

**RHB Islamic Bank Berhad**  
**Basel II Pillar 3 Quantitative Disclosures**  
30 June 2015

**RHB ISLAMIC BANK  
BASEL II PILLAR 3 DISCLOSURES AS AT 30 JUNE 2015**

**Statement by Managing Director**

In accordance with the requirements of Bank Negara Malaysia's Guideline on 'Capital Adequacy Framework for Islamic Bank ('CAFIB') – Disclosure Requirements ('Pillar 3'), and on behalf of the Board and Senior Management of RHB Islamic Bank Berhad, I am pleased to provide an attestation that the Basel II Pillar 3 Quantitative Disclosures of RHB Islamic Bank Berhad as at 30 June 2015 are complete.

**Ibrahim Bin Hassan**  
Managing Director

**RHB ISLAMIC BANK**  
**BASEL II PILLAR 3 DISCLOSURES AS AT 30 JUNE 2015**

|                                | <b>Page</b>  |
|--------------------------------|--|
| Statement by Managing Director | 2  |
| Introduction                   | 4  |
| Scope of Application           | 4  |
| <b>List of Tables</b>          |  |
| <b>Table No</b>                | <b>Description</b>   |
| Table 1                        | Capital Adequacy Ratios  |
| Table 2                        | Risk Weighted Assets ('RWA') by Risk Types   |
| Table 3                        | Risk Weighted Assets by Risk Types and Minimum Capital Requirements  |
| Table 4                        | Capital Structure  |
| Tables 5a & 5b                 | Summary of Credit Exposures with Credit Risk Mitigation ('CRM') by Asset Class and Minimum Capital Requirements (On and Off Balance Sheet Exposures) |
| Tables 6a & 6b                 | Exposures on Off Balance Sheet and Counterparty Credit Risk (Before Credit Risk Mitigation)  |
| Tables 7a & 7b                 | Credit Risk Exposures (Before Credit Risk Mitigation) by Industry Sector   |
| Tables 8a & 8b                 | Credit Risk Exposures (Before Credit Risk Mitigation) by Remaining Maturity  |
| Tables 9a & 9b                 | Portfolios under the Standardised Approach by Risk Weights   |
| Tables 10a & 10b               | Rated Exposures According to Ratings by External Credit Assessment Institutions ('ECAIs')  |
| Tables 11a & 11b               | Credit Risk Mitigation of Portfolios under the Standardised Approach   |
| Tables 12a & 12b               | Impaired and Past Due Financing and Allowances for Impairment by Industry Sector   |
| Table 13                       | Net Charges/(Write back) and Write Offs for Impairment by Industry Sector  |
| Table 14                       | Reconciliation of Changes to Financing Impairment Allowances   |
| Tables 15a & 15b               | Market Risk Weighted Assets and Minimum Capital Requirements   |
| Tables 16a & 16b               | Rate of Return Risk in the Banking Book  |
| Tables 17                      | Operational Risk Weighted Assets and Minimum Capital Requirements  |

**RHB ISLAMIC BANK**  
**BASEL II PILLAR 3 DISCLOSURES AS AT 30 JUNE 2015**

**INTRODUCTION**

This document discloses RHB Islamic Bank's quantitative disclosure in accordance with the disclosure requirements as outlined in the Capital Adequacy Framework for Islamic Bank ('CAFIB') – Disclosure Requirements ('Pillar 3') issued by Bank Negara Malaysia ('BNM').

This document covers only quantitative information as at 30 June 2015 with comparative quantitative information of the preceding financial year as at 31 December 2014. This disclosure report has been verified and approved internally in line with the RHB Banking Group Pillar 3 Disclosure Policy.

RHB Islamic Bank's Pillar 3 disclosure report will be made available under the Investor Relations section of the Bank's website at [www.rhbgroup.com](http://www.rhbgroup.com) and as a separate report in the half-yearly condensed financial statements, after the notes to the financial statements.

**SCOPE OF APPLICATION**

In this Pillar 3 document, RHB Islamic Bank's information is presented at entity level, RHB Islamic Bank is a wholly owned subsidiary of RHB Bank Berhad as at 30 June 2015 and is referred to as 'the Bank'.

The total capital and capital adequacy ratios of the Bank are computed in accordance with Bank Negara Malaysia's Capital Adequacy Framework for Islamic Bank (Capital Components) and Capital Adequacy Framework for Islamic Bank (Risk-weighted Assets) both dated 28 November 2012.

**RHB ISLAMIC BANK**  
**BASEL II PILLAR 3 DISCLOSURES AS AT 30 JUNE 2015**

**Table 1: Capital Adequacy Ratios**

|                                    | RHB Islamic Bank  |                   |
|------------------------------------|-------------------|-------------------|
|                                    | As at             | As at             |
|                                    | <u>30.06.2015</u> | <u>31.12.2014</u> |
| Common Equity Tier I Capital Ratio | 11.490%           | 12.875%           |
| Tier I Capital Ratio               | 11.490%           | 12.875%           |
| Total Capital Ratio                | 15.180%           | 16.336%           |

**Table 2: Risk Weighted Assets ('RWA') by Risk Types**

| <u>Risk Types</u>   | RHB Islamic Bank         |                          |
|---|--------------------------|--------------------------|
|   | As at                    | As at                    |
|   | <u>30.06.2015</u>        | <u>31.12.2014</u>        |
|   | RM'000                   | RM'000                   |
| Credit RWA  | 22,694,197               | 20,158,062               |
| Credit RWA Absorbed by Profit Sharing Investment Account ('PSIA') | (4,246,919)              | (3,841,305)              |
| Market RWA  | 228,586                  | 124,357                  |
| Operational RWA   | 964,330                  | 918,886                  |
| <b>Total</b>  | <b><u>19,640,194</u></b> | <b><u>17,360,000</u></b> |

**Table 3: Risk Weighted Assets by Risk Types and Minimum Capital Requirements**

| <u>Risk Types</u>                                   | RWA                      |                          | Minimum Capital Requirements |                         |
|---|--------------------------|--------------------------|------------------------------|-------------------------|
|   | As at                    | As at                    | As at                        | As at                   |
|   | <u>30.06.2015</u>        | <u>31.12.2014</u>        | <u>30.06.2015</u>            | <u>31.12.2014</u>       |
|   | RM'000                   | RM'000                   | RM'000                       | RM'000                  |
| <b>Credit Risk</b>                                  | 18,447,278               | 16,316,757               | 1,475,782                    | 1,305,341               |
| <i>Under Standardised Approach</i>                  | 22,694,197               | 20,158,062               | 1,815,536                    | 1,612,645               |
| <i>Absorbed by PSIA under Standardised Approach</i> | (4,246,919)              | (3,841,305)              | (339,754)                    | (307,304)               |
| <b>Market Risk</b>                                  |                          |                          |                              |                         |
| <i>Under Standardised Approach</i>                  | 228,586                  | 124,357                  | 18,287                       | 9,948                   |
| <b>Operational Risk</b>                             |                          |                          |                              |                         |
| <i>Under Basic Indicator Approach</i>               | 964,330                  | 918,886                  | 77,146                       | 73,511                  |
| <b>Total</b>  | <b><u>19,640,194</u></b> | <b><u>17,360,000</u></b> | <b><u>1,571,215</u></b>      | <b><u>1,388,800</u></b> |

Note: The Bank do not have any capital requirement for Large Exposure Risk as there was no exposure arising from equity holdings.

