RHB INVESTMENT BANK BERHAD

(Incorporated in Malaysia)

Registration No. 197401002639 (19663-P)

STATUTORY FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

SECRETARIES

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

REGISTERED OFFICE

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

AUDITORS

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

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DIRECTORS' REPORT

The Directors hereby submit their report together with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2023.

PRINCIPAL ACTIVITIES

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

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

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

FINANCIAL RESULTS

	Group	Bank
	RM'000	**RM'000**
Net profit for the financial year attributable to:		
- Equity holder of the Bank	**116,041**	**89,855**
- Non-controlling interests	**1,117**	**-**
Net profit for the financial year	**117,158**	**89,855**

DIVIDENDS

The dividend paid by the Bank since 31 December 2022 was as follows:

	RM'000
In respect of the financial year ended 31 December 2022:	
Single-tier interim dividend of 50.00 sen per ordinary share, paid on 27 March 2023	**40,000**

The Directors proposed an interim single-tier dividend of 82.50 sen per ordinary share, amounting to RM66,000,000 in respect of the current financial year ended 31 December 2023, which was approved by the Board of Directors on 22 January 2024.

The financial statements for the current financial year do not reflect this interim single-tier dividend. This dividend payment will be accounted for in the shareholder's equity as an appropriation of retained profits in the financial year ending 31 December 2024.

The Directors do not propose any final dividend for the financial year ended 31 December 2023.

RESERVES AND PROVISIONS

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

DIRECTORS' REPORT (CONTINUED)

ISSUE OF SHARES

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

BAD AND DOUBTFUL DEBTS AND FINANCING

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

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

CURRENT ASSETS

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

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

VALUATION METHOD

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

CONTINGENT AND OTHER LIABILITIES

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

(a) any charge on the assets of the Group and the Bank which has arisen since the end of the financial year which secures the liabilities of any other person; or

(b) any contingent liability of the Group and the Bank which has arisen since the end of the financial year other than in the ordinary course of business.

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

DIRECTORS' REPORT (CONTINUED)

CHANGE OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

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

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

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

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

SUBSEQUENT EVENT AFTER THE FINANCIAL YEAR

Subsequent event after the financial year is disclosed in Note 54 to the financial statements.

DIRECTORS

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

Tan Sri Ong Leong Huat @ Wong Joo Hwa	
Chin Yoong Kheong	
Dato' Siow Kim Lun @ Siow Kim Lin	
Datuk Iain John Lo	
Hijah Arifakh Binti Othman	
Datuk Chung Chee Leong	(Appointed on 24 November 2023)
Ganesaratnam A/L M.K. Sabaratnam	
Yap Chee Meng	(Resigned on 22 May 2023)

Pursuant to Clause 97 of the Bank's Constitution, Datuk Chung Chee Leong shall retire at the forthcoming Annual General Meeting and, being eligible, offer himself for re-election.

Pursuant to Clause 95 of the Bank's Constitution, Tan Sri Ong Leong Huat @ Wong Joo Hwa and Mr. Chin Yoong Kheong shall retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

By way of relief order dated 24 January 2024 granted by the Companies Commission of Malaysia, the names of Directors of subsidiaries as required under Section 253(2) of the Companies Act 2016 have not been disclosed in this Report. Their names are set out in the respective subsidiaries' Directors' Report or financial statements and the said information is deemed incorporated herein by such reference and shall form part hereof.

DIRECTORS' REPORT (CONTINUED)

DIRECTORS' INTERESTS IN SECURITIES

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

	Number of ordinary shares				
Ultimate Holding Company **RHB Bank Berhad**	**As at 01.01.2023**	**Bought**	**DRP**	**Sold**	**As at 31.12.2023**
Tan Sri Ong Leong Huat @ Wong Joo Hwa					
- Indirect *	33,499	-	338 ^	-	**33,837**
- Indirect #	434,197,406	-	4,580,139 ^	-	**438,777,545**
Chin Yoong Kheong					
- Indirect *	6,307	-	-	-	**6,307**
Dato' Siow Kim Lun @ Siow Kim Lin					
- Direct	10,295	-	-	-	**10,295**
- Indirect *	1,847	1,200	-	-	**3,047**

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

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

DIRECTORS' REPORT (CONTINUED)

SHARE GRANT SCHEME ('SGS')

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

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

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

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

Award date	Fair value	Awarded	Vesting date
	RM	Unit'000	
4 July 2022 - First grant	5.71	4,685	3 July 2025
22 May 2023 - Second grant	5.50	5,445	30 June 2026

The movement of the SGS shares granted by RHB Bank Berhad during the financial year ended 31 December 2023 is as follows:

	Number of SGS shares (Unit'000)			
Award date	As at 01.01.2023	Awarded	Forfeited	As at 31.12.2023
	Unit'000	Unit'000	Unit'000	Unit'000
4 July 2022 - First grant	4,557	-	(264)	4,293
22 May 2023 - Second grant	-	5,445	(155)	5,290

The movements of the SGS shares applicable to Eligible Employees of the Group and the Bank during the financial year ended 31 December 2023 are as follows:

	As at 01.01.2023	Awarded	Adjustment*	Forfeited	As at 31.12.2023
	Unit'000	Unit'000	Unit'000	Unit'000	Unit'000
Group					
4 July 2022 - First grant	872	-	20	-	892
22 May 2023 - Second grant	-	1,060	20	(10)	1,070
Bank					
4 July 2022 - First grant	720	-	-	-	720
22 May 2023 - Second grant	-	855	-	(10)	845

* Adjustment relates to changes in Eligible Employees during the financial year.

As at 31 December 2023, SGS shares awarded to the Managing Director of the Group and the Bank are as follows:

	Group and Bank Number of SGS shares awarded Unit'000
	Ganesaratnam A/L M.K. Sabaratnam
Award date	
4 July 2022 - First grant	50
22 May 2023 - Second grant	50

RHB INVESTMENT BANK BERHAD
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DIRECTORS' REPORT (CONTINUED)

DIRECTORS' BENEFITS

Total Directors' remuneration for the Group and the Bank for the financial year ended 31 December 2023 are RM4,970,000 and RM4,253,000 respectively.

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

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

IMMEDIATE AND ULTIMATE HOLDING COMPANY

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

SUBSIDIARIES

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

AUDITORS' REMUNERATION

Total auditors' remuneration for the Group and the Bank for the financial year ended 31 December 2023 are RM1,586,000 and RM555,000 respectively.

AUDITORS

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

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

TAN SRI ONG LEONG HUAT @ WONG JOO HWA
CHAIRMAN

GANESARATNAM A/L M.K. SABARATNAM
MANAGING DIRECTOR

Kuala Lumpur
27 February 2024

RHB INVESTMENT BANK BERHAD
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REPORT OF THE SHARIAH ADVISOR

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

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

We have reviewed the principles and the contracts relating to the transactions and applications introduced by the Bank during the financial year ended 31 December 2023.

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

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

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

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

In our opinion:

(a) the main sources of income of the Bank, in relation to the Islamic stockbroking services, during the financial year ended 31 December 2023 that we have reviewed are in compliance with the Shariah rules and principles;
(b) all earnings, in relation to the Islamic stockbroking services, that have been realised from sources or by means prohibited by the Shariah principles have been considered for disposal to charitable causes;
(c) the contracts and legal documents of the products, relating to the Islamic stockbroking services, used by the Bank that we have reviewed are in compliance with the Shariah rules and principles;
(d) the Islamic stockbroking products proposals including concept used by the Bank which have been reviewed and advised by us are in compliance with the Shariah rules and principles; and
(e) nothing has come to our attention that causes us to believe that the Islamic stockbroking services and operations of the Bank involves any material Shariah non-compliances.

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

To the best of our knowledge based on the information provided and disclosed to us during discussions and meetings, we hereby confirm that the operations of the Bank, in relation to the Islamic stockbroking services, for the financial year ended 31 December 2023 have been conducted in conformity with the Shariah rules and principles.

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

Wassalamu 'Alaikum Wa Rahmatullahi Wa Barakatuh

On behalf of the Shariah Committee.

AZIZI CHE SEMAN CHAIRMAN OF THE COMMITTEE	DR. MD. NURDIN NGADIMON MEMBER OF THE COMMITTEE

Kuala Lumpur
27 February 2024

RHB INVESTMENT BANK BERHAD
(Incorporated in Malaysia)
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STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Note	Group 2023	Group 2022	Bank 2023	Bank 2022
		RM'000	RM'000	RM'000	RM'000
ASSETS					
Cash and short-term funds	2	**2,081,604**	2,678,203	**1,678,243**	2,149,479
Deposits and placements with banks and other financial institutions	3	**223,130**	198,012	**-**	-
Financial assets at fair value through profit or loss ('FVTPL')	4	**985,113**	880,028	**136,475**	71,822
Financial assets at fair value through other comprehensive income ('FVOCI')	5	**511,048**	280,036	**505,784**	277,307
Financial investments at amortised costs	6	**900,011**	957,408	**900,011**	957,408
Loans and advances	7	**1,876,945**	1,873,654	**1,436,958**	1,365,826
Clients' and brokers' balances	8	**1,203,013**	741,140	**1,108,739**	641,294
Other assets	9	**122,421**	142,916	**82,492**	63,745
Derivative assets	10	**6,022**	1,275	**5,621**	716
Statutory deposits	11	**58,201**	44,381	**53,700**	40,100
Tax recoverable		**37,591**	36,172	**37,196**	31,382
Deferred tax assets	12	**20,944**	16,875	**12,391**	8,381
Investments in subsidiaries	13	**-**	-	**715,344**	699,324
Investments in associates and joint venture	14	**13,139**	4,721	**5,028**	5,028
Investment property	15	**3,357**	-	**-**	-
Right-of-use assets	16	**16,135**	16,532	**5,494**	6,951
Property, plant and equipment	17	**30,616**	36,749	**15,601**	20,001
Goodwill and other intangible assets	18	**497,986**	497,661	**402,401**	403,716
TOTAL ASSETS		**8,587,276**	8,405,763	**7,101,478**	6,742,480

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

RHB INVESTMENT BANK BERHAD
(Incorporated in Malaysia)
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STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023 (CONTINUED)

			Group		Bank
	Note	**2023**	**2022**	**2023**	**2022**
		RM'000	**RM'000**	**RM'000**	**RM'000**
LIABILITIES AND EQUITY					
Deposits from customers	**19**	**1,127,382**	1,289,098	**1,127,382**	1,289,098
Deposits and placements of banks and other financial institutions	**20**	**2,270,575**	1,918,878	**2,270,575**	1,918,878
Obligations on securities sold under repurchase agreements	**21**	**369,585**	789,281	**369,585**	789,281
Clients' and brokers' balances	**22**	**1,285,362**	776,789	**1,207,638**	692,619
Other liabilities	**23**	**508,082**	599,694	**200,141**	230,235
Derivative liabilities	**10**	**63,043**	19,746	**60,210**	10,277
Tax liabilities		**3,901**	6,061	**-**	-
Lease liabilities	**24**	**16,024**	16,745	**5,636**	7,125
Borrowings	**25**	**590,080**	755,916	**-**	-
Subordinated obligations	**26**	**101,097**	101,097	**101,097**	101,097
TOTAL LIABILITIES		**6,335,131**	6,273,305	**5,342,264**	5,038,610
Share capital	**27**	**1,220,000**	1,220,000	**1,220,000**	1,220,000
Reserves	**28**	**1,021,387**	901,877	**539,214**	483,870
		2,241,387	2,121,877	**1,759,214**	1,703,870
Non-controlling interests	**29**	**10,758**	10,581	**-**	-
TOTAL EQUITY		**2,252,145**	2,132,458	**1,759,214**	1,703,870
TOTAL LIABILITIES AND EQUITY		**8,587,276**	8,405,763	**7,101,478**	6,742,480
COMMITMENTS AND CONTINGENCIES	**45**	**1,643,978**	2,208,981	**1,318,328**	1,867,243

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

RHB INVESTMENT BANK BERHAD
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INCOME STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group 2023 RM'000	Group 2022 RM'000	Bank 2023 RM'000	Bank 2022 RM'000
Interest income	**30**	**281,838**	229,310	**225,941**	186,414
Interest expense	**31**	**(197,854)**	(130,372)	**(152,613)**	(106,002)
Net interest income		**83,984**	98,938	**73,328**	80,412
Fee and commission income	**32**	**531,315**	558,090	**224,985**	213,144
Fee and commission expense	**33**	**(130,206)**	(146,508)	**(11,380)**	(8,167)
Other operating income	**34**	**169,159**	92,972	**121,716**	96,533
		654,252	603,492	**408,649**	381,922
Other operating expenses	**35**	**(530,118)**	(498,849)	**(315,076)**	(288,738)
Operating profit before allowances		**124,134**	104,643	**93,573**	93,184
Allowance written back for expected credit losses	**37**	**7,823**	1,890	**1,958**	1,080
Impairment losses on other non-financial assets	**38**	**-**	(43)	**(3,970)**	(26,398)
		131,957	106,490	**91,561**	67,866
Share of results of associates		**148**	89	**-**	-
Share of results of joint venture		**-**	31	**-**	-
Profit before taxation		**132,105**	106,610	**91,561**	67,866
Taxation	**39**	**(14,947)**	(34,637)	**(1,706)**	(22,060)
Profit from continuing operations		**117,158**	71,973	**89,855**	45,806
Profit from discontinued operation attributable to equity holder	**52(f)**	**-**	20,848	**-**	-
Net profit for the financial year		**117,158**	92,821	**89,855**	45,806
Profit attributable to:					
- Equity holder of the Bank	**40**	**116,041**	91,526	**89,855**	45,806
- Non-controlling interests		**1,117**	1,295	**-**	-
		117,158	92,821	**89,855**	45,806
Basic earnings per share (sen) attributable to equity holder of the Bank					
- Continuing operations	**40**	**145.1**	88.3	**112.3**	57.3
- Discontinued operation	**40**	**-**	26.1	**-**	-
		145.1	114.4	**112.3**	57.3

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

RHB INVESTMENT BANK BERHAD
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STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group 2023 RM'000	Group 2022 RM'000	Bank 2023 RM'000	Bank 2022 RM'000
Net profit for the financial year		**117,158**	92,821	**89,855**	45,806
Other comprehensive income/(loss):					
(a) Items that will not be reclassified to income statements:					
(i) Actuarial gain on defined benefit plan of subsidiaries	**41**	**274**	1,717	**-**	-
(ii) Financial assets at FVOCI, equity instruments:					
- Unrealised net gain on revaluation		**2,328**	2,139	**2,007**	1,847
- Net loss on disposal		**(271)**	-	**(271)**	-
(b) Items that will be reclassified subsequently to income statements:					
(i) Foreign currency translation reserves:					
- Currency translation differences		**37,257**	10,426	**-**	-
- Recycled to income statements on disposal of a subsidiary	**52(f)**	**-**	(347)	**-**	-
(ii) Financial assets at FVOCI, debt instruments:					
- Unrealised net gain/(loss) on revaluation	**41**	**2,116**	(7,144)	**2,116**	(7,144)
Income tax relating to components of other comprehensive (income)/loss	**41**	**(747)**	1,945	**(508)**	1,715
Other comprehensive income/(loss), net of tax, for the financial year		**40,957**	8,736	**3,344**	(3,582)
Total comprehensive income for the financial year		**158,115**	101,557	**93,199**	42,224
Total comprehensive income attributable to:					
- Equity holder of the Bank		**156,823**	100,249	**93,199**	42,224
- Non-controlling interests		**1,292**	1,308	**-**	-
		158,115	101,557	**93,199**	42,224
Total comprehensive income attributable to equity holder of the Bank from:					
- Continuing operations		**156,823**	79,395	**93,199**	42,224
- Discontinued operation	**52(f)**	**-**	20,854	**-**	-
		156,823	100,249	**93,199**	42,224

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

RHB INVESTMENT BANK BERHAD
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STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

		Attributable to Equity Holder of the Bank									
Group	**Note**	**Share capital RM'000**	**Statutory reserves RM'000**	**FVOCI reserves RM'000**	**Capital contribution by ultimate holding company RM'000**	**Translation reserves RM'000**	**Regulatory reserves RM'000**	**Retained profits RM'000**	**Total RM'000**	**Non-controlling interests RM'000**	**Total RM'000**
Balance as at 1 January 2023		1,220,000	515	35,601	827	73,605	29,766	761,563	2,121,877	10,581	2,132,458
Net profit for the financial year		-	-	-	-	-	-	116,041	116,041	1,117	117,158
Foreign currency translation reserves:											
- Currency translation differences		-	-	-	-	37,141	-	-	37,141	116	37,257
Financial assets at FVOCI:											
- Equity instruments											
- Unrealised net gain on revaluation		-	-	2,264	-	-	-	-	2,264	64	2,328
- Net loss on disposal		-	-	-	-	-	-	(271)	(271)	-	(271)
- Debt instruments											
- Unrealised net gain on revaluation	41	-	-	2,116	-	-	-	-	2,116	-	2,116
Actuarial gain/(loss) on defined benefit plan of subsidiaries		-	-	-	-	-	-	277	277	(3)	274
Income tax relating to components of other comprehensive income	41	-	-	(508)	-	-	-	(237)	(745)	(2)	(747)
Other comprehensive income/(loss), net of tax, for the financial year		-	-	3,872	-	37,141	-	(231)	40,782	175	40,957
Total comprehensive income for the financial year		-	-	3,872	-	37,141	-	115,810	156,823	1,292	158,115
Share-based payment expenses	35	-	-	-	2,687	-	-	-	2,687	9	2,696
Transfer to regulatory reserves		-	-	-	-	-	4,988	(4,988)	-	-	-
Dividend paid	42	-	-	-	-	-	-	(40,000)	(40,000)	-	(40,000)
Dividends paid to non-controlling interests	42	-	-	-	-	-	-	-	-	(1,124)	(1,124)
Total transactions with owner		-	-	-	2,687	-	4,988	(44,988)	(37,313)	(1,115)	(38,428)
Balance as at 31 December 2023		1,220,000	515	39,473	3,514	110,746	34,754	832,385	2,241,387	10,758	2,252,145

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

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

		← Attributable to Equity Holder of the Bank →									
Group	**Note**	**Share capital RM'000**	**Statutory reserves RM'000**	**FVOCI reserves RM'000**	**Capital contribution by ultimate holding company RM'000**	**Translation reserves RM'000**	**Regulatory reserves RM'000**	**Retained profits RM'000**	**Total RM'000**	**Non-controlling interests RM'000**	**Total RM'000**
Balance as at 1 January 2022		1,220,000	515	38,949	-	63,460	30,471	767,406	2,120,801	10,267	2,131,068
Net profit for the financial year		-	-	-	-	-	-	91,526	91,526	1,295	92,821
Foreign currency translation reserves:											
- Currency translation differences		-	-	-	-	10,492	-	-	10,492	(66)	10,426
- Recycled to income statements on disposal of a subsidiary	52(f)	-	-	-	-	(347)	-	-	(347)	-	(347)
Financial assets at FVOCI:											
- Equity instruments											
- Unrealised net gain on revaluation		-	-	2,081	-	-	-	-	2,081	58	2,139
- Debt instruments											
- Unrealised net loss on revaluation	41	-	-	(7,144)	-	-	-	-	(7,144)	-	(7,144)
Actuarial gain on defined benefit plan of subsidiary		-	-	-	-	-	-	1,698	1,698	19	1,717
Income tax relating to components of other comprehensive loss	41	-	-	1,715	-	-	-	228	1,943	2	1,945
Other comprehensive (loss)/income, net of tax, for the financial year		-	-	(3,348)	-	10,145	-	1,926	8,723	13	8,736
Total comprehensive (loss)/income for the financial year		-	-	(3,348)	-	10,145	-	93,452	100,249	1,308	101,557
Share-based payment expenses	35	-	-	-	827	-	-	-	827	3	830
Transfer from regulatory reserves		-	-	-	-	-	(705)	705	-	-	-
Dividend paid	42	-	-	-	-	-	-	(100,000)	(100,000)	-	(100,000)
Dividends paid to non-controlling interests	42	-	-	-	-	-	-	-	-	(972)	(972)
Disposal of a subsidiary		-	-	-	-	-	-	-	-	(25)	(25)
Total transactions with owner		-	-	-	827	-	(705)	(99,295)	(99,173)	(994)	(100,167)
Balance as at 31 December 2022		1,220,000	515	35,601	827	73,605	29,766	761,563	2,121,877	10,581	2,132,458

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

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

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

			Non-distributable			Distributable	
Bank	**Note**	**Share capital RM'000**	**FVOCI reserves RM'000**	**Capital contribution by ultimate holding company RM'000**	**Regulatory reserves RM'000**	**Retained profits RM'000**	**Total RM'000**
Balance as at 1 January 2023		1,220,000	35,060	685	21,379	426,746	1,703,870
Net profit for the financial year		-	-	-	-	89,855	89,855
Financial assets at FVOCI:							
- Equity instruments							
- Unrealised net gain on revaluation		-	2,007	-	-	-	2,007
- Net gain on disposal		-	-	-	-	(271)	(271)
- Debt instruments							
- Unrealised net gain on revaluation	41	-	2,116	-	-	-	2,116
Income tax relating to components of other comprehensive income	41	-	(508)	-	-	-	(508)
Other comprehensive income/(loss), net of tax, for the financial year		-	3,615	-	-	(271)	3,344
Total comprehensive income for the financial year		-	3,615	-	-	89,584	93,199
Share-based payment expenses	35	-	-	2,145	-	-	2,145
Transfer to regulatory reserves		-	-	-	6,607	(6,607)	-
Dividend paid	42	-	-	-	-	(40,000)	(40,000)
Total transactions with owner		-	-	2,145	6,607	(46,607)	(37,855)
Balance as at 31 December 2023		1,220,000	38,675	2,830	27,986	469,723	1,759,214

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

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

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

		Non-distributable				Distributable	
Bank	**Note**	**Share capital RM'000**	**FVOCI reserves RM'000**	**Capital contribution by ultimate holding company RM'000**	**Regulatory reserves RM'000**	**Retained profits RM'000**	**Total RM'000**
Balance as at 1 January 2022		1,220,000	38,642	-	21,030	481,289	1,760,961
Net profit for the financial year		-	-	-	-	45,806	45,806
Financial assets at FVOCI:							
- Equity instruments							
- Unrealised net gain on revaluation		-	1,847	-	-	-	1,847
- Debt instruments							
- Unrealised net loss on revaluation	41	-	(7,144)	-	-	-	(7,144)
Income tax relating to components of other comprehensive loss	41	-	1,715	-	-	-	1,715
Other comprehensive loss, net of tax, for the financial year		-	(3,582)	-	-	-	(3,582)
Total comprehensive (loss)/income for the financial year		-	(3,582)	-	-	45,806	42,224
Share-based payment expenses	35	-	-	685	-	-	685
Transfer to regulatory reserves		-	-	-	349	(349)	-
Dividend paid	42	-	-	-	-	(100,000)	(100,000)
Total transactions with owner		-	-	685	349	(100,349)	(99,315)
Balance as at 31 December 2022		1,220,000	35,060	685	21,379	426,746	1,703,870

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

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

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

	Note	2023 RM'000	Group 2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation:			
- Continuing operations		**132,105**	106,610
- Discontinued operation	**52(f)**	**-**	24,646
		132,105	131,256
Adjustments for non-operating and non-cash items:			
Depreciation of investment property	**35**	**41**	-
Depreciation of right-of-use assets	**35**	**10,635**	10,723
Property, plant and equipment:			
- Depreciation	**35**	**12,936**	12,715
- Gain on disposal	**34**	**(173)**	(105)
- Written off	**35**	**35**	90
Other intangible assets:			
- Amortisation	**35**	**12,322**	11,573
- Written off	**35**	**237**	-
Impairment loss made for investment in joint venture	**38**	**-**	43
Interest income from financial assets at FVTPL, FVOCI and financial investments at amortised costs	**30**	**(48,947)**	(53,082)
Subordinated obligations interest expense	**31**	**4,450**	8,722
Borrowings interest expense	**31**	**44,240**	22,926
Interest from obligations on securities sold under repurchase agreements	**31**	**13,049**	10,985
Lease interest		**637**	962
Net loss from sale/redemption of financial assets at FVTPL and FVOCI	**34**	**3,514**	40,902
Net (gain)/loss on fair value hedges	**34**	**(52)**	52
Net unrealised gain on revaluation of financial assets at FVTPL and derivatives	**34**	**(14,387)**	(24,869)
Gross dividend income from financial assets at FVTPL and FVOCI		**(29,947)**	(9,328)
Gain on modification of right-of-use assets	**34**	**(15)**	(7)
Gain on disposal of a subsidiary	**52(f)**	**-**	(24,595)
Share of results of joint venture		**-**	(31)
Net gain from sale of derivatives	**34**	**(74,376)**	(53,843)
Unrealised foreign exchange loss/(gain)		**4,309**	(1,395)
Allowance written back for expected credit losses on other receivables and clients' and brokers' balances	**37**	**(5,682)**	(1,881)
Bad debts written off	**37**	**3**	2,226
Allowance written back for expected credit losses on financial investments at amortised costs	**37**	**(2,051)**	(1,987)
Allowance (written back)/made for expected credit losses on other financial assets	**37**	**(51)**	31
Share of results of associates		**(148)**	(89)
Share-based payment expenses	**35**	**2,696**	830
Operating profit before working capital changes		**65,380**	82,824
Decrease/(Increase) in operating assets:			
Deposits and placements with banks and other financial institutions		**27,174**	(19,343)
Financial assets at FVTPL		**(60,743)**	(10,547)
Loans and advances		**22,956**	(195,002)
Clients' and brokers' balances		**(459,735)**	(269,634)
Other assets		**1,536**	166,815
Derivative assets		**(4,835)**	(1,413)
Statutory deposits		**(14,244)**	(30,729)
		(487,891)	(359,853)

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

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

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

	Note	2023	Group 2022
		RM'000	**RM'000**
CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)			
(Decrease)/Increase in operating liabilities:			
Deposits from customers		**(161,716)**	(270,942)
Deposits and placements of banks and other financial institutions		**351,697**	(509,436)
Obligations on securities sold under repurchase agreements		**(432,745)**	778,296
Clients' and brokers' balances		**507,865**	243,685
Other liabilities		**(93,339)**	(524,352)
Derivative liabilities		**92,066**	26,164
		263,828	(256,585)
Cash used in operations		**(158,683)**	(533,614)
Lease interest		**(637)**	(962)
Net tax paid		**(23,219)**	(51,814)
Net cash used in operating activities		**(182,539)**	(586,390)
CASH FLOWS FROM INVESTING ACTIVITIES			
Property, plant and equipment:			
- Purchases	**17**	**(6,148)**	(13,038)
- Proceeds from disposal		**173**	109
Other intangible assets:			
- Purchases	**18(b)**	**(12,463)**	(12,995)
- Proceeds from disposal	**18(b)**	**7**	-
Net (purchases of)/proceeds from financial assets at FVOCI and financial investments at amortised costs		**(162,756)**	838,511
Net loss on disposal of financial assets at FVOCI, equity instruments		**(271)**	-
Interest income received from financial assets at FVTPL, FVOCI and financial investments at amortised costs		**46,933**	59,472
Dividend income received from financial assets at FVTPL and FVOCI		**29,947**	9,328
Proceeds from disposal of a subsidiary, net of cash and cash equivalents received	**52(f)**	**-**	26,652
Contingent consideration paid arising from disposal of a subsidiary	**34**	**(138)**	(136)
Acquisition of equity interest in associates		**(8,269)**	-
Net cash (used in)/generated from investing activities		**(112,985)**	907,903

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

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

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

	Note	2023	Group 2022
		RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of subordinated obligations	26	-	100,000
Redemption of subordinated obligations		-	(200,000)
Subordinated obligations interest paid		(4,450)	(9,800)
Net (repayment)/drawdown of borrowings		(196,124)	199,493
Borrowings interest paid		(43,792)	(22,255)
Lease principal payment		(10,454)	(10,194)
Dividend paid to shareholder	42	(40,000)	(100,000)
Dividends paid to non-controlling interests	42	(1,124)	(972)
Net cash used in financing activities		(295,944)	(43,728)
Net (decrease)/increase in cash and cash equivalents		(591,468)	277,785
Effects of exchange rate differences		(5,099)	(2,621)
Cash and cash equivalents:			
- At the beginning of the financial year		2,678,737	2,403,573
- At the end of the financial year		2,082,170	2,678,737
Cash and cash equivalents comprise the following:			
- Cash and short-term funds before expected credit losses ('ECL')	2	2,082,170	2,678,737
Cash flows of discontinued operation	52(f)	-	(3,707)

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

RHB INVESTMENT BANK BERHAD
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STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

Changes in liabilities arising from financing activities as following:

		Cash Changes		Non-cash Changes				
Group	**As at 01.01.2023**	**Net Cash Flows from Operating Activities**	**Net Cash Flows from Financing Activities**	**Foreign Exchange Movement**	**Addition**	**Reversal/ Charged Out**	**Interest Expense**	**As at 31.12.2023**
2023	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Lease liabilities	**16,745**	**(637)**	**(10,454)**	**322**	**9,861**	**(450)**	**637**	**16,024**
Borrowings	**755,916**	**-**	**(239,916)**	**29,840**	**-**	**-**	**44,240**	**590,080**
Subordinated obligations	**101,097**	**-**	**(4,450)**	**-**	**-**	**-**	**4,450**	**101,097**
	873,758	**(637)**	**(254,820)**	**30,162**	**9,861**	**(450)**	**49,327**	**707,201**

		Cash Changes		Non-cash Changes				
Group	**As at 01.01.2022**	**Net Cash Flows from Operating Activities**	**Net Cash Flows from Financing Activities**	**Foreign Exchange Movement**	**Addition**	**Reversal/ Charged Out**	**Interest Expense**	**As at 31.12.2022**
2022	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Lease liabilities	22,871	(962)	(10,194)	127	4,122	(181)	962	16,745
Borrowings	531,588	-	177,238	24,164	-	-	22,926	755,916
Subordinated obligations	202,175	-	(109,800)	-	-	-	8,722	101,097
	756,634	(962)	57,244	24,291	4,122	(181)	32,610	873,758

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

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

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

	Note	2023	Bank 2022
		RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		**91,561**	67,866
Adjustments for non-operating and non-cash items:			
Depreciation of right-of-use assets	35	**4,507**	4,919
Property, plant and equipment:			
- Depreciation	35	**6,436**	6,691
- Gain on disposal	34	**(104)**	-
- Written off	35	**34**	33
Other intangible assets:			
- Amortisation	35	**7,949**	7,753
- Written off	35	**237**	-
Interest income from financial assets at FVTPL, FVOCI and financial investments at amortised costs	30	**(48,443)**	(53,082)
Subordinated obligations interest expense	31	**4,450**	8,722
Interest from obligations on securities sold under repurchase agreements	31	**13,049**	10,985
Lease interest		**245**	315
Net (gain)/loss from sale of financial assets at FVTPL and FVOCI	34	**(14,269)**	31,324
Net (gain)/loss on fair value hedges	34	**(52)**	52
Net unrealised loss on revaluation of financial assets at FVTPL and derivatives	34	**30,655**	243
Gross dividend income from financial assets at FVTPL and FVOCI	34	**(1,103)**	(1,556)
Gross dividend income from subsidiaries	34	**(42,724)**	(39,672)
Gain on modification of right-of-use assets	34	**(15)**	(3)
Net gain from sale of derivatives	34	**(48,753)**	(43,507)
Unrealised foreign exchange loss/(gain)		**4,576**	(834)
Allowance made/(written back) for expected credit losses on other receivables and clients' and brokers' balances	37	**126**	(961)
Bad debts written off	37	**3**	2,146
Allowance written back for expected credit losses on financial investments at amortised costs	37	**(2,051)**	(1,987)
Allowance made for expected credit losses on other financial assets	37	**6**	4
Impairment losses made on investments in subsidiaries	38	**3,970**	26,398
Share-based payment expenses	35	**2,145**	685
Gain on liquidation of subsidiary	34	**(53)**	-
Operating profit before working capital changes		**12,382**	26,534
(Increase)/Decrease in operating assets:			
Financial assets at FVTPL		**(51,708)**	11,941
Loans and advances		**(71,132)**	(17,649)
Clients' and brokers' balances		**(466,615)**	(793)
Other assets		**(16,538)**	17,021
Derivative assets		**(4,875)**	(732)
Statutory deposits		**(13,600)**	(31,100)
		(624,468)	(21,312)

