

**RHB Islamic Bank Berhad**  
**Basel II Pillar 3 Disclosures**  
**30 June 2019**

**RHB ISLAMIC BANK  
BASEL II PILLAR 3 DISCLOSURES AS AT 30 JUNE 2019**

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**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 Disclosures of RHB Islamic Bank Berhad as at 30 June 2019 are accurate and complete.

**DATO' ADISSADIKIN BIN ALI**  
Managing Director

**RHB ISLAMIC BANK**  
**BASEL II PILLAR 3 DISCLOSURES AS AT 30 JUNE 2019**

**INTRODUCTION**

This document describes RHB Islamic Bank Berhad's (RHB Islamic Bank) risk profile and capital adequacy position 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).

BNM's guidelines on Capital Adequacy Framework for Islamic Banks (Risk-Weighted Assets) provide and specify the approaches for quantifying the risk-weighted assets for credit risk, market risk and operational risk.

For purposes of complying with regulatory requirements under Basel II Pillar 1, the approaches adopted by RHB Islamic Bank are as follows:

<b>Entity</b>	<b>Credit Risk</b>	<b>Market Risk</b>	<b>Operational Risk</b>
RHB Islamic Bank Berhad	Internal Ratings-Based Approach	Standardised Approach	Basic Indicator Approach

This document covers quantitative information as at 30 June 2019 with comparative quantitative information of the preceding financial year as at 31 December 2018. 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 and is referred to as 'the Bank'. The Bank is a wholly owned subsidiary of RHB Bank Berhad as at 30 June 2019.

The Bank's capital requirements are guided by BNM's Capital Adequacy Framework for Islamic Banks (Capital Components).

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**Table 1: Capital Adequacy Ratios**

	RHB Islamic Bank	
	30.06.2019	31.12.2018
<b><u>Before proposed dividends</u></b>		
Common Equity Tier I Capital Ratio	13.338%	13.222%
Tier I Capital Ratio	13.338%	13.222%
Total Capital Ratio	16.401%	16.476%
<b><u>After proposed dividends</u></b>		
Common Equity Tier I Capital Ratio	13.338%	13.222%
Tier I Capital Ratio	13.338%	13.222%
Total Capital Ratio	16.401%	16.476%

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

<b><u>Risk Types</u></b>	RHB Islamic	
	30.06.2019	31.12.2018
	RM'000	RM'000
Credit RWA	26,677,134	25,943,117
Credit RWA Absorbed by PSIA	(5,973,488)	(5,874,587)
Market RWA	141,597	268,130
Operational RWA	1,805,373	1,679,551
Additional RWA due to Capital Floor	6,742,211	5,599,323
<b>Total RWA</b>	<b>29,392,827</b>	<b>27,615,534</b>

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

<b>RHB Islamic Bank</b> <b><u>Risk Types</u></b>	RWA		Minimum Capital Requirements	
	30.06.2019	31.12.2018	30.06.2019	31.12.2018
	RM'000	RM'000	RM'000	RM'000
<b>Credit Risk</b>	20,703,646	20,068,530	1,656,292	1,605,482
Under Foundation Internal Rating Based (F-IRB) Approach	13,675,166	13,735,988	1,094,013	1,098,879
Under Advanced Internal Rating Based (A-IRB) Approach	7,920,950	7,206,853	633,676	576,548
Under Standardised Approach	5,081,018	5,000,276	406,481	400,022
Absorbed by PSIA under F-IRB Approach	(4,905,346)	(5,220,725)	(392,427)	(417,658)
Absorbed by PSIA under Standardised Approach	(1,068,142)	(653,862)	(85,451)	(52,309)
<b>Market Risk</b>				
Under Standardised Approach	141,597	268,130	11,328	21,450
<b>Operational Risk</b>				
Under Basic Indicator Approach	1,805,373	1,679,551	144,430	134,364
<b>Additional RWA due to Capital Floor</b>	6,742,211	5,599,323	539,377	447,946
<b>Total</b>	<b>29,392,827</b>	<b>27,615,534</b>	<b>2,351,427</b>	<b>2,209,242</b>

**RHB ISLAMIC BANK**  
**BASEL II PILLAR 3 DISCLOSURES AS AT 30 JUNE 2019**

**Table 4: Capital Structure**

	RHB Islamic Bank	
	30.06.2019	31.12.2018
	RM'000	RM'000
<b><u>Common Equity Tier I Capital / Tier I Capital</u></b>		
Paid up ordinary share capital	1,673,424	1,673,424
Retained profits	2,213,982	2,013,893
Other reserves	-	-
Fair value through other comprehensive income (FVOCI) reserves	86,121	(3,499)
<b>Less:</b>		
Other intangibles	(3,461)	(4,271)
Deferred tax assets	-	(23,499)
55% of cumulative gains arising from change in value of FVOCI instruments	(47,367)	-
Other deductions*	(2,184)	(4,849)
<b><u>Total Common Equity Tier I Capital / Tier I Capital</u></b>	<b><u>3,920,515</u></b>	<b><u>3,651,199</u></b>
<b><u>Tier II Capital</u></b>		
Subordinated obligations	750,000	750,000
Surplus eligible provisions over expected losses	100,145	94,333
General provisions <sup>^</sup>	50,161	54,330
<b><u>Total Tier II Capital</u></b>	<b><u>900,306</u></b>	<b><u>898,663</u></b>
<b><u>Total Capital</u></b>	<b><u>4,820,821</u></b>	<b><u>4,549,862</u></b>

\* Pursuant to the Basel II Market Risk para 5.18 and 5.19 – Valuation Adjustments, the Capital Adequacy Framework for Islamic Banks (Basel II - Risk Weighted Assets) calculation shall account for the ageing, liquidity and holding back adjustments / reserves on its trading portfolio.

