higher year-on-year, primarily driven by growth in mortgages, SME and auto finance.

Total deposits increased by 4.5% year-on-year to RM106.7 billion as at 31 March 2023, contributed by growth in fixed deposits.

(ii) GWB

GWB recorded a pre-tax profit of RM418.5 million, a decrease of 10.6% from the previous year. This is on the back of lower net fund based income and higher operating expenses, partially offset by higher non-fund based income and higher expected credit losses written back.

Gross loans and financing increased by 0.6% year-on-year to RM50.2 billion. Total deposits decreased by 7.9% to RM92.0 billion mainly due to decline in money market time deposits, partly offset by increase in fixed deposits and current account.

(iii) Group International Business

RHB Bank Singapore recorded a pre-tax profit of SGD15.3 million compared with pre-tax profit of SGD1.3 million in the previous year. This was mainly due to higher net fund based income and non-fund based income, and lower expected credit losses on loans, partially offset by higher operating expenses.

Singapore loans and advances increased by 6.4% year-on-year to SGD7.0 billion, while deposits increased by 8.0% to SGD7.1 billion.

Group International Business excluding Singapore registered a pre-tax profit of RM16.0 million, 6.8% lower than the previous year. This was mainly due to lower profitability recorded in Thailand.



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2023**

B2. Current Quarter vs Previous Quarter

The Group recorded pre-tax profit of RM1,005.2 million for the first quarter ended 31 March 2023 as compared to RM1,216.7 million recorded in the preceding quarter ended 31 December 2022. The lower profitability is mainly due to lower net funding income and higher allowances for credit losses, partly offset by lower operating expenses and higher non-fund based income.

B3. Prospects for Financial Year 2023

Malaysia economy is projected to grow by 5.0% year-on-year in 2023 despite continued headwinds globally. This is supported by domestic demand which is expected to remain resilient, underpinned by strong consumer spending as the labour market and wages continue to show signs of improvement. Nevertheless, risks to the economic growth remain, primarily stemming from inflationary pressures and external developments such as slower global growth and prolonged geopolitical tensions.

On the banking industry, loans are projected to expand this year albeit at a more moderate pace, whilst the monetary policy continues to remain accommodative, displayed by the normalisation of OPR to 3.00%. Overall, the sector is expected to maintain its resilience with healthy capital and liquidity positions, as well as sufficient levels of provisioning.

Moving ahead, the Group will stay the course in executing its Together We Progress 24 (“TWP24”) strategy and continue to put emphasis on achieving quality growth, driving service excellence and improving efficiency. Managing asset quality and adopting the highest level of governance in managing our business and operations are also other key focus areas for the Group.

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 UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2023**

B5. Taxation and Zakat

	1st Quarter Ended		Three Months Ended	
	31 March	Restated 31 March	31 March	Restated 31 March
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Group				
Income tax based on profit for the financial period				
- Malaysian income tax	203,255	227,327	203,255	227,327
- Overseas tax	4,024	6,466	4,024	6,466
Deferred tax	32,049	49,477	32,049	49,477
	239,328	283,270	239,328	283,270
Under provision in respect of prior financial years	225	885	225	885
Tax expense	239,553	284,155	239,553	284,155
Zakat	3,000	1,750	3,000	1,750
	242,553	285,905	242,553	285,905

The effective tax rate of the Group for the first quarter and three months ended 31 March 2023 was lower than the statutory tax rate mainly due to certain income not subject to tax.

	1st Quarter Ended		Three Months Ended	
	31 March	31 March	31 March	31 March
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Bank				
Income tax based on profit for the financial period				
- Malaysian income tax	110,813	147,718	110,813	147,718
Deferred tax	29,499	51,666	29,499	51,666
	140,312	199,384	140,312	199,384

The effective tax rate of the Bank for the first quarter and three months ended 31 March 2023 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 UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2023**

B6. Status of Corporate Proposals

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

On 2 June 2021, the Bank entered into a MOU with Axiata Group to jointly explore the following potential strategic collaboration opportunities:

- (i) to enhance the joint customer ecosystems offering bundled digital solutions to be mutually agreed;
- (ii) to jointly apply to BNM for a digital banking license; and
- (iii) to jointly explore other potential opportunities deemed suitable.

The term of the MOU shall be for a period of two years from its commencement date on 2 June 2021 and may be extended on terms to be mutually agreed by parties.

Following the signing of the MOU, the Bank had on the same day entered into a heads of agreement with Boost Holdings Sdn Bhd ('Boost Holdings'), a 75.36% subsidiary of Axiata for the purpose of regulating the terms for the joint application to BNM for a digital banking license. The joint application for the digital bank license was submitted to BNM on 30 June 2021.

On 29 April 2022, the Bank has received conditional approval from BNM for the joint application for a digital bank license by Boost Holdings and the Bank, subject to the condition that the proposed digital bank shall commence its banking operations within 24 months from 8 April 2022.

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

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

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

(a) Target segment of Boost Berhad

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

(b) Shareholding structure of Boost Berhad

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



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2023**

B6. Status of Corporate Proposals (continued)

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

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

(c) Board composition of Boost Berhad

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

(d) Restriction on transfer

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

(e) Termination

The SHA will automatically terminate under the following conditions:

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

Subject to satisfying the operational readiness requirements by BNM and barring any unforeseen circumstances, the Proposed digital Bank is targeted to be operational in the second half of 2023, and shall focus on the underserved, unserved and/or unbanked segment primarily within Malaysia with the aim of building a more inclusive financial sector in Malaysia.