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

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

	Note	2023 RM'000	Bank 2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)			
(Decrease)/Increase in operating liabilities:			
Deposits from customers		**(161,716)**	(270,942)
Deposits and placements of banks and other financial institutions		**351,697**	(509,436)
Obligations on securities sold under repurchase agreements		**(432,745)**	778,296
Clients' and brokers' balances		**514,708**	(30,879)
Other liabilities		**(30,098)**	(40,539)
Derivative liabilities		**64,567**	34,121
		306,413	(39,379)
Cash used in operations		**(305,673)**	(34,157)
Lease interest		**(245)**	(315)
Net tax paid		**(12,038)**	(33,583)
Net cash used in operating activities		**(317,956)**	(68,055)
CASH FLOWS FROM INVESTING ACTIVITIES			
Property, plant and equipment:			
- Purchases	**17**	**(2,092)**	(7,254)
- Proceeds from disposal		**126**	-
Other intangible assets			
- Purchases	**18(b)**	**(6,878)**	(8,891)
- Proceeds from disposal	**18(b)**	**7**	-
Net (purchases of)/proceeds from financial assets at FVOCI and financial investments at amortised costs		**(162,756)**	838,511
Net loss on disposal of financial assets at FVOCI, equity instruments		**(271)**	-
Interest income received from financial assets at FVTPL, FVOCI and financial investments at amortised costs		**46,961**	59,472
Dividend income received from financial assets at FVTPL and FVOCI	**34**	**1,103**	1,556
Dividend income received from subsidiaries		**39,572**	43,900
Subscription of redeemable preference shares issued by a subsidiary	**52(c) ,52(h)**	**(20,000)**	(30,000)
Capital distribution from winding up subsidiaries		**63**	16,405
Contingent consideration paid arising from disposal of a subsidiary	**34**	**(138)**	(136)
Net cash (used in)/generated from investing activities		**(104,303)**	913,563

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

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

	Note	2023	Bank 2022
		RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of subordinated obligations	26	-	100,000
Redemption of subordinated obligations		-	(200,000)
Subordinated obligations interest paid		(4,450)	(9,800)
Lease principal payment		(4,524)	(4,881)
Dividend paid to shareholder	42	(40,000)	(100,000)
Net cash used in financing activities		(48,974)	(214,681)
Net (decrease)/increase in cash and cash equivalents		(471,233)	630,827
Cash and cash equivalents:			
- At the beginning of the financial year		2,149,517	1,518,690
- At the end of the financial year		1,678,284	2,149,517
Cash and cash equivalents comprise the following:			
- Cash and short-term funds before expected credit losses ('ECL')	2	1,678,284	2,149,517

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

RHB INVESTMENT BANK BERHAD
(Incorporated in Malaysia)
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STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

Changes in liabilities arising from financing activities as following:

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

		Cash Changes		Non-cash Changes			
Bank	**As at 01.01.2022**	**Net Cash Flows from Operating Activities**	**Net Cash Flows from Financing Activities**	**Addition**	**Reversal/ Charged Out**	**Interest Expense**	**As at 31.12.2022**
2022	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Lease liabilities	9,999	(315)	(4,881)	2,060	(53)	315	7,125
Subordinated obligations	202,175	-	(109,800)	-	-	8,722	101,097
	212,174	(315)	(114,681)	2,060	(53)	9,037	108,222

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

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

1) BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

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

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

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

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

The relevant new accounting standards, annual improvements and amendments to published standards and interpretations to existing accounting standards that are effective for the Group's and the Bank's financial year beginning on or after 1 January 2023 are as follows:

(i) Amendments to MFRS 101, MFRS Practice Statement 2 and MFRS 108 on disclosure of accounting policies and definition of accounting estimates

Amendments on disclosure of accounting policies

The amendments to MFRS 101 require companies to disclose material accounting policies rather than significant accounting policies and include examples of what is considered to be material to their financial statements. To support the amendments, MFRS Practice Statement 2 Making Materiality Judgments was also amended to provide guidance on how to apply the concept of materiality to accounting policy information disclosure.

Amendments on definition of accounting estimates

The amendments to MFRS 108, redefined accounting estimates as 'monetary amounts in financial statements that are subject to measurement uncertainty'. These amendments provide clarity on how to distinguish changes in accounting policies from changes in accounting estimates. The amendments clarify that effects of a change in an input or measurement technique used to develop an accounting estimate is a change in accounting estimate if the changes do not arise from prior period errors.

SUMMARY OF MATERIAL ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

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

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

The relevant new accounting standards, annual improvements and amendments to published standards and interpretations to existing accounting standards that are effective for the Group's and the Bank's financial year beginning on or after 1 January 2023 are as follows: (continued)

(ii) Amendments to MFRS 112 on 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction'

The amendments clarify that the initial exemption rule does not apply to transactions where both an asset and a liability are recognised at the same time such as leases and decommissioning obligations. Accordingly, companies are required to recognise both deferred tax assets and liabilities for all deductible and taxable temporary differences arising from such transactions.

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

(b) IFRIC agenda decisions that are concluded and published

In view that MFRS is fully converged with IFRS Accounting Standards, the Group and the Bank consider all agenda decisions published by the IFRS Interpretations Committee. Where relevant, the Group and the Bank may change its accounting policy to be aligned with the agenda decision.

The IFRIC agenda decisions do not give rise to any material financial impact to the Group and the Bank.

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

(i) Amendments to MFRS 101 'Classification of Liabilities as Current or Non-current' - effective 1 January 2024

The amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require an entity to disclose information about these covenants in the notes to the financial statements.

(ii) Supplier Finance Arrangements - Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures) - effective 1 January 2024

The amendments require entities to disclose information that would enable users of financial statements to assess the effects of supplier finance arrangements on an entity's liability, cash flows and exposures to liquidity risk.

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

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

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

The adoption of the accounting standards, amendments to published standards and interpretations to existing standards that are applicable to the Group and the Bank but not yet effective above are not expected to give rise to any material financial impact to the Group and the Bank.

2) BASIS OF CONSOLIDATION

(a) Subsidiaries

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

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

(i) Acquisition accounting

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

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

Acquisition-related costs are expensed as incurred.

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

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

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

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2) BASIS OF CONSOLIDATION (CONTINUED)

(a) Subsidiaries (continued)

(ii) Predecessor accounting

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

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

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

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

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

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

(c) Disposal of subsidiaries

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

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

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2) BASIS OF CONSOLIDATION (CONTINUED)

(d) Joint ventures

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

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

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

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

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

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2) BASIS OF CONSOLIDATION (CONTINUED)

(e) Associates

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

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

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

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

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

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

(f) Puttable financial instruments

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

3) INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

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

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

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

4) FINANCIAL ASSETS

(a) Classification

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

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

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

(i) Business model assessment

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

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

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

(b) Recognition and derecognition

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

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

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

4) FINANCIAL ASSETS (CONTINUED)

(c) Measurement

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

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

(i) Debt instruments

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

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

(1) Financial investments at amortised costs

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

(2) Financial assets at FVOCI

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

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

(3) Financial assets at FVTPL

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

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

4) FINANCIAL ASSETS (CONTINUED)

(c) Measurement (continued)

(ii) Equity instruments

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

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

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

(d) Derecognition and modification

(i) Derecognition due to modification of terms and conditions

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

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

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

4) FINANCIAL ASSETS (CONTINUED)

(d) Derecognition and modification (continued)

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

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

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

(ii) Derecognition other than modification of terms and conditions

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

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

(e) Reclassification of financial assets

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

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

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

5) REPURCHASE AGREEMENTS

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

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

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

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

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

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 hedges of the fair value of recognised assets or liabilities or firm commitments (fair value hedge). Hedge accounting is used for derivatives designated in this way provided certain criteria are met.

The Group and the Bank document at the inception of the hedging transaction, the risk management objective and strategy and the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

6) DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING (CONTINUED)

The fair values of various derivative instruments used for hedging purposes are disclosed in Note 10 to the financial statements.

(a) Fair value hedge

Changes in the fair value of derivatives that are designated and qualified as fair value hedges are recognised in 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 financial assets at FVOCI. The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate 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 at FVOCI are recycled from FVOCI reserves to income statements, while the changes in fair value of the derivatives that is related to the effective portion of the hedge is recognised in income statements within other operating income. The ineffective portion of the aforesaid hedging derivatives is recognised in income statements with net gain or loss on fair value changes of derivatives.

(b) 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 income statements.

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

7) INVESTMENT PROPERTY

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

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

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

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

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

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

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

8) GOODWILL

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

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

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

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

9) INTANGIBLE ASSETS

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

(a) Computer software licences

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

(b) Other intangible assets

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

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

Customer relationship	10 years
Brand	3 to 10 years

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

10) PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION

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

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

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

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

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

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

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

11) FINANCIAL LIABILITIES

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

(a) Financial liabilities at FVTPL

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

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

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

(b) Other financial liabilities measured at amortised cost

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

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

(c) Borrowings measured at amortised cost

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

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

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

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

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

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

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

(a) Lease term

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

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

(b) Right-of-use assets

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

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

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

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

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

(c) Lease liabilities

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

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

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

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

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

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

(d) Reassessment of lease liabilities

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

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

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

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

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

(f) Operating lease

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

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

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

13) PROVISIONS

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

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

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

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

(a) Onerous contracts

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

(b) Restructuring

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

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

14) FINANCIAL GUARANTEE CONTRACTS

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

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

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

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

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

15) GOVERNMENT GRANTS

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

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

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

16) CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

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

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

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

17) SHARE CAPITAL

(a) Classification

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

(b) Share issue cost

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

(c) Dividend distribution

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

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

18) CASH AND CASH EQUIVALENTS

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

19) REVENUE RECOGNITION

(a) Interest income is recognised using the effective interest rate method. The effective interest rate is the rate that discounts estimated future cash receipts or payments through the expected life of the financial instrument or, when appropriate, a shorter period to its carrying amount. The calculation includes significant fees and transaction costs that are integral to the effective interest rate, as well as premiums or discounts. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial asset that subsequently becomes credit-impaired. For credit-impaired financial asset, the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

(b) Loan arrangement fees, commissions and placement fees are recognised as income on an accrual basis over a period of time when all conditions precedent are fulfilled.

(c) Brokerage commission is recognised when services are rendered. Interest income from margin financing, clients' overdue outstanding and contra losses are recognised using effective interest rate method.

(d) Corporate advisory fees are recognised as income based on fulfilment of the performance obligation.

(e) Management fees of the unit trust management company are recognised based on point over time over the period of services. Sales value of trust units is recognised on the approval of a unit holder's application. Value from the cancellation of trust units is recognised upon approval of the trustee.

(f) Dividends are recognised when the shareholders' right to receive payment is established. This applies even if they are paid out of the pre-acquisition profits. However, the investment may need to be tested for impairment as a consequence. Dividend income received from subsidiaries, financial assets at FVTPL and FVOCI are recognised as other operating income in income statements.

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

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

20) IMPAIRMENT OF FINANCIAL ASSETS

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

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

(1) General approach

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

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

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

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

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

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

(iii) Stage 3: Lifetime ECL – credit impaired

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

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

(1) Quantitative criteria

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

(2) Qualitative criteria

- Legal action has been initiated by the Group and the Bank for recovery purposes;
- Borrower is a bankrupt;
- Borrower has been assigned to external collection agency.

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

20) IMPAIRMENT OF FINANCIAL ASSETS (CONTINUED)

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

(1) General approach (continued)

Significant increase in credit risk ('SICR')

(i) The Group and the Bank consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Bank compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition.

(ii) Among the indicators incorporated in ascertaining SICR are:

- Internal credit rating;
- External credit rating (as far as available);
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations;
- Actual or expected significant changes in the operating results of the borrower;
- Significant increase in credit risk on other financial instruments of the same borrower;
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements;
- Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrower in the group and changes in the operating results of the borrower.

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

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

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

20) IMPAIRMENT OF FINANCIAL ASSETS (CONTINUED)

(1) General approach (continued)

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

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

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

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

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

(2) Simplified approach

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

21) IMPAIRMENT OF NON-FINANCIAL ASSETS

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

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

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

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

22) EMPLOYEE BENEFITS

(a) Short-term employee benefits

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

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

(b) Defined contribution plans

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

(c) Termination benefits

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

(i) when the Group can no longer withdraw the offer of those benefits; and

(ii) when the entity recognises costs for a restructuring that is within the scope of MFRS 137 'Provisions, Contingent Liabilities and Contingent Assets' and involves the payment of termination benefits.

(d) Share-based compensation

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

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

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

23) CURRENT AND DEFERRED INCOME TAXES

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

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

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

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

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

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

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

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

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

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

24) CURRENCY CONVERSION AND TRANSLATION

(a) Functional and presentation currency

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

(b) Transactions and balances

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

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

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

(c) Group companies

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

(i) Assets and liabilities for each statements of financial position presented are translated at the closing rate at the date of that statements of financial position;

(ii) Income and expenses for each statements of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of transactions);

(iii) All resulting exchange differences are recognised as a separate component of other comprehensive income.

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

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

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

25) SEGMENT REPORTING

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

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

26) TRUST ACTIVITIES

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

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

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

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

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

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

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

(B) CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

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

(a) Fair value of financial instruments

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

(b) Allowance for expected credit losses (‘ECL’)

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

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

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

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

(B) CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS (CONTINUED)

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

(c) Goodwill impairment

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

1 GENERAL INFORMATION

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

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

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

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

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

The financial statements have been approved and authorised for issue by the Board of Directors on 27 February 2024.

2 CASH AND SHORT-TERM FUNDS

			Group		Bank
	Note	**2023**	**2022**	**2023**	**2022**
		RM'000	**RM'000**	**RM'000**	**RM'000**
Cash and balances with banks and other financial institutions	**(a)**	**673,242**	559,367	**332,349**	131,251
Money at call and deposit placements maturing within one month	**(b)**	**1,408,928**	2,119,370	**1,345,935**	2,018,266
		2,082,170	2,678,737	**1,678,284**	2,149,517
Less: Allowance for ECL		**(566)**	(534)	**(41)**	(38)
		2,081,604	2,678,203	**1,678,243**	2,149,479

(a) Included in the Group's cash and balances with banks and other financial institutions are monies amounting to RM158,591,000 (2022: RM214,432,000) held in trust for the purpose of the funds managed by the asset management subsidiaries; and

(b) Included in the Group's and the Bank's money at call and deposit placements are accounts held in trust for remisiers amounting to RM89,737,000 (2022: RM94,266,000).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

3 DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group		Bank	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Licensed banks	**189,748**	194,095	**-**	-
Licensed Islamic banks	**33,418**	4,009	**-**	-
	223,166	198,104	**-**	-
Less: Allowance for ECL	**(36)**	(92)	**-**	-
	223,130	198,012	**-**	-

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

	Group		Bank	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
At fair value				
Money market instruments:				
Malaysian Government Securities	**4,189**	-	**4,189**	-
Quoted securities:				
In Malaysia				
Shares and exchange traded funds	**132,769**	36,970	**130,126**	36,970
Unit trusts	**33,627**	26,947	**-**	8,558
Outside Malaysia				
Shares	**55,647**	101,776	**2,137**	1,443
Unit trusts	**-**	24,849	**-**	24,849
Unquoted securities:				
In Malaysia				
Corporate bonds/Sukuk	**25,546**	2	**23**	2
Outside Malaysia				
Private equity funds	**733,335**	689,484	**-**	-
	985,113	880,028	**136,475**	71,822

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

	Note	Group 2023 RM'000	Group 2022 RM'000	Bank 2023 RM'000	Bank 2022 RM'000
At fair value					
Debt instruments	**(a)**	**465,260**	238,790	**465,260**	238,790
Equity instruments	**(b)**	**45,788**	41,246	**40,524**	38,517
		511,048	280,036	**505,784**	277,307

(a) Debt instruments

	Group 2023 RM'000	Group 2022 RM'000	Bank 2023 RM'000	Bank 2022 RM'000
Money market instruments:				
Malaysian Government Securities	**60,406**	59,356	**60,406**	59,356
Malaysian Government Investment Issues	**40,200**	39,598	**40,200**	39,598
Sukuk Perumahan Kerajaan ('SPK')	**-**	70,637	**-**	70,637
Unquoted securities:				
In Malaysia				
Corporate bonds/Sukuk	**309,778**	15,242	**309,778**	15,242
Prasarana bonds	**54,876**	53,957	**54,876**	53,957
	465,260	238,790	**465,260**	238,790

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

(ii) Included in financial assets at FVOCI of the Group and the Bank are bonds/sukuk, which are pledged as collateral for obligations on securities sold under repurchase agreements amounting to RM NIL (2022: RM62,279,000).

(b) Equity instruments

	Group 2023 RM'000	Group 2022 RM'000	Bank 2023 RM'000	Bank 2022 RM'000
Quoted securities:				
Outside Malaysia				
Shares	**2,759**	2,438	**-**	-
Unquoted securities:				
In Malaysia				
Shares	**40,524**	38,517	**40,524**	38,517
Outside Malaysia				
Shares	**2,505**	291	**-**	-
	45,788	41,246	**40,524**	38,517

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

(b) Equity instruments (continued)

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

	Group		Bank	
	Fair value	Dividend income recognised during the financial year	Fair value	Dividend income recognised during the financial year
	RM'000	RM'000	RM'000	RM'000
Unquoted Securities:				
2023				
Malaysian Rating Corporation Berhad	**3,282**	**98**	**3,282**	**98**
Cagamas Holdings Bhd	**37,242**	**240**	**37,242**	**240**
Others	**5,264**	**2,409**	**-**	**-**
	45,788	**2,747**	**40,524**	**338**
2022				
Malaysian Rating Corporation Berhad	3,069	98	3,069	98
Cagamas Holdings Bhd	35,448	240	35,448	240
Others	2,729	108	-	-
	41,246	446	38,517	338

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

6 FINANCIAL INVESTMENTS AT AMORTISED COSTS

	Group and Bank	
	2023	**2022**
At amortised cost	**RM'000**	**RM'000**
Money market instruments:		
Malaysian Government Securities	**434,437**	414,996
Malaysian Government Investment Issues	**159,055**	118,221
Khazanah bonds	**14,621**	14,061
Unquoted Securities:		
In Malaysia		
Corporate bonds/Sukuk	**268,954**	426,729
Loan stocks	**21,505**	22,652
Prasarana bonds	**69,183**	30,544
	967,755	1,027,203
Allowance for ECL	**(67,744)**	(69,795)
	900,011	957,408

(a) Included in financial investments at amortised costs of the Group and the Bank are bonds/sukuk, which are pledged as collateral for obligations on securities sold under repurchase agreements amounting to RM365,796,000 (2022: RM712,004,000).

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

	2023	2022
Balance as at the beginning of the financial year	**69,795**	71,782
Amount recovered	**(2,051)**	(1,987)
Balance as at the end of the financial year	**67,744**	69,795

6 FINANCIAL INVESTMENTS AT AMORTISED COSTS (CONTINUED)

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

Group and Bank	Note	12-month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
2023		**RM'000**	**RM'000**	**RM'000**	**RM'000**
Balance as at the beginning of the financial year		**-**	**-**	**69,795**	**69,795**
Net allowance written back	**37**	**-**	**-**	**(2,051)**	**(2,051)**
Balance as at the end of the financial year		**-**	**-**	**67,744**	**67,744**
Group and Bank					
2022					
Balance as at the beginning of the financial year		-	-	71,782	71,782
Net allowance written back	37	-	-	(1,987)	(1,987)
Balance as at the end of the financial year		-	-	69,795	69,795

7 LOANS AND ADVANCES

	Group 2023 RM'000	Group 2022 RM'000	Bank 2023 RM'000	Bank 2022 RM'000
(a) By type				
At amortised cost				
Term loans	**1**	1	**1**	1
Share margin financing	**1,875,073**	1,883,237	**1,436,740**	1,365,572
Staff loans	**218**	254	**218**	254
Other loans	**1,654**	1,876	**-**	-
Gross loans and advances	**1,876,946**	1,885,368	**1,436,959**	1,365,827
Less: Allowance for ECL	**(1)**	(11,714)	**(1)**	(1)
Net loans and advances	**1,876,945**	1,873,654	**1,436,958**	1,365,826
(b) By type of customer				
Domestic business enterprises:				
- Small and medium enterprises	**263,837**	244,580	**263,837**	244,580
- Others	**180,530**	275,051	**180,530**	275,051
Individuals	**953,218**	806,780	**953,218**	806,780
Foreign entities	**479,361**	558,957	**39,374**	39,416
	1,876,946	1,885,368	**1,436,959**	1,365,827
(c) By geographical distribution				
In Malaysia	**1,436,959**	1,365,827	**1,436,959**	1,365,827
Outside Malaysia:				
- Thailand operations	**285,580**	384,931	**-**	-
- Indonesia operations	**138,474**	118,223	**-**	-
- Vietnam operations	**15,933**	16,387	**-**	-
	1,876,946	1,885,368	**1,436,959**	1,365,827

7 LOANS AND ADVANCES (CONTINUED)

	Group 2023 RM'000	Group 2022 RM'000	Bank 2023 RM'000	Bank 2022 RM'000
(d) By interest rate sensitivity				
Fixed rate:				
- Other fixed rate loans	**1,591,365**	1,500,436	**1,436,958**	1,365,826
Variable rate:				
- Base rate plus	**285,581**	384,932	**1**	1
	1,876,946	1,885,368	**1,436,959**	1,365,827
(e) By purpose				
Purchase of securities	**1,876,727**	1,885,113	**1,436,740**	1,365,572
Purchase of landed property:				
- Residential	**219**	255	**219**	255
	1,876,946	1,885,368	**1,436,959**	1,365,827
(f) By economic sector				
Agriculture, hunting, forestry and fishing	**4,040**	452	**1,025**	452
Mining and quarrying	**76**	76	**76**	76
Manufacturing	**30,680**	4,418	**30,680**	4,418
Electricity, gas and water	**295**	295	**295**	295
Construction	**10,637**	2,189	**10,637**	2,189
Wholesale, retail trade, restaurant and hotel	**7,366**	2,076	**7,366**	2,076
Transport, storage and communication	**4,717**	4,696	**4,717**	4,696
Finance, insurance, real estate and business services	**414,881**	514,667	**387,072**	504,551
Education, health and others	**2,499**	2,499	**2,499**	2,499
Household sector	**1,401,755**	1,354,000	**992,592**	844,575
	1,876,946	1,885,368	**1,436,959**	1,365,827
(g) By remaining contractual maturities				
Maturity within one year	**1,876,727**	1,885,113	**1,436,740**	1,365,572
One year to three years	**-**	12	**-**	12
Three years to five years	**60**	-	**60**	-
Over five years	**159**	243	**159**	243
	1,876,946	1,885,368	**1,436,959**	1,365,827

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

7 LOANS AND ADVANCES (CONTINUED)

(h) By stages

Group 2023	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
Balance as at the beginning of the financial year	**1,873,634**	**21**	**11,713**	**1,885,368**
Transfer to 12-month ECL (Stage 1)	**16,916**	**(8,803)**	**(8,113)**	**-**
Transfer to Lifetime ECL not credit impaired (Stage 2)	**(8,793)**	**8,804**	**(11)**	**-**
Transfer to Lifetime ECL credit impaired (Stage 3)	**(8,124)**	**-**	**8,124**	**-**
Addition and origination	**3,373,647**	**-**	**-**	**3,373,647**
Derecognition	**(3,396,602)**	**(1)**	**-**	**(3,396,603)**
Amount written off	**-**	**-**	**(12,465)**	**(12,465)**
Exchange differences and other movements	**26,247**	**-**	**752**	**26,999**
Balance as at the end of the financial year	**1,876,925**	**21**	**-**	**1,876,946**

Group 2022	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
Balance as at the beginning of the financial year	1,681,439	16	11,008	1,692,463
Transfer to 12-month ECL (Stage 1)	13,499	(13,465)	(34)	-
Transfer to Lifetime ECL not credit impaired (Stage 2)	(13,475)	13,475	-	-
Transfer to Lifetime ECL credit impaired (Stage 3)	(9)	-	9	-
Addition and origination	3,766,473	-	-	3,766,473
Derecognition	(3,571,466)	(5)	-	(3,571,471)
Exchange differences and other movements	(2,827)	-	730	(2,097)
Balance as at the end of the financial year	1,873,634	21	11,713	1,885,368

RHB INVESTMENT BANK BERHAD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

7 LOANS AND ADVANCES (CONTINUED)

(h) By stages (continued)

Bank 2023	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
Balance as at the beginning of the financial year	**1,365,811**	**16**	**-**	**1,365,827**
Transfer to 12-month ECL (Stage 1)	**16,911**	**(8,798)**	**(8,113)**	**-**
Transfer to Lifetime ECL not credit impaired (Stage 2)	**(8,793)**	**8,804**	**(11)**	**-**
Transfer to Lifetime ECL credit impaired (Stage 3)	**(8,124)**	**-**	**8,124**	**-**
Addition and origination	**2,793,782**	**-**	**-**	**2,793,782**
Derecognition	**(2,722,649)**	**(1)**	**-**	**(2,722,650)**
Balance as at the end of the financial year	**1,436,938**	**21**	**-**	**1,436,959**

Bank 2022				
Balance as at the beginning of the financial year	1,348,138	15	25	1,348,178
Transfer to 12-month ECL (Stage 1)	13,499	(13,465)	(34)	-
Transfer to Lifetime ECL not credit impaired (Stage 2)	(13,471)	13,471	-	-
Transfer to Lifetime ECL credit impaired (Stage 3)	(9)	-	9	-
Addition and origination	2,164,006	-	-	2,164,006
Derecognition	(2,146,352)	(5)	-	(2,146,357)
Balance as at the end of the financial year	1,365,811	16	-	1,365,827

7 LOANS AND ADVANCES (CONTINUED)

(i) Impaired loans and advances

	Group 2023 RM'000	Group 2022 RM'000	Bank 2023 RM'000	Bank 2022 RM'000
(i) By purpose				
Purchase of securities	**-**	11,713	**-**	-
(ii) By economic sector				
Household sector	**-**	11,713	**-**	-
(iii) By geographical distribution				
Outside Malaysia:				
- Thailand	**-**	11,713	**-**	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

7 LOANS AND ADVANCES (CONTINUED)

(i) Impaired loans and advances (continued)

(iv) Movement in allowance for ECL

Group 2023	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
Balance as at the beginning of the financial year	**1**	**-**	**11,713**	**11,714**
Amount written off	**-**	**-**	**(12,465)**	**(12,465)**
Exchange differences and other movements	**-**	**-**	**752**	**752**
Balance as at the end of the financial year	**1**	**-**	**-**	**1**

Group 2022	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
Balance as at the beginning of the financial year	1	-	10,983	10,984
Exchange differences and other movements	-	-	730	730
Balance as at the end of the financial year	1	-	11,713	11,714

Bank 2023	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
Balance as at the beginning/end of the financial year	**1**	**-**	**-**	**1**

Bank 2022	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
Balance as at the beginning/end of the financial year	1	-	-	1

8 CLIENTS' AND BROKERS' BALANCES

		Group		Bank
	2023	**2022**	**2023**	**2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Amounts owing by clients	**900,694**	508,535	**840,123**	405,428
Less: Allowance for ECL	**(2,409)**	(21,349)	**(585)**	(1,417)
	898,285	487,186	**839,538**	404,011
Amounts owing by brokers	**87,842**	54,012	**86,081**	53,234
Amounts owing by clearing houses and stock exchanges	**216,886**	199,942	**183,120**	184,049
	1,203,013	741,140	**1,108,739**	641,294

Movement in allowance for ECL

(a) Non-credit impaired

Balance as at the beginning of the financial year	**1**	47	**1**	47
Transferred to credit impaired	**(6)**	(49)	**(6)**	(49)
Allowance for ECL	**6**	3	**6**	3
Balance as at the end of the financial year	**1**	1	**1**	1

(b) Credit impaired

Balance as at the beginning of the financial year	**21,348**	23,498	**1,416**	2,899
Transferred from non-credit impaired	**6**	49	**6**	49
Allowance for ECL	**69**	2,109	**51**	2,109
Derecognition	**(6,052)**	(1,888)	**(889)**	(1,568)
Amount written off	**(14,252)**	(2,073)	**-**	(2,073)
Exchange differences	**1,289**	(347)	**-**	-
Balance as at the end of the financial year	**2,408**	21,348	**584**	1,416

9 OTHER ASSETS

			Group		Bank
	Note	**2023**	**2022**	**2023**	**2022**
		RM'000	**RM'000**	**RM'000**	**RM'000**
Other receivables	**(a)**	**59,491**	44,589	**29,680**	15,607
Unit trust fee receivables		**18,751**	19,520	**-**	-
Management fee receivables		**3,778**	3,169	**-**	-
Deposits		**5,532**	6,334	**2,321**	2,641
Prepayments		**12,110**	12,309	**6,527**	7,701
Amount receivable for release of units from funds		**18,354**	56,073	**-**	-
Transferable memberships		**262**	262	**262**	262
Amount due from subsidiaries	**(b)**	**-**	-	**39,566**	36,937
Amount due from related companies	**(b)**	**4,143**	660	**4,136**	597
		122,421	142,916	**82,492**	63,745

(a) Other receivables of the Group and the Bank are stated at net of allowance for ECL of RM14,315,000 (2022: RM14,323,000) and RM12,785,000 (2022: RM12,665,000) respectively. During the financial year, there was write off against allowance for ECL of the Group and the Bank of RM125,000 (2022: RM1,435,000) and RM NIL (2022: RM1,435,000) respectively.

(b) Amount due from subsidiaries/related companies are unsecured, interest free and receivable on demand. The amount due from subsidiaries are stated at net of allowance for ECL of RM6,231,000 (2022: RM5,164,000).