<sup>^</sup> Pursuant to BNM's policy document on Financial Reporting for Islamic Banking Institutions, general provision refers to loss allowance measured at an amount equal to 12-month and lifetime expected credit losses as defined under MFRS9 Financial Instruments; and regulatory reserves, to the extent they are ascribed to non-credit-impaired exposures, determined under standardised approach.

Includes the qualifying regulatory reserve of the Bank of RM39,253,000 (31 December 2018 : RM42,756,000).

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 2019

RHB Islamic Bank	Gross		Risk Weighted	Risk Weighted	Total Risk	Minimum
Exposure Class	Exposures / EAD before CRM	Net Exposures / EAD after CRM	Assets	Assets Absorbed by PSIA	Weighted Assets After Effect of PSIA	Capital Requirements
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Exposures under Standardised Approach (SA)</b>						
<b>On Balance Sheet Exposures</b>						
Sovereigns & Central Banks	10,544,769	10,544,769	-	-	-	-
Public Sector Entities	6,028,753	6,021,222	16,679	-	16,679	1,334
Banks, Development Financial Institutions & MDBs	965,515	965,515	191,895	-	191,895	15,352
Takaful Cos, Securities Firms & Fund Managers	176,166	176,166	176,166	-	176,166	14,093
Corporates	1,073,542	744,911	646,770	-	646,770	51,742
Regulatory Retail	3,736,661	3,735,323	3,682,189	(1,068,094)	2,614,095	209,128
Residential Mortgages	3,646	3,646	1,410	-	1,410	113
Higher Risk Assets	-	-	-	-	-	-
Other Assets	332,866	332,866	314,017	-	314,017	25,121
Securitisation Exposures	-	-	-	-	-	-
Equity Exposures	-	-	-	-	-	-
Defaulted Exposures	6,761	6,761	5,260	(48)	5,212	417
<b>Total On Balance Sheet Exposures</b>	<b>22,868,679</b>	<b>22,531,179</b>	<b>5,034,386</b>	<b>(1,068,142)</b>	<b>3,966,244</b>	<b>317,300</b>
<b>Off Balance Sheet Exposures</b>						
OTC Derivatives	169,488	169,488	34,180	-	34,180	2,734
Off balance sheet exposures other than OTC derivatives or credit derivatives	420,985	344,799	12,452	-	12,452	996
Defaulted Exposures	-	-	-	-	-	-
<b>Total Off Balance Sheet Exposures</b>	<b>590,473</b>	<b>514,287</b>	<b>46,632</b>	<b>-</b>	<b>46,632</b>	<b>3,730</b>
<b>Total On and Off Balance Sheet Exposures under SA</b>	<b>23,459,152</b>	<b>23,045,466</b>	<b>5,081,018</b>	<b>(1,068,142)</b>	<b>4,012,876</b>	<b>321,030</b>
<b>Exposures under F-IRB Approach</b>						
<b>On Balance Sheet Exposures</b>						
<b>Corporates, of which</b>	<b>21,321,022</b>	<b>21,321,022</b>	<b>11,650,034</b>	<b>(4,627,685)</b>	<b>7,022,349</b>	<b>561,787</b>
Corporate Exposures (excluding exposures with firm size adjustments)	12,491,276	12,699,021	6,818,644	(3,296,417)	3,522,227	281,778
Corporate Exposures (with firm size adjustments)	7,519,349	7,519,349	3,941,452	(1,224,821)	2,716,631	217,330
Specialised Financing Exposures (Slotting Approach)	-	-	-	-	-	-
Project Finance	37,822	5,314	6,111	-	6,111	489
Income Producing Real Estate	1,272,575	1,097,338	883,827	(106,447)	777,380	62,190
Defaulted Exposures	186,171	186,171	17,480	-	17,480	1,398
<b>Total On Balance Sheet Exposures</b>	<b>21,507,193</b>	<b>21,507,193</b>	<b>11,667,514</b>	<b>(4,627,685)</b>	<b>7,039,829</b>	<b>563,185</b>
<b>Off Balance Sheet Exposures</b>						
OTC Derivatives	27,547	27,547	51,074	-	51,074	4,086
Off balance sheet exposures other than OTC derivatives or credit derivatives	2,667,716	2,667,716	1,182,512	-	1,182,512	94,601
Defaulted Exposures	45	45	-	-	-	-
<b>Total Off Balance Sheet Exposures</b>	<b>2,695,308</b>	<b>2,695,308</b>	<b>1,233,586</b>	<b>-</b>	<b>1,233,586</b>	<b>98,687</b>
<b>Exposures under A-IRB Approach</b>						
<b>On Balance Sheet Exposures</b>						
<b>Retail, of which</b>	<b>29,082,522</b>	<b>29,082,522</b>	<b>6,816,270</b>	<b>-</b>	<b>6,816,270</b>	<b>545,301</b>
Residential Mortgages Exposures	13,349,525	13,349,525	3,001,865	-	3,001,865	240,149
Qualifying Revolving Retail Exposures	272,020	272,020	205,136	-	205,136	16,411
Hire Purchase Exposures	7,093,676	7,093,676	2,390,543	-	2,390,543	191,243
Other Retail Exposures	8,367,301	8,367,301	1,218,726	-	1,218,726	97,498
Defaulted Exposures	354,238	354,238	74,885	-	74,885	5,991
<b>Total On Balance Sheet Exposures</b>	<b>29,436,760</b>	<b>29,436,760</b>	<b>6,891,155</b>	<b>-</b>	<b>6,891,155</b>	<b>551,292</b>
<b>Off Balance Sheet Exposures</b>						
OTC Derivatives	-	-	-	-	-	-
Off balance sheet exposures other than OTC derivatives or credit derivatives	3,163,607	3,163,607	577,496	-	577,496	46,200
Defaulted Exposures	7,249	7,249	3,944	-	3,944	316
<b>Total Off Balance Sheet Exposures</b>	<b>3,170,856</b>	<b>3,170,856</b>	<b>581,440</b>	<b>-</b>	<b>581,440</b>	<b>46,516</b>
<b>Total On and Off Balance Sheet Exposures before scaling factor under the IRB Approach</b>	<b>56,810,117</b>	<b>56,810,117</b>	<b>20,373,695</b>	<b>(4,627,685)</b>	<b>15,746,010</b>	<b>1,259,680</b>
<b>Total On and Off Balance Sheet Exposures after scaling factor, 1.06 under the IRB Approach</b>			<b>21,596,116</b>	<b>(4,905,346)</b>	<b>16,690,770</b>	<b>1,335,262</b>
<b>Total (Exposures under the SA Approach and Exposures under the IRB Approach)</b>	<b>80,269,269</b>	<b>79,855,583</b>	<b>26,677,134</b>	<b>(5,973,488)</b>	<b>20,703,646</b>	<b>1,656,292</b>