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2023**

B7. Deposits from Customers and Placements of Banks and Other Financial Institutions, Borrowings, Senior Debt Securities and Subordinated Obligations

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

	Group		Bank	
	As at 31 March 2023	As at 31 December 2022	As at 31 March 2023	As at 31 December 2022
	RM'000	RM'000	RM'000	RM'000
Deposits from customers				
- One year or less	221,326,439	222,591,295	135,272,787	133,456,396
- More than one year	5,105,967	4,568,467	3,280,296	2,633,075
	<u>226,432,406</u>	<u>227,159,762</u>	<u>138,553,083</u>	<u>136,089,471</u>
Deposits and placements of banks and other financial institutions				
- Maturing within one year	20,944,900	19,884,995	24,090,462	27,913,185
- One year to three years	1,000,117	1,286,229	957,486	1,244,784
- Three years to five years	1,435,247	1,418,630	1,348,499	1,330,913
- Over five years	2,056,736	2,004,015	1,996,249	1,956,580
	<u>25,437,000</u>	<u>24,593,869</u>	<u>28,392,696</u>	<u>32,445,462</u>

(b) Borrowings

	Group		Bank	
	As at 31 March 2023	As at 31 December 2022	As at 31 March 2023	As at 31 December 2022
	RM'000	RM'000	RM'000	RM'000
Secured				
Overdraft:				
- Vietnam Dong	-	7,312	-	-
Unsecured				
Overdraft:				
- Vietnam Dong	3,546	-	-	-
Term loan:				
- United States Dollar	443,440	442,422	443,440	442,422
- Singapore Dollar	830,664	821,154	830,664	821,154
Promissory note:				
- Indonesia Rupiah	58,920	28,304	-	-
- Thai Baht	83,913	176,993	-	-
	<u>1,420,483</u>	<u>1,476,185</u>	<u>1,274,104</u>	<u>1,263,576</u>
Scheduled repayment of borrowings:				
- Within one year	589,819	655,031	443,440	442,422
- One year to three years	830,664	821,154	830,664	821,154
	<u>1,420,483</u>	<u>1,476,185</u>	<u>1,274,104</u>	<u>1,263,576</u>



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2023**

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

(c) Senior debt securities

	Group and Bank	
	As at	As at
	31 March	31 December
	2023	2022
	RM'000	RM'000
USD300 million 3.766% senior debt securities due in 2024	1,329,439	1,339,419
RM300 million 2.85% senior Sukuk Murabahah due in 2025	303,734	301,618
USD500 million 1.658% senior debt securities due in 2026	2,213,393	2,200,153
	<u>3,846,566</u>	<u>3,841,190</u>

(d) Subordinated obligations

	Group		Bank	
	As at	As at	As at	As at
	31 March	31 December	31 March	31 December
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
4.32% RM500 million Tier II Subordinated Sukuk Murabahah 2019/2029	507,752	502,426	-	-
3.35% RM500 million Tier II Subordinated Notes 2020/2030	505,549	501,408	505,549	501,408
3.13% RM500 million Tier II Subordinated Notes 2020/2030	505,429	501,557	505,429	501,557
3.65% RM500 million Tier II Subordinated Notes 2021/2031	507,582	503,069	507,582	503,069
4.06% RM250 million Tier II Subordinated Sukuk Murabahah 2022/2032	254,505	252,002	-	-
4.40% RM500 million Tier II Subordinated Notes 2022/2032	500,049	505,524	500,049	505,524
4.45% RM100 million Tier II Subordinated Notes 2022/2032	102,195	101,097	-	-
4.51% RM500 million Tier II Subordinated Notes 2023/2033	504,244	-	504,244	-
	<u>3,387,305</u>	<u>2,867,083</u>	<u>2,522,853</u>	<u>2,011,558</u>

The subordinated obligations comprise unsecured liabilities of the Bank and its investment and islamic bank subsidiaries and are subordinated to the senior indebtedness in accordance with their respective terms and conditions of issuance and qualify as Tier II capital (as disclosed in Note A29) for the purpose of determining the capital adequacy ratios of the Bank and the respective subsidiaries.



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

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2023**

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 2023			As at 31 December 2022		
	Contract/ Notional Amount	Fair Value		Contract/ Notional Amount	Fair Value	
	RM'000	Assets RM'000	Liabilities RM'000	RM'000	Assets RM'000	Liabilities RM'000
By type						
<u>Trading Derivatives:</u>						
Foreign exchange related contracts						
- Forwards/swaps	61,668,037	436,833	431,429	61,412,057	626,384	1,027,880
- Options	159,348	8,298	200	67,140	5,104	1,633
- Cross-currency interest rate swaps	8,347,315	159,493	135,031	7,654,203	144,592	166,071
	70,174,700	604,624	566,660	69,133,400	776,080	1,195,584
Interest rate related contracts						
- Swaps	72,386,200	823,294	595,766	62,421,450	950,167	692,863
Commodity related contracts						
- Options	871,870	31,022	31,022	734,453	25,173	25,173
Equity related contracts						
- Options	599,030	390	313	652,256	728	697
Futures related contracts	70,830	461	768	78,180	559	301
Structured warrants	113,682	-	17,683	118,315	-	16,917
<u>Fair Value Hedging Derivatives:</u>						
Interest rate related contracts						
- Swaps	8,243,568	186,465	8,749	8,046,813	207,772	7,856
Total	152,459,880	1,646,256	1,220,961	141,184,867	1,960,479	1,939,391