**RHB ISLAMIC BANK**  
**BASEL II PILLAR 3 DISCLOSURES AS AT 30 JUNE 2015**

**Table 4: Capital Structure**

|   | <b>RHB Islamic Bank</b> |                         |
|---|-------------------------|-------------------------|
|   | <b>As at</b>            | <b>As at</b>            |
|   | <b>30.06.2015</b>       | <b>31.12.2014</b>       |
|   | <b>RM'000</b>           | <b>RM'000</b>           |
| <b><u>Common Equity Tier I Capital / Tier I Capital</u></b>           |                         |                         |
| Paid up ordinary share capital  | 1,173,424               | 1,173,424               |
| Retained profits  | 493,766                 | 553,560                 |
| Other reserves  | 617,060                 | 553,765                 |
| Unrealised losses on AFS financial instruments                        | (16,525)                | (28,352)                |
| <b>Less:</b>  |                         |                         |
| Deferred tax assets   | (10,156)                | (15,497)                |
| Other intangibles   | (602)                   | (1,119)                 |
| Ageing Reserves and Liquidity Reserve                                 | (121)                   | (551)                   |
| <b><u>Total Common Equity Tier I Capital / Tier I Capital</u></b>     | <b><u>2,256,846</u></b> | <b><u>2,235,230</u></b> |
| <b><u>Tier II Capital</u></b>   |                         |                         |
| Subordinated sukuk  | 500,000                 | 500,000                 |
| Collective impairment allowances and regulatory reserves <sup>^</sup> | 224,682                 | 100,832                 |
| <b>Total Tier II Capital</b>  | <b><u>724,682</u></b>   | <b><u>600,832</u></b>   |
| <b>Total Capital</b>  | <b><u>2,981,528</u></b> | <b><u>2,836,062</u></b> |

<sup>^</sup> Excludes collective assessment impairment allowance attributable to advances and financing classified as impaired but not individually assessed for impairment pursuant to BNM's Guideline on Classification and Impairment Provisions for Loans/Financing.  
Includes the qualifying regulatory reserves for financing of the Bank of RM 123,090,000 (31.12.2014: Nil).

RHB ISLAMIC BANK  
BASEL II PILLAR 3 DISCLOSURES AS AT 30 JUNE 2015

Table 5a: Summary of Credit Exposures with Credit Risk Mitigation ('CRM') by Asset Class and Minimum Capital Requirements (On and Off Balance Sheet Exposures) as at 30 June 2015

| RHB Islamic Bank   | Gross                  | Net Exposures /      | Risk Weighted     | Risk Weighted          | Total Risk             | Minimum          |
|--|------------------------|----------------------|-------------------|------------------------|------------------------|------------------|
| <u>Exposure Class</u>  | <u>Exposures / EAD</u> | <u>EAD after CRM</u> | <u>Assets</u>     | <u>Assets Absorbed</u> | <u>Weighted Assets</u> | <u>Capital</u>   |
|  | RM'000                 | RM'000               | RM'000            | by PSIA                | After Effect           | Requirements     |
|  | RM'000                 | RM'000               | RM'000            | RM'000                 | of PSIA                | RM'000           |
| <b><u>Exposures under the Standardised Approach</u></b>                      |                        |                      |                   |                        |                        |                  |
| <b><u>On Balance Sheet Exposures</u></b>                                     |                        |                      |                   |                        |                        |                  |
| Sovereigns/Central Banks   | 7,904,948              | 7,904,948            | 2,555             | -                      | 2,555                  | 204              |
| Public Sector Entities   | 2,457,944              | 2,453,444            | 6,989             | -                      | 6,989                  | 559              |
| Banks, Development Financial Institutions & MDBs                             | 1,105,091              | 1,105,091            | 240,572           | -                      | 240,572                | 19,246           |
| Takaful Cos, Securities Firms & Fund Managers                                | 249,533                | 249,533              | 249,533           | -                      | 249,533                | 19,963           |
| Corporates   | 12,321,424             | 12,069,359           | 9,082,500         | (3,551,189)            | 5,531,311              | 442,505          |
| Regulatory Retail  | 11,533,999             | 11,431,343           | 8,914,758         | (565,530)              | 8,349,228              | 667,938          |
| Residential Mortgages  | 3,389,549              | 3,384,856            | 1,647,633         | (106,086)              | 1,541,547              | 123,324          |
| Higher Risk Assets   | -                      | -                    | -                 | -                      | -                      | -                |
| Other Assets   | 248,321                | 248,321              | 228,577           | -                      | 228,577                | 18,286           |
| Defaulted Exposures  | 332,914                | 325,133              | 392,763           | (23,465)               | 369,298                | 29,544           |
| <b>Total On Balance Sheet Exposures</b>                                      | <b>39,543,723</b>      | <b>39,172,028</b>    | <b>20,765,880</b> | <b>(4,246,270)</b>     | <b>16,519,610</b>      | <b>1,321,569</b> |
| <b><u>Off Balance Sheet Exposures</u></b>                                    |                        |                      |                   |                        |                        |                  |
| OTC Derivatives  | 150,305                | 150,305              | 86,917            | -                      | 86,917                 | 6,953            |
| Off balance sheet exposures other than OTC derivatives or credit derivatives | 2,510,208              | 2,461,162            | 1,837,668         | (350)                  | 1,837,318              | 146,985          |
| Defaulted Exposures  | 5,943                  | 2,503                | 3,732             | (299)                  | 3,433                  | 275              |
| <b>Total Off Balance Sheet Exposures</b>                                     | <b>2,666,456</b>       | <b>2,613,970</b>     | <b>1,928,317</b>  | <b>(649)</b>           | <b>1,927,668</b>       | <b>154,213</b>   |
| <b>Total On and Off Balance Sheet Exposures</b>                              | <b>42,210,179</b>      | <b>41,785,998</b>    | <b>22,694,197</b> | <b>(4,246,919)</b>     | <b>18,447,278</b>      | <b>1,475,782</b> |

RHB ISLAMIC BANK  
 BASEL II PILLAR 3 DISCLOSURES AS AT 30 JUNE 2015

Table 5b: Summary of Credit Exposures with Credit Risk Mitigation ('CRM') by Asset Class and Minimum Capital Requirements (On and Off Balance Sheet Exposures) as at 31 December 2014

| RHB Islamic Bank   | Gross                  | Net Exposures /      | Risk Weighted     | Risk Weighted          | Total Risk             | Minimum          |
|--|------------------------|----------------------|-------------------|------------------------|------------------------|------------------|
| <u>Exposure Class</u>  | <u>Exposures / EAD</u> | <u>EAD after CRM</u> | <u>Assets</u>     | <u>Assets Absorbed</u> | <u>Weighted Assets</u> | <u>Capital</u>   |
|  | RM'000                 | RM'000               | RM'000            | by PSIA                | After Effect           | Requirements     |
|  | RM'000                 | RM'000               | RM'000            | RM'000                 | of PSIA                | RM'000           |
| <b><u>Exposures under the Standardised Approach</u></b>                      |                        |                      |                   |                        |                        |                  |
| <b><u>On Balance Sheet Exposures</u></b>                                     |                        |                      |                   |                        |                        |                  |
| Sovereigns/Central Banks   | 6,516,640              | 6,516,640            | 2,371             | -                      | 2,371                  | 190              |
| Public Sector Entities   | 2,429,824              | 2,429,824            | 2,469             | -                      | 2,469                  | 197              |
| Banks, Development Financial Institutions & MDBs                             | 1,235,115              | 1,235,115            | 265,259           | -                      | 265,259                | 21,221           |
| Takaful Cos, Securities Firms & Fund Managers                                | 103,771                | 103,771              | 103,771           | -                      | 103,771                | 8,302            |
| Corporates   | 11,231,609             | 10,923,773           | 7,337,927         | (2,930,924)            | 4,407,002              | 352,560          |
| Regulatory Retail  | 11,318,045             | 11,221,595           | 8,737,333         | (664,513)              | 8,072,820              | 645,826          |
| Residential Mortgages  | 2,446,992              | 2,441,918            | 1,371,039         | (146,848)              | 1,224,191              | 97,935           |
| Higher Risk Assets   | 200,554                | 200,554              | 300,831           | -                      | 300,831                | 24,067           |
| Other Assets   | 114,928                | 114,928              | 100,653           | -                      | 100,653                | 8,052            |
| Defaulted Exposures  | 236,726                | 230,753              | 266,022           | (22,669)               | 243,354                | 19,469           |
| <b>Total On Balance Sheet Exposures</b>                                      | <b>35,834,204</b>      | <b>35,418,871</b>    | <b>18,487,675</b> | <b>(3,764,954)</b>     | <b>14,722,721</b>      | <b>1,177,819</b> |
| <b><u>Off Balance Sheet Exposures</u></b>                                    |                        |                      |                   |                        |                        |                  |
| OTC Derivatives  | 198,265                | 198,265              | 125,190           | -                      | 125,190                | 10,015           |
| Off balance sheet exposures other than OTC derivatives or credit derivatives | 1,960,513              | 1,934,006            | 1,544,484         | (76,351)               | 1,468,133              | 117,450          |
| Defaulted Exposures  | 8,306                  | 475                  | 713               | -                      | 713                    | 57               |
| <b>Total Off Balance Sheet Exposures</b>                                     | <b>2,167,084</b>       | <b>2,132,746</b>     | <b>1,670,387</b>  | <b>(76,351)</b>        | <b>1,594,036</b>       | <b>127,522</b>   |
| <b>Total On and Off Balance Sheet Exposures</b>                              | <b>38,001,288</b>      | <b>37,551,617</b>    | <b>20,158,062</b> | <b>(3,841,305)</b>     | <b>16,316,757</b>      | <b>1,305,341</b> |