**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 2018**

RHB Islamic Bank	Gross		Risk Weighted	Risk Weighted	Total Risk	Minimum
<u>Exposure Class</u>	<u>Exposures / EAD before CRM</u>	<u>Net Exposures / EAD after CRM</u>	<u>Assets</u>	<u>Assets Absorbed by PSIA</u>	<u>Weighted Assets After Effect of PSIA</u>	<u>Capital Requirements</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Exposures under Standardised Approach (SA)</b>						
<b>On Balance Sheet Exposures</b>						
Sovereigns & Central Banks	5,521,764	5,521,764	-	-	-	-
Public Sector Entities	5,809,258	5,809,258	8,019	-	8,019	641
Banks, Development Financial Institutions & MDBs	1,020,165	1,020,165	286,730	-	286,730	22,938
Takaful Cos, Securities Firms & Fund Managers	176,910	176,910	176,910	-	176,910	14,153
Corporates	1,088,467	729,943	547,168	-	547,168	43,773
Regulatory Retail	3,478,859	3,478,756	3,424,694	(653,745)	2,770,949	221,676
Residential Mortgages	2,749	2,749	1,020	-	1,020	82
Higher Risk Assets	-	-	-	-	-	-
Other Assets	495,816	495,816	476,415	-	476,415	38,113
Securitisation Exposures	-	-	-	-	-	-
Equity Exposures	-	-	-	-	-	-
Defaulted Exposures	12,324	10,308	10,051	(117)	9,934	795
<b>Total On Balance Sheet Exposures</b>	<b>17,606,312</b>	<b>17,245,669</b>	<b>4,931,007</b>	<b>(653,862)</b>	<b>4,277,145</b>	<b>342,171</b>
<b>Off Balance Sheet Exposures</b>						
OTC Derivatives	272,184	272,176	54,435	-	54,435	4,355
Off balance sheet exposures other than OTC derivatives or credit derivatives	364,498	348,532	14,834	-	14,834	1,187
Defaulted Exposures	-	-	-	-	-	-
<b>Total Off Balance Sheet Exposures</b>	<b>636,682</b>	<b>620,708</b>	<b>69,269</b>	<b>-</b>	<b>69,269</b>	<b>5,542</b>
<b>Total On and Off Balance Sheet Exposures under SA</b>	<b>18,242,994</b>	<b>17,866,377</b>	<b>5,000,276</b>	<b>(653,862)</b>	<b>4,346,414</b>	<b>347,713</b>
<b>Exposures under F-IRB Approach</b>						
<b>On Balance Sheet Exposures</b>						
<b>Corporates, of which</b>	<b>20,957,417</b>	<b>20,957,417</b>	<b>11,964,780</b>	<b>(4,925,212)</b>	<b>7,039,568</b>	<b>563,165</b>
Corporate Exposures (excluding exposures with firm size adjustments)	12,757,496	13,139,612	7,757,571	(3,781,451)	3,976,120	318,089
Corporate Exposures (with firm size adjustments)	7,099,954	7,099,954	3,626,115	(1,079,351)	2,546,764	203,741
Specialised Financing Exposures (Slotting Approach)						
Project Finance	105,473	5,190	4,671	-	4,671	374
Income Producing Real Estate	994,494	712,661	576,423	(64,410)	512,013	40,961
Defaulted Exposures	239,375	239,375	17,278	-	17,278	1,382
<b>Total On Balance Sheet Exposures</b>	<b>21,196,792</b>	<b>21,196,792</b>	<b>11,982,058</b>	<b>(4,925,212)</b>	<b>7,056,846</b>	<b>564,547</b>
<b>Off Balance Sheet Exposures</b>						
OTC Derivatives	33,101	33,101	61,376	-	61,376	4,910
Off balance sheet exposures other than OTC derivatives or credit derivatives	2,200,251	2,200,251	915,045	-	915,045	73,204
Defaulted Exposures	121	121	-	-	-	-
<b>Total Off Balance Sheet Exposures</b>	<b>2,233,473</b>	<b>2,233,473</b>	<b>976,421</b>	<b>-</b>	<b>976,421</b>	<b>78,114</b>
<b>Exposures under A-IRB Approach</b>						
<b>On Balance Sheet Exposures</b>						
<b>Retail, of which</b>	<b>25,689,375</b>	<b>25,689,375</b>	<b>6,239,430</b>	<b>-</b>	<b>6,239,430</b>	<b>499,154</b>
Residential Mortgages Exposures	12,248,469	12,248,469	2,710,869	-	2,710,869	216,869
Qualifying Revolving Retail Exposures	275,179	275,179	205,276	-	205,276	16,422
Hire Purchase Exposures	6,731,434	6,731,434	2,275,708	-	2,275,708	182,057
Other Retail Exposures	6,434,293	6,434,293	1,047,577	-	1,047,577	83,806
Defaulted Exposures	331,193	331,193	73,260	-	73,260	5,861
<b>Total On Balance Sheet Exposures</b>	<b>26,020,568</b>	<b>26,020,568</b>	<b>6,312,690</b>	<b>-</b>	<b>6,312,690</b>	<b>505,015</b>
<b>Off Balance Sheet Exposures</b>						
OTC Derivatives	-	-	-	-	-	-
Off balance sheet exposures other than OTC derivatives or credit derivatives	2,612,629	2,612,629	485,632	-	485,632	38,851
Defaulted Exposures	3,188	3,188	596	-	596	48
<b>Total Off Balance Sheet Exposures</b>	<b>2,615,817</b>	<b>2,615,817</b>	<b>486,228</b>	<b>-</b>	<b>486,228</b>	<b>38,899</b>
<b>Total On and Off Balance Sheet Exposures before scaling factor under the IRB Approach</b>	<b>52,066,650</b>	<b>52,066,650</b>	<b>19,757,397</b>	<b>(4,925,212)</b>	<b>14,832,185</b>	<b>1,186,575</b>
<b>Total On and Off Balance Sheet Exposures after scaling factor, 1.06 under the IRB Approach</b>			<b>20,942,841</b>	<b>(5,220,725)</b>	<b>15,722,116</b>	<b>1,257,769</b>
<b>Total (Exposures under the SA Approach and Exposures under the IRB Approach)</b>	<b>70,309,644</b>	<b>69,933,027</b>	<b>25,943,117</b>	<b>(5,874,587)</b>	<b>20,068,530</b>	<b>1,605,482</b>