10 DERIVATIVE ASSETS/(LIABILITIES)

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

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

	Group		Bank	
	2023	**2022**	**2023**	**2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Derivative assets				
- Trading derivatives	**6,022**	605	**5,621**	46
- Fair value hedging derivatives	**-**	670	**-**	670
	6,022	1,275	**5,621**	716
Derivative liabilities				
- Trading derivatives	**(63,043)**	(19,746)	**(60,210)**	(10,277)

Group	**Contract or underlying principal amount**	**Year-end positive fair value**	**Year-end negative fair value**
2023	**RM'000**	**RM'000**	**RM'000**
<u>Trading derivatives</u>			
Foreign exchange related contracts:			
- Forwards/Swaps/Spot	**28,472**	**20**	**25**
Equity related contracts:			
- Options	**200**	**5,601**	**30,799**
Futures related contracts	**43,295**	**401**	**130**
Structured warrants	**421,732**	**-**	**32,089**
	493,699	**6,022**	**63,043**

10 DERIVATIVE ASSETS/(LIABILITIES) (CONTINUED)

Group **2022**	**Contract or underlying principal amount** **RM'000**	**Year-end positive fair value** **RM'000**	**Year-end negative fair value** **RM'000**
Trading derivatives			
Foreign exchange related contracts:			
- Forwards/Swaps/Spot	106,289	46	2,528
Equity related contracts:			
- Options	110	-	-
Futures related contracts	78,180	559	301
Structured warrants	118,315	-	16,917
Fair value hedging derivatives:			
Interest rate related contracts			
- Swaps	160,000	670	-
	462,894	1,275	19,746

Bank **2023**			
Trading derivatives			
Foreign exchange related contracts:			
- Swaps/Spot	**28,472**	**20**	**25**
Equity related contracts:			
- Options	**200**	**5,601**	**30,799**
Structured warrants	**179,511**	**-**	**29,386**
	208,183	**5,621**	**60,210**

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10 DERIVATIVE ASSETS/(LIABILITIES) (CONTINUED)

Bank 2022	Contract or underlying principal amount RM'000	Year-end positive fair value RM'000	Year-end negative fair value RM'000
Trading derivatives			
Foreign exchange related contracts:			
- Swaps/Spot	39,807	46	46
Equity related contracts:			
- Options	110	-	-
Structured warrants	111,271	-	10,231
Fair value hedging derivatives:			
Interest rate related contracts			
- Swaps	160,000	670	-
	311,188	716	10,277

10 DERIVATIVE ASSETS/(LIABILITIES) (CONTINUED)

Fair value hedge

Fair value hedge is used by the Bank for protection against the changes in fair value of financial assets and financial liabilities due to movement in market interest rates. The Bank uses interest rate swaps to hedge against interest rate risk of specific identified financial assets measured at FVOCI.

The Bank's hedge accounting policy only allows for effective hedge relationship to be established. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessment to ensure that an economic relationship exists between the hedged item and hedging instrument. The Bank determines whether an economic relationship exists between hedged item and the hedging instrument by considering qualitative characteristics of these items and wherever necessary, supported by quantitative analysis. Under qualitative assessment, the Bank will perform assessment by comparing the changes in the fair value of the hedge to changes in the fair value of the hypothetical derivative.

Only the interest rate risk element is hedged and therefore other risks, such as credit risk, are managed but not hedged by the Bank. The interest rate risk component is determined as the changes in fair value of long-term fixed rate financial investment (e.g. bonds) arising from changes in benchmark rates such as 3-month KLIBOR. Such change is usually the largest component of the overall change in fair value. This strategy is designated as a fair value hedge and its effectiveness is assessed with reference to the effectiveness requirements as set out in MFRS 9, which include demonstrating economic relationship, assessing the effect of credit risk and calculating hedge ratio.

The Bank establishes the hedge ratio by aligning the principal amount of the hedged instrument to the extent of its hedged item.

The Bank has identified the following possible sources of ineffectiveness:

i. Counterparty credit risk which impact the fair value of the interest rate swaps but not the hedged items; and

ii. Mismatches in terms of the hedged items and hedging instruments such as voluntary discontinuance, maturity date and disposal of hedged item.

The following table sets out the maturity profile and average price of the hedging instruments used in fair value hedges:

	2023		**2022**	
	Nominal amount	**Average fixed interest rate**	**Nominal amount**	**Average fixed interest rate**
Group and Bank	**RM'000**	**%**	**RM'000**	**%**
Interest rate swaps				
Three to twelve months	**-**	**0.00%**	160,000	2.97%

10 DERIVATIVE ASSETS/(LIABILITIES) (CONTINUED)

Fair value hedge (continued)

The amounts relating to items designated as hedging instruments are as follows:

	Group and Bank	
	2023	**2022**
	RM'000	**RM'000**
Interest rate swaps		
Nominal amount	-	160,000
Fair value assets	-	670
Hedge effectiveness recognised in income statements	-	616

The amounts relating to items designated as hedged items are as follows:

			2022
Group and Bank	**Carrying value**	**Fair value hedge adjustments***	**Hedge effectiveness recognised in income statements**
	RM'000	**RM'000**	**RM'000**
Financial assets at FVOCI	157,957	(668)	(668)

* All hedging instruments are included in derivative assets and liabilities line item in the statements of financial position.

11 STATUTORY DEPOSITS

	Note	Group 2023 RM'000	Group 2022 RM'000	Bank 2023 RM'000	Bank 2022 RM'000
Statutory deposits with BNM	**(a)**	**53,700**	40,100	**53,700**	40,100
Statutory deposits with National Bank of Cambodia ('NBC')	**(b)**	**4,501**	4,281	**-**	-
		58,201	44,381	**53,700**	40,100

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

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

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

12 DEFERRED TAX ASSETS/(LIABILITIES)

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

	Group 2023 RM'000	Group 2022 RM'000	Bank 2023 RM'000	Bank 2022 RM'000
Deferred tax assets	**20,944**	16,875	**12,391**	8,381

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

	Group 2023 RM'000	Group 2022 RM'000	Bank 2023 RM'000	Bank 2022 RM'000
Deferred tax assets				
- Settled more than 12 months	**8,012**	8,598	**3,278**	3,719
- Settled within 12 months	**23,521**	21,059	**16,445**	13,568
Deferred tax liabilities				
- Settled more than 12 months	**(7,237)**	(9,269)	**(5,473)**	(6,746)
- Settled within 12 months	**(3,352)**	(3,513)	**(1,859)**	(2,160)
	20,944	16,875	**12,391**	8,381

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12 DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

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

Group 2023	Note	Investment property, property, plant and equipment and other intangible assets RM'000	Financial assets at FVOCI RM'000	Tax losses RM'000	Other liabilities RM'000	Other temporary differences RM'000	Total RM'000
Balance as at the beginning of the financial year		**(8,721)**	**809**	**596**	**19,171**	**5,020**	**16,875**
Transfer from/(to) income statements	**39**	**1,186**	**(43)**	**(729)**	**6,937**	**(2,689)**	**4,662**
Transfer to equity	**41**	**-**	**(508)**	**-**	**(161)**	**(78)**	**(747)**
Exchange differences		**(13)**	**2**	**-**	**120**	**45**	**154**
Balance as at the end of the financial year		**(7,548)**	**260**	**(133)**	**26,067**	**2,298**	**20,944**

Group 2022	Note	Investment property, property, plant and equipment and other intangible assets RM'000	Financial assets at FVOCI RM'000	Tax losses RM'000	Other liabilities RM'000	Other temporary differences RM'000	Total RM'000
Balance as at the beginning of the financial year		(8,367)	(906)	420	34,659	6,845	32,651
Transfer (to)/from income statements	39	(1,239)	-	177	(8,683)	(1,891)	(11,636)
Transfer from equity	41	-	1,715	-	-	230	1,945
Disposal of a subsidiary		-	-	-	184	(345)	(161)
Effects of changes in tax rate	39	888	-	-	(6,978)	263	(5,827)
Exchange differences		(3)	-	(1)	(11)	(82)	(97)
Balance as at the end of the financial year		(8,721)	809	596	19,171	5,020	16,875

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12 DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

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

Bank	**Note**	**Property, plant and equipment and other intangible assets**	**Financial assets at FVOCI**	**Other liabilities**	**Other temporary differences**	**Total**
2023		**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Balance as at the beginning of the financial year		**(7,238)**	**812**	**14,746**	**61**	**8,381**
Transfer from/(to) income statements	**39**	**1,224**	**-**	**3,300**	**(6)**	**4,518**
Transfer to equity	**41**	**-**	**(508)**	**-**	**-**	**(508)**
Balance as at the end of the financial year		**(6,014)**	**304**	**18,046**	**55**	**12,391**
Bank						
2022						
Balance as at the beginning of the financial year		(7,057)	(903)	30,844	(200)	22,684
Transfer to income statements	39	(1,069)	-	(9,120)	(2)	(10,191)
Transfer from equity	41	-	1,715	-	-	1,715
Effects of changes in tax rate	39	888	-	(6,978)	263	(5,827)
Balance as at the end of the financial year		(7,238)	812	14,746	61	8,381

13 INVESTMENTS IN SUBSIDIARIES

		Bank
	2023	**2022**
	RM'000	**RM'000**
Unquoted shares, at cost		
- In Malaysia	**363,962**	343,972
- Outside Malaysia	**884,055**	884,055
	1,248,017	1,228,027
Accumulated impairment losses	**(532,673)**	(528,703)
	715,344	699,324

During the financial year, impairment losses of RM3,970,000 (2022: RM26,398,000) arising from investments were made in certain subsidiaries as the recoverable amount of the investments was less than the carrying value of the investments. The recoverable amount of the investments are based on higher of VIU and FVLCD.

13 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The details of the subsidiaries are as follows:

Name of company	Country of incorporation	Share capital (in RM unless otherwise stated)	Effective equity interest held by the Group 2023 %	2022 %	Effective equity interest held by the non-controlling interest 2023 %	2022 %	Principal activities
RHB Merchant Nominees (Tempatan) Sdn Bhd	Malaysia	10,000	**100**	100	**-**	-	To act as nominee services for Malaysian beneficial shareholders
RHB Merchant Nominees (Asing) Sdn Bhd	Malaysia	10,000	**100**	100	**-**	-	Provision of nominee services for foreign beneficial shareholders
RHB Nominees Sdn Bhd	Malaysia	25,000	**100**	100	**-**	-	Nominee and custodian services
RHB Nominees (Asing) Sdn Bhd	Malaysia	25,000	**100**	100	**-**	-	Nominee and custodian services for foreign beneficial shareholders
RHB Nominees (Tempatan) Sdn Bhd	Malaysia	25,000	**100**	100	**-**	-	Nominee and custodian services for Malaysian beneficial shareholders

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13 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

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

Name of company	Country of incorporation	Share capital (in RM unless otherwise stated)	Effective equity interest held by the Group 2023 %	Effective equity interest held by the Group 2022 %	Effective equity interest held by the non-controlling interest 2023 %	Effective equity interest held by the non-controlling interest 2022 %	Principal activities
RHB Asset Management Sdn Bhd	Malaysia	10,000,000	**100**	100	**-**	-	Rendering of investment management services, management of unit trust funds and private retirement schemes and provision of investment advisory services
RHB Islamic International Asset Management Berhad	Malaysia	13,000,000	**100**	100	**-**	-	Rendering of Islamic fund management services and management of Islamic unit trust funds and Islamic wholesale funds
RHB Dana Hazeem [10, ^]	Malaysia	-	**53.58**	-	**46.42**	-	Investment in Shariah-compliant equity
RHB Smart Income Fund [10, ^]	Malaysia	-	**57.55**	-	**42.45**	-	Investment in fixed income securities and with the remaining investment in equity
RHB Smart Balanced Fund [10, ^]	Malaysia	-	**53.25**	-	**46.75**	-	Investment in a combination of equity and fixed income securities
RHB Private Equity Holdings Sdn Bhd [8]	Malaysia	180,000,002	**100**	100	**-**	-	Investment holding
RHB Private Equity Management Ltd	Malaysia	USD1	**100**	100	**-**	-	Pure equity investment holding company
RHB Private Equity Fund Ltd [2]	Cayman Islands	USD91,329	**100**	100	**-**	-	Private equity investment company
RHB International Investments Pte Ltd [1]	Singapore	SGD12,000,000	**100**	100	**-**	-	Investment holding
RHB Asset Management Pte Ltd [1]	Singapore	SGD12,100,000	**100**	100	**-**	-	Fund management activities not elsewhere classified

13 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

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

Name of company	Country of incorporation	Share capital (in RM unless otherwise stated)	Effective equity interest held by the Group 2023 %	Effective equity interest held by the Group 2022 %	Effective equity interest held by the non-controlling interest 2023 %	Effective equity interest held by the non-controlling interest 2022 %	Principal activities
RHB Hong Kong Limited [9]	Hong Kong	HKD450,000,000	**100**	100	**-**	-	Investment holding and the company has since been dormant
RHB Securities Hong Kong Limited [9]	Hong Kong	HKD340,000,000	**100**	100	**-**	-	Securities dealing and provision of securities margin financing and advising on securities and the company has since been dormant
RHB Futures Hong Kong Limited [12]	Hong Kong	HKD35,000,000	**-**	100	**-**	-	Dissolved
PT RHB Sekuritas Indonesia [1]	Indonesia	IDR204,082 million	**99**	99	**1**	1	Securities brokerage and underwriting
RHB Securities (Thailand) Public Company Limited [1]	Thailand	THB819,171,600	**99.95**	99.95	**0.05**	0.05	Provision of stock and derivatives broking services
RHB Securities (Cambodia) Plc. [1]	Cambodia	USD12,500,000	**100**	100	**-**	-	Securities underwriting, brokerage and investment advisory services
RHB Securities Vietnam Company Limited [1]	Vietnam	VND135,000 million	**100**	100	**-**	-	Securities brokerage, securities investment, consultancy and self-trading
RHB Trustees Berhad	Malaysia	6,000,000	**80**	80	**20**	20	Professional retail trustee services (will writing, estate planning and private trustees) and corporate trustees services (collective investment schemes)
Malaysian Trustees Berhad	Malaysia	550,000	**80**	80	**20**	20	Engage in the business of trustee agents, executors and administrators pursuant to the Trust Companies Act 1949

13 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

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

Name of company	Country of incorporation	Share capital (in RM unless otherwise stated)	Effective equity interest held by the Group 2023 %	Effective equity interest held by the Group 2022 %	Effective equity interest held by the non-controlling interest 2023 %	Effective equity interest held by the non-controlling interest 2022 %	Principal activities
Dormant subsidiaries							
RHB Excel Sdn Bhd [4]	Malaysia	200,000,000	**100**	100	**-**	-	Dormant
RHB Progressive Sdn Bhd [4]	Malaysia	13,500,000	**100**	100	**-**	-	Dormant
RHB Marketing Services Sdn Bhd [3]	Malaysia	100,000	**100**	100	**-**	-	Dormant
RHB Futures and Options Sdn Bhd	Malaysia	10,000,000	**100**	100	**-**	-	Dormant
RHB Research Sdn Bhd [5]	Malaysia	500,000	**100**	100	**-**	-	Dormant
RHB International Asset Management Sdn Bhd [7]	Malaysia	7,000,000	**100**	100	**-**	-	Dormant
RHBIB Nominees (Tempatan) Sdn Bhd [13]	Malaysia	3,670,000	**-**	100	**-**	-	Dissolved
RHB Islamic Asset Management Sdn Bhd [7]	Malaysia	4,000,000	**100**	100	**-**	-	Dormant
TCL Nominees (Tempatan) Sdn Bhd [5]	Malaysia	644,000	**100**	100	**-**	-	Dormant
TCL Nominees (Asing) Sdn Bhd [5]	Malaysia	4,000	**100**	100	**-**	-	Dormant

13 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

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

Name of company	Country of incorporation	Share capital (in RM unless otherwise stated)	Effective equity interest held by the Group 2023 %	2022 %	Effective equity interest held by the non-controlling interest 2023 %	2022 %	Principal activities
Dormant subsidiaries (continued)							
KE-ZAN Nominees (Tempatan) Sdn Bhd [5]	Malaysia	650,000	**100**	100	**-**	-	Dormant
KE-ZAN Nominees (Asing) Sdn Bhd [11]	Malaysia	10,000	**-**	100	**-**	-	Dissolved
RHBIM Berhad [7]	Malaysia	10,000,000	**100**	100	**-**	-	Dormant
RHB Research Institute Sdn Bhd [6]	Malaysia	500,000	**100**	100	**-**	-	Dormant

Notes:

1 Subsidiaries audited by a member firm of PricewaterhouseCoopers which is a separate and independent legal entity from PricewaterhouseCoopers PLT, Malaysia.
2 Subsidiary not audited pursuant to Companies Law (2013 Revision), in Cayman Islands.
3 The company has commenced member's voluntary winding up on 16 February 2011.
4 The companies have commenced member's voluntary winding up on 28 March 2012.
5 The companies have commenced member's voluntary winding up on 30 June 2017.
6 The company has commenced member's voluntary winding up on 30 September 2020.
7 The companies have commenced member's voluntary winding up on 27 December 2021.
8 The Bank had on 9 March 2022 and 11 November 2022, subscribed for 5 million redeemable preference shares of RM2.00 each and 10 million redeemable preference shares of RM2.00 each in RHB Private Equity Holdings Sdn Bhd amounting to RM10,000,000 and RM20,000,000 respectively for additional working capital purpose.
The Bank had on 7 November 2023, subscribed for 10 million redeemable preference shares of RM2.00 each in RHB Private Equity Holdings Sdn Bhd amounting to RM20,000,000 for additional working capital purpose.
9 The companies have commenced member's voluntary winding up on 31 December 2022.
10 As set out in Note 52(a) to the financial statements, RHB Asset Management Sdn Bhd has acquired effective control in the Funds, by virtue of its holdings in the units issued by the Funds.
11 The company has dissolved on 11 August 2023.
12 The company has dissolved on 15 September 2023.
13 The company has dissolved on 25 November 2023.

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

14 INVESTMENTS IN ASSOCIATES AND JOINT VENTURE

	Note	Group 2023 RM'000	Group 2022 RM'000	Bank 2023 RM'000	Bank 2022 RM'000
Share of net assets of associates	(a)	**48,289**	39,871	**5,028**	5,028
Less: Allowance for impairment losses		**(35,150)**	(35,150)	**-**	-
		13,139	4,721	**5,028**	5,028
Share of net assets of joint venture	(b)	**31**	43	**-**	-
Less: Allowance for impairment losses		**(31)**	(43)	**-**	-
		-	-	**-**	-
		13,139	4,721	**5,028**	5,028

(a) Share of net assets of associates

The details of the associates are as follows:

Name of company	Country of incorporation	Paid-up share capital (in RM unless otherwise stated)	Effective equity interest 2023 %	Effective equity interest 2022 %	Principal activities
RHB Finexasia.Com Sdn Bhd ('Finexasia')	Malaysia	11,361,111	**40.05**	40.05	Dormant
Prostar Capital (Asia-Pacific) Ltd. [1] ('Prostar')	Cayman Islands	USD60	**33.33**	33.33	Investment holding with subsidiaries involved in investment advisory and management of private equity funds
Satin Straits Sdn Bhd [2] ('Satin Straits')	Malaysia	5,000,000	**-**	-	Investment holding
RHB Growth and Income Focus Trust [3] ('GIFT')	Malaysia	-	**42.44**	-	Investment in a combination of long-term growth of capital and current income
RHB Goldenlife 2030 [3] ('RGL3')	Malaysia	-	**47.62**	-	Investment in equities and fixed income securities in Malaysia with the fund maturing in 2030

Notes:

1 Held through RHB Private Equity Management Ltd, a subsidiary of RHB Private Equity Holdings Sdn Bhd.

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

As the Group subscribed for RM45,000,000 of Redeemable Convertible Preference Shares ('RCPS') and the Group is entitled for full principal repayment upon maturity and with upside potential upon the trade sales or listing of the underlying investment, the Group will only share the profits of the Company.

3 As set out in Note 52(d) to the financial statements, RHB Asset Management Sdn Bhd has significant influence in the Funds and being accounted as associates of the Group.

There are no capital commitments or contingent liabilities relating to the Group's interest in the associates as at 31 December 2023.

14 INVESTMENTS IN ASSOCIATES AND JOINT VENTURE (CONTINUED)

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

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

(i) Summarised statements of financial position

	Finexasia		Prostar		Satin Straits		GIFT		RGL3		Total	
	2023	**2022**	**2023**	**2022**	**2023** ^	**2022** ^	**2023** *	**2022**	**2023** *	**2022**	**2023**	**2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Assets												
Cash and cash equivalents	**58**	11,751	**13**	6	**36**	36	**587**	-	**85**	-	**779**	11,793
Other current assets	**12,016**	-	**36**	33	**-**	-	**17,011**	-	**1,648**	-	**30,711**	33
Non-current assets	**-**	-	**223**	187	**32,581**	32,581	**-**	-	**-**	-	**32,804**	32,768
Total assets	**12,074**	11,751	**272**	226	**32,617**	32,617	**17,598**	-	**1,733**	-	**64,294**	44,594
Liabilities												
Financial liabilities	**-**	(8)	**(163)**	(150)	**(93)**	(93)	**-**	-	**-**	-	**(256)**	(251)
Other current liabilities	**(6)**	(18)	**-**	-	**(61)**	(61)	**(42)**	-	**(14)**	-	**(123)**	(79)
Total liabilities	**(6)**	(26)	**(163)**	(150)	**(154)**	(154)	**(42)**	-	**(14)**	-	**(379)**	(330)
Net Assets	**12,068**	11,725	**109**	76	**32,463**	32,463	**17,556**	-	**1,719**	-	**63,915**	44,264

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14 INVESTMENTS IN ASSOCIATES AND JOINT VENTURE (CONTINUED)

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

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

(ii) Summarised statements of comprehensive income

	Finexasia		Prostar		Satin Straits		GIFT		RGL3		Total	
	2023	**2022**	**2023**	**2022**	**2023 ^**	**2022 ^**	**2023 ***	**2022**	**2023 ***	**2022**	**2023**	**2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Interest income	**352**	219	**-**	-	**-**	-	**-**	-	**-**	-	**352**	219
Other operating income	**-**	-	**28**	14,193	**-**	-	**-**	-	**-**	-	**28**	14,193
Net operating income	**352**	219	**28**	14,193	**-**	-	**-**	-	**-**	-	**380**	14,412
Other operating expenses	**(6)**	(7)	**-**	(11,929)	**-**	-	**-**	-	**-**	-	**(6)**	(11,936)
Profit before taxation	**346**	212	**28**	2,264	**-**	-	**-**	-	**-**	-	**374**	2,476
Taxation	**(3)**	(52)	**-**	-	**-**	-	**-**	-	**-**	-	**(3)**	(52)
Net profit for the financial year	**343**	160	**28**	2,264	**-**	-	**-**	-	**-**	-	**371**	2,424

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

14 INVESTMENTS IN ASSOCIATES AND JOINT VENTURE (CONTINUED)

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

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

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

	Finexasia		Prostar		Satin Straits		GIFT		RGL3		Total	
	2023	**2022**	**2023**	**2022**	**2023** ^	**2022** ^	**2023** *	**2022**	**2023** *	**2022**	**2023**	**2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Balance as at the beginning of the financial year	**11,725**	11,565	**76**	(8,458)	**32,463**	32,463	**-**	-	**-**	-	**44,264**	35,570
Acquisition during the financial year	**-**	-	**-**	-	**-**	-	**17,556**	-	**1,719**	-	**19,275**	-
Net profit for the financial year	**343**	160	**28**	2,264	**-**	-	**-**	-	**-**	-	**371**	2,424
Translation reserves	**-**	-	**5**	6,270	**-**	-	**-**	-	**-**	-	**5**	6,270
Balance as at the end of the financial year	**12,068**	11,725	**109**	76	**32,463**	32,463	**17,556**	-	**1,719**	-	**63,915**	44,264
Equity interest attributable to net assets	**4,833**	4,696	**36**	25	**32,500** #	32,500 #	**7,451**	-	**819**	-	**45,639**	37,221
Goodwill	**2,650**	2,650	**-**	-	**-**	-	**-**	-	**-**	-	**2,650**	2,650
Accumulated impairment losses	**(2,650)**	(2,650)	**-**	-	**(32,500)**	(32,500)	**-**	-	**-**	-	**(35,150)**	(35,150)
Carrying value	**4,833**	4,696	**36**	25	**-**	-	**7,451**	-	**819**	-	**13,139**	4,721

Kindly refer to Note 2 of Note 14(a) to the financial statements.
^ No financial information available for financial year ended 31 December 2023. The last financial information received from associate was for financial year ended 31 December 2019.
* Kindly refer to Note 3 of Note 14(a) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

14 INVESTMENTS IN ASSOCIATES AND JOINT VENTURE (CONTINUED)

(b) Share of net assets of joint venture

The details of the joint venture are as follows:

Name of company	Country of incorporation	Share capital (in RM unless otherwise stated)	Effective equity interest 2023 %	Effective equity interest 2022 %	Principal activities
RHB GC-Millennium Capital Pte. Ltd. [1] ('RHB GC')	Singapore	SGD10,000	-	40	Dissolved

Note:
1 The company has dissolved on 2 August 2023.

Summarised financial information of the joint venture which is accounted for using the equity method is as follows:

(i) Summarised statement of financial position

	RHB GC 2022 RM'000
Asset	-
Liability	-
Net Asset	-

14 INVESTMENTS IN ASSOCIATES AND JOINT VENTURE (CONTINUED)

(b) Share of net assets of joint venture (continued)

Summarised financial information of the joint venture which is accounted for using the equity method is as follows: (continued)

(ii) Summarised statement of comprehensive income

	RHB GC 2022 RM'000
Other operating income	114
Other operating expenses	(37)
Net profit for the financial year	77

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

	RHB GC 2022 RM'000
Balance as at the beginning of the financial year	30
Net profit for the financial year	77
Balance as at 25 August 2022	107
Equity interest attributable to net assets	43
Accumulated impairment losses	(43)
Carrying value	-

15 INVESTMENT PROPERTY

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

	Note	Group 2023 RM'000
Cost		
Additions		**3,398**
Balance as at the end of the financial year		**3,398**
Less: Accumulated depreciation		
Depreciation charge for the financial year	**35**	**41**
Balance as at the end of the financial year		**41**
Carrying amount as at the end of the financial year		**3,357**

16 RIGHT-OF-USE ASSETS

Group 2023	**Note**	**Properties RM'000**	**Equipment RM'000**	**Motor vehicles RM'000**	**Total RM'000**
Balance as at the beginning of the financial year		**16,043**	**391**	**98**	**16,532**
Depreciation charge for the financial year	**35**	**(10,357)**	**(127)**	**(151)**	**(10,635)**
Additions		**10,070**	**28**	**309**	**10,407**
Modification		**(435)**	**-**	**-**	**(435)**
Exchange differences		**243**	**20**	**3**	**266**
Balance as at the end of the financial year		**15,564**	**312**	**259**	**16,135**

Group 2022					
Balance as at the beginning of the financial year		22,870	96	47	23,013
Depreciation charge for the financial year	35	(10,587)	(127)	(9)	(10,723)
Additions		3,624	479	103	4,206
Modification		(59)	(61)	(44)	(164)
Disposal of a subsidiary	35	30	1	-	31
Exchange differences		165	3	1	169
Balance as at the end of the financial year		16,043	391	98	16,532

Bank 2023					
Balance as at the beginning of the financial year		**6,951**	**-**	**-**	**6,951**
Depreciation charge for the financial year	**35**	**(4,507)**	**-**	**-**	**(4,507)**
Additions		**3,486**	**-**	**-**	**3,486**
Modification		**(436)**	**-**	**-**	**(436)**
Balance as at the end of the financial year		**5,494**	**-**	**-**	**5,494**

Bank 2022					
Balance as at the beginning of the financial year		9,860	-	-	9,860
Depreciation charge for the financial year	35	(4,919)	-	-	(4,919)
Additions		2,060	-	-	2,060
Modification		(50)	-	-	(50)
Balance as at the end of the financial year		6,951	-	-	6,951

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

17 PROPERTY, PLANT AND EQUIPMENT

Group 2023	Note	Renovations RM'000	Office equipment and furniture RM'000	Computer equipment RM'000	Motor vehicles RM'000	Total RM'000
<u>Cost</u>						
Balance as at the beginning of the financial year		77,598	65,923	121,172	7,799	272,492
Additions		1,119	554	4,420	55	6,148
Disposals		-	-	(1,248)	(771)	(2,019)
Reclassification		-	5	(5)	-	-
Written off		(2,992)	(2,338)	(6,946)	(849)	(13,125)
Exchange differences		483	834	1,773	264	3,354
Balance as at the end of the financial year		76,208	64,978	119,166	6,498	266,850
<u>Less: Accumulated depreciation</u>						
Balance as at the beginning of the financial year		64,257	64,099	101,234	6,153	235,743
Charge for the financial year	35	3,728	806	8,033	369	12,936
Disposals		-	-	(1,248)	(771)	(2,019)
Reclassification		-	5	(5)	-	-
Written off		(2,959)	(2,338)	(6,944)	(849)	(13,090)
Exchange differences		310	794	1,374	186	2,664
Balance as at the end of the financial year		65,336	63,366	102,444	5,088	236,234
Carrying amounts as at the end of the financial year		10,872	1,612	16,722	1,410	30,616

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

17 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group 2022	Note	Renovations RM'000	Office equipment and furniture RM'000	Computer equipment RM'000	Motor vehicles RM'000	Total RM'000
Cost						
Balance as at the beginning of the financial year		81,251	68,646	114,319	7,329	271,545
Additions		1,045	765	10,358	870	13,038
Disposals		-	-	(4)	(412)	(416)
Reclassification from other intangible assets		-	-	9	-	9
Written off		(4,516)	(3,561)	(3,158)	-	(11,235)
Disposal of a subsidiary		-	(18)	-	-	(18)
Exchange differences		(182)	91	(352)	12	(431)
Balance as at the end of the financial year		77,598	65,923	121,172	7,799	272,492
Less: Accumulated depreciation						
Balance as at the beginning of the financial year		64,783	66,440	97,303	6,349	234,875
Charge for the financial year	35	4,132	943	7,430	210	12,715
Disposals		-	-	-	(412)	(412)
Written off		(4,452)	(3,350)	(3,158)	-	(10,960)
Disposal of a subsidiary	35	(21)	(1)	(3)	-	(25)
Exchange differences		(185)	67	(338)	6	(450)
Balance as at the end of the financial year		64,257	64,099	101,234	6,153	235,743
Less: Accumulated impairment loss						
Balance as at the beginning of the financial year		-	184	-	-	184
Written off		-	(185)	-	-	(185)
Exchange differences		-	1	-	-	1
Balance as at the end of the financial year		-	-	-	-	-
Carrying amounts as at the end of the financial year		13,341	1,824	19,938	1,646	36,749

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

17 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

17 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Bank **2022**	**Note**	**Renovations** **RM'000**	**Office equipment and furniture** **RM'000**	**Computer equipment** **RM'000**	**Motor vehicles** **RM'000**	**Total** **RM'000**
Cost						
Balance as at the beginning of the financial year		69,329	50,355	75,356	2,210	197,250
Additions		939	414	5,901	-	7,254
Written off		(4,392)	(2,739)	(3,108)	-	(10,239)
Balance as at the end of the financial year		65,876	48,030	78,149	2,210	194,265
Less: Accumulated depreciation						
Balance as at the beginning of the financial year		58,547	49,329	67,991	1,912	177,779
Charge for the financial year	35	2,251	552	3,780	108	6,691
Written off		(4,372)	(2,726)	(3,108)	-	(10,206)
Balance as at the end of the financial year		56,426	47,155	68,663	2,020	174,264
Carrying amounts as at the end of the financial year		9,450	875	9,486	190	20,001

18 GOODWILL AND OTHER INTANGIBLE ASSETS

			Group		Bank
	Note	**2023**	**2022**	**2023**	**2022**
		RM'000	**RM'000**	**RM'000**	**RM'000**
Goodwill on consolidation	**(a)**	**449,978**	449,978	**372,395**	372,395
<u>Other intangible assets</u>	**(b)**				
Trading rights		**1,234**	1,172	**-**	-
Computer software license		**46,774**	46,511	**30,006**	31,321
		497,986	497,661	**402,401**	403,716

(a) Goodwill on consolidation

		Group		Bank
	2023	**2022**	**2023**	**2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Balance as at the beginning/end of the financial year	**449,978**	449,978	**372,395**	372,395

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

		Group		Bank
	2023	**2022**	**2023**	**2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**
<u>CGUs</u>				
Investment Banking	**242,591**	242,591	**229,028**	229,028
Asset Management	**143,367**	143,367	**143,367**	143,367
Securities Indonesia	**59,205**	59,205	**-**	-
Securities Vietnam	**4,815**	4,815	**-**	-
	449,978	449,978	**372,395**	372,395

The recoverable amount of a CGU is determined based on higher of VIU and FVLCD. The VIU calculations use pre-tax cash flow projections based on financial budgets and projections approved by the Directors covering three-years (2022: three-years). Cash flows beyond the three-years (2022: three-years) period are extrapolated using the estimated growth rates and discounted using pre-tax discount rates which reflect the specific risks relating to the CGU. The FVLCD uses the indicative Price to Book Value ('PBV') from the listed stockbroking companies, net of cost of disposal.