**Table 6a: Exposures for Off Balance Sheet and Counterparty Credit Risk (Before Credit Risk Mitigation) as at 30 June 2015**

| RHB Islamic Bank   | Principal /<br>Notional<br>Amount | Positive<br>Fair Value of<br>Derivative<br>Contracts | Credit<br>Equivalent<br>Amount | Risk Weighted<br>Assets |
|--|-----------------------------------|--|--------------------------------|-------------------------|
| <u>Nature of Item</u>  | RM'000                            | RM'000   | RM'000                         | RM'000                  |
| Direct credit substitutes  | -                                 |  | -                              | -                       |
| Transaction related contingent items   | 222,333                           |  | 111,167                        | 87,403                  |
| Short term self liquidating trade related contingencies  | 29,261                            |  | 5,852                          | 2,262                   |
| Foreign exchange related contracts   | 1,737,175                         | 44,546   | 95,496                         | 75,953                  |
| 1 year or less   | 1,594,681                         | 37,406   | 81,232                         | 64,625                  |
| Over 1 year to 5 years   | 142,494                           | 7,140  | 14,264                         | 11,328                  |
| Over 5 years   | -                                 | -  | -                              | -                       |
| Profit rate related contracts  | 2,975,000                         | 10,034   | 54,809                         | 10,962                  |
| 1 year or less   | 800,000                           | 20   | 1,045                          | 209                     |
| Over 1 year to 5 years   | 2,175,000                         | 10,014   | 53,764                         | 10,753                  |
| Over 5 years   | -                                 | -  | -                              | -                       |
| Other commitments, such as formal standby facilities and financing lines, with original maturity of over 1 year  | 4,611,160                         |  | 2,305,580                      | 1,681,572               |
| Other commitments, such as formal standby facilities and financing lines, with original maturity of up to 1 year   | -                                 |  | -                              | -                       |
| Any commitments that are unconditionally cancellable at any time by the bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a customer's creditworthiness | 1,893,958                         |  | 93,552                         | 70,164                  |
| <b>Total</b>   | <b>11,468,887</b>                 | <b>54,580</b>  | <b>2,666,456</b>               | <b>1,928,316</b>        |

**Table 6b: Exposures for Off Balance Sheet and Counterparty Credit Risk (Before Credit Risk Mitigation) as at 31 December 2014**

| RHB Islamic Bank   | Principal /<br>Notional<br>Amount | Positive<br>Fair Value of<br>Derivative<br>Contracts | Credit<br>Equivalent<br>Amount | Risk Weighted<br>Assets |
|--|-----------------------------------|--|--------------------------------|-------------------------|
| <u>Nature of Item</u>  | RM'000                            | RM'000   | RM'000                         | RM'000                  |
| Direct credit substitutes  | -                                 |  | -                              | -                       |
| Transaction related contingent items   | 188,764                           |  | 94,382                         | 67,238                  |
| Short term self liquidating trade related contingencies  | 55,547                            |  | 11,109                         | 2,264                   |
| Foreign exchange related contracts   | 863,979                           | 26,237   | 119,237                        | 85,676                  |
| 1 year or less   | 775,709                           | 25,161   | 39,216                         | 35,496                  |
| Over 1 year to 5 years   | 88,270                            | 1,076  | 80,021                         | 50,180                  |
| Over 5 years   | -                                 | -  | -                              | -                       |
| Profit rate related contracts  | 2,975,000                         | 21,753   | 79,028                         | 39,514                  |
| 1 year or less   | 650,000                           | 682  | 2,307                          | 1,154                   |
| Over 1 year to 5 years   | 2,235,000                         | 20,619   | 71,770                         | 35,885                  |
| Over 5 years   | 90,000                            | 452  | 4,951                          | 2,475                   |
| Other commitments, such as formal standby facilities and financing lines, with original maturity of over 1 year  | 3,545,835                         |  | 1,772,918                      | 1,407,888               |
| Other commitments, such as formal standby facilities and financing lines, with original maturity of up to 1 year   | -                                 |  | -                              | -                       |
| Any commitments that are unconditionally cancellable at any time by the bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a customer's creditworthiness | 1,791,099                         |  | 90,410                         | 67,807                  |
| <b>Total</b>   | <b>9,420,224</b>                  | <b>47,990</b>  | <b>2,167,084</b>               | <b>1,670,387</b>        |

RHB ISLAMIC BANK  
BASEL II PILLAR 3 DISCLOSURES AS AT 30 JUNE 2015

Table 7a: Credit Risk Exposures (Before Credit Risk Mitigation) by Industry Sector as at 30 June 2015

| RHB Islamic Bank                                 | Mining & Quarrying |                    | Electricity, Gas & Water Supply | Construction   | Wholesale, Retail Trade, Restaurants & Hotels | Transport, Storage & Communication | Finance, Takaful, Real Estate & Business | Education, Health & Others | Household        | Others            | Total             |
|--|--------------------|--------------------|---------------------------------|----------------|---|------------------------------------|--|----------------------------|------------------|-------------------|-------------------|
| Exposure Class                                   | Agriculture        | Mining & Quarrying | Manufacturing                   | Supply         | Construction                                  | Restaurants & Hotels               | Real Estate & Business                   | Others                     | Household        | Others            | Total             |
|  | RM'000             | RM'000             | RM'000                          | RM'000         | RM'000  | RM'000                             | RM'000                                   | RM'000                     | RM'000           | RM'000            | RM'000            |
| <b>Exposures under Standardised Approach</b>     |                    |                    |                                 |                |   |                                    |  |                            |                  |                   |                   |
| Sovereigns & Central Banks                       | -                  | -                  | -                               | -              | -   | -                                  | 5,592,963                                | 2,313,998                  | -                | -                 | 7,906,961         |
| Public Sector Entities                           | -                  | -                  | -                               | -              | -   | -                                  | -  | 2,469,312                  | -                | -                 | 2,469,312         |
| Banks, Development Financial Institutions & MDBs | -                  | -                  | -                               | -              | -   | -                                  | 1,194,037                                | -                          | -                | -                 | 1,194,037         |
| Takaful Cos, Securities Firms & Fund Managers    | -                  | -                  | -                               | -              | -   | -                                  | 269,417                                  | -                          | -                | -                 | 269,417           |
| Corporates                                       | 351,292            | 690,574            | 835,840                         | 595,227        | 1,295,111                                     | 754,136                            | 4,418,386                                | 939,392                    | -                | -                 | 14,031,537        |
| Regulatory Retail                                | 39,080             | 12,768             | 118,312                         | 2,670          | 205,533                                       | 201,948                            | 256,338                                  | 27,635                     | 11,712,350       | 885               | 12,633,523        |
| Residential Mortgages                            | -                  | -                  | -                               | -              | -   | -                                  | -  | -                          | 3,457,071        | -                 | 3,457,071         |
| Higher Risk Assets                               | -                  | -                  | -                               | -              | -   | -                                  | -  | -                          | -                | -                 | -                 |
| Other Assets                                     | -                  | -                  | -                               | -              | -   | -                                  | -  | -                          | -                | 248,321           | 248,321           |
| <b>Total</b>                                     | <b>390,372</b>     | <b>703,342</b>     | <b>954,152</b>                  | <b>597,897</b> | <b>1,500,644</b>                              | <b>956,084</b>                     | <b>4,207,583</b>                         | <b>11,731,141</b>          | <b>5,750,337</b> | <b>15,169,421</b> | <b>42,210,179</b> |