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Table 6a: Exposures on Off Balance Sheet and Counterparty Credit Risk (Before Credit Risk Mitigation)  
as at 30 June 2019

RHB Islamic Bank	Principal / Notional Amount RM'000	Positive Fair Value of Derivative Contracts RM'000	Credit Equivalent Amount RM'000	Risk Weighted Assets RM'000
<u>Nature of Item</u>				
Transaction related contingent items	224,107		112,053	65,240
Short term self liquidating trade related contingencies	53,009		10,602	3,160
Forward asset purchases, forward deposits, partly paid shares and securities which represent commitments with certain drawdowns	-		-	-
Commitment to buy back the Islamic securities arising from the Sell and Buy Back (SBBA) transaction	-		-	-
Foreign exchange related contracts	1,510,583	2,591	19,975	21,579
1 year or less	1,494,054	2,591	19,128	20,105
Over 1 year to 5 years	16,529	-	847	1,474
Over 5 years	-	-	-	-
Profit rate related contracts	2,344,136	2,520	6,251	1,250
1 year or less	2,190,000	2,085	4,275	855
Over 1 year to 5 years	154,136	435	1,976	395
Over 5 years	-	-	-	-
OTC derivative transactions and credit derivative contracts subject to valid bilateral netting agreements	17,210,574	-	170,809	62,425
Other commitments, such as formal standby facilities and financing lines, with original maturity of over 1 year	7,704,056		6,136,947	1,708,004
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 borrower's creditworthiness	2,213,189		-	-
<b>Total</b>	<b>31,259,654</b>	<b>5,111</b>	<b>6,456,637</b>	<b>1,861,658</b>

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**Table 6b: Exposures on Off Balance Sheet and Counterparty Credit Risk (Before Credit Risk Mitigation)  
as at 31 December 2018**