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

18 GOODWILL AND OTHER INTANGIBLE ASSETS (CONTINUED)

(a) Goodwill on consolidation (continued)

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

	Discount rate		Growth rate	
	2023	**2022**	**2023**	**2022**
	%	**%**	**%**	**%**
Investment Banking	**8.2**	6.7	**4.7**	4.6
Asset Management	**8.2**	6.7	**4.7**	4.6
Securities Indonesia	**-**	-	**-**	-
Securities Vietnam	**-**	-	**-**	-

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

18 GOODWILL AND OTHER INTANGIBLE ASSETS (CONTINUED)

(b) Other intangible assets

Group **2023**	**Note**	**Customer relationship** **RM'000**	**Trading rights** **RM'000**	**Computer software license** **RM'000**	**Total** **RM'000**
Cost					
Balance as at the beginning of the financial year		**5,659**	**2,117**	**179,307**	**187,083**
Additions		**-**	**-**	**12,463**	**12,463**
Disposals		**-**	**-**	**(3,330)**	**(3,330)**
Written off		**-**	**-**	**(689)**	**(689)**
Exchange differences		**-**	**111**	**1,224**	**1,335**
Balance as at the end of the financial year		**5,659**	**2,228**	**188,975**	**196,862**
Less: Accumulated amortisation					
Balance as at the beginning of the financial year		**5,659**	**945**	**132,796**	**139,400**
Charge for the financial year	**35**	**-**	**-**	**12,322**	**12,322**
Disposals		**-**	**-**	**(3,323)**	**(3,323)**
Written off		**-**	**-**	**(452)**	**(452)**
Exchange differences		**-**	**49**	**858**	**907**
Balance as at the end of the financial year		**5,659**	**994**	**142,201**	**148,854**
Carrying amounts as at the end of the financial year		**-**	**1,234**	**46,774**	**48,008**

18 GOODWILL AND OTHER INTANGIBLE ASSETS (CONTINUED)

(b) Other intangible assets (continued)

Group 2022	Note	Customer relationship RM'000	Trading rights RM'000	Computer software license RM'000	Total RM'000
Cost					
Balance as at the beginning of the financial year		5,659	2,103	166,617	174,379
Additions		-	-	12,995	12,995
Reclassification to property, plant and equipment		-	-	(9)	(9)
Written off		-	-	(122)	(122)
Disposal of a subsidiary		-	-	9	9
Exchange differences		-	14	(183)	(169)
Balance as at the end of the financial year		5,659	2,117	179,307	187,083
Less: Accumulated amortisation					
Balance as at the beginning of the financial year		5,186	939	121,960	128,085
Charge for the financial year	35	473	-	11,100	11,573
Written off		-	-	(122)	(122)
Disposal of a subsidiary	35	-	-	(3)	(3)
Exchange differences		-	6	(139)	(133)
Balance as at the end of the financial year		5,659	945	132,796	139,400
Carrying amounts as at the end of the financial year		-	1,172	46,511	47,683

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

18 GOODWILL AND OTHER INTANGIBLE ASSETS (CONTINUED)

(b) Other intangible assets (continued)

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

18 GOODWILL AND OTHER INTANGIBLE ASSETS (CONTINUED)

(b) Other intangible assets (continued)

Bank **2022**	**Note**	**Customer relationship** **RM'000**	**Computer software license** **RM'000**	**Total** **RM'000**
Cost				
Balance as at the beginning of the financial year		5,659	129,053	134,712
Additions		-	8,891	8,891
Written off		-	(122)	(122)
Balance as at the end of the financial year		5,659	137,822	143,481
Less: Accumulated amortisation				
Balance as at the beginning of the financial year		5,188	99,341	104,529
Charge for the financial year	35	471	7,282	7,753
Written off		-	(122)	(122)
Balance as at the end of the financial year		5,659	106,501	112,160
Carrying amounts as at the end of the financial year		-	31,321	31,321

19 DEPOSITS FROM CUSTOMERS

	Group and Bank 2023 RM'000	2022 RM'000
(a) By type of deposits		
Short-term deposits	**1,127,382**	1,289,098
(b) By type of customer		
Government and statutory bodies	**352,576**	150,290
Business enterprises	**774,806**	1,138,808
	1,127,382	1,289,098
(c) By maturity structure of the deposits		
Due within six months	**1,127,382**	1,289,098

20 DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group and Bank 2023 RM'000	2022 RM'000
Licensed banks	**2,270,575**	1,918,878

21 OBLIGATIONS ON SECURITIES SOLD UNDER REPURCHASE AGREEMENTS

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

The financial assets sold under repurchase agreements are as follows:

	Group and Bank 2023 RM'000	2022 RM'000
Financial assets at FVOCI	**-**	62,279
Financial investments at amortised cost	**365,796**	712,004
	365,796	774,283

22 CLIENTS' AND BROKERS' BALANCES

	Group 2023 RM'000	Group 2022 RM'000	Bank 2023 RM'000	Bank 2022 RM'000
Amounts due to:				
- Clients	**1,161,073**	703,036	**1,083,349**	625,733
- Brokers	**124,289**	66,886	**124,289**	66,886
- Clearing houses and stock exchanges	**-**	6,867	**-**	-
	1,285,362	776,789	**1,207,638**	692,619

23 OTHER LIABILITIES

	Note	Group 2023 RM'000	Group 2022 RM'000	Bank 2023 RM'000	Bank 2022 RM'000
Other creditors and accruals		**112,737**	146,970	**58,975**	89,169
Contract liabilities	(a)	**5,968**	5,957	**1,604**	1,637
Remisiers' trust deposits		**89,737**	94,266	**89,737**	94,266
Amount payable for creation of units due to funds		**144,102**	203,132	**-**	-
Amount payable for redemption units		**70,734**	82,211	**-**	-
Short-term employee benefits		**61,148**	49,690	**42,433**	33,271
Puttable financial instruments		**12,410**	-	**-**	-
Amount due to holding company	(b)	**11,041**	16,896	**7,313**	11,768
Amount due to subsidiaries	(b)	**-**	-	**12**	53
Amount due to related companies	(b)	**205**	572	**67**	71
		508,082	599,694	**200,141**	230,235

(a) Contract liabilities for the Group and the Bank were reduced by RM5,926,000 (2022: RM5,880,000) and RM1,637,000 (2022: RM1,699,000) respectively as a result of recognition of the fee income that were included in the contract liabilities balance at the beginning of the year.

As at the financial year end, advances received but not yet recognised as revenue for the Group and the Bank amounts to RM5,968,000 (2022: RM5,957,000) and RM1,604,000 (2022: RM1,637,000) respectively. Advances received and recognised as revenue for the Group and the Bank amounts to RM5,937,000 (2022: RM5,897,000) and RM1,604,000 (2022: RM1,567,000) respectively.

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

24 LEASE LIABILITIES

	Group 2023 RM'000	Group 2022 RM'000	Bank 2023 RM'000	Bank 2022 RM'000
Lease liabilities	**16,024**	16,745	**5,636**	7,125
Scheduled repayments of lease liabilities:				
- Within one year	**8,393**	8,857	**3,631**	4,056
- One year to three years	**5,885**	5,765	**1,993**	3,011
- More than three years	**1,746**	2,123	**12**	58
	16,024	16,745	**5,636**	7,125

25 BORROWINGS

	Note	2023 RM'000	Group 2022 RM'000
Secured			
Bank overdraft:			
- Vietnamese Dong ('VND')	**(a)(i)**	**-**	7,312
Unsecured			
Term loan:			
- United States Dollar ('USD')	**(b)(i)**	**422,795**	439,455
Promissory notes:			
- Indonesian Rupiah ('IDR')	**(c)(i)**	**-**	28,304
- Thai Baht ('THB')	**(c)(ii)**	**166,325**	214,921
Revolving credit:			
- United States Dollar ('USD')	**(d)(i)**	**-**	65,924
Bank overdraft:			
- Vietnamese Dong ('VND')	**(e)(i)**	**960**	-
		590,080	755,916

The borrowings of the Group are as follows:

(a) Bank overdraft

(i) VND bank overdraft

The VND bank overdraft of the Group bears interest at rates of 6.30% per annum and is secured by fixed deposits placements.

(b) Term loan

(i) USD term loan

The unsecured USD term loan of the Group bears interest at rates ranging from 7.01% to 7.86% (2022: 2.61% to 6.89%) per annum.

(c) Promissory notes

(i) IDR promissory notes

The unsecured IDR promissory notes of the Group bears interest at rates ranging from 6.00% to 6.70% (2022: 4.30% to 6.06%) per annum and repayable on demand.

(ii) THB promissory notes

The unsecured THB promissory notes of the Group bears interest at rates ranging from 1.60% to 3.88% (2022: 0.85% to 3.50%) per annum and repayable on demand.

(d) Revolving credit

(i) USD revolving credit

The unsecured USD revolving credit of the Group bears interest at rates ranging from 5.88% to 6.50% (2022: 6.05% to 6.30%) per annum.

(e) Bank overdraft

(i) VND bank overdraft

The unsecured VND bank overdraft of the Group bears interest at rates randing from 6.30% to 7.80% per annum.

25 BORROWINGS (CONTINUED)

IBOR reform

The Group and the Bank hold the following financial instruments which are referenced to the current benchmark interest rates and have yet to transition to an alternative interest rate benchmark:

		Group 2023 Carrying Amount		Group 2022 Carrying Amount	
	Note	**Asset**	**Liabilities**	**Asset**	**Liabilities**
		RM'000	**RM'000**	**RM'000**	**RM'000**
(a) Borrowings					
USD Term SOFR		**-**	**422,795**	-	-
USD LIBOR		**-**	**-**	-	439,455

		Group and Bank 2023 Nominal Amount		Group and Bank 2022 Nominal Amount	
		Asset	**Liabilities**	**Asset**	**Liabilities**
		RM'000	**RM'000**	**RM'000**	**RM'000**
(b) Interest rate swaps					
KLIBOR	10	**-**	**-**	-	160,000

26 SUBORDINATED OBLIGATIONS

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

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

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

27 SHARE CAPITAL

	Group and Bank			
	2023		2022	
	Number of shares	Amount	Number of shares	Amount
	'000	RM'000	'000	RM'000
Issued and fully paid:				
Balance as at the beginning/end of the financial year	**80,000**	**1,220,000**	80,000	1,220,000

28 RESERVES

		Group		Bank	
	Note	**2023**	**2022**	**2023**	**2022**
		RM'000	**RM'000**	**RM'000**	**RM'000**
Retained profits		**832,385**	761,563	**469,723**	426,746
Statutory reserves	**(a)**	**515**	515	**-**	-
FVOCI reserves	**(b)**	**39,473**	35,601	**38,675**	35,060
Capital contribution by ultimate holding company	**(c)**	**3,514**	827	**2,830**	685
Translation reserves	**(d)**	**110,746**	73,605	**-**	-
Regulatory reserves	**(e)**	**34,754**	29,766	**27,986**	21,379
		1,021,387	901,877	**539,214**	483,870

(a) The statutory reserves represent non-distributable profits held by the stockbroking subsidiary in Thailand in compliance with Section 116 of the Public Limited Company Act B.E. 2535 in Thailand.

(b) FVOCI reserves arise from a change in the fair value of financial assets classified as FVOCI. The unrealised gains or losses for debt instruments are transferred to the income statements upon disposal, derecognition or impairment of such securities. For equity instruments elected irrevocably to designate at FVOCI, the fair value gains and losses are not subsequently reclassified to income statements upon disposal.

(c) Capital contribution by ultimate holding company represents the cost of the ordinary shares of RHB Bank Berhad in respect of SGS awarded to eligible employees of the Bank.

(d) Translation reserves comprise all foreign exchange differences arising from the translation of the financial statements of foreign subsidiaries and joint venture.

(e) Regulatory reserves represent the Group's and the Bank's compliance with BNM's Revised Policy Documents on Financial Reporting with effect from 1 January 2023, whereby the Bank and its domestic banking subsidiaries must maintain, in aggregate, loss allowance for non-credit impaired exposures and regulatory reserves of no less than 1% of total credit exposures, net of loss allowance for credit-impaired exposures.

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

NOTES TO THE FINANCIAL STATEMENTS
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29 NON-CONTROLLING INTERESTS

	Group 2023 RM'000	Group 2022 RM'000
Balance as at the beginning of the financial year	**10,581**	10,267
Share of the profit for the financial year	**1,117**	1,295
Share of other comprehensive income for the financial year	**175**	13
Dividends to non-controlling interests	**(1,124)**	(972)
Disposal of a subsidiary	**-**	(25)
Capital contribution by ultimate holding company	**9**	3
Balance as at the end of the financial year	**10,758**	10,581

30 INTEREST INCOME

	Group 2023 RM'000	Group 2022 RM'000	Bank 2023 RM'000	Bank 2022 RM'000
Loans and advances	**109,185**	93,361	**72,522**	65,003
Money at call and deposit placements with banks and other financial institutions	**113,304**	77,085	**97,574**	65,067
Financial assets at FVTPL	**525**	20	**21**	20
Financial assets at FVOCI, debt instruments	**13,949**	13,782	**13,949**	13,782
Financial investments at amortised costs	**34,473**	39,280	**34,473**	39,280
Others	**10,402**	5,782	**7,402**	3,262
	281,838	229,310	**225,941**	186,414
Of which:				
Interest income accrued on impaired financial assets	**2,464**	3,492	**-**	3

31 INTEREST EXPENSE

	Group 2023 RM'000	Group 2022 RM'000	Bank 2023 RM'000	Bank 2022 RM'000
Deposits and placements of banks and other financial institutions	**89,201**	47,265	**89,201**	47,265
Deposits from customers	**45,610**	38,698	**45,610**	38,698
Obligations on securities sold under repurchase agreements	**13,049**	10,985	**13,049**	10,985
Subordinated obligations	**4,450**	8,722	**4,450**	8,722
Borrowings	**44,240**	22,926	**-**	-
Others	**1,304**	1,776	**303**	332
	197,854	130,372	**152,613**	106,002

32 FEE AND COMMISSION INCOME

	Group 2023 RM'000	Group 2022 RM'000	Bank 2023 RM'000	Bank 2022 RM'000
(a) By type of fee income				
Brokerage income	**178,493**	190,029	**145,349**	141,220
Fund management fees	**222,644**	238,783	**-**	-
Unit trust fee income	**25,276**	33,996	**-**	-
Corporate advisory fees	**25,349**	21,093	**22,322**	19,802
Arrangement fees and underwriting	**5,474**	5,021	**4,076**	3,983
Placement fees	**6,502**	1,918	**6,502**	1,918
Rollover fees	**3,692**	4,104	**3,692**	4,104
Commission	**4,567**	2,911	**501**	684
Service charges and fees	**1,032**	1,733	**504**	1,150
Other fee income	**58,286**	58,502	**42,039**	40,283
	531,315	558,090	**224,985**	213,144
(b) By geographical market of fee income				
Malaysia	**485,603**	498,972	**224,985**	213,144
Thailand	**18,433**	29,188	**-**	-
Indonesia	**22,766**	23,757	**-**	-
Singapore	**2,936**	4,386	**-**	-
Cambodia	**1,421**	1,450	**-**	-
Vietnam	**156**	136	**-**	-
Hong Kong	**-**	201	**-**	-
	531,315	558,090	**224,985**	213,144
(c) By timing of fee income recognition				
At a point in time	**295,109**	304,140	**221,294**	208,137
Over time	**236,206**	253,950	**3,691**	5,007
	531,315	558,090	**224,985**	213,144

33 FEE AND COMMISSION EXPENSE

	Group		Bank	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Fund management fees	**87,267**	96,943	**-**	-
Unit trust fees	**23,835**	32,091	**-**	-
Commission and incentives	**19,104**	17,474	**11,380**	8,167
	130,206	146,508	**11,380**	8,167

34 OTHER OPERATING INCOME

	Note	Group		Bank	
		2023	2022	2023	2022
		RM'000	RM'000	RM'000	RM'000
Net gain/(loss) arising from financial assets at FVTPL					
- net (loss)/gain on disposal		**(4,373)**	(41,448)	**13,410**	(31,870)
- unrealised net gain/(loss) on revaluation		**48,924**	23,602	**3,482**	(2,165)
- gross dividend income		**29,445**	8,882	**765**	1,218
		73,996	(8,964)	**17,657**	(32,817)
Net gain arising from derivatives		**39,839**	55,110	**14,616**	45,429
Net gain/(loss) arising from fair value hedges		**52**	(52)	**52**	(52)
Net gain arising from financial assets at FVOCI, debt instruments					
- net gain on disposal		**859**	546	**859**	546

34 OTHER OPERATING INCOME (CONTINUED)

	Note	Group 2023 RM'000	Group 2022 RM'000	Bank 2023 RM'000	Bank 2022 RM'000
Dividend income from financial assets at FVOCI, equity instruments	**5(b)**	**2,747**	446	**338**	338
Gross dividend income from subsidiaries in Malaysia		**-**	-	**42,724**	39,672
Other income					
- Net foreign exchange gain		**16,718**	17,937	**14,947**	17,546
- Net gain on disposal of property, plant and equipment		**173**	105	**104**	-
- Gain on modification of right-of-use assets		**15**	7	**15**	3
- Fair value changes to sales consideration		**(138)**	(136)	**(138)**	(136)
- Gain on liquidation of subsidiary		**-**	-	**53**	-
- Other operating income		**34,898**	27,973	**30,489**	26,004
		51,666	45,886	**45,470**	43,417
		169,159	92,972	**121,716**	96,533

35 OTHER OPERATING EXPENSES

		Group		Bank	
	Note	**2023**	**2022**	**2023**	**2022**
		RM'000	**RM'000**	**RM'000**	**RM'000**
Personnel costs					
- Salaries, bonus, wages and allowances		**257,595**	242,319	**156,958**	140,526
- Defined contribution plan		**31,269**	27,966	**23,690**	20,582
- Share-based payment expenses	**44**	**2,696**	830	**2,145**	685
- Other staff related costs		**30,404**	26,297	**15,078**	12,748
		321,964	297,412	**197,871**	174,541
Establishment costs					
- Depreciation of investment property		**41**	-	**-**	-
- Property, plant and equipment					
- Depreciation		**12,936**	12,690	**6,436**	6,691
- Written off		**35**	90	**34**	33
- Other intangible assets					
- Amortisation		**12,322**	11,570	**7,949**	7,753
- Written off		**237**	-	**237**	-
- Depreciation of right-of-use assets		**10,635**	10,692	**4,507**	4,919
- Information technology expenses		**56,000**	50,002	**35,843**	32,117
- Security and escorting charges		**601**	512	**460**	412
- Repair and maintenance		**3,086**	2,984	**2,047**	2,055
- Rental of premises		**11,559**	11,890	**7,158**	6,928
- Water and electricity		**3,121**	3,098	**2,246**	2,324
- Rental of equipment		**52**	55	**30**	32
- Insurance		**6,060**	4,635	**3,782**	2,948
- Others		**5,689**	5,561	**5,689**	5,561
		122,374	113,779	**76,418**	71,773
Marketing expenses					
- Advertisement and publicity		**5,126**	5,062	**1,500**	1,156
- Sales commission		**1,079**	1,516	**250**	128
- Others		**5,184**	5,732	**1,201**	2,382
		11,389	12,310	**2,951**	3,666
Administration and general expenses					
- Communication expenses		**23,499**	25,294	**12,160**	13,607
- Auditors' remuneration	**(a)**	**1,586**	1,440	**555**	448
- Legal and professional fees		**10,117**	10,298	**1,414**	1,188
- Management fee		**17,504**	17,350	**13,943**	14,238
- Others		**21,685**	20,966	**9,764**	9,277
		74,391	75,348	**37,836**	38,758
		530,118	498,849	**315,076**	288,738

35 OTHER OPERATING EXPENSES (CONTINUED)

	Group 2023 RM'000	Group 2022 RM'000	Bank 2023 RM'000	Bank 2022 RM'000
(a) Auditors' remuneration *				
(i) Audit				
Statutory audit				
- Malaysia	**601**	648	**405**	448
- Overseas	**786**	782	**-**	-
	1,387	1,430	**405**	448
(ii) Non-audit				
- Malaysia	**150**	-	**150**	-
- Overseas	**49**	10	**-**	-
	199	10	**150**	-
	1,586	1,440	**555**	448

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

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

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

36 DIRECTORS' REMUNERATION

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

	Group and Bank				
	Salary and other remuneration	(i)	Benefits-in-kind (based on an estimated monetary value)	Bonus	Total
2023	**RM'000**		**RM'000**	**RM'000**	**RM'000**
Managing Director					
Ganesaratnam A/L M.K. Sabaratnam	**2,281**		**21**	**420**	**2,722**
2022					
Managing Director					
Ganesaratnam A/L M.K. Sabaratnam	2,086		31	420	2,537

Note:
(i) Inclusive of share-based expenses of RM141,000 (2022: RM47,583).

In addition to the above, during the financial year ended 31 December 2023, the Managing Director who led the achievement of the Group's short and long-term business objectives, was awarded a sum of RM NIL (2022: RM224,000) (inclusive of the employer's EPF contribution) under the Cash Deferred Scheme.

36 DIRECTORS' REMUNERATION (CONTINUED)

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

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

During the financial year, Directors of the Group and the Bank are covered under the Directors' Liability Insurance in respect of liabilities arising from acts committed in their respective capacity as, inter alia, Directors of the Group and the Bank subject to the term of the policy. The total amount of Directors' Liability Insurance effected for the Group and the Bank was RM209 million (2022: RM209 million) and RM200 million (2022: RM200 million) respectively. The total amount of premium paid for the Directors' Liability Insurance by the Group and the Bank was RM84,152 (2022: RM99,581) and RM60,333 (2022: RM72,208) respectively.

36 DIRECTORS' REMUNERATION (CONTINUED)

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

	Group				Bank			
	Fees	Benefits-in-kind (based on an estimated monetary value)	Other remuneration	Total	Fees	Benefits-in-kind (based on an estimated monetary value)	Other remuneration	Total
2022	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Non-executive Directors								
Tan Sri Ong Leong Huat @ Wong Joo Hwa	232	-	72	304	232	-	72	304
Chin Yoong Kheong	341	-	192	533	152	-	127	279
Yap Chee Meng	412	-	83	495	152	-	23	175
Dato' Siow Kim Lun @ Siow Kim Lin	270	-	60	330	152	-	46	198
Datuk Iain John Lo	152	-	97	249	152	-	97	249
Hijah Arifakh Binti Othman (Appointed on 1 September 2022)	92	-	24	116	53	-	12	65
Datuk Seri Dr Govindan A/L Kunchamboo (Resigned on 25 September 2022)	207	-	43	250	109	-	23	132
	1,706	-	571	2,277	1,002	-	400	1,402

37 ALLOWANCE WRITTEN BACK FOR EXPECTED CREDIT LOSSES

		Group		Bank	
	Note	**2023**	**2022**	**2023**	**2022**
		RM'000	**RM'000**	**RM'000**	**RM'000**
Allowance (written back)/made for expected credit losses on other receivables and clients' and brokers' balances		**(5,682)**	(1,881)	**126**	(961)
Bad debts recovered		**(42)**	(282)	**(42)**	(282)
Bad debts written off		**3**	2,226	**3**	2,146
Financial investments at amortised costs	**6(c)**	**(2,051)**	(1,987)	**(2,051)**	(1,987)
Other financial assets		**(51)**	34	**6**	4
		(7,823)	(1,890)	**(1,958)**	(1,080)

38 IMPAIRMENT LOSSES ON OTHER NON-FINANCIAL ASSETS

		Group		Bank	
	Note	**2023**	**2022**	**2023**	**2022**
		RM'000	**RM'000**	**RM'000**	**RM'000**
Investments in subsidiaries	**13**	**-**	-	**3,970**	26,398
Investment in a joint venture	**14**	**-**	43	**-**	-
		-	43	**3,970**	26,398

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39 TAXATION

	Note	Group 2023 RM'000	Group 2022 RM'000	Bank 2023 RM'000	Bank 2022 RM'000
Income tax based on profit for the financial year					
- Malaysian income tax		**29,934**	17,984	**18,067**	5,872
- Overseas tax		**1,800**	3,141	**-**	-
Deferred tax	**12**	**(4,337)**	17,365	**(3,966)**	16,669
		27,397	38,490	**14,101**	22,541
(Over)/Under provision in prior years					
- Income tax		**(12,125)**	(153)	**(11,843)**	170
- Deferred tax	**12**	**(325)**	98	**(552)**	(651)
		(12,450)	(55)	**(12,395)**	(481)
Income tax expense		**14,947**	38,435	**1,706**	22,060
Income tax expense is attributable to:					
- Continuing operations		**14,947**	34,637	**1,706**	22,060
- Discontinued operation	**52(f)**	**-**	3,798	**-**	-
		14,947	38,435	**1,706**	22,060

39 TAXATION (CONTINUED)

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

	Note	Group 2023	Group 2022	Bank 2023	Bank 2022
		%	**%**	**%**	**%**
Tax at Malaysian statutory applicable tax rate		**24.0**	24.0	**24.0**	24.0
Tax effects in respect of:					
- Effects of different tax rates in other countries		**0.4**	0.2	**-**	-
- Different tax rate in chargeable income for the first RM100.0 million	**(a)**	**-**	5.0	**-**	9.6
- Income not subject to tax		**(14.2)**	(7.6)	**(11.5)**	(14.6)
- Expenses not deductible for tax purposes		**8.4**	6.7	**2.9**	14.2
- Expenses qualify for double deduction		**(0.1)**	(0.1)	**-**	-
- Utilisation of current year's tax losses		**(0.2)**	(0.1)	**-**	-
- Utilisation of previously unrecognised tax losses		**-**	(0.1)	**-**	-
- Current year tax losses not recognised as deferred tax assets		**2.4**	1.4	**-**	-
- Over provision in prior years		**(9.5)**	(0.1)	**(13.5)**	(0.7)
Effective tax rate		**11.2**	29.3	**1.9**	32.5

(a) In order to support the Government's initiative to assist parties affected by the pandemic, it was proposed in Budget 2022 that for year of assessment ('YA') 2022, a special one-off tax which is called 'Cukai Makmur' will be imposed on non-micro, small and medium enterprise companies which generate high profits during the period of the pandemic. Chargeable income in excess of RM100.0 million will be charged at the income tax rate of 33% for YA 2022.

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

	Group 2023	Group 2022	Bank 2023	Bank 2022
	RM'000	**RM'000**	**RM'000**	**RM'000**
Unabsorbed tax losses carried forward	**92,258**	72,029	**-**	-
Unabsorbed capital allowances carried forward	**153**	147	**-**	-

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

40 EARNINGS PER SHARE

(a) Basic earnings per share

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

			Group		Bank
	Note	2023	2022	2023	2022
Net profit attributable to equity holder (RM'000)					
- Continuing operations		**116,041**	70,678	**89,855**	45,806
- Discontinued operation	**52(f)**	**-**	20,848	**-**	-
		116,041	91,526	**89,855**	45,806
Weighted average number of ordinary shares in issue ('000)		**80,000**	80,000	**80,000**	80,000
Basic earnings per share (sen)					
- Continuing operations		**145.1**	88.3	**112.3**	57.3
- Discontinued operation		**-**	26.1	**-**	-
		145.1	114.4	**112.3**	57.3

(b) Diluted earnings per share

There were no dilutive potential ordinary shares outstanding as at 31 December 2023 and 31 December 2022. As a result, the diluted earnings per share equal to the basic earnings per share.

41 INCOME TAX RELATING TO COMPONENTS OF OTHER COMPREHENSIVE (INCOME)/LOSS

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

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

Group **2022**	**Before tax** **RM'000**	**Tax expense** **RM'000**	**Net of tax** **RM'000**
Financial assets at FVOCI, debt instruments			
- net fair value loss and amount transfer to other comprehensive income	(7,144)	1,715	(5,429)
Actuarial gain on defined benefit plan of subsidiary			
- net fair value gain and amount transfer to other comprehensive income	1,717	230	1,947
	(5,427)	1,945	(3,482)

Bank **2023**	**Before tax** **RM'000**	**Tax expense** **RM'000**	**Net of tax** **RM'000**
Financial assets at FVOCI, debt instruments			
- net fair value gain and amount transfer to other comprehensive income	**2,116**	**(508)**	**1,608**

Bank **2022**	**Before tax** **RM'000**	**Tax expense** **RM'000**	**Net of tax** **RM'000**
Financial assets at FVOCI, debt instruments			
- net fair value loss and amount transfer to other comprehensive income	(7,144)	1,715	(5,429)

42 DIVIDENDS

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

	Group and Bank			
	2023		2022	
	Dividend per share	Total dividend	Dividend per share	Total dividend
	sen	RM'000	sen	RM'000
Ordinary shares				
Second interim dividend - 2021	**-**	**-**	125.00	100,000
Interim dividend - 2022	**50.00**	**40,000**	-	-

The Directors proposed an interim single-tier dividend of 82.50 sen per ordinary share, amounting to RM66,000,000 in respect of the current financial year ended 31 December 2023, which was approved by the Board of Directors on 22 January 2024.

The financial statements for the current financial year do not reflect this interim single-tier dividend. This dividend payment will be accounted for in the shareholder's equity as an appropriation of retained profits in the financial year ending 31 December 2024.

The Directors do not propose any final dividend for the financial year ended 31 December 2023.

Dividends payable by the Bank's subsidiaries to the non-controlling interest amounting to RM1,124,000 (2022: RM972,000) during the financial year ended 31 December 2023.