Table 7b: Credit Risk Exposures (Before Credit Risk Mitigation) by Industry Sector as at 31 December 2014

| RHB Islamic Bank                                 | Mining & Quarrying |                    | Electricity, Gas & Water Supply | Construction   | Wholesale, Retail Trade, Restaurants & Hotels | Transport, Storage & Communication | Finance, Takaful, Real Estate & Business | Education, Health & Others | Household        | Others            | Total             |
|--|--------------------|--------------------|---------------------------------|----------------|---|------------------------------------|--|----------------------------|------------------|-------------------|-------------------|
| Exposure Class                                   | Agriculture        | Mining & Quarrying | Manufacturing                   | Supply         | Construction                                  | Restaurants & Hotels               | Real Estate & Business                   | Others                     | Household        | Others            | Total             |
|  | RM'000             | RM'000             | RM'000                          | RM'000         | RM'000  | RM'000                             | RM'000                                   | RM'000                     | RM'000           | RM'000            | RM'000            |
| <b>Exposures under Standardised Approach</b>     |                    |                    |                                 |                |   |                                    |  |                            |                  |                   |                   |
| Sovereigns & Central Banks                       | -                  | -                  | -                               | -              | -   | -                                  | 4,451,415                                | 2,075,604                  | -                | -                 | 6,527,019         |
| Public Sector Entities                           | -                  | -                  | -                               | -              | -   | -                                  | -  | 2,429,824                  | -                | -                 | 2,429,824         |
| Banks, Development Financial Institutions & MDBs | -                  | -                  | -                               | -              | -   | -                                  | 1,424,341                                | -                          | -                | -                 | 1,424,341         |
| Takaful Cos, Securities Firms & Fund Managers    | -                  | -                  | -                               | -              | -   | -                                  | 104,522                                  | -                          | -                | -                 | 104,522           |
| Corporates                                       | 430,880            | 799                | 664,291                         | 579,441        | 886,474                                       | 691,333                            | 3,591,202                                | 4,323,430                  | 1,010,341        | -                 | 12,189,333        |
| Regulatory Retail                                | 32,590             | 8,602              | 103,245                         | 1,597          | 163,643                                       | 176,452                            | 44,133                                   | 157,679                    | 18,334           | 11,761,299        | 12,508,339        |
| Residential Mortgages                            | -                  | -                  | -                               | -              | -   | -                                  | -  | -                          | 2,502,428        | -                 | 2,502,428         |
| Higher Risk Assets                               | -                  | -                  | -                               | -              | 200,554                                       | -                                  | -  | -                          | -                | -                 | 200,554           |
| Other Assets                                     | -                  | -                  | -                               | -              | -   | -                                  | -  | -                          | -                | 114,928           | 114,928           |
| <b>Total</b>                                     | <b>463,470</b>     | <b>9,401</b>       | <b>767,536</b>                  | <b>581,038</b> | <b>1,250,671</b>                              | <b>867,785</b>                     | <b>3,635,335</b>                         | <b>10,461,387</b>          | <b>5,534,103</b> | <b>14,263,727</b> | <b>38,001,288</b> |

RHB ISLAMIC BANK  
BASEL II PILLAR 3 DISCLOSURES AS AT 30 JUNE 2015

**Table 8a: Credit Risk Exposures (Before Credit Risk Mitigation) by Remaining Maturity as at 30 June 2015**

| RHB Islamic Bank                                    |                  |                  |                   |                   |
|---|------------------|------------------|-------------------|-------------------|
| <u>Exposure Class</u>                               | One year         | More than        | Over              | Total             |
|   | or less          | one to           | five years        |                   |
|   | RM'000           | five years       | RM'000            | RM'000            |
| <b><u>Exposures under Standardised Approach</u></b> |                  |                  |                   |                   |
| Sovereigns & Central Banks                          | 4,167,305        | 1,614,256        | 2,125,400         | 7,906,961         |
| Public Sector Entities                              | -                | 705,279          | 1,764,033         | 2,469,312         |
| Banks, Development Financial Institutions & MDBs    | 1,006,603        | 103,647          | 83,787            | 1,194,037         |
| Takaful Cos, Securities Firms & Fund Managers       | 112,999          | 156,418          | -                 | 269,417           |
| Corporates  | 2,497,309        | 4,420,078        | 7,114,150         | 14,031,537        |
| Regulatory Retail                                   | 510,934          | 1,927,306        | 10,195,283        | 12,633,523        |
| Residential Mortgages                               | 2,666            | 35,254           | 3,419,151         | 3,457,071         |
| Higher Risk Assets                                  | -                | -                | -                 | -                 |
| Other Assets  | -                | -                | 248,321           | 248,321           |
| <b>Total</b>  | <b>8,297,816</b> | <b>8,962,238</b> | <b>24,950,125</b> | <b>42,210,179</b> |

**Table 8b: Credit Risk Exposures (Before Credit Risk Mitigation) by Remaining Maturity as at 31 December 2014**

| RHB Islamic Bank                                    |                  |                  |                   |                   |
|---|------------------|------------------|-------------------|-------------------|
| <u>Exposure Class</u>                               | One year         | More than        | Over              | Total             |
|   | or less          | one to           | five years        |                   |
|   | RM'000           | five years       | RM'000            | RM'000            |
| <b><u>Exposures under Standardised Approach</u></b> |                  |                  |                   |                   |
| Sovereigns & Central Banks                          | 3,002,893        | 1,789,663        | 1,734,463         | 6,527,019         |
| Public Sector Entities                              | -                | 705,710          | 1,724,114         | 2,429,824         |
| Banks, Development Financial Institutions & MDBs    | 1,181,574        | 131,450          | 111,317           | 1,424,341         |
| Takaful Cos, Securities Firms & Fund Managers       | 103,865          | 657              | -                 | 104,522           |
| Corporates  | 3,017,640        | 3,655,105        | 5,516,588         | 12,189,333        |
| Regulatory Retail                                   | 434,244          | 1,742,093        | 10,332,002        | 12,508,339        |
| Residential Mortgages                               | 1,074            | 35,005           | 2,466,349         | 2,502,428         |
| Higher Risk Assets                                  | -                | -                | 200,554           | 200,554           |
| Other Assets  | -                | -                | 114,928           | 114,928           |
| <b>Total</b>  | <b>7,741,290</b> | <b>8,059,683</b> | <b>22,200,315</b> | <b>38,001,288</b> |