RHB Islamic Bank	Principal / Notional Amount RM'000	Positive Fair Value of Derivative Contracts RM'000	Credit Equivalent Amount RM'000	Risk Weighted Assets RM'000
<u>Nature of Item</u>				
Transaction related contingent items	212,768		106,384	66,999
Short term self liquidating trade related contingencies	65,253		13,050	4,111
Forward asset purchases, forward deposits, partly paid shares and securities which represent commitments with certain drawdowns	-		-	-
Commitment to buy back the Islamic securities arising from the Sell and Buy Back (SBBA) transaction	-		-	-
Foreign exchange related contracts	673,348	751	20,384	26,052
1 year or less	478,508	651	8,739	5,791
Over 1 year to 5 years	194,840	100	11,645	20,261
Over 5 years	-	-	-	-
Profit rate related contracts	930,000	348	678	136
1 year or less	930,000	348	678	136
Over 1 year to 5 years	-	-	-	-
Over 5 years	-	-	-	-
OTC derivative transactions and credit derivative contracts subject to valid bilateral netting agreements	12,570,170	49,080	284,223	89,623
Other commitments, such as formal standby facilities and financing lines, with original maturity of over 1 year	6,567,847		5,052,509	1,344,997
Other commitments, such as formal standby facilities and financing lines, with original maturity of up to 1 year	11,659		8,744	-
Any commitments that are unconditionally cancellable at any time by the Bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	2,102,309		-	-
<b>Total</b>	<b>23,133,354</b>	<b>50,179</b>	<b>5,485,972</b>	<b>1,531,918</b>

RHB ISLAMIC BANK  
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Table 7a: Credit Risk Exposures (Before Credit Risk Mitigation) by Industry Sector as at 30 June 2019

RHB Islamic Bank								Finance, Insurance/ Takaful, Real Estate	Education, Health &	Household	Others	Total
<u>Exposure Class</u>	<u>Agriculture</u>	<u>Mining &amp; Quarrying</u>	<u>Manufacturing</u>	<u>Electricity, Gas &amp; Water Supply</u>	<u>Construction</u>	<u>Wholesale, Retail Trade, Restaurants &amp; Hotels</u>	<u>Transport, Storage &amp; Communication</u>	<u>&amp; Business</u>	<u>Others</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<b>Exposures under Standardised Approach</b>												
<u>Approach</u>												
Sovereigns & Central Banks	-	-	-	-	-	-	-	8,754,508	1,798,215	-	-	10,552,723
Public Sector Entities	-	-	-	-	20,660	517	-	1,920,033	4,531,180	-	-	6,472,390
Banks, Development Financial Institutions & MDBs	-	-	-	-	-	-	-	1,080,426	-	-	-	1,080,426
Takaful Cos, Securities Firms & Fund Managers	-	-	-	-	-	-	-	176,166	-	-	-	176,166
Corporates	13,204	3,913	39,249	1,239	65,581	90,263	86,863	787,771	12,170	268	-	1,100,521
Regulatory Retail	2,373	855	9,910	500	10,921	17,459	4,169	8,388	1,562	3,684,273	-	3,740,410
Residential Mortgages	-	-	-	-	-	-	-	-	-	3,650	-	3,650
Higher Risk Assets	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-	-	-	-	332,866	332,866
<b>Total Exposures under Standardised Approach</b>	<b>15,577</b>	<b>4,768</b>	<b>49,159</b>	<b>1,739</b>	<b>97,162</b>	<b>108,239</b>	<b>91,032</b>	<b>12,727,292</b>	<b>6,343,127</b>	<b>3,688,191</b>	<b>332,866</b>	<b>23,459,152</b>
<b>Exposures under IRB Approach</b>												
<b>Corporates, of which</b>	1,122,584	734,532	1,172,242	688,731	5,873,066	1,248,590	5,301,266	7,556,770	504,720	-	-	24,202,501
Corporate Exposures (excluding exposures with firm size adjustments)	507,789	718,924	626,714	574,852	2,331,982	813,312	3,658,900	4,771,168	206,574	-	-	14,210,215
Corporate Exposures (with firm size adjustments)	614,795	15,608	545,528	65,900	2,175,155	435,278	1,491,266	2,661,073	298,146	-	-	8,302,749
Specialised Financing Exposures (Slotting Approach)												
Project Finance	-	-	-	47,979	5,314	-	-	17,315	-	-	-	70,608
Income Producing Real Estate	-	-	-	-	1,360,615	-	151,100	107,214	-	-	-	1,618,929
<b>Retail, of which</b>	61,312	9,239	296,393	-	310,146	722,317	108,067	386,207	46,829	30,667,106	-	32,607,616
Residential Mortgages Exposures	-	-	-	-	-	-	-	-	-	13,728,781	-	13,728,781
Qualifying Revolving Retail Exposures	-	-	-	-	-	-	-	-	-	422,179	-	422,179
Hire Purchase Exposures	-	-	-	-	-	-	-	-	-	7,135,762	-	7,135,762
Other Retail Exposures	61,312	9,239	296,393	-	310,146	722,317	108,067	386,207	46,829	9,380,384	-	11,320,894
<b>Total Exposures under IRB Approach</b>	<b>1,183,896</b>	<b>743,771</b>	<b>1,468,635</b>	<b>688,731</b>	<b>6,183,212</b>	<b>1,970,907</b>	<b>5,409,333</b>	<b>7,942,977</b>	<b>551,549</b>	<b>30,667,106</b>	<b>-</b>	<b>56,810,117</b>
<b>Total Exposures under Standardised and IRB Approaches</b>	<b>1,199,473</b>	<b>748,539</b>	<b>1,517,794</b>	<b>690,470</b>	<b>6,280,374</b>	<b>2,079,146</b>	<b>5,500,365</b>	<b>20,670,269</b>	<b>6,894,676</b>	<b>34,355,297</b>	<b>332,866</b>	<b>80,269,269</b>

RHB ISLAMIC BANK  
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Table 7b: Credit Risk Exposures (Before Credit Risk Mitigation) by Industry Sector as at 31 December 2018