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

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2023**

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 By type	As at 31 March 2023			As at 31 December 2022		
	Contract/ Notional Amount	Fair Value		Contract/ Notional Amount	Fair Value	
	RM'000	Assets	Liabilities	RM'000	Assets	Liabilities
<u>Trading Derivatives:</u>						
Foreign exchange related contracts						
- Forwards/swaps	64,194,356	453,315	440,915	63,723,851	646,548	1,010,057
- Options	159,348	8,298	200	67,140	5,104	1,633
- Cross-currency interest rate swaps	8,854,872	159,493	135,169	8,160,867	144,592	166,222
	<u>73,208,576</u>	<u>621,106</u>	<u>576,284</u>	<u>71,951,858</u>	<u>796,244</u>	<u>1,177,912</u>
Interest rate related contracts						
- Swaps	80,576,200	930,839	703,855	70,611,450	1,071,314	814,679
Commodity related contracts						
- Options	872,352	31,022	31,022	734,733	25,173	25,173
Equity related contracts						
- Options	599,230	390	313	652,366	728	697
<u>Fair Value Hedging Derivatives:</u>						
Interest rate related contracts						
- Swaps	4,443,568	87,096	573	4,246,813	94,017	464
Total	<u>159,699,926</u>	<u>1,670,453</u>	<u>1,312,047</u>	<u>148,197,220</u>	<u>1,987,476</u>	<u>2,018,925</u>



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

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2023**

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 2023			As at 31 December 2022		
	Contract/ Notional Amount	Fair Value		Contract/ Notional Amount	Fair Value	
	RM'000	Assets RM'000	Liabilities RM'000	RM'000	Assets RM'000	Liabilities RM'000
By remaining period to maturity/next re-pricing date						
Trading Derivatives:						
Foreign exchange related contracts						
- Less than one year	62,529,938	498,564	437,449	62,316,756	686,501	1,066,161
- One year to three years	3,731,815	30,936	91,853	3,031,334	21,863	70,317
- More than three years	3,912,947	75,124	37,358	3,785,310	67,716	59,106
	<u>70,174,700</u>	<u>604,624</u>	<u>566,660</u>	<u>69,133,400</u>	<u>776,080</u>	<u>1,195,584</u>
Interest rate related contracts						
- Less than one year	24,652,548	90,138	81,250	18,184,828	70,522	68,977
- One year to three years	20,681,200	263,730	216,177	19,542,889	274,253	247,780
- More than three years	27,052,452	469,426	298,339	24,693,733	605,392	376,106
	<u>72,386,200</u>	<u>823,294</u>	<u>595,766</u>	<u>62,421,450</u>	<u>950,167</u>	<u>692,863</u>
Commodity related contracts						
- Less than one year	404,359	7,078	7,078	267,363	3,020	3,020
- One year to three years	173,893	5,068	5,068	173,756	5,712	5,712
- More than three years	293,618	18,876	18,876	293,334	16,441	16,441
	<u>871,870</u>	<u>31,022</u>	<u>31,022</u>	<u>734,453</u>	<u>25,173</u>	<u>25,173</u>
Equity related contracts						
- Less than one year	575,220	310	313	649,166	728	697
- One year to three years	23,810	80	-	3,090	-	-
	<u>599,030</u>	<u>390</u>	<u>313</u>	<u>652,256</u>	<u>728</u>	<u>697</u>
Futures related contracts						
- Less than one year	70,830	461	768	78,180	559	301
	<u>70,830</u>	<u>461</u>	<u>768</u>	<u>78,180</u>	<u>559</u>	<u>301</u>
Structured warrants						
- Less than one year	113,682	-	17,683	118,315	-	16,917
	<u>113,682</u>	<u>-</u>	<u>17,683</u>	<u>118,315</u>	<u>-</u>	<u>16,917</u>
Fair Value Hedging Derivatives:						
Interest rate related contracts						
- Less than one year	630,000	-	872	500,000	-	932
- One year to three years	4,464,955	55,012	7,877	4,105,000	64,187	4,317
- More than three years	3,148,613	131,453	-	3,441,813	143,585	2,607
	<u>8,243,568</u>	<u>186,465</u>	<u>8,749</u>	<u>8,046,813</u>	<u>207,772</u>	<u>7,856</u>
Total	<u>152,459,880</u>	<u>1,646,256</u>	<u>1,220,961</u>	<u>141,184,867</u>	<u>1,960,479</u>	<u>1,939,391</u>