43 SIGNIFICANT RELATED PARTY DISCLOSURES

(a) Related parties and relationships

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

Related parties	**Relationships**
RHB Bank Berhad	Holding company
Subsidiaries of RHB Bank Berhad as disclosed in its financial statements	Subsidiaries of the holding company
Employee Provident Fund ('EPF')	Substantial shareholder of the holding company, a fund body that is significantly influenced by the government
Subsidiaries, associates and joint ventures of EPF as disclosed in its financial statements	Reporting entities that EPF has control or significant influence
Subsidiaries of the Bank as disclosed in Note 13	Subsidiaries
Key management personnel	The key management personnel of the Group and the Bank consists of: - all Directors of the Bank and its key subsidiaries; and - members of the Group Management Committee ('GMC')
Related parties of key management personnel (deemed as related to the Bank)	(i) Close family members and dependents of key management personnel; and (ii) Entities that are controlled, jointly controlled or significantly influenced, by or for which voting power in such entity resides with, directly or indirectly by key management personnel or its close family members

(b) Significant related party balances and transactions

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

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

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

43 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

43 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

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

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

43 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

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

Group **2022**	**Holding company** **RM'000**	**EPF and EPF Group of companies** **RM'000**	**Key management personnel** **RM'000**	**Other related companies** **RM'000**
<u>Income</u>				
Interest income on deposits and placements with other financial institutions	17,367	-	-	6,273
Fee income	6,508	8,461	388	5,035
Brokerage income	-	3,650	124	-
Other operating income	19,504	35	198	6,130
	43,379	12,146	710	17,438
<u>Expenses</u>				
Insurance premium	-	-	-	1,983
Interest expense on deposits and placements of banks and other financial institutions	47,265	-	-	-
Interest expense on deposits from customers	-	971	-	219
Interest expense on obligations on securities sold under repurchase agreements	10,985	-	-	-
Interest expense on borrowings	7	-	-	19,286
Fee and commission expense	15,151	-	-	-
Rental of premises	7,758	-	-	-
Personnel costs	86	-	-	151
Establishment costs	181	-	-	1,197
Administration and general expenses	16,623	-	-	337
	98,056	971	-	23,173

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

43 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

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

Group **2022**	**Holding company** **RM'000**	**EPF and EPF Group of companies** **RM'000**	**Key management personnel** **RM'000**	**Other related companies** **RM'000**
<u>Amounts due from</u>				
Cash and short-term funds	901,983	-	-	130,481
Deposits and placements with banks and other financial institutions	40,441	-	-	111,107
Clients' and brokers' balances	-	90,730	45	-
Derivative assets	716	-	-	-
Other assets	-	2,143	-	660
	943,140	92,873	45	242,248
<u>Amounts due to</u>				
Deposits from customers	-	100,273	-	11,664
Deposits and placements of banks and other financial institutions	1,918,878	-	-	-
Obligations on securities sold under repurchase agreements	789,281	-	-	-
Derivative liabilities	2,528	-	-	-
Borrowings	37,928	-	-	505,379
Other liabilities	16,896	86	25	572
	2,765,511	100,359	25	517,615

43 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

43 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

43 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

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

Bank **2022**	**Holding company** **RM'000**	**EPF and EPF Group of companies** **RM'000**	**Subsidiaries** **RM'000**	**Key management personnel** **RM'000**	**Other related companies** **RM'000**
Income					
Interest income on deposits and placements with other financial institutions	16,163	-	-	-	544
Fee income	5,638	185	1,580	170	4,639
Brokerage income	-	3,617	-	124	-
Rental income	-	-	130	-	-
Other operating income	19,388	35	38,580	198	3,271
	41,189	3,837	40,290	492	8,454
Expenses					
Insurance premium	-	-	-	-	689
Interest expense on deposits and placements of banks and other financial institutions	47,265	-	-	-	-
Interest expense on deposits from customers	-	971	-	-	219
Interest expense on obligations on securities sold under repurchase agreements	10,985	-	-	-	-
Fee and commission expense	-	-	53	-	-
Rental of premises	6,631	-	-	-	-
Personnel costs	84	-	-	-	82
Establishment costs	-	-	-	-	1,139
Administration and general expenses	14,051	-	381	-	217
	79,016	971	434	-	2,346

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

43 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

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

Bank **2022**	**Holding company** **RM'000**	**EPF and EPF Group of companies** **RM'000**	**Subsidiaries** **RM'000**	**Key management personnel** **RM'000**	**Other related companies** **RM'000**
Amounts due from					
Cash and short-term funds	878,793	-	-	-	-
Clients' and brokers' balances	-	90,730	-	45	-
Derivative assets	716	-	-	-	-
Other assets	-	58	36,937	-	597
	879,509	90,788	36,937	45	597
Amounts due to					
Deposit from customers	-	100,273	-	-	-
Deposits and placements of banks and other financial institutions	1,918,878	-	-	-	-
Obligations on securities sold under repurchase agreements	789,281	-	-	-	-
Clients' and brokers' balances	-	-	-	-	-
Derivative liabilities	45	-	-	-	-
Other liabilities	11,768	-	53	-	71
	2,719,972	100,273	53	-	71

43 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

(c) Key management personnel

The remuneration of key management personnel are as follows:

	Note	Group		Bank	
		2023	2022	**2023**	2022
		RM'000	**RM'000**	**RM'000**	**RM'000**
Short-term employee benefits					
- Fees		**1,562**	1,706	**978**	1,002
- Salary and other remuneration	**(i) & (ii)**	**3,307**	3,301	**3,174**	3,130
- Benefits-in-kind		**101**	31	**101**	31
		4,970	5,038	**4,253**	4,163

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

Notes:

(i) Inclusive of Cash Deferred Scheme and the related employer's EPF contribution totalling RM NIL (2022: RM224,000) for the Group and Bank. The payout under this Cash Deferred Scheme was based on the achievement of the Group's short and long-term business objectives.

(ii) As at 31 December 2023, the total number of shares awarded to Managing Director amounted to 100,000 (2022: 50,000).

(d) Credit exposures arising from transactions with connected parties

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

	Group and Bank	
	2023	**2022**
Outstanding credit exposure with connected parties (RM'000)	**339,866**	333,560
Percentage of outstanding credit exposures with connected parties as proportion of total credit exposures	**5.28%**	5.00%
Percentage of outstanding credit exposures with connected parties which is impaired or in default	**-**	-

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

43 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

(e) Intercompany charges

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

Group 2023	Interest expense on deposits and placements of banks and other financial institutions and borrowings RM'000	Interest expense on deposits from customers RM'000	Interest expense on obligations on securities sold under repurchase agreements RM'000	Rental of premises RM'000	Other expenses RM'000
Malaysia	**88,312**	**11**	**13,049**	**7,943**	**31,044**
Singapore	**-**	**-**	**-**	**-**	**689**
Thailand	**6,299**	**-**	**-**	**-**	**321**
Indonesia	**-**	**-**	**-**	**-**	**674**
Cambodia	**-**	**-**	**-**	**-**	**311**
United Kingdom	**33,909**	**-**	**-**	**-**	**25**
	128,520	**11**	**13,049**	**7,943**	**33,064**
Group **2022**					
Malaysia	47,265	219	10,985	7,758	34,902
Singapore	-	-	-	-	659
Thailand	400	-	-	-	6
Indonesia	-	-	-	-	117
United Kingdom	18,893	-	-	-	25
	66,558	219	10,985	7,758	35,709
Bank **2023**					
Malaysia	**88,311**	**11**	**13,049**	**6,714**	**17,215**
Thailand	**-**	**-**	**-**	**-**	**12**
Indonesia	**-**	**-**	**-**	**-**	**43**
	88,311	**11**	**13,049**	**6,714**	**17,270**
Bank **2022**					
Malaysia	47,265	219	10,985	6,631	16,683
Indonesia	-	-	-	-	13
	47,265	219	10,985	6,631	16,696

44 SHARE GRANT SCHEME

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

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

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

Award date	Fair value	Awarded	Vesting date
	RM	Unit'000	
4 July 2022 - First grant	5.71	4,685	3 July 2025
22 May 2023 - Second grant	5.50	5,445	30 June 2026

The movement of the SGS shares granted by RHB Bank Berhad during the financial year ended 31 December 2023 is as follows:

Award date	As at 1 January 2023	Awarded	Forfeited	As at 31 December 2023
	Unit'000	Unit'000	Unit'000	Unit'000
4 July 2022 - First grant	4,557	-	(264)	4,293
22 May 2023 - Second grant	-	5,445	(155)	5,290

The movements of the SGS shares applicable to Eligible Employees of the Group and the Bank during the financial year ended 31 December 2023 are as follows:

	As at 1 January 2023	Awarded	Adjustment*	Forfeited	As at 31 December 2023
	Unit'000	Unit'000	Unit'000	Unit'000	Unit'000
Group					
4 July 2022 - First grant	872	-	20	-	892
22 May 2023 - Second grant	-	1,060	20	(10)	1,070
Bank					
4 July 2022 - First grant	720	-	-	-	720
22 May 2023 - Second grant	-	855	-	(10)	845

* Adjustment relates to changes in Eligible Employees during the financial year.

45 COMMITMENTS AND CONTINGENCIES

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

The commitments and contingencies comprise the following:

		Group		**Bank**
	2023	**2022**	**2023**	**2022**
Principal amount	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Direct credit substitutes #	**33,166**	30,660	**33,166**	30,660
Lending of banks' securities or the posting of securities as collateral by banks, including instances where these arise out of repo-style transactions	**388,784**	904,157	**388,784**	904,157
Irrevocable commitments to extend credit:				
- maturity not exceeding one year	**1,193,334**	1,007,743	**867,684**	732,487
- maturity exceeding one year	**22**	22	**22**	22
Equity related contracts: ^				
- less than one year	**200**	110	**200**	110
Foreign exchange related contracts: ^				
- less than one year	**28,472**	106,289	**28,472**	39,807
Interest rate related contracts: ^				
- less than one year	**-**	160,000	**-**	160,000
	1,643,978	2,208,981	**1,318,328**	1,867,243

Included in direct credit substitutes is financial guarantee contract of RM33,166,000 (2022: RM30,660,000) to external party for subsidiary.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

46 NON-CANCELLABLE OPERATING LEASE COMMITMENTS

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

		Group		Bank
	2023	**2022**	**2023**	**2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Within one year	**2,631**	2,272	**10**	12
Between one to five years	**3,116**	833	**-**	10
More than five years	**147**	165	**-**	-
	5,894	3,270	**10**	22

47 CAPITAL AND OTHER COMMITMENTS

		Group		Bank
	2023	**2022**	**2023**	**2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Authorised and contracted for:				
- Property, plant and equipment	**24,769**	28,242	**16,920**	19,679

48 FINANCIAL RISK MANAGEMENT

(a) Financial Risk Management Objectives and Policies

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

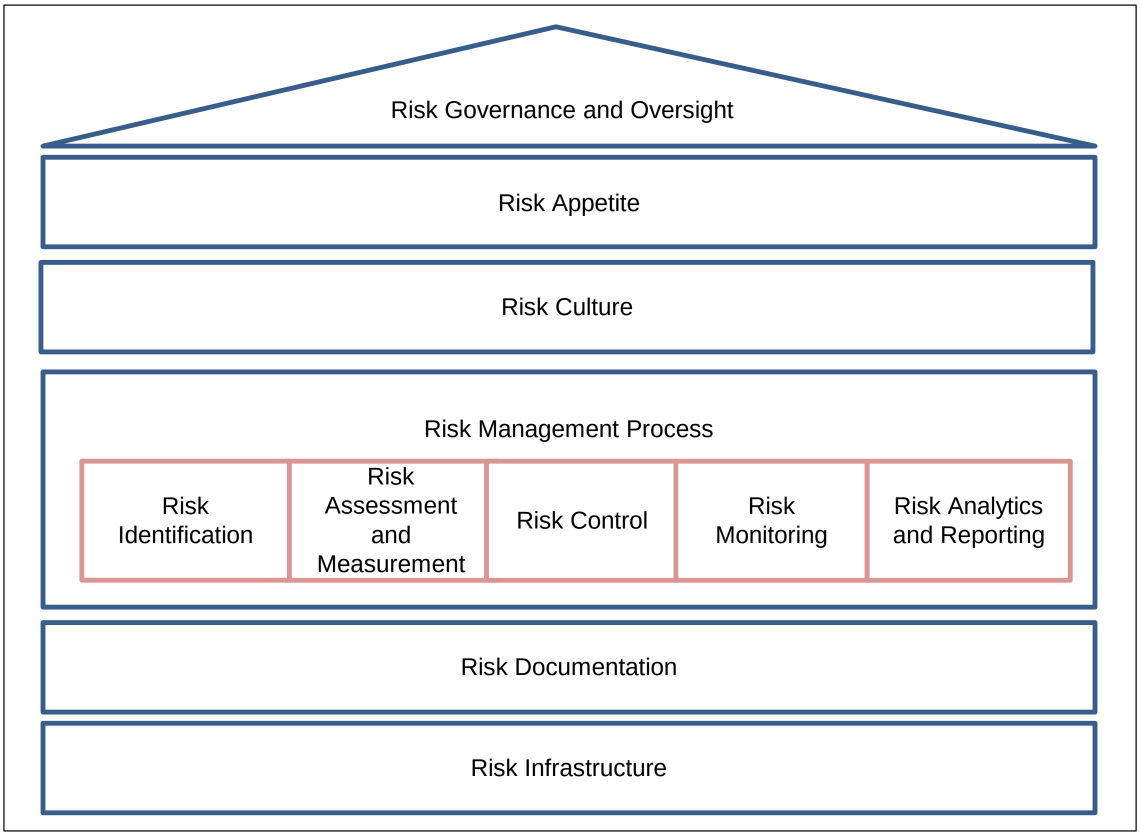
Effective risk management is fundamental to being able to drive sustainable growth and shareholders' value, while maintaining competitive advantage, and is thus a central part of the proactive risk management of the Group's operating environment.

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

- It provides a holistic overview of the risk and control environment of the Group, with risk management aimed towards loss minimisation and protection against losses which may occur through, principally, the failure of effective checks and controls in the organisation.

- It sets out the strategic progression of risk management towards becoming a value creation enterprise. This is realised through building up capabilities and infrastructure in risk management sophistication, and enhanced risk quantification to optimise risk adjusted returns.

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



48 FINANCIAL RISK MANAGEMENT (CONTINUED)

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

Key features of the framework are:

Risk Governance and Oversight

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

In order to manage the businesses and risks across all subsidiaries in an integrated basis, Group level committees are established to ensure consistency in practices. However, the Group maintains entity-specific committees to allow for greater flexibility and agility in managing specific regulatory and business requirements. Each Board Risk Committee which reports directly to the respective Boards provides oversight and assists the respective Boards to review the Group's overall risk management philosophy, frameworks, policies and models, and risk issues relevant and unique to its business.

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

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

1. Facilitating the setting of the strategic direction and overall policy on management and control of risks of the Group;

2. Ensuring industry best practices in risk management are adopted across the Group, including the setting of risk management parameters and risk models;

3. Developing proactive, balanced and risk attuned culture within the Group; and

4. Advising senior management, management level committees, board level risk committees and Board of Directors of the Group's entities on risk issues and their possible impact on the Group in the achievement of its objectives and strategies.

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

1. The entities' chief risk officers main function is to assess and manage the enterprise risk and liaise with regulators in the respective country/entity under their purview. They are supported by their respective risk management teams with support from the risk management function from the Group.

2. The risk management function are teams who specialise in the respective risks and responsible for the active oversight of the Group-wide risk management function and support the respective entities/chief risk officers. Group Risk and Credit Management consist of Group Credit Risk Management, Group Market Risk Management, Group Asset and Liability Management, Group Operational Risk Management, Group Technology and Cyber Risk Management, Group Shariah Risk Management, Risk Strategy & Transformation, Enterprise Risk Management, Group Credit Management, Investment Banking and Regional Risk.

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

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

Key features of the framework are: (continued)

Risk Appetite

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

The alignment of the Group's business strategy with its risk strategy, and vice-versa is articulated through the risk appetite setting and the Group's annual business and financial budgetary plan, which is facilitated by the integration of risk measures in capital management.

Risk Culture

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

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

FIRST LINE Business/Functional Level	• Responsible for managing day-to-day risks and compliance issues • Business Risk Officer/Business Risk & Compliance Officer/equivalent is to assist business/functional unit in day-to-day risks and compliance matters
SECOND LINE Group Risk Management & Group Compliance	• Responsible for oversight, establishing governance and providing support to business/functional unit on risk and compliance matters
THIRD LINE Group Internal Audit	• Provide independent assurance to the Board that risk and compliance management functions effectively as designed

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

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

Key features of the framework are: (continued)

Risk Management Process

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

- Identification: The identification and analysis of the existing and potential risks is a continuing process, in order to facilitate proactive and timely identification of risk within the Group's business operations, including emerging risks. This ensures that risks can be managed and controlled within the risk appetite of the Group and specific entity, where necessary.

- Assessment and Measurement: Risks are measured, assessed and aggregated using comprehensive qualitative and quantitative risk measurement methodologies, and the process also serves as an important tool as it provides an assessment of capital adequacy and solvency.

- Controlling: Risks identified during the risk identification process must be adequately managed and mitigated to control the risk of loss. This is also to ensure risk exposures are managed within the Group's or entity's risk appetite.

- Monitoring: Effective monitoring processes ensures that the Group is aware of the condition of its exposures vis-à-vis its approved appetite and to facilitate early identification of potential problem on a timely basis by using continuous and on-going monitoring of risk exposures and risk control/mitigation measures.

- Analytics and Reporting: Risk analysis and reports are prepared by the respective entities and at a consolidated level as well as business level; and are regularly escalated to the senior management and relevant Boards of the Group's entities to ensure that the risks identified remain within the established appetite and to support an informed decision-making process.

Reporting and analytics are also being continuously enhanced to provide risk intelligence to relevant stakeholders within the Group to facilitate more effective decision making.

Risk Documentation

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

Risk Infrastructure

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

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

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

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

Key features of the framework are: (continued)

Risk Infrastructure (continued)

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

Major Areas of Risk

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

(i) Credit risk – the risk of loss arising from customers' or counterparties' failure to fulfil their financial and contractual obligations in accordance to the agreed terms. It stems primarily from the Group's and the Bank's lending/financing, trade finance placement, underwriting, investment, hedging and trading activities from both on- and off-balance sheet transactions. Credit risk does not typically happen in isolation and presence of other risks may also arise depending on certain risk events (e.g. fluctuation of interest rate, foreign exchange).

(ii) Market risk – the risk of losses arising from adverse movements in market drivers, such as interest rates, credit spreads, equity prices, currency exchange rates and commodity prices. Under this definition, market risk will constitute:

- the interest rate and equity risks pertaining to financial instruments in the trading book; and
- foreign exchange risk and commodities risk in the trading and banking books.

(iii) Liquidity risk – the risk of the Group and the Bank being unable to maintain sufficient liquid assets to meet its financial commitments and obligations when they fall due and transact at a reasonable cost. Liquidity risk also arises from the inability to manage unplanned decreases or changes in funding sources.

(iv) Operational risk – the risk of loss resulting from inadequate or failed internal processes, people, systems and/or external events, which also includes information technology ('IT'), legal and Shariah non-compliance risk but excludes strategic and reputational risk.

(v) Technology and Cyber risk – Technology risk is the business risk associated with the use, ownership, operation, involvement, influence and adoption of IT within an enterprise while Cyber risk refers to threats or vulnerabilities emanating from the connectivity of internal infrastructure to external networks such as the Internet.

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

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

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

Credit Risk

- The Group and the Bank abide to the Board approved credit policy which supports the development of a strong credit culture and with the objective of maintaining a well-diversified portfolio that addresses credit risk, and mitigates concern for unexpected losses.

- Regulatory requirement and industry best practices are incorporated into the approved policy.

- Group Credit Committee (‘GCC’) is responsible for ensuring adherence to the Board approved credit risk appetite as well as the effectiveness of credit risk management. GCC is the senior management committee empowered to approve or reject all financial investments, counterparty credit and lending/financing up to the defined threshold limits.

- Group Investment Underwriting Committee (‘GIUC’) deliberates, approves and rejects stockbroking, equities, futures business related proposals such as equity underwriting, equity derivatives and structured products, and share margin financing.

- GCC and GIUC submit to the Board Credit Committee (‘BCC’) for affirmation or veto if the financing facilities exceed a pre-defined threshold.

- The Group and the Bank also ensure that internal processes and credit underwriting standards are adhered to before credit proposals are approved. All credit proposals are first evaluated by the originating business units before being evaluated by Group Credit Management prior to submission to the relevant committees for approval. With the exception of credit applications for consumer and approved products under program lending which can be auto approved by business units’ supervisors, all other credit facilities are subject to independent assessment by a team of dedicated and experienced credit evaluators in Head Office. For proper checks and controls, joint or escalated approval is required for all discretionary lending between business and independent credit underwriters, except for end-financing which can only be singly assessed by independent credit reviewers. Loans which are beyond the delegated lending authority limits will be escalated to the relevant committees for approval.

- Internal credit rating models are an integral part of the Group’s and the Bank’s credit risk management, decision-making process, and regulatory capital calculations.

- Clients’ accounts are reviewed at regular intervals and weakening credits are transferred to Loan Recovery for more effective management.

- Counterparty, industry and product exposure limits/directions are set and risk reward relationships are mapped with the aim of maintaining a diverse credit profile and track the changing risk concentrations in response to market changes and external events.

- The Bank applies the standardised approach for credit risk.

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

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

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

Market Risk

- A framework of risk policies, measurement methodologies and limits, as approved by the Board, which controls the Group's and the Bank's financial market activities as well as to identify potential risk areas early in order to mitigate against any adverse effects arising from market volatility.

- The senior management committees; namely Group ALCO, the GCRC and IBRMC performs a critical role in the oversight of the management of market risk and supports the board risk committees in the overall market risk management.

- The Group Risk Management function forms a centralised function to support senior management to operationalise the processes and methods, to ensure adequate risk control and oversight are in place.

- The Group and the Bank apply risk monitoring and assessment tools to measure trading book positions and market risk factors. Statistical and non-statistical risk assessment tools applied include Value-at-Risk ('VaR'), sensitivity analysis and stress testing.

- Market risk is primarily monitored and controlled via a structure of limits and triggers i.e. cut loss, VaR, trading and notional limit set in accordance with the size of positions and risk tolerance appetites.

- Periodic stress testing is applied to ascertain market risk under abnormal market conditions.

Liquidity Risk

- The Group ALCO plays a fundamental role in the asset and liability management of the Group and the Bank, and establishes strategies to assist in controlling and reducing any potential exposures to liquidity risk.

- The liquidity risk management process involves establishing liquidity risk management policies and limits, regular monitoring against liquidity risk limits, regular stress testing, and establishing contingency funding plans. These processes are subject to regular reviews to ensure that they remain relevant in the context of prevailing market conditions.

- Minimum liquid assets buffer, capping on large depositor concentration and sufficient long term funding are available to meet obligations and aligned to Liquidity Coverage Ratio and Net Stable Funding Ratio to ensure adequate cover for withdrawals arising from unexpected levels of demand.

- Defined liquidity management ratios are maintained and monitored.

- The Group and the Bank have established a Group Liquidity Incident Management Plan Guidelines to manage any potential adverse liquidity incidences, and which can be implemented on a timely basis so that appropriate actions can be taken to mitigate against any unexpected market developments.

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

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

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

Operational Risk

- The Group Operational Risk Management function is responsible for the development of group-wide operational risk policies, framework and methodologies, and providing guidance and information to the business units on operational risk matters. The respective business units are primarily responsible for managing operational risk on a day-to-day basis. Some of the operational risk tools used include Risk and Control Self-Assessment, Key Risk Indicators, Key Control Testing, Incident Management and Loss Data Collection and Operational Risk Scenario Analysis.

- The Group's and the Bank's operational risk management system has integrated applications to support the operational risk management process (i.e. assessment, reporting, database/library).

- The Group and the Bank have Business Continuity Management ('BCM') programme for the major critical business operations and activities at the Head Office, data centre, and branches' locations. The BCM programme is subject to regular testing to validate adequacy and preparedness of all resources to support critical and essential services in the event of disruption. There are ongoing continuous improvement initiatives to build operational resilience to ensure sustainability of critical services.

- There is continuous refinement of existing policies, procedures and internal control measures; and regular internal review, compliance monitoring, and audits are performed to prevent and/or minimise unexpected losses.

- Regular operational risk reporting is made to senior management, relevant committees and board to facilitate the identification of adverse operational lapses, taking of prompt corrective actions, and ensuring appropriate risk mitigations are implemented.

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

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

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

Technology and Cyber Risk

- The Group Technology & Cyber Risk Management function is responsible for the establishment of group-wide technology and cyber risk management framework, policy and guideline as well as, providing guidance and consultation to the business and functional units on technology and cyber risk areas.

- There is a continuous enhancement of existing Group policies, procedures and internal control measures in line with regulatory requirements; with regular independent assessment on areas pertaining to technology and cyber risks to prevent and/or minimise unexpected losses.

- Development of policies and mitigating controls are made reference to industry standards such as ISO/IEC:27001:2013, COBIT 5 and the NIST Cyber Security Framework.

- Regular technology and cyber risk reporting is made to senior management, relevant senior management and board committees to facilitate a risk informed decision by proactively identifying emerging technology and cyber threats, assessment on the effectiveness of the controls implemented and the recommendation of new appropriate controls.

- Subscription to threat intelligence service providers for the latest cyber threats incidence, threat actors, exploit techniques and modus operandi in compromising an organisation.

- Continuous education and awareness on technology and cyber risks to Board, business and functional units, new recruits and third party service providers via Computer Based Training, classroom training and regular email broadcast communication.

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Financial instruments by category

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

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Financial instruments by category (continued)

Group 2022	At Amortised Costs RM'000	At FVTPL RM'000	At FVOCI RM'000	Total RM'000
Financial assets				
Cash and short-term funds	2,678,203	-	-	2,678,203
Deposits and placements with banks and other financial institutions	198,012	-	-	198,012
Financial assets at FVTPL	-	880,028	-	880,028
Financial assets at FVOCI				
- Debt instruments	-	-	238,790	238,790
- Equity instruments	-	-	41,246	41,246
Financial investments at amortised costs	957,408	-	-	957,408
Loans and advances	1,873,654	-	-	1,873,654
Clients' and brokers' balances	741,140	-	-	741,140
Other financial assets	130,607	-	-	130,607
Derivative assets	-	1,275	-	1,275
	6,579,024	881,303	280,036	7,740,363
Financial liabilities				
Deposits from customers	1,289,098	-	-	1,289,098
Deposits and placements of banks and other financial institutions	1,918,878	-	-	1,918,878
Obligations on securities sold under repurchase agreements	789,281	-	-	789,281
Clients' and brokers' balances	776,789	-	-	776,789
Other liabilities	593,737	-	-	593,737
Derivative liabilities	-	19,746	-	19,746
Lease liabilities	16,745	-	-	16,745
Borrowings	755,916	-	-	755,916
Subordinated obligations	101,097	-	-	101,097
	6,241,541	19,746	-	6,261,287

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Financial instruments by category (continued)

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

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Financial instruments by category (continued)

Bank 2022	At Amortised Costs RM'000	At FVTPL RM'000	At FVOCI RM'000	Total RM'000
Financial assets				
Cash and short-term funds	2,149,479	-	-	2,149,479
Financial assets at FVTPL	-	71,822	-	71,822
Financial assets at FVOCI				
- Debt instruments	-	-	238,790	238,790
- Equity instruments	-	-	38,517	38,517
Financial investments at amortised costs	957,408	-	-	957,408
Loans and advances	1,365,826	-	-	1,365,826
Clients' and brokers' balances	641,294	-	-	641,294
Other financial assets	56,044	-	-	56,044
Derivative assets	-	716	-	716
	5,170,051	72,538	277,307	5,519,896
Financial liabilities				
Deposits from customers	1,289,098	-	-	1,289,098
Deposits and placements of banks and other financial institutions	1,918,878	-	-	1,918,878
Obligations on securities sold under repurchase agreements	789,281	-	-	789,281
Clients' and brokers' balances	692,619	-	-	692,619
Other liabilities	228,598	-	-	228,598
Derivative liabilities	-	10,277	-	10,277
Lease liabilities	7,125	-	-	7,125
Subordinated obligations	101,097	-	-	101,097
	5,026,696	10,277	-	5,036,973

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Market risk

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

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

(i) Interest rate sensitivity analysis

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

	Group		Bank	
	Impact on profit after tax	**Impact on equity**	**Impact on profit after tax**	**Impact on equity**
	RM'000	**RM'000**	**RM'000**	**RM'000**
2023				
+100 bps	**(1,732)**	**(3,583)**	**(1,593)**	**(3,583)**
-100 bps	**1,767**	**3,810**	**1,629**	**3,810**
2022				
+100 bps	2,123	(3,701)	2,221	(3,701)
-100 bps	(2,123)	4,017	(2,221)	4,017

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

(a) Impact on the profit after tax is the sum of valuation changes on fixed income instruments and derivatives held in the trading portfolio and earnings movement for all short-term interest rate sensitive assets and liabilities (with maturity or re-pricing tenure of up to one year) that is not held in the trading portfolio. Earnings movement for the short-term interest rate sensitive assets and liabilities uses a set of risk weights with its respective time band to simulate the 100 bps (2022: 100 bps) interest rate change impact. For assets and liabilities with non-fixed maturity e.g. current and savings accounts, certain assumptions are made to reflect the actual sensitivity behaviour of these interest bearing assets and liabilities.

(b) Impact on equity represents the changes in fair values of fixed income instruments and derivatives held in the FVOCI portfolio arising from the shift in the interest rate.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Market risk (continued)

(ii) Foreign currency sensitivity analysis

The foreign currency sensitivity represents the effect of the appreciation or depreciation of the foreign currency rates (mainly consists of United States Dollar and Singapore Dollar) on the consolidated currency position, while other variables remain constant.