RHB Islamic Bank	Agriculture		Mining & Quarrying		Manufacturing		Electricity, Gas & Water Supply		Construction	Wholesale, Retail Trade, Restaurants & Hotels	Transport, Storage & Communication	Finance, Insurance/ Takaful, Real Estate & Business	Education, Health & Others	Household	Others	Total
Exposure Class	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Exposures under Standardised Approach</b>																
<b>Approach</b>																
Sovereigns & Central Banks	-	-	-	-	-	-	-	-	-	-	-	4,285,861	1,243,857	-	-	5,529,718
Public Sector Entities	-	-	-	-	-	-	-	-	116	-	-	410,981	5,862,704	-	-	6,273,801
Banks, Development Financial Institutions & MDBs	-	-	-	-	-	-	-	-	-	-	-	1,152,797	-	-	-	1,152,797
Takaful Cos, Securities Firms & Fund Managers	-	-	-	-	-	-	-	-	-	-	-	176,910	-	-	-	176,910
Corporates	11,609	8,394	62,738	1,495	73,404	82,507	99,871	733,949	52,132	977	-	-	-	-	-	1,127,076
Regulatory Retail	1,771	4,123	11,510	-	10,972	16,087	5,398	12,142	1,566	3,420,554	-	-	-	-	-	3,484,123
Residential Mortgages	-	-	-	-	-	-	-	-	-	-	-	-	-	2,753	-	2,753
Higher Risk Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	495,816	495,816
<b>Total Exposures under Standardised Approach</b>	<b>13,380</b>	<b>12,517</b>	<b>74,248</b>	<b>1,495</b>	<b>84,376</b>	<b>98,710</b>	<b>105,269</b>	<b>6,772,640</b>	<b>7,160,259</b>	<b>3,424,284</b>	<b>495,816</b>	<b>18,242,994</b>				
<b>Exposures under IRB Approach</b>																
<b>Corporates, of which</b>	<b>1,232,638</b>	<b>857,070</b>	<b>1,157,834</b>	<b>729,197</b>	<b>5,570,487</b>	<b>1,259,917</b>	<b>5,302,029</b>	<b>6,797,112</b>	<b>523,981</b>	<b>-</b>	<b>-</b>	<b>23,430,265</b>				
Corporate Exposures (excluding exposures with firm size adjustments)	473,019	847,790	593,085	566,990	2,138,076	833,122	3,804,955	4,663,840	220,502	-	-	14,141,379				
Corporate Exposures (with firm size adjustments)	759,619	9,280	564,749	29,316	2,204,442	426,795	1,497,074	2,026,919	303,479	-	-	7,821,673				
Specialised Financing Exposures (Slotting Approach)																
Project Finance	-	-	-	132,891	5,190	-	-	-	-	-	-	138,081				
Income Producing Real Estate	-	-	-	-	1,222,779	-	-	106,353	-	-	-	1,329,132				
<b>Retail, of which</b>	<b>53,867</b>	<b>2,525</b>	<b>239,312</b>	<b>748</b>	<b>260,626</b>	<b>596,586</b>	<b>67,762</b>	<b>331,403</b>	<b>43,840</b>	<b>27,039,716</b>	<b>-</b>	<b>28,636,385</b>				
Residential Mortgages Exposures	-	-	-	-	-	-	-	-	-	12,581,096	-	12,581,096				
Qualifying Revolving Retail Exposures	-	-	-	-	-	-	-	-	-	434,259	-	434,259				
Hire Purchase Exposures	-	-	-	-	-	-	-	-	-	6,779,488	-	6,779,488				
Other Retail Exposures	53,867	2,525	239,312	748	260,626	596,586	67,762	331,403	43,840	7,244,873	-	8,841,542				
<b>Total Exposures under IRB Approach</b>	<b>1,286,505</b>	<b>859,595</b>	<b>1,397,146</b>	<b>729,945</b>	<b>5,831,113</b>	<b>1,856,503</b>	<b>5,369,791</b>	<b>7,128,515</b>	<b>567,821</b>	<b>27,039,716</b>	<b>-</b>	<b>52,066,650</b>				
<b>Total Exposures under Standardised and IRB Approaches</b>	<b>1,299,885</b>	<b>872,112</b>	<b>1,471,394</b>	<b>731,440</b>	<b>5,915,489</b>	<b>1,955,213</b>	<b>5,475,060</b>	<b>13,901,155</b>	<b>7,728,080</b>	<b>30,464,000</b>	<b>495,816</b>	<b>70,309,644</b>				