RHB ISLAMIC BANK  
BASEL II PILLAR 3 DISCLOSURES AS AT 30 JUNE 2015

Table 9a: Portfolios under the Standardised Approach by Risk Weights as at 30 June 2015

| RHB Islamic Bank<br><u>Exposure Class</u>           | Exposure After Credit Risk Mitigation<br>Risk Weight (%) |                  |                  |                  |                   |                   |                | Total<br>Exposures<br>RM'000 |
|---|--|------------------|------------------|------------------|-------------------|-------------------|----------------|------------------------------|
|   | 0%<br>RM'000   | 20%<br>RM'000    | 35%<br>RM'000    | 50%<br>RM'000    | 75%<br>RM'000     | 100%<br>RM'000    | 150%<br>RM'000 |                              |
| <u>Exposures under Standardised Approach</u>        |  |                  |                  |                  |                   |                   |                |                              |
| Sovereigns & Central Banks                          | 7,892,173  | 14,788           | -                | -                | -                 | -                 | -              | 7,906,961                    |
| Public Sector Entities                              | 2,418,498  | 46,314           | -                | -                | -                 | -                 | -              | 2,464,812                    |
| Banks, Development Financial Institutions & MDBs    | 4,913  | 1,120,252        | -                | 68,872           | -                 | -                 | -              | 1,194,037                    |
| Takaful Cos, Securities Firms & Fund Managers       | -  | -                | -                | -                | -                 | 269,417           | -              | 269,417                      |
| Corporates  | 940,428  | 2,629,167        | -                | 693,139          | -                 | 9,294,022         | 188,384        | 13,745,140                   |
| Regulatory Retail                                   | 50,076   | -                | -                | 18,350           | 10,828,558        | 1,570,440         | 37,761         | 12,505,185                   |
| Residential Mortgages                               | -  | -                | 1,966,444        | 901,030          | 42,731            | 529,756           | 12,164         | 3,452,125                    |
| Higher Risk Assets                                  | -  | -                | -                | -                | -                 | -                 | -              | -                            |
| Other Assets  | 19,744   | -                | -                | -                | -                 | 228,577           | -              | 248,321                      |
| <b>Total Exposures after Credit Risk Mitigation</b> | <b>11,325,832</b>  | <b>3,810,521</b> | <b>1,966,444</b> | <b>1,681,391</b> | <b>10,871,289</b> | <b>11,892,212</b> | <b>238,309</b> | <b>41,785,998</b>            |
| <b>Total Risk Weighted Assets</b>                   | <b>-</b>   | <b>762,104</b>   | <b>688,255</b>   | <b>840,696</b>   | <b>8,153,467</b>  | <b>11,892,212</b> | <b>357,463</b> | <b>22,694,197</b>            |

Table 9b: Portfolios under the Standardised Approach by Risk Weights as at 31 December 2014

| RHB Islamic Bank<br><u>Exposure Class</u>           | Exposure After Credit Risk Mitigation<br>Risk Weight (%) |                  |                  |                |                   |                  |                | Total<br>Exposures<br>RM'000 |
|---|--|------------------|------------------|----------------|-------------------|------------------|----------------|------------------------------|
|   | 0%<br>RM'000   | 20%<br>RM'000    | 35%<br>RM'000    | 50%<br>RM'000  | 75%<br>RM'000     | 100%<br>RM'000   | 150%<br>RM'000 |                              |
| <u>Exposures under Standardised Approach</u>        |  |                  |                  |                |                   |                  |                |                              |
| Sovereigns & Central Banks                          | 6,504,787  | 22,232           | -                | -              | -                 | -                | -              | 6,527,019                    |
| Public Sector Entities                              | 2,417,477  | 12,347           | -                | -              | -                 | -                | -              | 2,429,824                    |
| Banks, Development Financial Institutions & MDBs    | 4,858  | 1,167,639        | -                | 251,807        | -                 | 37               | -              | 1,424,341                    |
| Takaful Cos, Securities Firms & Fund Managers       | -  | -                | -                | -              | -                 | 104,522          | -              | 104,522                      |
| Corporates  | 1,044,939  | 3,330,763        | -                | 19,606         | -                 | 7,345,668        | 117,854        | 11,858,830                   |
| Regulatory Retail                                   | 2,094  | -                | -                | 12,264         | 11,003,984        | 1,323,518        | 52,622         | 12,394,482                   |
| Residential Mortgages                               | -  | -                | 1,081,261        | 656,106        | 192,484           | 552,119          | 15,147         | 2,497,117                    |
| Higher Risk Assets                                  | -  | -                | -                | -              | -                 | -                | 200,554        | 200,554                      |
| Other Assets  | 14,275   | -                | -                | -              | -                 | 100,653          | -              | 114,928                      |
| <b>Total Exposures after Credit Risk Mitigation</b> | <b>9,988,430</b>   | <b>4,532,981</b> | <b>1,081,261</b> | <b>939,783</b> | <b>11,196,468</b> | <b>9,426,517</b> | <b>386,177</b> | <b>37,551,617</b>            |
| <b>Total Risk Weighted Assets</b>                   | <b>-</b>   | <b>906,597</b>   | <b>378,441</b>   | <b>469,891</b> | <b>8,397,351</b>  | <b>9,426,517</b> | <b>579,265</b> | <b>20,158,062</b>            |

RHB ISLAMIC BANK  
BASEL II PILLAR 3 DISCLOSURES AS AT 30 JUNE 2015

Table 10a: Rated Exposures According to Ratings by External Credit Assessment Institutions ('ECAIs') as at 30 June 2015

| RHB Islamic Bank                                 | Moody's | Aaa to Aa3 | A1 to A3  | Baa1 to Ba3  | B1 to C   | Unrated    |         |
|--|---------|------------|-----------|--------------|-----------|------------|---------|
| Ratings of Corporates by Approved ECAIs          | S&P     | AAA to AA- | A+ to A-  | BBB+ to BB-  | B+ to D   | Unrated    |         |
|  | Fitch   | AAA to AA- | A+ to A-  | BBB+ to BB-  | B+ to D   | Unrated    |         |
|  | RAM     | AAA to AA3 | A1 to A3  | BBB1 to BB3  | B to D    | Unrated    |         |
|  | MARC    | AAA to AA- | A+ to A-  | BBB+ to BB-  | B1 to D   | Unrated    |         |
| <u>Exposure Class</u>                            | R&I     | AAA to AA- | A+ to A-  | BBB+ to BB-  | B+ to D   | Unrated    |         |
|  |         | RM'000     | RM'000    | RM'000       | RM'000    | RM'000     |         |
| <b><u>On and Off Balance Sheet Exposures</u></b> |         |            |           |              |           |            |         |
| Public Sector Entities                           |         | -          | 2,203,286 | -            | -         | 261,526    |         |
| Takaful Cos, Securities Firms & Fund Managers    |         | -          | -         | -            | -         | 269,417    |         |
| Corporates                                       |         | 2,895,379  | 260,133   | -            | 2,701     | 10,385,035 |         |
|  | Moody's | P-1        | P-2       | P-3          | Others    | Unrated    |         |
|  | S&P     | A-1        | A-2       | A-3          | Others    | Unrated    |         |
|  | Fitch   | F1+, F1    | F2        | F3           | B to D    | Unrated    |         |
|  | RAM     | P-1        | P-2       | P-3          | NP        | Unrated    |         |
|  | MARC    | MARC-1     | MARC-2    | MARC-3       | MARC-4    | Unrated    |         |
|  | R&I     | a-1+, a-1  | a-2       | a-3          | b, c      | Unrated    |         |
|  |         | RM'000     | RM'000    | RM'000       | RM'000    | RM'000     |         |
| <b><u>On and Off Balance Sheet Exposures</u></b> |         |            |           |              |           |            |         |
| Corporates                                       |         | 201,892    | -         | -            | -         | -          |         |
|  | Moody's | Aaa to Aa3 | A1 to A3  | Baa1 to Baa3 | Ba1 to B3 | Caa1 to C  | Unrated |
|  | S&P     | AAA to AA- | A+ to A-  | BBB+ to BBB- | BB+ to B- | CCC+ to D  | Unrated |
|  | Fitch   | AAA to AA- | A+ to A-  | BBB+ to BBB- | BB+ to B- | CCC+ to D  | Unrated |
|  | R&I     | AAA to AA- | A+ to A-  | BBB+ to BBB- | BB+ to B- | CCC+ to C  | Unrated |
|  |         | RM'000     | RM'000    | RM'000       | RM'000    | RM'000     | RM'000  |
| <b><u>On and Off Balance Sheet Exposures</u></b> |         |            |           |              |           |            |         |
| Sovereigns & Central Banks                       |         | -          | 7,906,961 | -            | -         | -          | -       |
|  | Moody's | Aaa to Aa3 | A1 to A3  | Baa1 to Baa3 | Ba1 to B3 | Caa1 to C  | Unrated |
|  | S&P     | AAA to AA- | A+ to A-  | BBB+ to BBB- | BB+ to B- | CCC+ to D  | Unrated |
|  | Fitch   | AAA to AA- | A+ to A-  | BBB+ to BBB- | BB+ to B- | CCC+ to D  | Unrated |
|  | RAM     | AAA to AA3 | A1 to A3  | BBB1 to      | BB1 to B3 | C1 to D    | Unrated |
|  | MARC    | AAA to AA- | A+ to A-  | BBB+ to BBB- | BB+ to B- | C+ to D    | Unrated |
|  | R&I     | AAA to AA- | A+ to A-  | BBB+ to BBB- | BB+ to B- | CCC+ to C  | Unrated |
|  |         | RM'000     | RM'000    | RM'000       | RM'000    | RM'000     | RM'000  |
| <b><u>On and Off Balance Sheet Exposures</u></b> |         |            |           |              |           |            |         |
| Banks, Development Financial Institutions & MDBs |         | 694,839    | 417,507   | 81,691       | -         | -          | -       |