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

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2023**

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 2023			As at 31 December 2022		
	Contract/ Notional Amount	Fair Value		Contract/ Notional Amount	Fair Value	
		Assets	Liabilities		Assets	Liabilities
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
By remaining period to maturity/next re-pricing date						
<u>Trading Derivatives:</u>						
Foreign exchange related contracts						
- Less than one year	65,563,814	515,046	446,935	65,135,214	706,665	1,048,338
- One year to three years	3,731,815	30,936	91,913	2,922,549	21,863	70,317
- More than three years	3,912,947	75,124	37,436	3,894,095	67,716	59,257
	73,208,576	621,106	576,284	71,951,858	796,244	1,177,912
Interest rate related contracts						
- Less than one year	26,242,548	90,925	82,581	19,774,828	71,454	70,578
- One year to three years	23,681,200	284,751	237,197	21,912,889	294,265	267,791
- More than three years	30,652,452	555,163	384,077	28,923,733	705,595	476,310
	80,576,200	930,839	703,855	70,611,450	1,071,314	814,679
Commodity related contracts						
- Less than one year	404,570	7,078	7,078	267,486	3,020	3,020
- One year to three years	196,664	5,068	5,068	196,413	5,712	5,712
- More than three years	271,118	18,876	18,876	270,834	16,441	16,441
	872,352	31,022	31,022	734,733	25,173	25,173
Equity related contracts						
- Less than one year	575,420	310	313	649,276	728	697
- One year to three years	23,810	80	-	3,090	-	-
	599,230	390	313	652,366	728	697
<u>Fair Value Hedging Derivatives:</u>						
Interest rate related contracts						
- Less than one year	130,000	-	85	-	-	-
- One year to three years	2,964,955	41,380	488	2,920,000	48,028	464
- More than three years	1,348,613	45,716	-	1,326,813	45,989	-
	4,443,568	87,096	573	4,246,813	94,017	464
Total	159,699,926	1,670,453	1,312,047	148,197,220	1,987,476	2,018,925



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2023**

B8. Derivative Financial Instruments (continued)

(b) Related accounting policies

Derivative financial instruments and hedge accounting

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

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

(i) Fair value hedge

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

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

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

For financial instruments measured at amortised cost, if the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to the income statements over the period to maturity and recorded as other operating income. Effective interest rate amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged. If the hedged item is derecognised, the unamortised fair value adjustment is recognised immediately in the income statements.

(ii) Net investment hedge

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

(iii) Derivatives that do not qualify for hedge accounting

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



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2023**

B9. Fair Value of Financial Instruments

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

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

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

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

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

Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
31 March 2023				
<u>Financial assets</u>				
Financial assets at FVTPL:	227,258	2,319,527	715,306	3,262,091
- Money market instruments	-	1,099,779	-	1,099,779
- Quoted securities	227,258	-	-	227,258
- Unquoted securities	-	1,219,748	715,306	1,935,054
Financial assets at FVOCI:	2,567	40,854,848	738,009	41,595,424
- Money market instruments	-	15,986,215	-	15,986,215
- Quoted securities	2,567	-	-	2,567
- Unquoted securities	-	24,868,633	738,009	25,606,642
Derivative assets	-	1,646,256	-	1,646,256
	<u>229,825</u>	<u>44,820,631</u>	<u>1,453,315</u>	<u>46,503,771</u>
<u>Financial liabilities</u>				
Derivative liabilities	<u>17,683</u>	<u>1,203,278</u>	<u>-</u>	<u>1,220,961</u>
31 December 2022				
<u>Financial assets</u>				
Financial assets at FVTPL:	203,044	2,181,525	704,842	3,089,411
- Money market instruments	-	877,102	-	877,102
- Quoted securities	203,044	-	-	203,044
- Unquoted securities	-	1,304,423	704,842	2,009,265
Financial assets at FVOCI:	2,503	38,233,244	737,942	38,973,689
- Money market instruments	-	15,815,150	-	15,815,150
- Quoted securities	2,503	-	-	2,503
- Unquoted securities	-	22,418,094	737,942	23,156,036
Derivative assets	-	1,960,479	-	1,960,479
	<u>205,547</u>	<u>42,375,248</u>	<u>1,442,784</u>	<u>44,023,579</u>
<u>Financial liabilities</u>				
Derivative liabilities	<u>16,917</u>	<u>1,922,474</u>	<u>-</u>	<u>1,939,391</u>



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2023**

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 2023				
<u>Financial assets</u>				
Financial assets at FVTPL:	1,393	1,100,298	15,585	1,117,276
- Money market instruments	-	925,647	-	925,647
- Quoted securities	1,393	-	-	1,393
- Unquoted securities	-	174,651	15,585	190,236
Financial assets at FVOCI:	-	34,756,816	699,084	35,455,900
- Money market instruments	-	13,748,499	-	13,748,499
- Unquoted securities	-	21,008,317	699,084	21,707,401
Derivative assets	-	1,670,453	-	1,670,453
	1,393	37,527,567	714,669	38,243,629
<u>Financial liabilities</u>				
Derivative liabilities	-	1,312,047	-	1,312,047
31 December 2022				
<u>Financial assets</u>				
Financial assets at FVTPL:	2,528	1,062,880	15,358	1,080,766
- Money market instruments	-	785,105	-	785,105
- Quoted securities	2,528	-	-	2,528
- Unquoted securities	-	277,775	15,358	293,133
Financial assets at FVOCI:	-	32,293,277	699,024	32,992,301
- Money market instruments	-	13,804,683	-	13,804,683
- Unquoted securities	-	18,488,594	699,024	19,187,618
Derivative assets	-	1,987,476	-	1,987,476
	2,528	35,343,633	714,382	36,060,543
<u>Financial liabilities</u>				
Derivative liabilities	-	2,018,925	-	2,018,925

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

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2023**
B9. Fair Value of Financial Instruments (continued)
(i) Valuation techniques