	Group Impact on profit after tax RM'000	Bank Impact on profit after tax RM'000
2023		
+10%	**7,040**	**5,077**
-10%	**(7,040)**	**(5,077)**
2022		
+10%	10,525	8,570
-10%	(10,525)	(8,570)

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

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Market risk (continued)

Interest rate risk

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

Group 2023	Non-trading book Up to 1 month RM'000	>1-3 months RM'000	>3-6 months RM'000	>6-12 months RM'000	>1-3 years RM'000	Over 3 years RM'000	Non-interest sensitive RM'000	Trading book RM'000	Total RM'000
ASSETS									
Cash and short-term funds	1,597,537	-	-	-	-	-	484,067	-	2,081,604
Deposits and placements with banks and other financial institutions	-	85,485	53,195	75,775	-	-	8,675	-	223,130
Financial assets at FVTPL	-	-	-	-	-	27,634	761,666	195,813	985,113
Financial assets at FVOCI	249,700	54,902	-	-	59,394	100,155	46,897	-	511,048
Financial investments at amortised costs	-	30,124	-	34,832	411,427	417,103	6,525	-	900,011
Loans and advances	1,876,724	-	-	-	-	219	2	-	1,876,945
Clients' and brokers' balances	39,180	-	-	-	-	-	1,163,833	-	1,203,013
Other assets	4,088	4,086	1,193	-	-	15,232	97,822	-	122,421
Derivative assets	-	-	-	-	-	-	-	6,022	6,022
Statutory deposits	-	-	-	-	-	-	58,201	-	58,201
Tax recoverable	-	-	-	-	-	-	37,591	-	37,591
Deferred tax assets	-	-	-	-	-	-	20,944	-	20,944
Investments in associates and joint venture	-	-	-	-	-	-	13,139	-	13,139
Investment property	-	-	-	-	-	-	3,357	-	3,357
Right-of-use assets	-	-	-	-	-	-	16,135	-	16,135
Property, plant and equipment	-	-	-	-	-	-	30,616	-	30,616
Goodwill and other intangible assets	-	-	-	-	-	-	497,986	-	497,986
TOTAL ASSETS	3,767,229	174,597	54,388	110,607	470,821	560,343	3,247,456	201,835	8,587,276

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Market risk (continued)

Interest rate risk (continued)

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

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

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Market risk (continued)

Interest rate risk (continued)

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

	Non-trading book								
Group 2022	**Up to 1 month RM'000**	**>1-3 months RM'000**	**>3-6 months RM'000**	**>6-12 months RM'000**	**>1-3 years RM'000**	**Over 3 years RM'000**	**Non-interest sensitive RM'000**	**Trading book RM'000**	**Total RM'000**
ASSETS									
Cash and short-term funds	2,114,939	-	-	-	-	-	563,264	-	2,678,203
Deposits and placements with banks and other financial institutions	-	76,920	45,861	74,551	-	-	680	-	198,012
Financial assets at FVTPL	-	-	-	-	-	-	730,538	149,490	880,028
Financial assets at FVOCI	-	-	70,153	5,030	15,164	146,816	42,873	-	280,036
Financial investments at amortised costs	-	55,009	85,065	70,006	65,235	674,413	7,680	-	957,408
Loans and advances	1,873,397	-	-	-	12	243	2	-	1,873,654
Clients' and brokers' balances	8,790	-	-	-	-	-	732,350	-	741,140
Other assets	3,720	3,978	1,142	-	-	69	134,007	-	142,916
Derivative assets	-	-	-	670	-	-	-	605	1,275
Statutory deposits	-	-	-	-	-	-	44,381	-	44,381
Tax recoverable	-	-	-	-	-	-	36,172	-	36,172
Deferred tax assets	-	-	-	-	-	-	16,875	-	16,875
Investments in associates and joint venture	-	-	-	-	-	-	4,721	-	4,721
Right-of-use assets	-	-	-	-	-	-	16,532	-	16,532
Property, plant and equipment	-	-	-	-	-	-	36,749	-	36,749
Goodwill and other intangible assets	-	-	-	-	-	-	497,661	-	497,661
TOTAL ASSETS	4,000,846	135,907	202,221	150,257	80,411	821,541	2,864,485	150,095	8,405,763

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Market risk (continued)

Interest rate risk (continued)

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

	Non-trading book								
Group	**Up to 1 month**	**>1-3 months**	**>3-6 months**	**>6-12 months**	**>1-3 years**	**Over 3 years**	**Non-interest sensitive**	**Trading book**	**Total**
2022	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
LIABILITIES									
Deposits from customers	797,158	489,576	-	-	-	-	2,364	-	1,289,098
Deposits and placements of banks and other financial institutions	551,902	1,058,473	300,000	-	-	-	8,503	-	1,918,878
Obligations on securities sold under repurchase agreements	-	-	778,296	-	-	-	10,985	-	789,281
Clients' and brokers' balances	-	-	-	-	-	-	776,789	-	776,789
Other liabilities	-	-	-	-	-	-	599,694	-	599,694
Derivative liabilities	-	2,482	-	-	-	-	-	17,264	19,746
Tax liabilities	-	-	-	-	-	-	6,061	-	6,061
Lease liabilities	675	1,837	2,308	4,003	5,800	2,122	-	-	16,745
Borrowings	682,220	72,844	-	-	-	-	852	-	755,916
Subordinated obligations	-	-	-	-	-	100,000	1,097	-	101,097
TOTAL LIABILITIES	2,031,955	1,625,212	1,080,604	4,003	5,800	102,122	1,406,345	17,264	6,273,305
Shareholder's funds	-	-	-	-	-	-	2,121,877	-	2,121,877
Non-controlling interests	-	-	-	-	-	-	10,581	-	10,581
TOTAL LIABILITIES AND EQUITY	2,031,955	1,625,212	1,080,604	4,003	5,800	102,122	3,538,803	17,264	8,405,763
On-balance sheet interest sensitivity gap	1,968,891	(1,489,305)	(878,383)	146,254	74,611	719,419			
Off-balance sheet interest sensitivity gap	-	-	-	-	-	-			
TOTAL INTEREST SENSITIVITY GAP	1,968,891	(1,489,305)	(878,383)	146,254	74,611	719,419			

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Market risk (continued)

Interest rate risk (continued)

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

Bank 2023	Non-trading book: Up to 1 month RM'000	>1-3 months RM'000	>3-6 months RM'000	>6-12 months RM'000	>1-3 years RM'000	Over 3 years RM'000	Non-interest sensitive RM'000	Trading book RM'000	Total RM'000
ASSETS									
Cash and short-term funds	1,344,391	-	-	-	-	-	333,852	-	1,678,243
Financial assets at FVTPL	-	-	-	-	-	-	-	136,475	136,475
Financial assets at FVOCI	249,700	54,902	-	-	59,394	100,155	41,633	-	505,784
Financial investments at amortised costs	-	30,124	-	34,832	411,427	417,103	6,525	-	900,011
Loans and advances	1,436,739	-	-	-	-	219	-	-	1,436,958
Clients' and brokers' balances	6,531	-	-	-	-	-	1,102,208	-	1,108,739
Other assets	-	3,986	1,093	-	-	-	77,413	-	82,492
Derivative assets	-	-	-	-	-	-	-	5,621	5,621
Statutory deposits	-	-	-	-	-	-	53,700	-	53,700
Tax recoverable	-	-	-	-	-	-	37,196	-	37,196
Deferred tax assets	-	-	-	-	-	-	12,391	-	12,391
Investments in subsidiaries	-	-	-	-	-	-	715,344	-	715,344
Investments in associates and joint venture	-	-	-	-	-	-	5,028	-	5,028
Right-of-use assets	-	-	-	-	-	-	5,494	-	5,494
Property, plant and equipment	-	-	-	-	-	-	15,601	-	15,601
Goodwill and other intangible assets	-	-	-	-	-	-	402,401	-	402,401
TOTAL ASSETS	3,037,361	89,012	1,093	34,832	470,821	517,477	2,808,786	142,096	7,101,478

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Market risk (continued)

Interest rate risk (continued)

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

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

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Market risk (continued)

Interest rate risk (continued)

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

	Non-trading book								
Bank	**Up to 1 month**	**>1-3 months**	**>3-6 months**	**>6-12 months**	**>1-3 years**	**Over 3 years**	**Non-interest sensitive**	**Trading book**	**Total**
2022	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
ASSETS									
Cash and short-term funds	2,015,864	-	-	-	-	-	133,615	-	2,149,479
Financial assets at FVTPL	-	-	-	-	-	-	33,407	38,415	71,822
Financial assets at FVOCI	-	-	70,153	5,030	15,164	146,816	40,144	-	277,307
Financial investments at amortised costs	-	55,009	85,065	70,006	65,235	674,413	7,680	-	957,408
Loans and advances	1,365,571	-	-	-	12	243	-	-	1,365,826
Clients' and brokers' balances	8,790	-	-	-	-	-	632,504	-	641,294
Other assets	-	3,878	1,042	-	-	-	58,825	-	63,745
Derivative assets	-	-	-	670	-	-	-	46	716
Statutory deposits	-	-	-	-	-	-	40,100	-	40,100
Tax recoverable	-	-	-	-	-	-	31,382	-	31,382
Deferred tax assets	-	-	-	-	-	-	8,381	-	8,381
Investments in subsidiaries	-	-	-	-	-	-	699,324	-	699,324
Investments in associates and joint venture	-	-	-	-	-	-	5,028	-	5,028
Right-of-use assets	-	-	-	-	-	-	6,951	-	6,951
Property, plant and equipment	-	-	-	-	-	-	20,001	-	20,001
Goodwill and other intangible assets	-	-	-	-	-	-	403,716	-	403,716
TOTAL ASSETS	3,390,225	58,887	156,260	75,706	80,411	821,472	2,121,058	38,461	6,742,480

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Market risk (continued)

Interest rate risk (continued)

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

	Non-trading book								
Bank 2022	**Up to 1 month RM'000**	**>1-3 months RM'000**	**>3-6 months RM'000**	**>6-12 months RM'000**	**>1-3 years RM'000**	**Over 3 years RM'000**	**Non-interest sensitive RM'000**	**Trading book RM'000**	**Total RM'000**
LIABILITIES									
Deposits from customers	797,158	489,576	-	-	-	-	2,364	-	1,289,098
Deposits and placements of banks and other financial institutions	551,902	1,058,473	300,000	-	-	-	8,503	-	1,918,878
Obligations on securities sold under repurchase agreements	-	-	778,296	-	-	-	10,985	-	789,281
Clients' and brokers' balances	-	-	-	-	-	-	692,619	-	692,619
Other liabilities	-	-	-	-	-	-	230,235	-	230,235
Derivative liabilities	-	-	-	-	-	-	-	10,277	10,277
Lease liabilities	401	775	1,026	1,854	3,011	58	-	-	7,125
Subordinated obligations	-	-	-	-	-	100,000	1,097	-	101,097
TOTAL LIABILITIES	1,349,461	1,548,824	1,079,322	1,854	3,011	100,058	945,803	10,277	5,038,610
Total equity	-	-	-	-	-	-	1,703,870	-	1,703,870
TOTAL LIABILITIES AND EQUITY	1,349,461	1,548,824	1,079,322	1,854	3,011	100,058	2,649,673	10,277	6,742,480
On-balance sheet interest sensitivity gap	2,040,764	(1,489,937)	(923,062)	73,852	77,400	721,414			
Off-balance sheet interest sensitivity gap	-	-	-	-	-	-			
TOTAL INTEREST SENSITIVITY GAP	2,040,764	(1,489,937)	(923,062)	73,852	77,400	721,414			

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Liquidity risk

Liquidity obligations arise from withdrawals of deposits, repayments of purchased funds upon maturity, extensions of credit and working capital needs. The Group and the Bank have adopted BNM's liquidity standard on Liquidity Coverage Ratio, to ensure maintenance of adequate stock of unencumbered high-quality liquid assets to survive the liquidity needs for 30 calendar day under liquidity stress condition. In July 2019, BNM has issued the final Net Stable Funding Ratio ('NSFR') policy document, which was effective from 1 July 2020 and banking institutions are expected to maintain a minimal NSFR of 100% at the consolidated level i.e. at RHB Banking Group level. Both the LCR and NSFR at RHB Banking Group level have been maintained at above 100% since their adoption.

The Group and the Bank seek to project, monitor and manage its liquidity needs under normal as well as adverse circumstances. The Group and the Bank did not have any defaults of principal and interest or other breaches with respect to its borrowings and subordinated obligations during the financial years ended 31 December 2023 and 2022.

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Liquidity risk (continued)

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

Group 2023	Up to 1 week RM'000	1 week to 1 month RM'000	1 to 3 months RM'000	3 to 6 months RM'000	6 to 12 months RM'000	Over 1 year RM'000	No specific maturity RM'000	Total RM'000
LIABILITIES								
Deposits from customers	89,778	381,920	655,684	-	-	-	-	1,127,382
Deposits and placements of banks and other financial institutions	120,526	454,320	1,695,729	-	-	-	-	2,270,575
Obligations on securities sold under repurchase agreements	-	369,585	-	-	-	-	-	369,585
Clients' and brokers' balances	1,018,131	267,231	-	-	-	-	-	1,285,362
Other liabilities	243,493	152,491	109,806	29	290	369	1,604	508,082
Derivative liabilities	25	-	5,437	18,898	38,683	-	-	63,043
Tax liabilities	-	-	-	-	-	-	3,901	3,901
Lease liabilities	142	536	1,862	2,319	3,531	7,634	-	16,024
Borrowings	46,572	93,696	27,570	-	-	422,242	-	590,080
Subordinated obligations	-	-	-	1,097	-	100,000	-	101,097
TOTAL LIABILITIES	1,518,667	1,719,779	2,496,088	22,343	42,504	530,245	5,505	6,335,131
Total equity	-	-	-	-	-	-	2,252,145	2,252,145
TOTAL LIABILITIES AND EQUITY	1,518,667	1,719,779	2,496,088	22,343	42,504	530,245	2,257,650	8,587,276

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Liquidity risk (continued)

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

Group 2022	Up to 1 week RM'000	1 week to 1 month RM'000	1 to 3 months RM'000	3 to 6 months RM'000	6 to 12 months RM'000	Over 1 year RM'000	No specific maturity RM'000	Total RM'000
ASSETS								
Cash and short-term funds	2,092,355	585,848	-	-	-	-	-	2,678,203
Deposits and placements with banks and other financial institutions	-	-	77,297	45,985	74,730	-	-	198,012
Financial assets at FVTPL	-	-	-	-	-	689,484	190,544	880,028
Financial assets at FVOCI	-	-	-	70,637	5,066	163,087	41,246	280,036
Financial investments at amortised costs	-	-	55,808	85,455	71,073	745,072	-	957,408
Loans and advances	1,873,400	3	6	9	18	218	-	1,873,654
Clients' and brokers' balances	735,744	1,751	-	-	-	-	3,645	741,140
Other assets	61,814	41,665	5,460	905	205	991	31,876	142,916
Derivative assets	46	-	145	233	851	-	-	1,275
Statutory deposits	-	-	-	-	-	-	44,381	44,381
Tax recoverable	-	-	-	-	-	-	36,172	36,172
Deferred tax assets	-	-	-	-	-	-	16,875	16,875
Investments in associates and joint venture	-	-	-	-	-	-	4,721	4,721
Right-of-use assets	-	-	-	-	-	-	16,532	16,532
Property, plant and equipment	-	-	-	-	-	-	36,749	36,749
Goodwill and other intangible assets	-	-	-	-	-	-	497,661	497,661
TOTAL ASSETS	4,763,359	629,267	138,716	203,224	151,943	1,598,852	920,402	8,405,763

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Liquidity risk (continued)

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

Group 2022	Up to 1 week RM'000	1 week to 1 month RM'000	1 to 3 months RM'000	3 to 6 months RM'000	6 to 12 months RM'000	Over 1 year RM'000	No specific maturity RM'000	Total RM'000
LIABILITIES								
Deposits from customers	195,171	603,832	490,095	-	-	-	-	1,289,098
Deposits and placements of banks and other financial institutions	1,902	554,718	1,062,136	300,122	-	-	-	1,918,878
Obligations on securities sold under repurchase agreements	-	-	-	789,281	-	-	-	789,281
Clients' and brokers' balances	548,867	227,922	-	-	-	-	-	776,789
Other liabilities	308,370	169,218	104,051	29	1,346	15,043	1,637	599,694
Derivative liabilities	46	596	3,018	9,982	6,104	-	-	19,746
Tax liabilities	-	-	-	-	-	-	6,061	6,061
Lease liabilities	166	509	1,837	2,308	4,003	7,922	-	16,745
Borrowings	78,872	164,773	73,236	-	-	439,035	-	755,916
Subordinated obligations	-	-	-	1,097	-	100,000	-	101,097
TOTAL LIABILITIES	1,133,394	1,721,568	1,734,373	1,102,819	11,453	562,000	7,698	6,273,305
Total equity	-	-	-	-	-	-	2,132,458	2,132,458
TOTAL LIABILITIES AND EQUITY	1,133,394	1,721,568	1,734,373	1,102,819	11,453	562,000	2,140,156	8,405,763

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Liquidity risk (continued)

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

Bank 2023	Up to 1 week RM'000	1 week to 1 month RM'000	1 to 3 months RM'000	3 to 6 months RM'000	6 to 12 months RM'000	Over 1 year RM'000	No specific maturity RM'000	Total RM'000
ASSETS								
Cash and short-term funds	1,641,713	36,530	-	-	-	-	-	1,678,243
Financial assets at FVTPL	-	-	-	-	-	-	136,475	136,475
Financial assets at FVOCI	-	249,700	54,974	-	-	160,586	40,524	505,784
Financial investments at amortised costs	-	-	30,492	-	35,104	834,415	-	900,011
Loans and advances	1,436,739	3	5	8	16	187	-	1,436,958
Clients' and brokers' balances	1,104,987	1,382	-	-	-	-	2,370	1,108,739
Other assets	7,730	27,934	36,832	319	1	566	9,110	82,492
Derivative assets	21	-	-	-	5,600	-	-	5,621
Statutory deposits	-	-	-	-	-	-	53,700	53,700
Tax recoverable	-	-	-	-	-	-	37,196	37,196
Deferred tax assets	-	-	-	-	-	-	12,391	12,391
Investments in subsidiaries	-	-	-	-	-	-	715,344	715,344
Investments in associates and joint venture	-	-	-	-	-	-	5,028	5,028
Right-of-use assets	-	-	-	-	-	-	5,494	5,494
Property, plant and equipment	-	-	-	-	-	-	15,601	15,601
Goodwill and other intangible assets	-	-	-	-	-	-	402,401	402,401
TOTAL ASSETS	4,191,190	315,549	122,303	327	40,721	995,754	1,435,634	7,101,478

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Liquidity risk (continued)

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

Bank 2023	Up to 1 week RM'000	1 week to 1 month RM'000	1 to 3 months RM'000	3 to 6 months RM'000	6 to 12 months RM'000	Over 1 year RM'000	No specific maturity RM'000	Total RM'000
LIABILITIES								
Deposits from customers	89,778	381,920	655,684	-	-	-	-	1,127,382
Deposits and placements of banks and other financial institutions	120,526	454,320	1,695,729	-	-	-	-	2,270,575
Obligations on securities sold under repurchase agreements	-	369,585	-	-	-	-	-	369,585
Clients' and brokers' balances	990,549	217,089	-	-	-	-	-	1,207,638
Other liabilities	13,993	145,159	39,337	-	-	47	1,605	200,141
Derivative liabilities	25	-	5,421	16,131	38,633	-	-	60,210
Lease liabilities	86	258	690	1,026	1,571	2,005	-	5,636
Subordinated obligations	-	-	-	1,097	-	100,000	-	101,097
TOTAL LIABILITIES	1,214,957	1,568,331	2,396,861	18,254	40,204	102,052	1,605	5,342,264
Total equity	-	-	-	-	-	-	1,759,214	1,759,214
TOTAL LIABILITIES AND EQUITY	1,214,957	1,568,331	2,396,861	18,254	40,204	102,052	1,760,819	7,101,478

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Liquidity risk (continued)

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

Bank 2022	Up to 1 week RM'000	1 week to 1 month RM'000	1 to 3 months RM'000	3 to 6 months RM'000	6 to 12 months RM'000	Over 1 year RM'000	No specific maturity RM'000	Total RM'000
ASSETS								
Cash and short-term funds	1,664,307	485,172	-	-	-	-	-	2,149,479
Financial assets at FVTPL	-	-	-	-	-	-	71,822	71,822
Financial assets at FVOCI	-	-	-	70,637	5,066	163,087	38,517	277,307
Financial investments at amortised costs	-	-	55,808	85,455	71,073	745,072	-	957,408
Loans and advances	1,365,572	3	6	9	18	218	-	1,365,826
Clients' and brokers' balances	635,898	1,751	-	-	-	-	3,645	641,294
Other assets	1,563	12,755	37,545	703	-	575	10,604	63,745
Derivative assets	46	-	-	-	670	-	-	716
Statutory deposits	-	-	-	-	-	-	40,100	40,100
Tax recoverable	-	-	-	-	-	-	31,382	31,382
Deferred tax assets	-	-	-	-	-	-	8,381	8,381
Investments in subsidiaries	-	-	-	-	-	-	699,324	699,324
Investments in associates and joint venture	-	-	-	-	-	-	5,028	5,028
Right-of-use assets	-	-	-	-	-	-	6,951	6,951
Property, plant and equipment	-	-	-	-	-	-	20,001	20,001
Goodwill and other intangible assets	-	-	-	-	-	-	403,716	403,716
TOTAL ASSETS	3,667,386	499,681	93,359	156,804	76,827	908,952	1,339,471	6,742,480

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Liquidity risk (continued)

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

Bank 2022	**Up to 1 week RM'000**	**1 week to 1 month RM'000**	**1 to 3 months RM'000**	**3 to 6 months RM'000**	**6 to 12 months RM'000**	**Over 1 year RM'000**	**No specific maturity RM'000**	**Total RM'000**
LIABILITIES								
Deposits from customers	195,171	603,832	490,095	-	-	-	-	1,289,098
Deposits and placements of banks and other financial institutions	1,902	554,718	1,062,136	300,122	-	-	-	1,918,878
Obligations on securities sold under repurchase agreements	-	-	-	789,281	-	-	-	789,281
Clients' and brokers' balances	465,476	227,143	-	-	-	-	-	692,619
Other liabilities	18,968	178,127	30,362	-	942	199	1,637	230,235
Derivative liabilities	46	596	465	3,197	5,973	-	-	10,277
Lease liabilities	100	301	775	1,026	1,854	3,069	-	7,125
Subordinated obligations	-	-	-	1,097	-	100,000	-	101,097
TOTAL LIABILITIES	681,663	1,564,717	1,583,833	1,094,723	8,769	103,268	1,637	5,038,610
Total equity	-	-	-	-	-	-	1,703,870	1,703,870
TOTAL LIABILITIES AND EQUITY	681,663	1,564,717	1,583,833	1,094,723	8,769	103,268	1,705,507	6,742,480

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Liquidity risk (continued)

The following table presents the cash outflows for the Group's financial liabilities by remaining contractual maturities on an undiscounted basis. The balances in the table below will not agree to the balances reported in the statements of financial position as the table incorporates all contractual cash flows, on an undiscounted basis, relating to both principal and interest payments:

Group 2023	Up to 1 month RM'000	1 to 6 months RM'000	6 to 12 months RM'000	1 to 3 years RM'000	3 to 5 years RM'000	Over 5 years RM'000	Total RM'000
LIABILITIES							
Deposits from customers	472,324	658,543	-	-	-	-	1,130,867
Deposits and placements of banks and other financial institutions	575,703	1,705,911	-	-	-	-	2,281,614
Obligations on securities sold under repurchase agreements	369,850	-	-	-	-	-	369,850
Clients' and brokers' balances	1,285,362	-	-	-	-	-	1,285,362
Other financial liabilities	385,178	109,835	290	321	-	47	495,671
Derivative liabilities:							
- Gross settled derivatives							
- Inflow	(14,588)	-	-	-	-	-	(14,588)
- Outflow	14,615	-	-	-	-	-	14,615
- Net settled derivatives	-	24,336	38,683	-	-	-	63,019
Lease liabilities	713	4,352	3,670	6,051	407	1,340	16,533
Borrowings	140,268	27,570	-	423,151	-	-	590,989
Subordinated obligations	-	2,231	2,231	8,924	104,438	-	117,824
TOTAL FINANCIAL LIABILITIES	3,229,425	2,532,778	44,874	438,447	104,845	1,387	6,351,756

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Liquidity risk (continued)

The following table presents the cash outflows for the Group's financial liabilities by remaining contractual maturities on an undiscounted basis. The balances in the table below will not agree to the balances reported in the statements of financial position as the table incorporates all contractual cash flows, on an undiscounted basis, relating to both principal and interest payments: (continued)

Group 2022	Up to 1 month RM'000	1 to 6 months RM'000	6 to 12 months RM'000	1 to 3 years RM'000	3 to 5 years RM'000	Over 5 years RM'000	Total RM'000
LIABILITIES							
Deposits from customers	800,042	492,381	-	-	-	-	1,292,423
Deposits and placements of banks and other financial institutions	557,465	1,372,151	-	-	-	-	1,929,616
Obligations on securities sold under repurchase agreements	-	796,371	-	-	-	-	796,371
Clients' and brokers' balances	776,789	-	-	-	-	-	776,789
Other financial liabilities	479,225	104,080	1,346	9,116	-	5,927	599,694
Derivative liabilities:							
- Gross settled derivatives							
- Inflow	(20,042)	6,686	-	-	-	-	(13,356)
- Outflow	20,088	-	-	-	-	-	20,088
- Net settled derivatives	596	6,314	6,104	-	-	-	13,014
Lease liabilities	731	4,335	4,158	5,928	577	1,553	17,282
Borrowings	243,645	73,243	-	-	440,166	-	757,054
Subordinated obligations	-	2,219	2,231	8,912	108,912	-	122,274
TOTAL FINANCIAL LIABILITIES	2,858,539	2,857,780	13,839	23,956	549,655	7,480	6,311,249

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Liquidity risk (continued)

The following table presents the cash outflows for the Bank's financial liabilities by remaining contractual maturities on an undiscounted basis. The balances in the table below will not agree to the balances reported in the statements of financial position as the table incorporates all contractual cash flows, on an undiscounted basis, relating to both principal and interest payments:

Bank 2023	Up to 1 month RM'000	1 to 6 months RM'000	6 to 12 months RM'000	1 to 3 years RM'000	3 to 5 years RM'000	Over 5 years RM'000	Total RM'000
LIABILITIES							
Deposits from customers	472,324	658,543	-	-	-	-	1,130,867
Deposits and placements of banks and other financial institutions	575,703	1,705,911	-	-	-	-	2,281,614
Obligations on securities sold under repurchase agreements	369,850	-	-	-	-	-	369,850
Clients' and brokers' balances	1,207,638	-	-	-	-	-	1,207,638
Other financial liabilities	160,757	39,337	-	-	-	47	200,141
Derivative liabilities:							
- Gross settled derivatives							
- Inflow	(14,588)	-	-	-	-	-	(14,588)
- Outflow	14,615	-	-	-	-	-	14,615
- Net settled derivatives	-	21,553	38,633	-	-	-	60,186
Lease liabilities	362	1,792	1,630	2,060	12	-	5,856
Subordinated obligations	-	2,231	2,231	8,924	104,438	-	117,824
TOTAL FINANCIAL LIABILITIES	2,786,661	2,429,367	42,494	10,984	104,450	47	5,374,003

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Liquidity risk (continued)

The following table presents the cash outflows for the Bank's financial liabilities by remaining contractual maturities on an undiscounted basis. The balances in the table below will not agree to the balances reported in the statements of financial position as the table incorporates all contractual cash flows, on an undiscounted basis, relating to both principal and interest payments: (continued)

Bank 2022	Up to 1 month RM'000	1 to 6 months RM'000	6 to 12 months RM'000	1 to 3 years RM'000	3 to 5 years RM'000	Over 5 years RM'000	Total RM'000
LIABILITIES							
Deposits from customers	800,042	492,381	-	-	-	-	1,292,423
Deposits and placements of banks and other financial institutions	557,465	1,372,151	-	-	-	-	1,929,616
Obligations on securities sold under repurchase agreements	-	796,371	-	-	-	-	796,371
Clients' and brokers' balances	692,619	-	-	-	-	-	692,619
Other financial liabilities	198,732	30,362	942	156	-	43	230,235
Derivative liabilities:							
- Gross settled derivatives							
- Inflow	(20,042)	-	-	-	-	-	(20,042)
- Outflow	20,088	-	-	-	-	-	20,088
- Net settled derivatives	596	3,662	5,973	-	-	-	10,231
Lease liabilities	422	1,886	1,926	3,076	59	-	7,369
Subordinated obligations	-	2,219	2,231	8,912	108,912	-	122,274
TOTAL FINANCIAL LIABILITIES	2,249,922	2,699,032	11,072	12,144	108,971	43	5,081,184

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Liquidity risk (continued)

The following table presents the contractual expiry by maturity of the Group's commitments and contingencies:

Group 2023	**Up to 1 month RM'000**	**1 to 6 months RM'000**	**6 to 12 months RM'000**	**1 to 3 years RM'000**	**3 to 5 years RM'000**	**Over 5 years RM'000**	**Total RM'000**
Direct credit substitutes	**-**	**-**	**-**	**-**	**-**	**33,166**	**33,166**
Lending of banks' securities or the posting of securities as collateral by banks, including instances where these arise out of repo-style transactions	**-**	**388,784**	**-**	**-**	**-**	**-**	**388,784**
Irrevocable commitments to extend credit	**-**	**1,193,334**	**-**	**-**	**-**	**22**	**1,193,356**
TOTAL COMMITMENTS AND CONTINGENCIES	**-**	**1,582,118**	**-**	**-**	**-**	**33,188**	**1,615,306**
Group 2022							
Direct credit substitutes	-	-	-	-	-	30,660	30,660
Lending of banks' securities or the posting of securities as collateral by banks, including instances where these arise out of repo-style transactions	-	904,157	-	-	-	-	904,157
Irrevocable commitments to extend credit	-	1,007,743	-	-	-	22	1,007,765
TOTAL COMMITMENTS AND CONTINGENCIES	-	1,911,900	-	-	-	30,682	1,942,582

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Liquidity risk (continued)

The following table presents the contractual expiry by maturity of the Bank's commitments and contingencies:

Bank 2023	**Up to 1 month RM'000**	**1 to 6 months RM'000**	**6 to 12 months RM'000**	**1 to 3 years RM'000**	**3 to 5 years RM'000**	**Over 5 years RM'000**	**Total RM'000**
Direct credit substitutes	**-**	**-**	**-**	**-**	**-**	**33,166**	**33,166**
Lending of banks' securities or the posting of securities as collateral by banks, including instances where these arise out of repo-style transactions	**-**	**388,784**	**-**	**-**	**-**	**-**	**388,784**
Irrevocable commitments to extend credit	**-**	**867,684**	**-**	**-**	**-**	**22**	**867,706**
TOTAL COMMITMENTS AND CONTINGENCIES	**-**	**1,256,468**	**-**	**-**	**-**	**33,188**	**1,289,656**
Bank 2022							
Direct credit substitutes	-	-	-	-	-	30,660	30,660
Lending of banks' securities or the posting of securities as collateral by banks, including instances where these arise out of repo-style transactions	-	904,157	-	-	-	-	904,157
Irrevocable commitments to extend credit	-	732,487	-	-	-	22	732,509
TOTAL COMMITMENTS AND CONTINGENCIES	-	1,636,644	-	-	-	30,682	1,667,326

Undrawn loans and advances commitments are recognised at activation stage and include commitments which are unconditionally cancellable by the Group and the Bank. The Group and the Bank expect that not all of the contingent liabilities and undrawn loan and financing commitments will be drawn before expiry.

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Credit risk

(i) Maximum exposure to credit risk

The maximum exposure to credit risk at the statements of financial position is the amounts on the statements of financial position as well as off-balance sheet financial instruments, without taking into account of any collateral held or other credit enhancements. For contingent liabilities, the maximum exposure to credit risk is the maximum amount that the Group and the Bank would have to pay if the obligations of the instruments issued are called upon. For credit commitments, the maximum exposure to credit risk is the full amount of the undrawn credit facilities granted to customers.

The table below shows the credit exposure of the Group that are subject to impairment:

		Group
	2023	**2022**
	RM'000	**RM'000**
Credit risk exposure relating to on-balance sheet assets:		
Short-term funds (exclude cash in hand)	**2,081,502**	2,678,101
Deposits and placements with banks and other financial institutions	**223,130**	198,012
Financial assets and investments portfolios (exclude equity instruments):		
- FVOCI	**465,260**	238,790
- Amortised costs	**900,011**	957,408
Loans and advances	**1,876,945**	1,873,654
Clients' and brokers' balances	**1,203,013**	741,140
Other financial assets	**108,222**	128,862
	6,858,083	6,815,967
Credit risk exposure relating to off-balance sheet items:		
Commitments and contingencies	**1,615,306**	1,942,582
Total maximum credit risk exposure that are subject to impairment	**8,473,389**	8,758,549

The table below shows the credit exposure of the Group that are not subject to impairment:

Financial assets and investments portfolios:

FVTPL	**985,113**	880,028
FVOCI	**45,788**	41,246
Derivative assets	**6,022**	1,275
Other financial assets	**2,089**	1,745
	1,039,012	924,294

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Credit risk (continued)

(i) Maximum exposure to credit risk (continued)

The table below shows the credit exposure of the Bank that are subject to impairment:

		Bank
	2023	**2022**
	RM'000	**RM'000**
Credit risk exposure relating to on-balance sheet assets:		
Short-term funds (exclude cash in hand)	**1,678,180**	2,149,414
Financial assets and investments portfolios (exclude equity instruments):		
- FVOCI	**465,260**	238,790
- Amortised costs	**900,011**	957,408
Loans and advances	**1,436,958**	1,365,826
Clients' and brokers' balances	**1,108,739**	641,294
Other financial assets	**75,861**	55,833
	5,665,009	5,408,565
Credit risk exposure relating to off-balance sheet items:		
Commitments and contingencies	**1,289,656**	1,667,326
Total maximum credit risk exposure that are subject to impairment	**6,954,665**	7,075,891

The below shows the credit exposure of the Bank that are not subject to impairment:

Financial assets and investments portfolios:		
FVTPL	**136,475**	71,822
FVOCI	**40,524**	38,517
Derivative assets	**5,621**	716
Other financial assets	**104**	211
	182,724	111,266

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Credit risk (continued)

(ii) Collaterals

The main types of collateral obtained by the Group and the Bank such as cash deposits, shares and unit trusts, land and buildings.