**RHB ISLAMIC BANK**  
**BASEL II PILLAR 3 DISCLOSURES AS AT 30 JUNE 2019**

**Table 8a: Credit Risk Exposures (Before Credit Risk Mitigation) by Remaining Maturity as at 30 June 2019**

<b>RHB Islamic Bank</b>				
<b>Exposure Class</b>	<b>One year or less</b>	<b>More than one to five years</b>	<b>Over five years</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>Exposures under Standardised Approach</u></b>				
Sovereigns & Central Banks	6,919,878	218,490	3,414,355	10,552,723
Public Sector Entities	508,665	2,334,686	3,629,039	6,472,390
Banks, Development Financial Institutions & MDBs	894,439	174,354	11,633	1,080,426
Takaful Cos, Securities Firms & Fund Managers	175,148	1,018	-	176,166
Corporates	654,400	326,396	119,725	1,100,521
Regulatory Retail	14,024	526,446	3,199,940	3,740,410
Residential Mortgages	-	157	3,493	3,650
Higher Risk Assets	-	-	-	-
Other Assets	-	-	332,866	332,866
<b>Total Exposures under Standardised Approach</b>	<b>9,166,554</b>	<b>3,581,547</b>	<b>10,711,051</b>	<b>23,459,152</b>
<b><u>Exposures under IRB Approach</u></b>				
<b>Corporates, of which</b>	<b>5,028,450</b>	<b>11,927,679</b>	<b>7,246,372</b>	<b>24,202,501</b>
Corporate Exposures (excluding exposures with firm size adjustments)	2,374,197	8,453,465	3,382,553	14,210,215
Corporate Exposures (with firm size adjustments)	2,609,305	2,918,292	2,775,152	8,302,749
Specialised Financing Exposures (Slotting Approach)				
Project Finance	1,222	21,100	48,286	70,608
Income Producing Real Estate	43,726	534,822	1,040,381	1,618,929
<b>Retail, of which</b>	<b>202,211</b>	<b>3,524,332</b>	<b>28,881,073</b>	<b>32,607,616</b>
Residential Mortgages Exposures	3,051	49,633	13,676,097	13,728,781
Qualifying Revolving Retail Exposures	16,347	403,619	2,213	422,179
Hire Purchase Exposures	48,477	2,053,167	5,034,118	7,135,762
Other Retail Exposures	134,336	1,017,913	10,168,645	11,320,894
<b>Total Exposures under IRB Approach</b>	<b>5,230,661</b>	<b>15,452,011</b>	<b>36,127,445</b>	<b>56,810,117</b>
<b>Total Exposures under Standardised and IRB Approaches</b>	<b>14,397,215</b>	<b>19,033,558</b>	<b>46,838,496</b>	<b>80,269,269</b>

**RHB ISLAMIC BANK**  
**BASEL II PILLAR 3 DISCLOSURES AS AT 30 JUNE 2019**

**Table 8b: Credit Risk Exposures (Before Credit Risk Mitigation) by Remaining Maturity as at 31 December 2018**

<b>RHB Islamic Bank</b>				
<b>Exposure Class</b>	<b>One year or less</b>	<b>More than one to five years</b>	<b>Over five years</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>Exposures under Standardised Approach</u></b>				
Sovereigns & Central Banks	2,818,728	501,960	2,209,030	5,529,718
Public Sector Entities	509,042	2,408,941	3,355,818	6,273,801
Banks, Development Financial Institutions & MDBs	914,618	238,179	-	1,152,797
Takaful Cos, Securities Firms & Fund Managers	1,741	175,169	-	176,910
Corporates	248,613	761,650	116,813	1,127,076
Regulatory Retail	14,785	484,261	2,985,077	3,484,123
Residential Mortgages	-	12	2,741	2,753
Higher Risk Assets	-	-	-	-
Other Assets	-	-	495,816	495,816
<b>Total Exposures under Standardised Approach</b>	<b>4,507,527</b>	<b>4,570,172</b>	<b>9,165,295</b>	<b>18,242,994</b>
<b><u>Exposures under IRB Approach</u></b>				
<b>Corporates, of which</b>	<b>5,174,450</b>	<b>8,845,964</b>	<b>9,409,851</b>	<b>23,430,265</b>
Corporate Exposures (excluding exposures with firm size adjustments)	2,517,963	5,832,173	5,791,243	14,141,379
Corporate Exposures (with firm size adjustments)	2,597,910	2,632,214	2,591,549	7,821,673
Specialised Financing Exposures (Slotting Approach)				
Project Finance	35,196	65,087	37,798	138,081
Income Producing Real Estate	23,381	316,490	989,261	1,329,132
<b>Retail, of which</b>	<b>231,950</b>	<b>3,331,016</b>	<b>25,073,419</b>	<b>28,636,385</b>
Residential Mortgages Exposures	2,670	51,740	12,526,686	12,581,096
Qualifying Revolving Retail Exposures	16,563	417,694	2	434,259
Hire Purchase Exposures	50,886	2,126,082	4,602,520	6,779,488
Other Retail Exposures	161,831	735,500	7,944,211	8,841,542
<b>Total Exposures under IRB Approach</b>	<b>5,406,400</b>	<b>12,176,980</b>	<b>34,483,270</b>	<b>52,066,650</b>
<b>Total Exposures under Standardised and IRB Approaches</b>	<b>9,913,927</b>	<b>16,747,152</b>	<b>43,648,565</b>	<b>70,309,644</b>

RHB ISLAMIC BANK  
BASEL II PILLAR 3 DISCLOSURES AS AT 30 JUNE 2019

Table 9a: Portfolios under the Standardised Approach by Risk Weights as at 30 June 2019