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

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

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

(ii) Reconciliation of fair value movements in Level 3

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

	Group		Bank	
	As at 31 March 2023	As at 31 December 2022	As at 31 March 2023	As at 31 December 2022
	RM'000	RM'000	RM'000	RM'000
Financial assets at FVTPL				
Balance as at the beginning of the financial period/year	704,842	641,145	15,358	14,482
Total net gain recognised in income statements	15,668	22,504	-	-
Purchases	13,508	8,971	227	876
Settlement/distribution	(19,720)	(3,915)	-	-
Exchange differences	1,008	36,137	-	-
Balance as at the end of the financial period/year	715,306	704,842	15,585	15,358
Financial assets at FVOCI				
Balance as at the beginning of the financial period/year	737,942	758,833	699,024	721,769
Total net gain/(loss) recognised in other comprehensive income	60	(19,877)	60	(21,725)
Settlement/disposal	-	(1,020)	-	(1,020)
Exchange differences	7	6	-	-
Balance as at the end of the financial period/year	738,009	737,942	699,084	699,024

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2023****B10. Change in Accounting Policies****(1) Adoption of MFRS 17 'Insurance Contracts'**

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

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

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

(a) Key types of insurance contracts issued and reinsurance contracts held

The insurance subsidiary issues general insurance contracts of property & casualty and medical & health with coverage of one year or less. These contracts are accounted for applying the Premium Allocation Approach ('PAA').

The insurance subsidiary also holds the following types of reinsurance contracts to mitigate risk exposure:

- Reinsurance policies (excluding excess of loss) accounted for by applying the General Measurement Model ('GMM'); and
- Excess of Loss reinsurance contracts accounted for by applying the PAA.

(b) Definition and classification

Products sold by the insurance subsidiary are classified as insurance contracts when the insurance subsidiary accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder.

This assessment is made on a contract-by-contract basis at the contract issue date. In making this assessment, the insurance subsidiary considers all its substantive rights and obligations, whether they arise from contract, law or regulation.

The insurance subsidiary determines whether a contract contains significant insurance risk by assessing if an insured event could cause the insurance subsidiary to pay to the policyholder additional amounts that are significant in any single scenario with commercial substance even if the insured event is extremely unlikely or the expected present value of the contingent cash flows is a small proportion of the expected present value of the remaining cash flows from the insurance contract.

(c) Combining a set or series of contracts

Sometimes, the insurance subsidiary enters into two or more contracts at the same time with the same or related counterparties to achieve an overall commercial effect. The insurance subsidiary accounts for such a set of contracts as a single insurance contract when this reflects the substance of the contracts. When making this assessment, the insurance subsidiary considers whether:

- The rights and obligations are different when looked at together compared to when looked at individually; or
- The insurance subsidiary is unable to measure one contract without considering the other.

(d) Separating components from insurance and reinsurance contracts

In addition to the provision of the insurance coverage service, some insurance contracts issued by the insurance subsidiary have other components such as an investment component, an embedded derivative or the provision of some other distinct goods or non-insurance services.

The insurance subsidiary assesses its products to determine whether some of these components are distinct and need to be separated and accounted for applying other MFRS Accounting Standards. When these non-insurance components are non-distinct, they are accounted for together with the insurance component applying MFRS 17.

The insurance subsidiary first considers the need to separate distinct embedded derivatives and investment components, before assessing the need to separate any goods and non-insurance services component.

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2023****B10. Change in Accounting Policies (continued)****(1) Adoption of MFRS 17 'Insurance Contracts' (continued)**

Set out below are the changes and impact arising from the adoption of MFRS 17 to the Group (continued):

(e) Level of aggregation

The insurance subsidiary identifies portfolios by aggregating insurance contracts that are subject to similar risks and managed together. In grouping insurance contracts into portfolios, the insurance subsidiary considers the similarity of risks rather than the specific labelling of product lines. The insurance subsidiary has determined that all contracts within each product line, as defined for management purposes, have similar risks. Therefore, when contracts are managed together, they represent a portfolio of contracts.

At initial recognition, the insurance subsidiary segregates contracts based on when they were issued. A cohort contains all contracts that were issued within a 12-month period. Each cohort is then further disaggregated into three groups of contracts:

- Contracts that are onerous on initial recognition;
- Contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently; and
- Any remaining contracts.

For insurance contracts accounted under the PAA, the insurance subsidiary determines that contracts are not onerous on initial recognition, unless there are facts and circumstances indicating otherwise. The insurance subsidiary assesses the likelihood of changes in applicable facts and circumstances to determine whether contracts not onerous on initial recognition belong to a group with no significant possibility of becoming onerous in the future.

If facts and circumstances indicate that some contracts may be onerous at initial recognition or the group of contracts has become onerous, the insurance subsidiary performs a quantitative assessment to assess whether the carrying amount of the liability for remaining coverage determined under the PAA is less than the fulfilment cash flows related to remaining coverage determined under the GMM. If the fulfilment cash flows related to remaining coverage determined under the GMM exceed the PAA carrying amount of the liability for remaining coverage, the difference is recognised in profit or loss and the liability for remaining coverage is increased by the same amount.

(f) Recognition

The insurance subsidiary recognises insurance contracts issued from the earliest of the following dates:

- The beginning of the coverage period of the group of contracts;
- The date of first payment from a policyholder; or
- The date when a group of contracts becomes onerous.

The insurance subsidiary recognises only contracts issued within a one-year period meeting the recognition criteria by the reporting date. Subject to this limit, a group of insurance contracts can remain open after the end of the current reporting period. New contracts are included in the group when they meet the recognition criteria in subsequent reporting periods until such time that all contracts expected to be included within the group have been recognised.