RHB ISLAMIC BANK  
BASEL II PILLAR 3 DISCLOSURES AS AT 30 JUNE 2015

Table 10b: Rated Exposures According to Ratings by External Credit Assessment Institutions ('ECAIs') as at 31 December 2014

|   |         |            |           |              |           |           |         |
|---|---------|------------|-----------|--------------|-----------|-----------|---------|
| RHB Islamic Bank                                  | Moody's | Aaa to Aa3 | A1 to A3  | Baa1 to Ba3  | B1 to C   | Unrated   |         |
|   | S&P     | AAA to AA- | A+ to A-  | BBB+ to BB-  | B+ to D   | Unrated   |         |
| Ratings of Corporates by Approved ECAIs           | Fitch   | AAA to AA- | A+ to A-  | BBB+ to BB-  | B+ to D   | Unrated   |         |
|   | RAM     | AAA to AA3 | A1 to A3  | BBB1 to BB3  | B to D    | Unrated   |         |
|   | MARC    | AAA to AA- | A+ to A-  | BBB+ to BB-  | B1 to D   | Unrated   |         |
| <u>Exposure Class</u>                             | R&I     | AAA to AA- | A+ to A-  | BBB+ to BB-  | B+ to D   | Unrated   |         |
|   |         | RM'000     | RM'000    | RM'000       | RM'000    | RM'000    |         |
| <u>On and Off Balance Sheet Exposures</u>         |         |            |           |              |           |           |         |
| Public Sector Entities                            |         | -          | 2,203,357 | -            | -         | 226,467   |         |
| Takaful Cos, Securities Firms & Fund Managers     |         | -          | -         | -            | -         | 104,522   |         |
| Corporates  |         | 3,033,246  | 500,047   | -            | 7,027     | 8,185,410 |         |
|   | Moody's | P-1        | P-2       | P-3          | Others    | Unrated   |         |
|   | S&P     | A-1        | A-2       | A-3          | Others    | Unrated   |         |
| Short Term Ratings of Corporates                  | Fitch   | F1+, F1    | F2        | F3           | B to D    | Unrated   |         |
| by Approved ECAIs                                 | RAM     | P-1        | P-2       | P-3          | NP        | Unrated   |         |
|   | MARC    | MARC-1     | MARC-2    | MARC-3       | MARC-4    | Unrated   |         |
|   | R&I     | a-1+, a-1  | a-2       | a-3          | b, c      | Unrated   |         |
|   |         | RM'000     | RM'000    | RM'000       | RM'000    | RM'000    |         |
| <u>On and Off Balance Sheet Exposures</u>         |         |            |           |              |           |           |         |
| Corporates  |         | 133,100    | -         | -            | -         | -         |         |
|   | Moody's | Aaa to Aa3 | A1 to A3  | Baa1 to Baa3 | Ba1 to B3 | Caa1 to C | Unrated |
| Ratings of Sovereigns and Central Banks           | S&P     | AAA to AA- | A+ to A-  | BBB+ to BBB- | BB+ to B- | CCC+ to D | Unrated |
| by Approved ECAIs                                 | Fitch   | AAA to AA- | A+ to A-  | BBB+ to BBB- | BB+ to B- | CCC+ to D | Unrated |
|   | R&I     | AAA to AA- | A+ to A-  | BBB+ to BBB- | BB+ to B- | CCC+ to C | Unrated |
| <u>Exposure Class</u>                             |         | RM'000     | RM'000    | RM'000       | RM'000    | RM'000    | RM'000  |
| <u>On and Off Balance Sheet Exposures</u>         |         |            |           |              |           |           |         |
| Sovereigns & Central Banks                        |         | -          | 6,527,019 | -            | -         | -         | -       |
|   | Moody's | Aaa to Aa3 | A1 to A3  | Baa1 to Baa3 | Ba1 to B3 | Caa1 to C | Unrated |
|   | S&P     | AAA to AA- | A+ to A-  | BBB+ to BBB- | BB+ to B- | CCC+ to D | Unrated |
| Ratings of Banking Institutions by Approved ECAIs | Fitch   | AAA to AA- | A+ to A-  | BBB+ to BBB- | BB+ to B- | CCC+ to D | Unrated |
|   | RAM     | AAA to AA3 | A1 to A3  | BBB1 to      | BB1 to B3 | C1 to D   | Unrated |
|   | MARC    | AAA to AA- | A+ to A-  | BBB+ to BBB- | BB+ to B- | C+ to D   | Unrated |
| <u>Exposure Class</u>                             | R&I     | AAA to AA- | A+ to A-  | BBB+ to BBB- | BB+ to B- | CCC+ to C | Unrated |
|   |         | RM'000     | RM'000    | RM'000       | RM'000    | RM'000    | RM'000  |
| <u>On and Off Balance Sheet Exposures</u>         |         |            |           |              |           |           |         |
| Banks, Development Financial Institutions & MDBs  |         | 789,114    | 629,077   | 6,113        | 37        | -         | -       |