The Group and the Bank also accept non-tangible securities such as credit support, such as guarantees from individuals, corporates and institutions, charge over lease, which are subject to internal guidelines on eligibility.

The financial effect of collateral (quantification of the extent to which collateral and other credit enhancements mitigate credit risk) held for loans and advances as at 31 December 2023 for the Group and the Bank are 100.0% (2022: 100.0%) and 100.0% (2022: 100.0%) respectively and clients' and brokers' balances as at 31 December 2023 for the Group and the Bank are 99.6% (2022: 96.4%) and 99.6% (2022: 98.8%) respectively. The financial effect of collateral held for the other financial assets are insignificant.

(iii) Credit exposure by stage

Financial assets of the Group and the Bank are classified into three stages as below:

Stages	**Description**
- Stage 1: 12-month ECL - not credit impaired	For credit exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the ECL associated with the probability of default events occurring within the next 12 months will be recognised.
- Stage 2: Lifetime ECL - not credit impaired	For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, the ECL associated with the probability of default events occurring within the lifetime ECL will be recognised.
- Stage 3: Lifetime ECL - credit impaired	Financial assets are assessed as credit impaired when one or more objective evidence of defaults that have a detrimental impact on the estimated future cash flows of that asset have occurred. For financial assets that have become credit impaired, a lifetime ECL will be recognised.

For further details on the stages, refer to accounting policy Section A(20).

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Credit risk (continued)

(iv) Credit quality

The Group and the Bank assess credit quality of loans and advances using internal rating techniques tailored to the various categories of products and counterparties. These techniques have been developed internally and combine statistical analysis with credit officers' judgement.

Credit quality description is summarised as follows:

Credit Quality	**Description**
- Sovereign	Exposures directly from government bodies including exposure guaranteed by government
- Good	Exposures exhibit strong capacity to meet financial commitments with no cause of concern to the Group and the Bank
- Fair	Exposures exhibit fairly acceptable capacity to meet financial commitments and may require varying degrees of concern to the Group
- No Rating	Counterparties which do not satisfy the criteria to be rated based on internal credit rating system
- Credit impaired	When one or more objective evidence of defaults that have a detrimental impact on the estimated future cash flows have occurred

The credit quality of financial assets other than loans and advances are determined based on the ratings of counterparties as defined by Moody's or equivalent ratings of other international rating agencies as defined below:

Credit Quality	**Ratings**
- Sovereign	Sovereign credit rating
- Good	Aaa to A3
- Fair	Baa1 to Baa3
- No Rating	Unrated
- Credit impaired	Default

RHB INVESTMENT BANK BERHAD
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48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Credit risk (continued)

(iv) Credit quality (continued)

(a) The following table shows an analysis of the credit exposure by stages, together with the ECL allowance provision:

Group 2023	Gross Carrying Amount Sovereign RM'000	Good RM'000	Fair RM'000	No rating RM'000	Credit-Impaired RM'000	Total RM'000	Provision for ECL RM'000
General Approach							
Cash and short-term funds	580,143	1,398,827	47,221	55,877	-	2,082,068	(566)
- Stage 1	580,143	1,398,827	47,221	55,877	-	2,082,068	(566)
- Stage 2	-	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-	-
Deposits and placements with banks and other financial institutions	-	208,968	-	14,198	-	223,166	(36)
- Stage 1	-	208,968	-	14,198	-	223,166	(36)
- Stage 2	-	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-	-
Financial assets at FVOCI	465,260	-	-	-	-	465,260	-
- Stage 1	465,260	-	-	-	-	465,260	-
- Stage 2	-	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-	-
Financial investments at amortised costs	900,011	-	-	-	67,744	967,755	(67,744)
- Stage 1	900,011	-	-	-	-	900,011	-
- Stage 2	-	-	-	-	-	-	-
- Stage 3	-	-	-	-	67,744	67,744	(67,744)
Loans and advances	-	1,436,959	-	439,987	-	1,876,946	(1)
- Stage 1	-	1,436,938	-	439,987	-	1,876,925	(1)
- Stage 2	-	21	-	-	-	21	-
- Stage 3	-	-	-	-	-	-	-
	1,945,414	3,044,754	47,221	510,062	67,744	5,615,195	(68,347)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Credit risk (continued)

(iv) Credit quality (continued)

(a) The following table shows an analysis of the credit exposure by stages, together with the ECL allowance provision: (continued)

	Gross Carrying Amount						
Group 2022	**Sovereign RM'000**	**Good RM'000**	**Fair RM'000**	**No rating RM'000**	**Credit-Impaired RM'000**	**Total RM'000**	**Provision for ECL RM'000**
General Approach							
Cash and short-term funds	1,100,496	1,471,605	56,872	49,662	-	2,678,635	(534)
- Stage 1	1,100,496	1,471,605	56,872	49,662	-	2,678,635	(534)
- Stage 2	-	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-	-
Deposits and placements with banks and other financial institutions	-	149,702	4,685	43,717	-	198,104	(92)
- Stage 1	-	149,702	4,685	43,717	-	198,104	(92)
- Stage 2	-	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-	-
Financial assets at FVOCI	238,790	-	-	-	-	238,790	-
- Stage 1	238,790	-	-	-	-	238,790	-
- Stage 2	-	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-	-
Financial investments at amortised costs	957,408	-	-	-	69,795	1,027,203	(69,795)
- Stage 1	957,408	-	-	-	-	957,408	-
- Stage 2	-	-	-	-	-	-	-
- Stage 3	-	-	-	-	69,795	69,795	(69,795)
Loans and advances	-	1,365,572	-	508,083	11,713	1,885,368	(11,714)
- Stage 1	-	1,365,556	-	508,078	-	1,873,634	(1)
- Stage 2	-	16	-	5	-	21	-
- Stage 3	-	-	-	-	11,713	11,713	(11,713)
	2,296,694	2,986,879	61,557	601,462	81,508	6,028,100	(82,135)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Credit risk (continued)

(iv) Credit quality (continued)

(a) The following table shows an analysis of the credit exposure by stages, together with the ECL allowance provision: (continued)

	Gross Carrying Amount						
Bank	**Sovereign**	**Good**	**Fair**	**No rating**	**Credit-Impaired**	**Total**	**Provision for ECL**
2023	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
General Approach							
Cash and short-term funds	**580,143**	**1,093,223**	**3**	**4,852**	**-**	**1,678,221**	**(41)**
- Stage 1	**580,143**	**1,093,223**	**3**	**4,852**	**-**	**1,678,221**	**(41)**
- Stage 2	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- Stage 3	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Financial assets at FVOCI	**465,260**	**-**	**-**	**-**	**-**	**465,260**	**-**
- Stage 1	**465,260**	**-**	**-**	**-**	**-**	**465,260**	**-**
- Stage 2	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- Stage 3	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Financial investments at amortised costs	**900,011**	**-**	**-**	**-**	**67,744**	**967,755**	**(67,744)**
- Stage 1	**900,011**	**-**	**-**	**-**	**-**	**900,011**	**-**
- Stage 2	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- Stage 3	**-**	**-**	**-**	**-**	**67,744**	**67,744**	**(67,744)**
Loans and advances	**-**	**1,436,959**	**-**	**-**	**-**	**1,436,959**	**(1)**
- Stage 1	**-**	**1,436,938**	**-**	**-**	**-**	**1,436,938**	**(1)**
- Stage 2	**-**	**21**	**-**	**-**	**-**	**21**	**-**
- Stage 3	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	1,945,414	**2,530,182**	**3**	**4,852**	**67,744**	**4,548,195**	**(67,786)**

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Credit risk (continued)

(iv) Credit quality (continued)

(a) The following table shows an analysis of the credit exposure by stages, together with the ECL allowance provision: (continued)

Bank 2022	Gross Carrying Amount Sovereign RM'000	Good RM'000	Fair RM'000	No rating RM'000	Credit-Impaired RM'000	Total RM'000	Provision for ECL RM'000
General Approach							
Cash and short-term funds	1,100,496	1,043,956	3	4,997	-	2,149,452	(38)
- Stage 1	1,100,496	1,043,956	3	4,997	-	2,149,452	(38)
- Stage 2	-	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-	-
Financial assets at FVOCI	238,790	-	-	-	-	238,790	-
- Stage 1	238,790	-	-	-	-	238,790	-
- Stage 2	-	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-	-
Financial investments at amortised costs	957,408	-	-	-	69,795	1,027,203	(69,795)
- Stage 1	957,408	-	-	-	-	957,408	-
- Stage 2	-	-	-	-	-	-	-
- Stage 3	-	-	-	-	69,795	69,795	(69,795)
Loans and advances	-	1,365,572	-	255	-	1,365,827	(1)
- Stage 1	-	1,365,556	-	255	-	1,365,811	(1)
- Stage 2	-	16	-	-	-	16	-
- Stage 3	-	-	-	-	-	-	-
	2,296,694	2,409,528	3	5,252	69,795	4,781,272	(69,834)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Credit risk (continued)

(iv) Credit quality (continued)

(a) The following table shows an analysis of the credit exposure, together with the ECL allowance provision: (continued)

Simplified Approach	Current RM'000	Current to less than 90 days past due RM'000	More than 90 days past due RM'000	Total RM'000	Provision for ECL RM'000
Group **2023**					
Gross carrying amount					
- Clients' and brokers' balances	**1,200,642**	**1,519**	**3,261**	**1,205,422**	**(2,409)**
- Other receivables	**49,164**	**10,660**	**15,627**	**75,451**	**(14,315)**
	1,249,806	**12,179**	**18,888**	**1,280,873**	**(16,724)**
Group **2022**					
Gross carrying amount					
- Clients' and brokers' balances	737,495	2,368	22,626	762,489	(21,349)
- Other receivables	82,102	10,841	15,586	108,529	(14,323)
	819,597	13,209	38,212	871,018	(35,672)
Bank **2023**					
Gross carrying amount					
- Clients' and brokers' balances	**1,106,369**	**1,518**	**1,437**	**1,109,324**	**(585)**
- Other receivables	**10,246**	**860**	**13,671**	**24,777**	**(12,785)**
	1,116,615	**2,378**	**15,108**	**1,134,101**	**(13,370)**
Bank **2022**					
Gross carrying amount					
- Clients' and brokers' balances	637,649	2,368	2,694	642,711	(1,417)
- Other receivables	3,517	1,574	13,942	19,033	(12,665)
	641,166	3,942	16,636	661,744	(14,082)

Other assets for the Group and the Bank of RM47,085,000 (2022: RM34,656,000) and RM63,869,000 (2022: RM49,465,0000) respectively are non-rated and short-term in nature, of which no provision for ECL is provided, with the exception of the amount due from subsidiaries, of which allowance for ECL of RM6,231,000 (2022: RM5,164,000) is provided.

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Credit risk (continued)

(iv) Credit quality (continued)

(b) Credit risk exposure analysed by industry in respect of the Group's financial assets, including commitments and contingencies, are set out below:

Group 2023	Short-term funds and deposits and placements with banks and other financial institutions ^ RM'000	Financial assets at FVOCI RM'000	Financial investments at amortised costs RM'000	Loans and advances # RM'000	Clients' and brokers' balances * RM'000	Other financial assets RM'000	Commitments and contingencies RM'000	Total RM'000
Agriculture, hunting, forestry and fishing	-	-	-	4,040	-	145	1,566	5,751
Mining and quarrying	-	-	-	76	-	-	-	76
Manufacturing	-	-	-	30,680	-	409	4,448	35,537
Electricity, gas and water	-	-	-	295	-	623	5	923
Construction	-	-	40,314	10,637	-	126	4,306	55,383
Purchase of landed property	-	-	-	-	-	-	18	18
Wholesale & retail trade and restaurants & hotel	-	-	-	7,366	-	9,689	5,659	22,714
Transport, storage and communication	-	54,876	69,183	4,717	-	-	377	129,153
Finance, insurance, real estate and business services	1,725,091	10,188	197,023	414,881	-	44,767	486,918	2,878,868
Government and government agencies	580,143	400,196	593,491	-	-	-	-	1,573,830
Household	-	-	-	1,401,755	1,203,014	-	1,112,008	3,716,777
Education, health & others	-	-	-	2,499	-	-	1	2,500
Others	-	-	-	-	-	52,463	-	52,463
	2,305,234	465,260	900,011	1,876,946	1,203,014	108,222	1,615,306	8,473,993

^ Excludes Stage 1 expected credit losses amounting to RM602,000.
# Excludes Stage 1 expected credit losses amounting to RM1,000.
* Excludes Stage 1 expected credit losses amounting to RM1,000.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Credit risk (continued)

(iv) Credit quality (continued)

(b) Credit risk exposure analysed by industry in respect of the Group's financial assets, including commitments and contingencies, are set out below: (continued)

Group	Short-term funds and deposits and placements with banks and other financial institutions ^	Financial assets at FVOCI	Financial investments at amortised costs	Loans and advances #	Clients' and brokers' balances *	Other financial assets	Commitments and contingencies	Total
2022	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Agriculture, hunting, forestry and fishing	-	-	-	452	-	212	694	1,358
Mining and quarrying	-	-	-	76	-	-	-	76
Manufacturing	-	-	-	4,418	-	2,030	4,497	10,945
Electricity, gas and water	-	-	35,140	295	-	8	5	35,448
Construction	-	-	40,311	2,189	-	996	7,610	51,106
Wholesale & retail trade and restaurants & hotel	-	-	-	2,076	-	11	3,718	5,805
Transport, storage and communication	-	53,957	30,544	4,696	-	1,099	197	90,493
Finance, insurance, real estate and business services	1,776,243	15,242	298,135	514,667	-	82,700	964,035	3,651,022
Government and government agencies	1,100,496	169,591	553,278	-	-	-	-	1,823,365
Household	-	-	-	1,342,287	741,141	-	931,165	3,014,593
Education, health & others	-	-	-	2,499	-	-	1	2,500
Others	-	-	-	-	-	41,806	-	41,806
	2,876,739	238,790	957,408	1,873,655	741,141	128,862	1,911,922	8,728,517

^ Excludes Stage 1 expected credit losses amounting to RM626,000.
# Excludes Stage 1 expected credit losses amounting to RM1,000.
* Excludes Stage 1 expected credit losses amounting to RM1,000.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Credit risk (continued)

(iv) Credit quality (continued)

(b) Credit risk exposure analysed by industry in respect of the Bank's financial assets, including commitments and contingencies, are set out below:

Bank	**Short-term funds and deposits and placements with banks and other financial institutions ^**	**Financial assets at FVOCI**	**Financial investments at amortised costs**	**Loans and advances #**	**Clients' and brokers' balances ***	**Other financial assets**	**Commitments and contingencies**	**Total**
2023	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Agriculture, hunting, forestry and fishing	-	-	-	1,025	-	145	1,565	2,735
Mining and quarrying	-	-	-	76	-	-	-	76
Manufacturing	-	-	-	30,680	-	409	4,449	35,538
Electricity, gas and water	-	-	-	295	-	623	5	923
Construction	-	-	40,314	10,637	-	126	4,306	55,383
Purchase of landed property	-	-	-	-	-	-	18	18
Wholesale & retail trade and restaurants & hotel	-	-	-	7,366	-	9,689	2,569	19,624
Transport, storage and communication	-	54,876	69,183	4,717	-	-	377	129,153
Finance, insurance, real estate and business services	1,098,078	10,188	197,023	387,072	-	105	486,522	2,178,988
Government and government agencies	580,143	400,196	593,491	-	-	-	-	1,573,830
Household	-	-	-	992,592	1,108,740	-	789,844	2,891,176
Education, health & others	-	-	-	2,499	-	-	1	2,500
Others	-	-	-	-	-	64,764	-	64,764
	1,678,221	465,260	900,011	1,436,959	1,108,740	75,861	1,289,656	6,954,708

^ Excludes Stage 1 expected credit losses amounting to RM41,000.
\# Excludes Stage 1 expected credit losses amounting to RM1,000.
* Excludes Stage 1 expected credit losses amounting to RM1,000.

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Credit risk (continued)

(iv) Credit quality (continued)

(b) Credit risk exposure analysed by industry in respect of the Bank's financial assets, including commitments and contingencies, are set out below: (continued)

Bank 2022	Short-term funds and deposits and placements with banks and other financial institutions ^ RM'000	Financial assets at FVOCI RM'000	Financial investments at amortised costs RM'000	Loans and advances # RM'000	Clients' and brokers' balances * RM'000	Other financial assets RM'000	Commitments and contingencies RM'000	Total RM'000
Agriculture, hunting, forestry and fishing	-	-	-	452	-	212	694	1,358
Mining and quarrying	-	-	-	76	-	-	-	76
Manufacturing	-	-	-	4,418	-	2,030	4,497	10,945
Electricity, gas and water	-	-	35,140	295	-	8	5	35,448
Construction	-	-	40,311	2,189	-	996	7,273	50,769
Wholesale & retail trade and restaurants & hotel	-	-	-	2,076	-	11	3,718	5,805
Transport, storage and communication	-	53,957	30,544	4,696	-	1,099	197	90,493
Finance, insurance, real estate and business services	1,048,956	15,242	298,135	504,551	-	208	994,695	2,861,787
Government and government agencies	1,100,496	169,591	553,278	-	-	-	-	1,823,365
Household	-	-	-	844,575	641,295	-	656,246	2,142,116
Education, health & others	-	-	-	2,499	-	-	1	2,500
Others	-	-	-	-	-	51,269	-	51,269
	2,149,452	238,790	957,408	1,365,827	641,295	55,833	1,667,326	7,075,931

^ Excludes Stage 1 expected credit losses amounting to RM38,000.
# Excludes Stage 1 expected credit losses amounting to RM1,000.
* Excludes Stage 1 expected credit losses amounting to RM1,000.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Credit risk (continued)

(iv) Credit quality (continued)

(c) Credit risk exposure analysed by geographical in respect of the Group's financial assets, including commitments and contingencies, are set out below:

Group	Short-term funds and deposits and placements with banks and other financial institutions ^	Financial assets at FVOCI	Financial investments at amortised costs	Loans and advances #	Clients' and brokers' balances *	Other financial assets	Commitments and contingencies	Total
2023	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
South East Asia								
- Malaysia	2,013,071	465,260	900,011	1,436,959	1,108,740	84,010	1,289,656	7,297,707
- Singapore	12,313	-	-	-	-	1,450	-	13,763
- Thailand	21,256	-	-	285,580	32,649	16,430	148,847	504,762
- Indonesia	49,914	-	-	138,474	59,864	5,764	153,798	407,814
- Cambodia	46,451	-	-	-	-	417	-	46,868
- Vietnam	13,636	-	-	15,933	1,761	151	23,005	54,486
East Asia	2,682	-	-	-	-	-	-	2,682
Europe	144,447	-	-	-	-	-	-	144,447
North America	1,464	-	-	-	-	-	-	1,464
	2,305,234	465,260	900,011	1,876,946	1,203,014	108,222	1,615,306	8,473,993

^ Excludes Stage 1 expected credit losses amounting to RM602,000.
# Excludes Stage 1 expected credit losses amounting to RM1,000.
* Excludes Stage 1 expected credit losses amounting to RM1,000.

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Credit risk (continued)

(iv) Credit quality (continued)

(c) Credit risk exposure analysed by geographical in respect of the Group's financial assets, including commitments and contingencies, are set out below: (continued)

Group 2022	Short-term funds and deposits and placements with banks and other financial institutions ^ RM'000	Financial assets at FVOCI RM'000	Financial investments at amortised costs RM'000	Loans and advances # RM'000	Clients' and brokers' balances * RM'000	Other financial assets RM'000	Commitments and contingencies RM'000	Total RM'000
South East Asia								
- Malaysia	2,695,225	238,790	957,408	1,365,827	641,294	104,056	1,636,666	7,639,266
- Singapore	14,892	-	-	-	-	2,216	-	17,108
- Thailand	16,864	-	-	373,218	65,372	15,543	116,298	587,295
- Indonesia	82,769	-	-	118,223	33,696	6,219	136,253	377,160
- Cambodia	43,906	-	-	-	-	677	-	44,583
- Vietnam	19,468	-	-	16,387	779	151	22,705	59,490
East Asia	2,784	-	-	-	-	-	-	2,784
Europe	266	-	-	-	-	-	-	266
North America	565	-	-	-	-	-	-	565
	2,876,739	238,790	957,408	1,873,655	741,141	128,862	1,911,922	8,728,517

^ Excludes Stage 1 expected credit losses amounting to RM626,000.
# Excludes Stage 1 expected credit losses amounting to RM1,000.
* Excludes Stage 1 expected credit losses amounting to RM1,000.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Credit risk (continued)

(iv) Credit quality (continued)

(c) Credit risk exposure analysed by geographical in respect of the Bank's financial assets, including commitments and contingencies, are set out below:

Bank 2023	Short-term funds and deposits and placements with banks and other financial institutions ^ RM'000	Financial assets at FVOCI RM'000	Financial investments at amortised costs RM'000	Loans and advances # RM'000	Clients' and brokers' balances * RM'000	Other financial assets RM'000	Commitments and contingencies RM'000	Total RM'000
South East Asia								
- Malaysia	1,524,441	465,260	900,011	1,436,959	1,108,740	75,861	1,256,490	6,767,762
- Singapore	3,358	-	-	-	-	-	-	3,358
- Thailand	2,504	-	-	-	-	-	-	2,504
- Indonesia	3	-	-	-	-	-	33,166	33,169
East Asia	2,004	-	-	-	-	-	-	2,004
Europe	144,447	-	-	-	-	-	-	144,447
North America	1,464	-	-	-	-	-	-	1,464
	1,678,221	465,260	900,011	1,436,959	1,108,740	75,861	1,289,656	6,954,708

^ Excludes Stage 1 expected credit losses amounting to RM41,000.
# Excludes Stage 1 expected credit losses amounting to RM1,000.
* Excludes Stage 1 expected credit losses amounting to RM1,000.

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Credit risk (continued)

(iv) Credit quality (continued)

(c) Credit risk exposure analysed by geographical in respect of the Bank's financial assets, including commitments and contingencies, are set out below: (continued)

Bank	Short-term funds and deposits and placements with banks and other financial institutions ^	Financial assets at FVOCI	Financial investments at amortised costs	Loans and advances #	Clients' and brokers' balances *	Other financial assets	Commitments and contingencies	Total
2022	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
South East Asia								
- Malaysia	2,140,235	238,790	957,408	1,365,827	641,295	55,833	1,636,666	7,036,054
- Singapore	4,311	-	-	-	-	-	-	4,311
- Thailand	1,966	-	-	-	-	-	-	1,966
- Indonesia	3	-	-	-	-	-	30,660	30,663
East Asia	2,106	-	-	-	-	-	-	2,106
Europe	266	-	-	-	-	-	-	266
North America	565	-	-	-	-	-	-	565
	2,149,452	238,790	957,408	1,365,827	641,295	55,833	1,667,326	7,075,931

^ Excludes Stage 1 expected credit losses amounting to RM38,000.
# Excludes Stage 1 expected credit losses amounting to RM1,000.
* Excludes Stage 1 expected credit losses amounting to RM1,000.

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Credit risk (continued)

(v) Write off policy

The Group and the Bank write off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include (i) ceasing enforcement activity and (ii) where the Group's and the Bank's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full.

A write-off constitutes a derecognition event. The Group and the Bank may apply enforcement activities to financial assets written off. Recoveries resulting from the Group's and the Bank's enforcement activities will be written back as bad debts recovered in the income statements.

The contractual amount outstanding on loans and advances and clients' and brokers' balances that were written off during the financial year ended 31 December 2023, and not subject to enforcement activities.

(vi) Modification of contractual cash flows

Where the original contractual terms of a financial asset have been modified for credit reasons and the instrument has not been derecognised, the resulting modification loss is recognised as net modification loss in the income statements with a corresponding decrease in the gross carrying value of the asset. If the modification involved a concession that the Group and the Bank would not otherwise consider, the instrument is considered to be credit impaired and is considered forborne.

ECL for modified financial assets that have not been derecognised and are not considered to be credit-impaired will be recognised on a 12-month basis, or a lifetime basis, if there is a significant increase in credit risk. These assets are assessed to determine whether there has been a significant increase in credit risk subsequent to the modification.

Although loans and advances may be modified for non-credit reasons, a significant increase in credit risk may occur. The Group and the Bank may determine that the credit risk has significantly improved after restructuring, so that the assets are moved from stage 3 or stage 2 to stage 1. This is only the case for assets which have been monitored for consecutive six months observation period or more. During the current financial year, there was no modification of contractual cash flows for loans and advances.

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(f) Offsetting financial assets and financial liabilities

The Group and the Bank report financial assets and financial liabilities on a net basis on the balance sheet only if there is a legally enforceable right to set off the recognised amounts and there is intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The following table shows the impact of netting arrangement on:

i. all financial assets and liabilities that are reported on the statements of financial position; and
ii. all derivative financial instruments, reverse repurchase agreement and borrowing arrangements (offsetting arrangement and financial collateral) but do not qualify for netting.

The following financial assets and liabilities are subject to offsetting, enforceable master netting arrangements and similar agreements:

	Effects of offsetting on the statements of financial position		Related amounts not offset		
Group 2023	**Gross amounts RM'000**	**Net amounts reported on statements of financial position RM'000**	**Financial instruments RM'000**	**Financial collateral RM'000**	**Net amount RM'000**
Financial assets					
Derivative assets	**6,022**	**6,022**	**(5,621)**	**-**	**401**
Financial liabilities					
Obligations on securities sold under repurchase agreements	**369,585**	**369,585**	**-**	**-**	**369,585**
Derivative liabilities	**63,043**	**63,043**	**(5,621)**	**-**	**57,422**
Group 2022					
Financial assets					
Derivative assets	1,275	1,275	(46)	-	1,229
Financial liabilities					
Obligations on securities sold under repurchase agreements	789,281	789,281	-	-	789,281
Derivative liabilities	19,746	19,746	(46)	-	19,700

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(f) Offsetting financial assets and financial liabilities (continued)

The following financial assets and liabilities are subject to offsetting, enforceable master netting arrangements and similar agreements: (continued)

	Effects of offsetting on the statements of financial position		Related amounts not offset		
Bank	**Gross amounts**	**Net amounts reported on statements of financial position**	**Financial instruments**	**Financial collateral**	**Net amount**
2023	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Financial assets					
Derivative assets	**5,621**	**5,621**	**(5,621)**	**-**	**-**
Financial liabilities					
Obligations on securities sold under repurchase agreements	**369,585**	**369,585**	**-**	**-**	**369,585**
Derivative liabilities	**60,210**	**60,210**	**(5,621)**	**-**	**54,589**
Bank					
2022					
Financial assets					
Derivative assets	716	716	(46)	**-**	670
Financial liabilities					
Obligations on securities sold under repurchase agreements	789,281	789,281	-	-	789,281
Derivative liabilities	10,277	10,277	(46)	-	10,231

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(g) Fair value of financial instruments

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

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

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

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

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

Group	**Level 1**	**Level 2**	**Level 3**	**Total**
2023	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Financial assets				
Financial assets at FVTPL	**222,043**	**29,735**	**733,335**	**985,113**
- money market instruments	**-**	**4,189**	**-**	**4,189**
- quoted securities	**222,043**	**-**	**-**	**222,043**
- unquoted securities	**-**	**25,546**	**733,335**	**758,881**
Financial assets at FVOCI	**2,759**	**465,260**	**43,029**	**511,048**
- money market instruments	**-**	**100,606**	**-**	**100,606**
- quoted securities	**2,759**	**-**	**-**	**2,759**
- unquoted securities	**-**	**364,654**	**43,029**	**407,683**
Derivative assets	**-**	**6,022**	**-**	**6,022**
	224,802	**501,017**	**776,364**	**1,502,183**
Financial liabilities				
Derivative liabilities	**32,089**	**30,954**	**-**	**63,043**
Puttable financial instruments	**12,410**	**-**	**-**	**12,410**
	44,499	**30,954**	**-**	**75,453**

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(g) Fair value of financial instruments (continued)

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

Group 2022	**Level 1 RM'000**	**Level 2 RM'000**	**Level 3 RM'000**	**Total RM'000**
Financial assets				
Financial assets at FVTPL	190,542	2	689,484	880,028
- quoted securities	190,542	-	-	190,542
- unquoted securities	-	2	689,484	689,486
Financial assets at FVOCI	2,438	238,790	38,808	280,036
- money market instruments	-	169,591	-	169,591
- quoted securities	2,438	-	-	2,438
- unquoted securities	-	69,199	38,808	108,007
Derivative assets	-	1,275	-	1,275
	192,980	240,067	728,292	1,161,339
Financial liabilities				
Derivative liabilities	16,917	2,829	-	19,746

Bank 2023	**Level 1 RM'000**	**Level 2 RM'000**	**Level 3 RM'000**	**Total RM'000**
Financial assets				
Financial assets at FVTPL	**132,263**	**4,212**	**-**	**136,475**
- money market instruments	**-**	**4,189**	**-**	**4,189**
- quoted securities	**132,263**	**-**	**-**	**132,263**
- unquoted securities	**-**	**23**	**-**	**23**
Financial assets at FVOCI	**-**	**465,260**	**40,524**	**505,784**
- money market instruments	**-**	**100,606**	**-**	**100,606**
- unquoted securities	**-**	**364,654**	**40,524**	**405,178**
Derivative assets	**-**	**5,621**	**-**	**5,621**
	132,263	**475,093**	**40,524**	**647,880**
Financial liabilities				
Derivative liabilities	**29,386**	**30,824**	**-**	**60,210**

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(g) Fair value of financial instruments (continued)

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

Bank **2022**	**Level 1** **RM'000**	**Level 2** **RM'000**	**Level 3** **RM'000**	**Total** **RM'000**
Financial assets				
Financial assets at FVTPL	71,820	2	-	71,822
- quoted securities	71,820	-	-	71,820
- unquoted securities	-	2	-	2
Financial assets at FVOCI	-	238,790	38,517	277,307
- money market instruments	-	169,591	-	169,591
- unquoted securities	-	69,199	38,517	107,716
Derivative assets	-	716	-	716
	71,820	239,508	38,517	349,845
Financial liabilities				
Derivative liabilities	10,231	46	-	10,277

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

Valuation techniques

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

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

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

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(g) Fair value of financial instruments (continued)

Reconciliation of fair value measurements in Level 3

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

	Group 2023	Group 2022	Bank 2023	Bank 2022
	RM'000	RM'000	RM'000	RM'000
Financial assets at FVTPL				
Balance as at the beginning of the financial year	**689,484**	626,663	**-**	-
Total gain recognised in income statements	**44,269**	22,504	**-**	-
Additions	**35,390**	8,095	**-**	-
Distributions	**(65,921)**	(3,915)	**-**	-
Exchange differences	**30,113**	36,137	**-**	-
Balance as at the end of the financial year	**733,335**	689,484	**-**	-
Financial assets at FVOCI				
Balance as at the beginning of the financial year	**38,808**	36,961	**38,517**	36,670
Total gain recognised in other comprehensive income	**2,007**	1,847	**2,007**	1,847
Additions	**2,238**	-	**-**	-
Exchange differences	**(24)**	-	**-**	-
Balance as at the end of the financial year	**43,029**	38,808	**40,524**	38,517

Sensitivity for Private Equity Funds - Unquoted (Level 3)

Investments classified within Level 3 have significant unobservable inputs, as they are traded infrequently. As observable prices are not available for this investment, the fair value of the unquoted investment is derived based on enterprise valuation method.