(g) Contract boundaries

The measurement of a group of insurance contracts includes all future cash flows expected to arise within the boundary of each contract in the group.

In determining which cash flows fall within a contract boundary, the insurance subsidiary considers its substantive rights and obligations arising from the terms of the contract, and from applicable laws, regulations and customary business practices.

(h) Measurement of insurance contracts issued

The insurance revenue is measured at the amount allocated from the expected premium receipts, excluding any investment component. The allocation is done on the basis of the passage of time.

The insurance subsidiary applies the PAA to the measurement of insurance contracts with a coverage period of each contract in the group of one year or less. On initial recognition, the insurance subsidiary measures the liability for remaining coverage ('LRC') at the amount of premiums received in cash. All insurance acquisition cash flows are amortised over the contract's coverage period.

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2023****B10. Change in Accounting Policies (continued)****(1) Adoption of MFRS 17 'Insurance Contracts' (continued)**

Set out below are the changes and impact arising from the adoption of MFRS 17 to the Group (continued):

(h) Measurement of insurance contracts issued (continued)

Premiums due to the insurance subsidiary for insurance contract services already provided in the period but not yet received at the end of the reporting period are included in the LRC. The carrying amount of the LRC at the end of each subsequent reporting period represents the carrying amount at the start of the reporting period adjusted for the premiums received in the period and the amount recognised as insurance revenue for insurance contract services provided in that period.

The insurance subsidiary also applies the PAA to its excess of loss reinsurance contracts held. The coverage period of such reinsurance contracts held is one year or less.

(i) Reinsurance contracts held

The insurance subsidiary measures the carrying amount of a group of insurance contracts at the end of each reporting period as the sum of:

- (i) the liability for remaining coverage comprising fulfilment cash flows related to future service allocated to the group at that date and the contract service margin ('CSM') of the group at that date; and
- (ii) the liability for incurred claims for the insurance subsidiary comprising the fulfilment cash flows related to past service allocated to the group at that date.

The measurement of reinsurance contracts held follows the same principles as those for insurance contracts issued, with the exception of the following:

- Changes in the fulfilment cash flows are recognised in profit or loss if the related changes arising from the underlying ceded contracts have been recognised in profit or loss. Alternatively, changes in the fulfilment cash flows adjust the CSM; and
- Changes in the fulfilment cash flows that result from changes in the risk of non-performance by the issuer of a reinsurance contract held do not adjust the contractual service margin as they do not relate to future service.

Any change in the fulfilment cash flows of a retrospective reinsurance contract held due to the changes of the liability for incurred claims of the underlying contracts is taken to profit and loss and not the contractual service margin of the reinsurance contract held.

Where a loss component has been set up subsequent to initial recognition of a group of underlying insurance contracts, the portion of income that has been recognised from related reinsurance contracts held is disclosed as a loss-recovery component.

Where the insurance subsidiary has established a loss-recovery component, the insurance subsidiary adjusts the loss-recovery component to reflect changes in the loss component of an onerous group of underlying insurance contracts.

A loss-recovery component reversals are consistent with reversal of the loss component of underlying groups of contracts issued, even when a reversal of the loss-recovery component is not a change in the fulfilment cash flows of the group of reinsurance contracts held. Reversals of the loss-recovery component that are not changes in the fulfilment cash flows of the group of reinsurance contracts held will be adjusted to the CSM.

(j) Modification and derecognition

The insurance subsidiary derecognises insurance contracts when:

- The rights and obligations relating to the contract are extinguished (i.e. discharged, cancelled or expired); or
- The contract is modified such that the modification results in a change in the measurement model or the applicable standard for measuring a component of the contract, substantially changes the contract boundary, or requires the modified contract to be included in a different group. In such cases, the insurance subsidiary derecognises the initial contract and recognises the modified contract as a new contract.

When a modification is not treated as a derecognition, the insurance subsidiary recognises amounts paid or received for the modification with the contract as an adjustment to the relevant liability for remaining coverage.

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2023****B10. Change in Accounting Policies (continued)****(1) Adoption of MFRS 17 'Insurance Contracts' (continued)**

Set out below are the changes and impact arising from the adoption of MFRS 17 to the Group (continued):

(k) Presentation

The insurance subsidiary has presented separately, in the statement of financial position, the carrying amount of portfolios of insurance contracts issued that are assets, portfolios of insurance contracts issued that are liabilities, portfolios of reinsurance contracts held that are assets and portfolios of reinsurance contracts held that are liabilities.

Any assets for insurance acquisition cash flows recognised before the corresponding insurance contracts are included in the carrying amount of the related groups of insurance contracts are allocated to the carrying amount of the portfolios of insurance contracts that they relate to.

The insurance subsidiary disaggregates the total amount recognised in the statement of profit or loss and other comprehensive income into an insurance service result, comprising insurance revenue and insurance service expense, and insurance finance income or expenses.

The insurance subsidiary does not disaggregate the change in risk adjustment for non-financial risk between a financial and non-financial portion and includes the entire change as part of the insurance service result.

The insurance subsidiary separately presents income or expenses from reinsurance contracts held from the expenses or income from insurance contracts issued.

Insurance revenue

The insurance subsidiary recognises insurance revenue for the period based on the passage of time by allocating expected premium receipts including premium experience adjustments to each period of service. However, when the expected pattern of release from risk during the coverage period differs significantly from the passage of time, the premium receipts are allocated based on the expected pattern of incurred insurance service expenses.