RHB ISLAMIC BANK  
BASEL II PILLAR 3 DISCLOSURES AS AT 30 JUNE 2015

Table 11a: Credit Risk Mitigation of Portfolios under the Standardised Approach as at 30 June 2015

| RHB Islamic Bank  | Gross<br>Exposures<br>Before Credit<br>Risk Mitigation<br>RM'000 | Gross<br>Exposures<br>Covered by<br>Guarantees /<br>Credit Derivatives<br>RM'000 | Gross<br>Exposures<br>Covered by<br>Eligible Financial<br>Collateral<br>RM'000 |
|---|--|--|--|
| <u>Exposure Class</u>   |  |  |  |
| <b><u>On Balance Sheet Exposures</u></b>  |  |  |  |
| Sovereigns/Central Banks  | 7,904,948  | -  | -  |
| Public Sector Entities  | 2,457,944  | 2,418,498  | 4,500  |
| Banks, Development Financial Institutions & MDBs                                | 1,105,091  | 4,912  | -  |
| Takaful Cos, Securities Firms & Fund Managers                                   | 249,533  | -  | -  |
| Corporates  | 12,321,424   | 690,428  | 252,067  |
| Regulatory Retail   | 11,533,999   | 50,076   | 102,656  |
| Residential Mortgages   | 3,389,549  | -  | 4,692  |
| Higher Risk Assets  | -  | -  | -  |
| Other Assets  | 248,321  | -  | -  |
| Defaulted Exposures   | 332,914  | -  | 7,781  |
| <b>Total On Balance Sheet Exposures</b>   | <b>39,543,723</b>  | <b>3,163,914</b>   | <b>371,696</b>   |
| <b><u>Off Balance Sheet Exposures</u></b>                                       |  |  |  |
| OTC Derivatives   | 150,305  | -  | -  |
| Off balance sheet exposures other than OTC derivatives<br>or credit derivatives | 2,510,208  | 250,000  | 49,046   |
| Defaulted Exposures   | 5,943  | -  | 3,440  |
| <b>Total Off Balance Sheet Exposures</b>  | <b>2,666,456</b>   | <b>250,000</b>   | <b>52,486</b>  |
| <b>Total On and Off Balance Sheet Exposures</b>                                 | <b>42,210,179</b>  | <b>3,413,914</b>   | <b>424,182</b>   |

Table 11b: Credit Risk Mitigation of Portfolios under the Standardised Approach as at 31 December 2014

| RHB Islamic Bank  | Gross<br>Exposures<br>Before Credit<br>Risk Mitigation<br>RM'000 | Gross<br>Exposures<br>Covered by<br>Guarantees /<br>Credit Derivatives<br>RM'000 | Gross<br>Exposures<br>Covered by<br>Eligible Financial<br>Collateral<br>RM'000 |
|---|--|--|--|
| <u>Exposure Class</u>   |  |  |  |
| <b><u>On Balance Sheet Exposures</u></b>  |  |  |  |
| Sovereigns/Central Banks  | 6,516,640  | -  | -  |
| Public Sector Entities  | 2,429,824  | 2,417,478  | -  |
| Banks, Development Financial Institutions & MDBs                                | 1,235,115  | 4,858  | -  |
| Takaful Cos, Securities Firms & Fund Managers                                   | 103,771  | -  | -  |
| Corporates  | 11,231,609   | 1,044,939  | 307,836  |
| Regulatory Retail   | 11,318,045   | 1,265  | 96,449   |
| Residential Mortgages   | 2,446,992  | -  | 5,074  |
| Higher Risk Assets  | 200,554  | -  | -  |
| Other Assets  | 114,928  | -  | -  |
| Defaulted Exposures   | 236,726  | 830  | 5,974  |
| <b>Total On Balance Sheet Exposures</b>   | <b>35,834,204</b>  | <b>3,469,370</b>   | <b>415,333</b>   |
| <b><u>Off Balance Sheet Exposures</u></b>                                       |  |  |  |
| OTC Derivatives   | 198,265  | -  | -  |
| Off balance sheet exposures other than OTC derivatives<br>or credit derivatives | 1,960,513  | -  | 26,507   |
| Defaulted Exposures   | 8,306  | -  | 7,830  |
| <b>Total Off Balance Sheet Exposures</b>  | <b>2,167,084</b>   | <b>-</b>   | <b>34,337</b>  |
| <b>Total On and Off Balance Sheet Exposures</b>                                 | <b>38,001,288</b>  | <b>3,469,370</b>   | <b>449,670</b>   |

RHB ISLAMIC BANK  
BASEL II PILLAR 3 DISCLOSURES AS AT 30 JUNE 2015

Table 12a: Impaired and Past Due Financing and Allowances for Impairment by Industry Sector as at 30 June 2015

| RHB Islamic Bank                              | Impaired<br>Advances /<br>Financing | Past Due<br>Financing | Individual<br>Impairment<br>Allowances | Collective<br>Impairment<br>Allowances |
|---|-------------------------------------|-----------------------|--|--|
| <u>Industry Sector</u>                        | RM'000                              | RM'000                | RM'000                                 | RM'000                                 |
| Agriculture                                   | 4                                   | 587                   | -                                      | 4,444                                  |
| Mining & Quarrying                            | 62                                  | 43                    | -                                      | 310                                    |
| Manufacturing                                 | 42,601                              | 17,080                | 3,800                                  | 22,609                                 |
| Electricity, Gas & Water Supply               | 55,099                              | -                     | -                                      | 595                                    |
| Construction                                  | 37,753                              | 19,547                | 12,272                                 | 10,955                                 |
| Wholesale, Retail Trade, Restaurants & Hotels | 55,496                              | 3,416                 | 2,777                                  | 19,390                                 |
| Transport, Storage & Communication            | 915                                 | 1,429                 | -                                      | 11,960                                 |
| Finance, Takaful, Real Estate & Business      | 31,666                              | 19,073                | -                                      | 23,994                                 |
| Education, Health & Others                    | 11,117                              | 439                   | 3,379                                  | 5,650                                  |
| Household                                     | 196,653                             | 692,818               | -                                      | 90,561                                 |
| Others  | 273                                 | -                     | -                                      | 5,232                                  |
| <b>Total</b>                                  | <b>431,639</b>                      | <b>754,432</b>        | <b>22,228</b>                          | <b>195,700</b>                         |

Note: As at 30 June 2015, all impaired, past due and allowances for impaired financing are for credit exposures booked in Malaysia.

Table 12b: Impaired and Past Due Financing and Allowances for Impairment by Industry Sector as at 31 December 2014

| RHB Islamic Bank                              | Impaired<br>Advances /<br>Financing | Past Due<br>Financing | Individual<br>Impairment<br>Allowances | Collective<br>Impairment<br>Allowances |
|---|-------------------------------------|-----------------------|--|--|
| <u>Industry Sector</u>                        | RM'000                              | RM'000                | RM'000                                 | RM'000                                 |
| Agriculture                                   | 521                                 | 458                   | -                                      | 3,837                                  |
| Mining & Quarrying                            | 56                                  | 155                   | -                                      | 133                                    |
| Manufacturing                                 | 32,201                              | 12,741                | 3,800                                  | 16,185                                 |
| Electricity, Gas & Water Supply               | -                                   | -                     | -                                      | 700                                    |
| Construction                                  | 35,281                              | 7,887                 | 12,315                                 | 8,201                                  |
| Wholesale, Retail Trade, Restaurants & Hotels | 68,361                              | 7,338                 | 5,816                                  | 14,609                                 |
| Transport, Storage & Communication            | 255                                 | 2,078                 | -                                      | 7,637                                  |
| Finance, Takaful, Real Estate & Business      | 3,859                               | 6,022                 | -                                      | 19,334                                 |
| Education, Health & Others                    | 10,466                              | 454                   | 3,358                                  | 4,144                                  |
| Household                                     | 179,428                             | 708,928               | -                                      | 108,611                                |
| Others  | 273                                 | -                     | -                                      | 3,916                                  |
| <b>Total</b>                                  | <b>330,701</b>                      | <b>746,061</b>        | <b>25,289</b>                          | <b>187,307</b>                         |

Note: As at 31 December 2014, all impaired, past due and allowances for impaired financing are for credit exposures booked in Malaysia.