The main input into the enterprise valuation method for this unquoted investment include EBITDA, comparable companies earning multiple and marketability discount. For unquoted private equity funds, its current fair value of RM733,335,000 (2022: RM689,484,000) is based on multiple of 12.5x to 16.0x (2022: 11.1x to 15.8x). A possible shift of 5% in the multiple will change the valuation by RM59,003,000 (2022: RM57,209,000).

49 FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

The fair value of each financial assets and liabilities presented on the statements of financial position of the Group and the Bank approximates the carrying amounts as at the reporting date, except for the following:

	Group		Bank	
	Carrying value	**Fair value**	**Carrying value**	**Fair value**
2023	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Financial assets				
Financial investments at amortised costs	**900,011**	**900,643**	**900,011**	**900,643**
Loans and advances	**1,876,945**	**1,876,945**	**1,436,958**	**1,436,958**
	2,776,956	**2,777,588**	**2,336,969**	**2,337,601**
Financial liabilities				
Deposits from customers	**1,127,382**	**1,127,382**	**1,127,382**	**1,127,382**
Deposits and placements of banks and other financial institutions	**2,270,575**	**2,270,575**	**2,270,575**	**2,270,575**
Obligations on securities sold under repurchase agreements	**369,585**	**369,585**	**369,585**	**369,585**
Subordinated obligations	**101,097**	**101,117**	**101,097**	**101,117**
	3,868,639	**3,868,659**	**3,868,639**	**3,868,659**
2022				
Financial assets				
Financial investments at amortised costs	957,408	945,996	957,408	945,996
Loans and advances	1,873,654	1,873,654	1,365,826	1,365,826
	2,831,062	2,819,650	2,323,234	2,311,822
Financial liabilities				
Deposits from customers	1,289,098	1,289,098	1,289,098	1,289,098
Deposits and placements of banks and other financial institutions	1,918,878	1,918,878	1,918,878	1,918,878
Obligations on securities sold under repurchase agreements	789,281	861,984	789,281	861,984
Subordinated obligations	101,097	99,352	101,097	99,352
	4,098,354	4,169,312	4,098,354	4,169,312

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

49 FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

The following table analyses within the fair value hierarchy the Group's and the Bank's assets and liabilities not measured at fair value at 31 December 2023 but for which fair value is disclosed:

Group	**Level 1**	**Level 2**	**Level 3**	**Total**
2023	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Financial assets				
Financial investments at amortised costs	**-**	**900,643**	**-**	**900,643**
Loans and advances	**-**	**1,876,945**	**-**	**1,876,945**
	-	**2,777,588**	**-**	**2,777,588**
Financial liabilities				
Deposits from customers	**-**	**1,127,382**	**-**	**1,127,382**
Deposits and placements of banks and other financial institutions	**-**	**2,270,575**	**-**	**2,270,575**
Obligations on securities sold under repurchase agreements	**-**	**369,585**	**-**	**369,585**
Subordinated obligations	**-**	**101,117**	**-**	**101,117**
	-	**3,868,659**	**-**	**3,868,659**
2022				
Financial assets				
Financial investments at amortised costs	-	945,996	-	945,996
Loans and advances	-	1,873,654	-	1,873,654
	-	2,819,650	-	2,819,650
Financial liabilities				
Deposits from customers	-	1,289,098	-	1,289,098
Deposits and placements of banks and other financial institutions	-	1,918,878	-	1,918,878
Obligations on securities sold under repurchase agreements	-	861,984	-	861,984
Subordinated obligations	-	99,352	-	99,352
	-	4,169,312	-	4,169,312

49 FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

The following table analyses within the fair value hierarchy the Group's and the Bank's assets and liabilities not measured at fair value at 31 December 2023 but for which fair value is disclosed: (continued)

Bank **2023**	**Level 1** **RM'000**	**Level 2** **RM'000**	**Level 3** **RM'000**	**Total** **RM'000**
Financial assets				
Financial investments at amortised costs	**-**	**900,643**	**-**	**900,643**
Loans and advances	**-**	**1,436,958**	**-**	**1,436,958**
	-	**2,337,601**	**-**	**2,337,601**
Financial liabilities				
Deposits from customers	**-**	**1,127,382**	**-**	**1,127,382**
Deposits and placements of banks and other financial institutions	**-**	**2,270,575**	**-**	**2,270,575**
Obligations on securities sold under repurchase agreements	**-**	**369,585**	**-**	**369,585**
Subordinated obligations	**-**	**101,117**	**-**	**101,117**
	-	**3,868,659**	**-**	**3,868,659**
2022				
Financial assets				
Financial investments at amortised costs	-	945,996	-	945,996
Loans and advances	-	1,365,826	-	1,365,826
	-	2,311,822	-	2,311,822
Financial liabilities				
Deposits from customers	-	1,289,098	-	1,289,098
Deposits and placements of banks and other financial institutions	-	1,918,878	-	1,918,878
Obligations on securities sold under repurchase agreements	-	861,984	-	861,984
Subordinated obligations	-	99,352	-	99,352
	-	4,169,312	-	4,169,312

49 FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

The fair values are based on the following methodologies and assumptions:

(i) Cash and short-term funds and deposits and placements with banks and other financial institutions

For cash and short-term funds, deposits and placements with banks and other financial institutions with maturities of less than six months, the carrying value is a reasonable estimate of fair value. For deposits and placements with maturities of six months and above, estimated fair value is based on discounted cash flows using prevailing money market interest rates at which similar deposits and placements would be made with financial institutions of similar credit risk and remaining period to maturity.

(ii) Financial assets at FVTPL, FVOCI and financial investments at amortised costs

The estimated fair value of financial assets at FVTPL, FVOCI and financial investments at amortised costs is based on quoted and observable market prices. Where there is no ready market in certain securities, fair values have been assessed by reference to market indicative yield or net tangible asset backing of the investee. Where discounted cash flow technique is used, the estimated future cash flows are discounted using the prevailing market rates for similar instrument at the date of statements of financial position.

(iii) Loans and advances

For floating rate loans, the carrying value is generally a reasonable estimate of fair value.

For fixed rate loans, the fair value is estimated by discounting the estimated future cash flows using the prevailing market rates of loans with similar credit risk and maturities.

The fair values of impaired loans are represented by their carrying value, net of allowance for ECL.

(iv) Other assets and liabilities

The carrying value less any estimated allowance for ECL for financial assets and liabilities included in ‘other assets and liabilities’ are assumed to approximate their fair values as these items are not materially sensitive to the shift in market interest rates.

(v) Deposits from customers

For deposits from customers with maturities of less than six months, the carrying amounts are reasonable estimates of their fair values. For deposits with maturities of six months and above, fair values are estimated using discounted cash flows based on prevailing market rates for similar deposits from customers.

(vi) Deposits and placements of banks and other financial institutions and obligations on securities sold under repurchase agreements

The estimated fair values of deposits and placements of banks and other financial institutions and obligations on securities sold under repurchase agreements with maturities of less than six months approximate the carrying values. For the items with maturities of six months and above, the fair values are estimated based on discounted cash flows using prevailing money market interest rates with similar remaining period to maturity.

49 FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

The fair values are based on the following methodologies and assumptions: (continued)

(vii) Lease liabilities

The estimated fair value of lease liabilities with maturities of less than six months approximate the carrying values. For other lease liabilities with maturities of six months or more, the fair values are estimated based on discounted cash flows using prevailing market rates of incremental borrowings.

(viii) Borrowings

For floating rate borrowings, the carrying value is generally a reasonable estimate of fair value.

The estimated fair values of other borrowings with maturities of less than six months approximate the carrying values. For other borrowings with maturities six months or more, the fair values are estimated based on discounted cash flows using prevailing market rates for borrowings with similar risk profile.

(ix) Subordinated obligations

The estimated fair value of subordinated obligations is generally based on quoted and observable market prices at the date of statements of financial position.

(x) Credit related commitments and contingencies

The net fair value of these items was not calculated as estimated fair values are not readily ascertainable. These financial instruments generally relate to credit risks and attract fees in line with market prices for similar arrangements. They are not presently sold nor traded. The fair value may be represented by the present value of fees expected to be received, less associated costs.

(xi) Foreign exchange and interest rate related contracts

The fair values of foreign exchange and interest rate related contracts are the estimated amounts the Group or the Bank would receive to sell or pay to transfer the contracts at the date of statements of financial position.

50 CAPITAL ADEQUACY RATIO

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

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

		Group		Bank
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Common Equity Tier I ('CET I')/Tier I Capital				
Share capital	**1,220,000**	1,220,000	**1,220,000**	1,220,000
Retained profits	**832,385**	761,563	**469,723**	426,746
Other reserves	**114,775**	74,947	**2,830**	685
FVOCI reserves	**39,473**	35,601	**38,675**	35,060
	2,206,633	2,092,111	**1,731,228**	1,682,491
Less:				
- Goodwill	**(449,978)**	(449,978)	**(372,395)**	(372,395)
- Investments in subsidiaries	**-**	-	**(715,344)**	(699,324)
- Investments in associates and joint venture	**(13,139)**	(4,721)	**(5,028)**	(5,028)
- Other intangible assets	**(43,076)**	(41,954)	**(25,074)**	(25,592)
- 55% of cumulative gains arising from change in value of FVOCI financial instruments	**(21,710)**	(19,581)	**(21,271)**	(19,283)
- Deferred tax assets	**(25,573)**	(21,793)	**(17,020)**	(13,300)
Total CET I Capital	**1,653,157**	1,554,084	**575,096**	547,569
Qualifying non-controlling interests recognised as Tier I Capital	**1,177**	1,104	**-**	-
Total Tier I Capital	**1,654,334**	1,555,188	**575,096**	547,569
Tier II Capital				
Subordinated obligations meeting all relevant criteria	**100,000**	100,000	**100,000**	100,000
Qualifying non-controlling interests recognised as Tier II Capital	**85**	83	**-**	-
General provisions ^	**25,763**	25,412	**7,700**	7,933
Total Tier II Capital	**125,848**	125,495	**107,700**	107,933
Total Capital	**1,780,182**	1,680,683	**682,796**	655,502

50 CAPITAL ADEQUACY RATIO (CONTINUED)

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

		Group		**Bank**
	2023	**2022**	**2023**	**2022**
<u>Capital ratios</u>				
Before proposed dividends:				
CET I Capital Ratio	**44.297%**	38.815%	**36.653%**	31.348%
Tier I Capital Ratio	**44.328%**	38.842%	**36.653%**	31.348%
Total Capital Ratio	**47.701%**	41.976%	**43.517%**	37.528%
After proposed dividends:				
CET I Capital Ratio	**42.528%**	37.815%	**32.446%**	29.058%
Tier I Capital Ratio	**42.560%**	37.843%	**32.446%**	29.058%
Total Capital Ratio	**45.932%**	40.977%	**39.310%**	35.238%

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

Includes the qualifying regulatory reserves of the Group and the Bank of RM25,113,000 (2022: RM24,741,000) and RM7,611,000 (2022: RM7,850,000) respectively.

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

		Group		**Bank**
	2023	**2022**	**2023**	**2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Credit risk	**2,061,013**	2,032,947	**616,039**	634,603
Market risk	**282,091**	368,264	**155,584**	188,204
Operational risk	**1,388,888**	1,602,662	**797,424**	923,914
Total risk-weighted assets	**3,731,992**	4,003,873	**1,569,047**	1,746,721

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

51 SEGMENT REPORTING

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

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

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

(a) Investment Banking

Investment Banking provides services for advisory, fund raising in the structuring and issuance of debt securities and capital market instruments, mergers and acquisitions, private placements, underwriting, initial public offerings of equity related instruments, private placements and underwriting. This segment also covers facilities for equity share trading in local and foreign markets, share margin financing, futures broking products and services and custodian and nominees services.

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

(b) Treasury

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

Treasury includes treasury operations in Malaysia, Indonesia and Thailand.

(c) Asset Management

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

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

Asset Management business in Indonesia was disposed on 31 January 2022. The details are disclosed in Note 52(f).

During the financial year, no one group of related customers accounted for more than 10% of the Group's revenue.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

51 SEGMENT REPORTING (CONTINUED)

(a) Segment analysis

Group 2023	Investment Banking RM'000	Treasury RM'000	Asset Management RM'000	Others and Elimination RM'000	Total RM'000
External revenue	445,093	42,991	166,168	-	654,252
Inter-segment revenue	4,237	-	(719)	(3,518)	-
Segment revenue	449,330	42,991	165,449	(3,518)	654,252
Other operating expenses:	(407,943)	(14,670)	(111,023)	3,518	(530,118)
Including:					
Depreciation of property, plant and equipment	(11,563)	(72)	(1,301)	-	(12,936)
Depreciation of right-of-use assets	(9,315)	(93)	(1,227)	-	(10,635)
Amortisation of other intangible assets	(10,163)	-	(2,159)	-	(12,322)
Allowance written back/(made) for expected credit losses	7,871	(3)	(45)	-	7,823
	49,258	28,318	54,381	-	131,957
Share of results of associates					148
Profit before taxation					132,105
Taxation					(14,947)
Net profit for the financial year					117,158

51 SEGMENT REPORTING (CONTINUED)

(a) Segment analysis (continued)

Group 2023	Investment Banking RM'000	Treasury RM'000	Asset Management RM'000	Others and Elimination RM'000	Total RM'000
Segment assets	5,081,912	3,177,776	608,053	(802,117)	8,065,624
Goodwill	306,611	-	143,367	-	449,978
Investments in associates and joint venture					13,139
Tax recoverable					37,591
Deferred tax assets					20,944
Total assets					8,587,276
Segment liabilities	1,613,936	3,756,345	323,100	(53,328)	5,640,053
Tax liabilities					3,901
Borrowings					590,080
Subordinated obligations					101,097
Total liabilities					6,335,131
<u>Other segment items</u>					
Capital expenditure	24,953	-	4,065	-	29,018

51 SEGMENT REPORTING (CONTINUED)

(a) Segment analysis (continued)

	Continuing Operations					Discontinued Operation	
Group	**Investment Banking**	**Treasury**	**Asset Management**	**Others and Elimination**	**Total**	**Asset Management**	**Total**
2022	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
External revenue	369,179	63,513	170,800	-	603,492	25,363	628,855
Inter-segment revenue	4,870	-	(812)	(4,058)	-	-	-
Segment revenue	374,049	63,513	169,988	(4,058)	603,492	25,363	628,855
Other operating expenses:	(380,928)	(14,591)	(107,388)	4,058	(498,849)	(721)	(499,570)
Including:							
Depreciation of property, plant and equipment	(11,469)	(83)	(1,138)	-	(12,690)	(25)	(12,715)
Depreciation of right-of-use assets	(9,399)	(89)	(1,204)	-	(10,692)	(31)	(10,723)
Amortisation of other intangible assets	(9,721)	(47)	(1,802)	-	(11,570)	(3)	(11,573)
Allowance written back/(made) for expected credit losses	2,198	(34)	(274)	-	1,890	4	1,894
Impairment losses on other non-financial assets	-	-	(43)	-	(43)	-	(43)
	(4,681)	48,888	62,283	-	106,490	24,646	131,136
Share of results of associates					89	-	89
Share of results of joint venture					31	-	31
Profit before taxation					106,610	24,646	131,256
Taxation					(34,637)	(3,798)	(38,435)
Net profit for the financial year					71,973	20,848	92,821

51 SEGMENT REPORTING (CONTINUED)

(a) Segment analysis (continued)

Group **2022**	**Investment Banking RM'000**	**Treasury RM'000**	**Asset Management RM'000**	**Others and Elimination RM'000**	**Total RM'000**
Segment assets	4,519,806	3,457,478	701,306	(780,573)	7,898,017
Goodwill	306,611	-	143,367	-	449,978
Investments in associates and joint venture					4,721
Tax recoverable					36,172
Deferred tax assets					16,875
Total assets					8,405,763
Segment liabilities	1,087,726	3,985,697	383,623	(46,815)	5,410,231
Tax liabilities					6,061
Borrowings					755,916
Subordinated obligations					101,097
Total liabilities					6,273,305
<u>Other segment items</u>					
Capital expenditure	26,774	-	3,465	-	30,239

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

51 SEGMENT REPORTING (CONTINUED)

(b) The geographical information is prepared based on the location of the assets:

Group **2023**	**Revenue** **RM'000**	**Non-current assets** **RM'000**	**Segment assets** **RM'000**	**Capital expenditure** **RM'000**
Attributed to the country of domicile:				
- Malaysia	**547,511**	**512,350**	**7,265,860**	**16,318**
Attributed to foreign countries:				
- Singapore	**15,715**	**1,835**	**14,753**	**70**
- Thailand	**36,935**	**12,980**	**399,750**	**7,740**
- Indonesia	**47,969**	**16,752**	**271,813**	**4,882**
- Cambodia	**3,547**	**2,092**	**51,178**	**8**
- Vietnam	**2,575**	**2,085**	**31,645**	**-**
- Hong Kong	**-**	**-**	**4,183**	**-**
	654,252	**548,094**	**8,039,182**	**29,018**

Group **2022**				
Continuing operations				
Attributed to the country of domicile:				
- Malaysia	499,377	519,147	6,926,914	21,647
Attributed to foreign countries:				
- Singapore	17,009	2,806	16,189	847
- Thailand	43,997	9,960	550,104	2,970
- Indonesia	37,837	14,148	271,720	4,329
- Cambodia	3,300	2,332	48,678	4
- Vietnam	1,781	2,549	37,033	442
- Hong Kong	191	-	4,183	-
	603,492	550,942	7,854,821	30,239
Discontinued operation				
Attributed to foreign country:				
- Indonesia	25,363	-	-	-

52 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND PRECEDING FINANCIAL YEAR

Current Year

(a) Consolidation of RHB Dana Hazeem, RHB Smart Income Fund and RHB Smart Balanced Fund

During the financial year, RHB Asset Management Sdn Bhd ('RHBAM'), a wholly-owned subsidiary of the Bank, has acquired effective control in RHB Dana Hazeem and RHB Smart Income Fund in June 2023 with effective equity interest of 53.50% and 56.38% and acquired effective control in RHB Smart Balanced Fund in December 2023, by virtue of its holdings in the units issued by the Funds.

The Group has consolidated the Funds in accordance with MFRS 10 'Consolidated Financial Statements' as indirect subsidiaries of the Group with effective equity interest of 53.58%, 57.55% and 53.25% respectively as at the end of the financial year.

(b) Dissolution of joint venture and subsidiaries

Dissolution of RHB GC-Millennium Capital Pte. Ltd. ('RHB-GC')

On 25 August 2022, RHB-GC, an indirect joint venture of the Bank, had commenced Member's Voluntary Winding Up pursuant to Section 160(1)(b) of the Insolvency, Restructuring and Dissolution Act 2018 (No. 40 of 2018).

RHB-GC has been subsequently dissolved on 2 August 2023 pursuant to Section 180(6) of the Insolvency, Restructuring and Dissolution Act 2018 (No. 40 of 2018). Arising therefrom, RHB-GC is no longer an indirect joint venture of the Bank.

Dissolution of KE-ZAN Nominees (Asing) Sdn Bhd ('KE-ZAN')

On 30 June 2017, KE-ZAN, a direct wholly-owned subsidiary of the Bank, had commenced Member's Voluntary Winding Up pursuant to Section 439(1)(b) of the Companies Act 2016 ('CA 2016').

KE-ZAN has been subsequently dissolved on 11 August 2023 pursuant to Section 459(5) of the CA 2016. Arising therefrom, KE-ZAN is no longer a direct wholly-owned subsidiary of the Bank.

Dissolution of RHB Futures Hong Kong Limited ('RHBFHK')

On 14 December 2022, RHBFHK, an indirect wholly-owned subsidiary of the Bank, had commenced Member's Voluntary Winding Up pursuant to The Companies (Winding Up and Miscellaneous Provisions) Ordinance of Hong Kong.

RHBFHK has been subsequently dissolved on 15 September 2023 pursuant to The Companies (Winding Up and Miscellaneous Provisions) Ordinance of Hong Kong. Arising therefrom, RHBFHK is no longer an indirect wholly-owned subsidiary of the Bank.

Dissolution of RHBIB Nominees (Tempatan) Sdn Bhd ('RHBIBNT')

On 30 June 2017, RHBIBNT, a direct wholly-owned subsidiary of the Bank, had commenced Member's Voluntary Winding Up pursuant to Section 439(1)(b) of the Companies Act 2016 ('CA 2016').

RHBIBNT has been subsequently dissolved on 25 November 2023 pursuant to Section 459(5) of the CA 2016. Arising therefrom, RHBIBNT is no longer a direct wholly-owned subsidiary of the Bank.

The dissolutions of the indirect joint venture and direct and indirect wholly-owned subsidiaries do not have any material effect on the earnings and net assets of the Group for the financial year ended 31 December 2023.

52 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND PRECEDING FINANCIAL YEAR (CONTINUED)

Current Year (continued)

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

On 7 November 2023, the Bank subscribed for 10 million RPS of RM2.00 each in RHBPEH amounting to RM20,000,000 for additional working capital purpose. Upon completion of the susbscription, the equity interest held by the Bank in RHBPEH remains the same.

(d) Consolidation of RHB Growth and Income Focus Trust and RHB Goldenlife 2030

RHBAM, a wholly-owned subsidiary of the Bank, has gained significant influence in RHB Growth and Income Focus Trust and RHB Goldenlife 2030 in December 2023.

The Group has consolidated these two funds in accordance with the equity method of accounting as indirect associates of the Group with effective equity interest of 42.44% and 47.62% respectively as at the end of the financial year.

Prior Year

(e) Cessation of Business Operations of Subsidiaries in Hong Kong

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

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

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

The following direct and indirect wholly-owned subsidiaries of the Bank had commenced the application for Member's Voluntary Winding Up and dissolved pursuant to The Companies (Winding Up and Miscellaneous Provisions) Ordinance of Hong Kong as summarised below:

Direct subsidiary	Date of Commencement of Member's Voluntary Winding Up	Date of Dissolution
RHB Hong Kong Limited	31 December 2022	-
Indirect subsidiaries		
RHB Wealth Management Hong Kong Limited	22 December 2020	4 January 2022
RHB Futures Hong Kong Limited	14 December 2022	-
RHB Securities Hong Kong Limited	31 December 2022	-

The commencement of Member's Voluntary Winding Up and dissolution of the direct and indirect wholly-owned subsidiaries do not have any material effect on the earnings and net assets of the Group for the financial year.

52 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND PRECEDING FINANCIAL YEAR (CONTINUED)

<u>Prior Year</u> (continued)

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

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

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

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

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

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

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

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

52 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND PRECEDING FINANCIAL YEAR (CONTINUED)

Prior Year (continued)

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

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

(i) Assets and Liabilities of RAMI

	Group 31 January 2022 RM'000
Non-current assets held for sale	
Cash and short-term funds, net of ECL	4,522
Other assets	972
Tax recoverable	285
Deferred tax assets	1,081
Right-of-use assets	1,007
Property, plant and equipment	785
Other intangible assets	355
	9,007
Non-current liabilities held for sale	
Other liabilities	1,518
Lease liabilities	1,134
Tax liabilities	22
	2,674

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

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

52 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND PRECEDING FINANCIAL YEAR (CONTINUED)

Prior Year (continued)

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

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

(iii) Income Statement

	2022 RM'000
Interest income	14
Interest expense	(11)
Net interest income	3
Fee and commission income	453
Fee and commission expense	(66)
Other operating income	378
	768
Other operating expenses	(721)
Operating profit before allowances	47
Allowance written back for expected credit losses	4
Profit before taxation of discontinued operation	51
Taxation	(3,798)
Gain on disposal of a subsidiary, gross	24,595
Net profit after tax from discontinued operation for the financial year	20,848

52 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND PRECEDING FINANCIAL YEAR (CONTINUED)

Prior Year (continued)

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

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

(iv) Statement of Comprehensive Income

	2022 RM'000
Net profit after tax from discontinued operation for the financial year	20,848
Other comprehensive income in respect of:	
Item that will be reclassified subsequently to income statements:	
- Realisation of translation reserves from discontinued operation	(347)
Income tax relating to components of other comprehensive loss	353
Other comprehensive income, net of tax for the financial year	6
Total comprehensive income from discontinued operation for the financial year	20,854

(v) Statement of Cash Flow

	2022 RM'000
Net cash used in operating activities	(3,708)
Net cash used in investing activities	(9)
Net cash generated from financing activities	10
Net decrease in cash and cash equivalents	(3,707)

(g) Dissolution of RHB Unit Trust Management Berhad ('RHBUT')

On 28 March 2012, RHBUT, a direct wholly-owned subsidiary of the Bank, had commenced Member's Voluntary Winding Up pursuant to Section 439(1)(b) of the Companies Act 2016 ('CA 2016').

RHBUT has been subsequently dissolved on 12 July 2022 pursuant to Section 459(5) of the CA 2016. Arising therefrom, RHBUT is no longer a direct wholly-owned subsidiary of the Bank.

The dissolution of RHBUT does not have any material effect on the earnings and net assets of the Group for the financial year ended 31 December 2022.

52 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND PRECEDING FINANCIAL YEAR (CONTINUED)

Prior Year (continued)

(h) Subscription of 15 million Redeemable Preference Shares ('RPS') in RHB Private Equity Holdings Sdn Bhd ('RHBPEH')

The Bank had on 9 March 2022 and 11 November 2022 subscribed 5 million and 10 million RPS of RM2.00 each in RHBPEH amounting to RM10,000,000 and RM20,000,000 respectively, where both subscriptions are for additional working capital purpose. Upon completion of the susbscription, the equity interest held by the Bank in RHBPEH remains the same.

53 CONTINGENT LIABILITIES

(a) As at 31 December 2023, the Group has contingent liabilities amounting to approximately RM65,354,000 in respect of litigation. As the cases are still preliminary and cannot estimate the reliable exposure, no provision is recognised in the financial statements at this juncture.

(b) The Bank has given a corporate guarantee amounting to EUR6,532,000 (equivalent to RM33,166,000) in favour of Allianz Global Investors Asia Pacific Limited and PT Asuransi Allianz Life Indonesia in relation to disposal of 99.62% of the issued share capital of PT RHB Asset Management Indonesia for PT RHB Sekuritas Indonesia. The liability will be lifted 7 years after the completion date.

54 SUBSEQUENT EVENT AFTER THE FINANCIAL YEAR

Proposed Disposal by RHB Investment Bank Berhad ('the Bank') of its Entire Equity Interest in RHB Securities Vietnam Company Limited ('RHBSVN') ('Proposed Disposal')

On 19 February 2024, RHB Bank Berhad ('RHB Bank') announced that the Bank, a wholly-owned subsidiary of RHB Bank, had on the even date, entered into a Conditional Sale and Purchase Agreement ('CSPA') with Public Bank Vietnam Limited, a wholly-owned subsidiary of Public Bank Berhad, in respect of the Proposed Disposal for sales consideration of VND374 billion (or approximately RM73 million).

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

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

Upon completion of the Proposed Disposal, RHBSVN will cease to be a subsidiary of the Bank.

55 CLIENT TRUST ACCOUNTS

In accordance with Financial Reporting Standards Implementation Committee Consensus 18 'Monies Held in Trust by Participating Organisations of Bursa Malaysia Securities Berhad' ('FRSIC 18'), the cash held in trust for clients by the Group and the Bank amounted to RM2,649,623,000 (2022: RM2,920,798,000) and RM2,305,766,000 (2022: RM2,505,651,000) respectively, are not recognised in the financial statements as the Group and the Bank held them in a fiduciary capacity.

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

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Tan Sri Ong Leong Huat @ Wong Joo Hwa and Ganesaratnam A/L M.K. Sabaratnam, two of the Directors of RHB Investment Bank Berhad do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 8 to 216 are drawn up so as to give a true and fair view of the financial position of the Group and of the Bank as at 31 December 2023 and financial performance of the Group and of the Bank for the financial year ended 31 December 2023 in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

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

TAN SRI ONG LEONG HUAT @ WONG JOO HWA
CHAIRMAN

GANESARATNAM A/L M.K. SABARATNAM
MANAGING DIRECTOR

Kuala Lumpur
27 February 2024

STATUTORY DECLARATION
PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT 2016

I, Chan Sam Soon, the Officer primarily responsible for the financial management of RHB Investment Bank Berhad, do solemnly and sincerely declare that, the financial statements set out on pages 8 to 216 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act 1960.

CHAN SAM SOON

Subscribed and solemnly declared by the abovenamed Chan Sam Soon at Kuala Lumpur in Wilayah Persekutuan on 27 February 2024.

COMMISSIONER FOR OATHS
Kuala Lumpur
27 February 2024

PESURUHJAYA SUMPAH
W 919
THANGAPERUMAL
A/L ANDIMUTHU
01.02.2022-31.12.2024
MALAYSIA

220, JALAN TUN SAMBANTHAN,
50470 KUALA LUMPUR.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF RHB INVESTMENT BANK BERHAD
(Incorporated in Malaysia)
Registration No. 197401002639 (19663-P)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of RHB Investment Bank Berhad ("the Bank") and its subsidiaries ("the Group") give a true and fair view of the financial position of the Group and of the Bank as at 31 December 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Group and of the Bank, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Bank, and the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Bank for the financial year then ended, and notes to the financial statements, comprising a summary of material accounting policies and other explanatory information, as set out on pages 8 to 216.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Bank in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information other than the financial statements and auditors' report thereon

The Directors of the Bank are responsible for the other information. The other information comprises the Directors' Report and Report of the Shariah Advisor, but does not include the financial statements of the Group and of the Bank and our auditors' report thereon.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF RHB INVESTMENT BANK BERHAD (CONTINUED)
(Incorporated in Malaysia)
Registration No. 197401002639 (19663-P)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Our opinion on the financial statements of the Group and of the Bank does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Bank, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Bank or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

The Directors of the Bank are responsible for the preparation of the financial statements of the Group and of the Bank that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Bank that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Bank, the Directors are responsible for assessing the Group's and the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Bank or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Bank as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF RHB INVESTMENT BANK BERHAD (CONTINUED)
(Incorporated in Malaysia)
Registration No. 197401002639 (19663-P)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Bank, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Bank's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

(d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Bank or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Bank to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Bank, including the disclosures, and whether the financial statements of the Group and of the Bank represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF RHB INVESTMENT BANK BERHAD (CONTINUED)
(Incorporated in Malaysia)
Registration No. 197401002639 (19663-P)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 13 to the financial statements.

OTHER MATTERS

This report is made solely to the member of the Bank, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

ONG CHING CHUAN
02907/11/2025 J
Chartered Accountant

Kuala Lumpur
27 February 2024