At the end of each reporting period, the insurance subsidiary considers whether there was a change in facts and circumstances indicating a need to change, on a prospective basis, the premium receipt allocation due to changes in the expected pattern of claim occurrence.

Insurance service expenses

Insurance service expenses arising from a group of insurance contracts issued comprises:

- Changes in the liability for incurred claims ('LIC') related to claims and expenses incurred in the period excluding repayment of investment components;
- Changes in the LIC related to claims and expenses incurred in prior periods (related to past service);
- Other directly attributable insurance service expenses incurred in the period;
- Amortisation of insurance acquisition cash flows, which is recognised at the same amount in both insurance service expenses and insurance contract revenue;
- Loss component of onerous groups of contracts initially recognised in the period; and
- Changes in the LRC related to future service that do not adjust the CSM, because they are changes in the loss components of onerous groups of contracts.

Income or expenses from reinsurance contracts held

The Group presents income or expenses from a group of reinsurance contracts held and reinsurance finance income or expenses in profit or loss for the period separately. Income or expenses from reinsurance contracts held are split into the following two amounts:

- Amount recovered from reinsurers; and
- An allocation of the premiums paid.



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2023**

B10. Change in Accounting Policies (continued)

(1) Adoption of MFRS 17 'Insurance Contracts' (continued)

Set out below are the changes and impact arising from the adoption of MFRS 17 to the Group (continued):

(k) Presentation (continued)

Income or expenses from reinsurance contracts held (continued)

The insurance subsidiary presents cash flows that are contingent on claims as part of the amount recovered from reinsurers. Ceding commissions that are not contingent on claims of the underlying contracts are presented as a deduction in the premiums to be paid to the reinsurer which is then allocated to profit or loss.

The insurance subsidiary establishes a loss-recovery component of the asset for the remaining coverage for a group of reinsurance contracts held. This depicts the recovery of losses recognised on the initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to a group. The loss-recovery component adjusts the CSM of the group of reinsurance contracts held. The loss-recovery component is then adjusted to reflect:

- Changes in the fulfilment cash flows of the underlying insurance contracts that relate to future service and do not adjust the CSM of the respective groups to which the underlying insurance contracts belong to;
- Reversals of loss-recovery component to the extent those reversals are not changes in the fulfilment cash flows of the group of reinsurance contracts held; and
- Allocations of the loss-recovery component against the amounts recovered from reinsurers reported in line with the associated reinsured incurred claims or expenses.

Insurance finance income and expense

Insurance finance income or expenses present the effect and change of the time value of money, together with the effect of financial risk and changes in financial risk of a group of insurance contracts and a group of reinsurance contracts held.



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2023**

B10. Change in Accounting Policies (continued)

(2) Financial effects on adoption of MFRS 17

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

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

Group	As previously reported	Effect of MFRS 17	As restated
As at 31 December 2022	RM'000	RM'000	RM'000
ASSETS			
Cash and short-term funds	19,134,835	-	19,134,835
Securities purchased under resale agreements	101,258	-	101,258
Deposits and placements with banks and other financial institutions	652,365	-	652,365
Financial assets at FVTPL	3,089,411	-	3,089,411
Financial assets at FVOCI	38,973,689	-	38,973,689
Financial investments at amortised cost	27,006,708	-	27,006,708
Loans, advances and financing	208,378,584	-	208,378,584
Clients' and brokers' balances	741,140	-	741,140
Reinsurance assets	505,600	17,320	522,920
Other assets	1,441,036	(28,655)	1,412,381
Derivative assets	1,960,479	-	1,960,479
Statutory deposits	3,429,582	-	3,429,582
Tax recoverable	121,033	-	121,033
Deferred tax assets	625,092	(5,584)	619,508
Investments in associates and joint venture	25	-	25
Right-of-use assets	152,305	-	152,305
Property, plant and equipment	1,060,577	-	1,060,577
Goodwill	2,654,122	-	2,654,122
Intangible assets	760,340	-	760,340
TOTAL ASSETS	310,788,181	(16,919)	310,771,262
LIABILITIES			
Deposits from customers	227,159,762	-	227,159,762
Deposits and placements of banks and other financial institutions	24,593,869	-	24,593,869
Obligations on securities sold under repurchase agreements	7,298,911	-	7,298,911
Investment accounts	1,246,026	-	1,246,026
Bills and acceptances payable	249,679	-	249,679
Clients' and brokers' balances	776,789	-	776,789
General insurance contract liabilities	1,171,546	(62,080)	1,109,466
Other liabilities	4,075,904	21,597	4,097,501
Derivative liabilities	1,939,391	-	1,939,391
Recourse obligation on loans sold to Cagamas	4,786,746	-	4,786,746
Provision for taxation and zakat	396,041	-	396,041
Deferred tax liabilities	2,187	1,411	3,598
Lease liabilities	160,632	-	160,632
Borrowings	1,476,185	-	1,476,185
Senior debt securities	3,841,190	-	3,841,190
Subordinated obligations	2,867,083	-	2,867,083
TOTAL LIABILITIES	282,041,941	(39,072)	282,002,869
EQUITY			
Share capital	8,145,585	-	8,145,585
Reserves	20,569,508	20,979	20,590,487
Equity attributable to holders of the Bank	28,715,093	20,979	28,736,072
NCI	31,147	1,174	32,321
TOTAL EQUITY	28,746,240	22,153	28,768,393
TOTAL LIABILITIES AND EQUITY	310,788,181	(16,919)	310,771,262