Table 13: Net Charges/(Write back) and Write Offs for Impairment by Industry Sector

| RHB Islamic Bank                              | Six Months Period Ended 30.06.2015         |               | Twelve Months Period Ended 31.12.2014      |               |
|---|--|---------------|--|---------------|
|   | Net Charges/(Write back)                   |               | Net Charges/(Write back)                   |               |
|   | for Individual<br>Impairment<br>Allowances | Write Offs    | for Individual<br>Impairment<br>Allowances | Write Offs    |
| <u>Industry Sector</u>                        | RM'000                                     | RM'000        | RM'000                                     | RM'000        |
| Agriculture                                   | -  | -             | -  | -             |
| Mining & Quarrying                            | -  | -             | -  | -             |
| Manufacturing                                 | -  | -             | (264)                                      | 3,970         |
| Electricity, Gas & Water Supply               | -  | -             | -  | -             |
| Construction                                  | (43)                                       | -             | (9,951)                                    | 1,426         |
| Wholesale, Retail Trade, Restaurants & Hotels | (3,038)                                    | -             | 857  | 4,659         |
| Transport, Storage & Communication            | -  | -             | -  | -             |
| Finance, Takaful, Real Estate & Business      | -  | -             | (15,146)                                   | 55,194        |
| Education, Health & Others                    | 20   | -             | 2,966                                      | 166           |
| Household                                     | -  | 18,855        | -  | 27,573        |
| Others  | -  | 12            | -  | -             |
| <b>Total</b>                                  | <b>(3,061)</b>                             | <b>18,867</b> | <b>(21,538)</b>                            | <b>92,988</b> |



RHB ISLAMIC BANK  
BASEL II PILLAR 3 DISCLOSURES AS AT 30 JUNE 2015

Table 14: Reconciliation of Changes to Financing Impairment Allowances

| RHB Islamic Bank   | As at<br>30.06.2015<br>RM'000 | As at<br>31.12.2014<br>RM'000 |
|--|-------------------------------|-------------------------------|
| <b>Individual Impairment Allowance</b>                     |                               |                               |
| Balance as at the beginning of financial period/year       | 25,289                        | 111,703                       |
| Net allowance/(written back) made during the period/year   | (3,061)                       | (21,538)                      |
| Amount written off   | -                             | (63,135)                      |
| Reclassification (to)/from collective impairment allowance | -                             | (1,741)                       |
| <b>Balance as at the end of financial period/year</b>      | <b>22,228</b>                 | <b>25,289</b>                 |

| RHB Islamic Bank   | As at<br>30.06.2015<br>RM'000 | As at<br>31.12.2014<br>RM'000 |
|--|-------------------------------|-------------------------------|
| <b>Collective Impairment Allowance</b>                     |                               |                               |
| Balance as at the beginning of financial period/year       | 187,307                       | 145,769                       |
| Net allowance/(written back) made during the period/year   | 27,260                        | 69,650                        |
| Amount written off   | (18,867)                      | (29,853)                      |
| Reclassification from/(to) individual impairment allowance | -                             | 1,741                         |
| <b>Balance as at the end of financial period/year</b>      | <b>195,700</b>                | <b>187,307</b>                |

Table 15a: Market Risk Weighted Assets and Minimum Capital Requirements as at 30 June 2015

| RHB Islamic Bank      | Long<br>Position<br>RM'000 | Short<br>Position<br>RM'000 | Risk Weighted<br>Assets<br>RM'000 | Minimum<br>Capital<br>Requirements<br>RM'000 |
|-----------------------|----------------------------|-----------------------------|-----------------------------------|--|
| <b>Market Risk</b>    |                            |                             |                                   |  |
| Profit Rate Risk      | 2,618,983                  | 2,426,464                   | 136,713                           | 10,937                                       |
| Foreign Currency Risk | 8,153                      | (91,873)                    | 91,873                            | 7,350  |
| <b>Total</b>          |                            |                             | <b>228,586</b>                    | <b>18,287</b>                                |

Note:

As at 30 June 2015, RHB Islamic Bank did not have any exposure under

- equity risk, commodity risk, inventory risk and options risk, and
- market risk exposure absorbed by PSIA.

Table 15b: Market Risk Weighted Assets and Minimum Capital Requirements as at 31 December 2014

| RHB Islamic Bank      | Long<br>Position<br>RM'000 | Short<br>Position<br>RM'000 | Risk Weighted<br>Assets<br>RM'000 | Minimum<br>Capital<br>Requirements<br>RM'000 |
|-----------------------|----------------------------|-----------------------------|-----------------------------------|--|
| <b>Market Risk</b>    |                            |                             |                                   |  |
| Profit Rate Risk      | 2,625,070                  | 2,274,513                   | 119,500                           | 9,560  |
| Foreign Currency Risk | 1,785                      | (4,857)                     | 4,857                             | 388  |
| <b>Total</b>          |                            |                             | <b>124,357</b>                    | <b>9,948</b>                                 |

Note:

As at 31 December 2014, RHB Islamic Bank did not have any exposure under

- equity risk, commodity risk, inventory risk and options risk, and
- market risk exposure absorbed by PSIA.

RHB ISLAMIC BANK  
BASEL II PILLAR 3 DISCLOSURES AS AT 30 JUNE 2015

Table 16a: Rate of Return Risk in the Banking Book as at 30 June 2015

| <u>Currency</u>         | Impact on Position as at Reporting Period (100 basis points) Parallel Shift |                                      |                                      |                                      |
|-------------------------|---|--------------------------------------|--------------------------------------|--------------------------------------|
|                         | Increase / (Decline) in Earnings  |                                      | Increase/(Decline) in Economic Value |                                      |
|                         | Impact based on<br>+100 basis points  | Impact based on<br>-100 basis points | Impact based on<br>+100 basis points | Impact based on<br>-100 basis points |
|                         | RM'000  | RM'000                               | RM'000                               | RM'000                               |
| MYR - Malaysian Ringgit | (26,012)  | 26,012                               | (333,052)                            | 333,052                              |
| USD - US Dollar         | (1,174)   | 1,174                                | 280                                  | (280)                                |
| Others <sup>1</sup>     | 110   | (110)                                | 52                                   | (52)                                 |
| <b>Total</b>            | <b>(27,076)</b>   | <b>27,076</b>                        | <b>(332,720)</b>                     | <b>332,720</b>                       |

Table 16b: Rate of Return Risk in the Banking Book as at 31 December 2014

| <u>Currency</u>         | Impact on Position as at Reporting Period (100 basis points) Parallel Shift |                                      |                                      |                                      |
|-------------------------|---|--------------------------------------|--------------------------------------|--------------------------------------|
|                         | Increase / (Decline) in Earnings  |                                      | Increase/(Decline) in Economic Value |                                      |
|                         | Impact based on<br>+100 basis points  | Impact based on<br>-100 basis points | Impact based on<br>+100 basis points | Impact based on<br>-100 basis points |
|                         | RM'000  | RM'000                               | RM'000                               | RM'000                               |
| MYR - Malaysian Ringgit | (36,155)  | 36,155                               | (306,428)                            | 306,428                              |
| USD - US Dollar         | (177)   | 177                                  | (312)                                | 312                                  |
| Others <sup>1</sup>     | 50  | (50)                                 | 48                                   | (48)                                 |
| <b>Total</b>            | <b>(36,282)</b>   | <b>36,282</b>                        | <b>(306,692)</b>                     | <b>306,692</b>                       |

Note:

1. Inclusive of GBP, EUR, SGD, etc
2. The earnings and economic values were computed based on the standardised approach adopted by BNM.
3. PSIA (Profit Sharing Investment Account) between RHB Islamic and RHB Bank which qualifies as a risk absorbent, is excluded from the computation of rate of return risk.

Table 17: Operational Risk Weighted Assets and Minimum Capital Requirements

| <u>Operational Risk</u>      | RHB Islamic Bank    |                     |
|------------------------------|---------------------|---------------------|
|                              | As at<br>30.06.2015 | As at<br>31.12.2014 |
|                              | RM'000              | RM'000              |
| Risk Weighted Assets         | 964,330             | 918,886             |
| Minimum Capital Requirements | 77,146              | 73,511              |