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2023**

B10. Change in Accounting Policies (continued)

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

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

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

Group	As previously reported	Effect of MFRS 17	As restated
As at 1 January 2022	RM'000	RM'000	RM'000
ASSETS			
Cash and short-term funds	19,831,323	-	19,831,323
Deposits and placements with banks and other financial institutions	3,486,773	-	3,486,773
Financial assets at FVTPL	2,778,239	-	2,778,239
Financial assets at FVOCI	41,140,873	-	41,140,873
Financial investments at amortised cost	17,961,511	-	17,961,511
Loans, advances and financing	194,896,614	-	194,896,614
Clients' and brokers' balances	879,595	-	879,595
Reinsurance assets	435,342	2,873	438,215
Other assets	1,728,260	(48,238)	1,680,022
Derivative assets	718,615	-	718,615
Statutory deposits	635,012	-	635,012
Tax recoverable	131,283	-	131,283
Deferred tax assets	377,825	(3,271)	374,554
Investments in associates and joint venture	12	-	12
Right-of-use assets	174,482	-	174,482
Property, plant and equipment	1,016,824	-	1,016,824
Goodwill	2,654,122	-	2,654,122
Intangible assets	694,753	-	694,753
TOTAL ASSETS	289,541,458	(48,636)	289,492,822
LIABILITIES			
Deposits from customers	218,732,585	-	218,732,585
Deposits and placements of banks and other financial institutions	23,406,827	-	23,406,827
Obligations on securities sold under repurchase agreements	2,066,068	-	2,066,068
Investment accounts	581,291	-	581,291
Bills and acceptances payable	210,119	-	210,119
Clients' and brokers' balances	948,511	-	948,511
General insurance contract liabilities	1,068,687	(103,546)	965,141
Other liabilities	4,046,582	(12,362)	4,034,220
Derivative liabilities	887,926	-	887,926
Recourse obligation on loans sold to Cagamas	2,259,895	-	2,259,895
Provision for taxation and zakat	124,163	-	124,163
Deferred tax liabilities	55	11,628	11,683
Lease liabilities	182,607	-	182,607
Borrowings	127,380	-	127,380
Senior debt securities	3,646,369	-	3,646,369
Subordinated obligations	3,221,882	-	3,221,882
TOTAL LIABILITIES	261,510,947	(104,280)	261,406,667
EQUITY			
Share capital	7,612,612	-	7,612,612
Reserves	20,385,716	52,695	20,438,411
Equity attributable to holders of the Bank	27,998,328	52,695	28,051,023
NCI	32,183	2,949	35,132
TOTAL EQUITY	28,030,511	55,644	28,086,155
TOTAL LIABILITIES AND EQUITY	289,541,458	(48,636)	289,492,822


RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2023**
B10. Change in Accounting Policies (continued)
(2) Financial effects on adoption of MFRS 17 (continued)

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

(ii) Income statement:

Group	As previously reported	Effect of MFRS 17	As restated
Three months ended 31 March 2022	RM'000	RM'000	RM'000
Interest income	1,580,628	-	1,580,628
Interest expense	(590,686)	56	(590,630)
Net interest income	989,942	56	989,998
Other operating income	404,562	(50,588)	353,974
Of which			
- Underwriting surplus before management expenses	66,203	(66,203)	-
- Insurance service result	-	18,122	18,122
- Net insurance finance expenses	-	(2,507)	(2,507)
Income from Islamic Banking business	508,939	-	508,939
Net income	1,903,443	(50,532)	1,852,911
Other operating expenses	(859,076)	28,188	(830,888)
Operating profit before allowances	1,044,367	(22,344)	1,022,023
Allowance for credit losses on financial assets	(153,815)	-	(153,815)
	890,552	(22,344)	868,208
Share of results of joint venture	(2)	-	(2)
Profit before taxation and zakat	890,550	(22,344)	868,206
Taxation and zakat	(289,298)	3,393	(285,905)
Net profit for the financial period	601,252	(18,951)	582,301
Attributable to:			
- Equity holders of the Bank	600,267	(17,939)	582,328
- Non-controlling interests	985	(1,012)	(27)
	601,252	(18,951)	582,301
Basic earnings per share (sen)	14.5	(0.4)	14.1

(iii) Reconciliation of retained earnings:

Group	As previously reported	Effect of MFRS 17	As restated
	RM'000	RM'000	RM'000
As at 31 December 2022	19,411,713	20,979	19,432,692
As at 1 January 2022	18,924,198	52,695	18,976,893



RHB BANK BERHAD

Registration No. 196501000373 (6171-M)

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2023**

B11. Dividends

No dividend has been declared for the first quarter ended 31 March 2023.

B12. Earnings per Share ('EPS')

(a) Basic earnings per share

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

	1st Quarter Ended		Three Months Ended	
	31 March	Restated 31 March	31 March	Restated 31 March
	2023	2022	2023	2022
Profit attributable to equity holders of the Bank (RM'000)	761,668	582,328	761,668	582,328
Weighted average number of ordinary shares in issue ('000)	4,247,374	4,142,918	4,247,374	4,142,918
Basic earnings per share (sen)	17.9	14.1	17.9	14.1

(b) Diluted earnings per share

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

BY ORDER OF THE BOARD

AZMAN SHAH MD YAMAN
(License No. LS0006901)

Company Secretary
26 May 2023