RHB Islamic Bank

<u>Exposure Class</u>	Sovereigns & Central Banks RM'000	Public Sector Entities RM'000	Banks, Development Financial Institutions & MDBs RM'000	Takaful Cos, Securities Firms & Fund Managers RM'000	Corporates RM'000	Regulatory Retail RM'000	Residential Mortgages RM'000	Higher Risk Assets RM'000	Other Assets RM'000	Equity Exposures RM'000	Total Exposures after Credit Risk Mitigation RM'000	Total Risk Weighted Assets RM'000
<b>Supervisory Risk Weights (%)</b>												
0%	10,544,769	6,262,826	30,842	-	-	-	-	-	18,849	-	16,857,286	-
20%	7,954	137,964	1,032,129	-	122,675	-	-	-	-	-	1,300,722	260,144
35%	-	-	-	-	-	-	3,045	-	-	-	3,045	1,066
50%	-	-	17,455	-	2,136	2,191	518	-	-	-	22,300	11,150
75%	-	-	-	-	-	213,825	-	-	-	-	213,825	160,369
100%	-	-	-	176,166	635,002	3,523,014	87	-	314,017	-	4,648,286	4,648,286
150%	-	-	-	-	2	-	-	-	-	-	2	3
<b>Total Exposures</b>	<b>10,552,723</b>	<b>6,400,790</b>	<b>1,080,426</b>	<b>176,166</b>	<b>759,815</b>	<b>3,739,030</b>	<b>3,650</b>	<b>-</b>	<b>332,866</b>	<b>-</b>	<b>23,045,466</b>	<b>5,081,018</b>

Table 9b: Portfolios under the Standardised Approach by Risk Weights as at 31 December 2018

RHB Islamic Bank

<u>Exposure Class</u>	Sovereigns & Central Banks RM'000	Public Sector Entities RM'000	Banks, Development Financial Institutions & MDBs RM'000	Takaful Cos, Securities Firms & Fund Managers RM'000	Corporates RM'000	Regulatory Retail RM'000	Residential Mortgages RM'000	Higher Risk Assets RM'000	Other Assets RM'000	Equity Exposures RM'000	Total Exposures after Credit Risk Mitigation RM'000	Total Risk Weighted Assets RM'000
<b>Supervisory Risk Weights (%)</b>												
0%	5,521,764	6,094,165	25,242	-	-	-	-	-	19,401	-	11,660,572	-
20%	7,954	179,636	1,007,530	-	228,468	-	-	-	-	-	1,423,588	284,718
35%	-	-	-	-	-	-	2,663	-	-	-	2,663	932
50%	-	-	16,550	-	4,503	1,826	-	-	-	-	22,879	11,439
75%	-	-	-	-	-	218,198	-	-	-	-	218,198	163,649
100%	-	-	103,475	176,910	516,246	3,263,219	90	-	476,415	-	4,536,355	4,536,355
150%	-	-	-	-	2,122	-	-	-	-	-	2,122	3,183
<b>Total Exposures</b>	<b>5,529,718</b>	<b>6,273,801</b>	<b>1,152,797</b>	<b>176,910</b>	<b>751,339</b>	<b>3,483,243</b>	<b>2,753</b>	<b>-</b>	<b>495,816</b>	<b>-</b>	<b>17,866,377</b>	<b>5,000,276</b>

RHB ISLAMIC BANK  
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Table 10a: Rated Exposures According to Ratings by External Credit Assessment Institutions (ECAIs) as at 30 June 2019

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		26,183	-	-	-	6,374,607	
Takaful Cos, Securities Firms & Fund Managers		-	-	-	-	176,166	
Corporates		122,675	1,323	-	-	635,817	
	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		-	-	-	-	-	
	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		-	10,552,723	-	-	-	-
	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		775,129	259,339	1,143	-	-	44,815



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Table 10b: Rated Exposures According to Ratings by External Credit Assessment Institutions (ECAIs) as at 31 December 2018

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		25,464	-	-	-	6,248,337	
Takaful Cos, Securities Firms & Fund Managers		-	-	-	-	176,910	
Corporates		128,343	3,693	-	-	519,178	
	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		100,125	-	-	-	-	
	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
<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
<b><u>On and Off Balance Sheet Exposures</u></b>							
Sovereigns & Central Banks		-	5,529,718	-	-	-	-
	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		511,135	10,515	930	-	-	630,217

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Table 11a: Exposures Subject to the Supervisory Risk Weights under the IRB Approach as at 30 June 2019

Disclosure on Specialised Lending Exposures under the Supervisory Slotting Criteria

RHB Islamic Bank

<u>Supervisory Categories / Risk Weights</u>	Exposure After Credit Risk Mitigation					<u>Total</u> RM'000
	<u>Strong</u> RM'000	<u>Good</u> RM'000	<u>Satisfactory</u> RM'000	<u>Weak</u> RM'000	<u>Default</u> RM'000	
<b>Specialised Lending Exposures</b>						
Project Finance	-	-	5,314	-	-	5,314
Income Producing Real Estate	362,037	998,125	637	-	1,162	1,361,961
<b>Total Exposures after Credit Risk Mitigation</b>	<b>362,037</b>	<b>998,125</b>	<b>5,951</b>	<b>-</b>	<b>1,162</b>	<b>1,367,275</b>
<b>Total Risk Weighted Assets</b>	<b>219,334</b>	<b>872,575</b>	<b>6,844</b>	<b>-</b>	<b>-</b>	<b>1,098,753</b>

Table 11b: Exposures Subject to the Supervisory Risk Weights under the IRB Approach as at 31 December 2018

Disclosure on Specialised Lending Exposures under the Supervisory Slotting Criteria

RHB Islamic Bank

<u>Supervisory Categories / Risk Weights</u>	Exposure After Credit Risk Mitigation					<u>Total</u> RM'000
	<u>Strong</u> RM'000	<u>Good</u> RM'000	<u>Satisfactory</u> RM'000	<u>Weak</u> RM'000	<u>Default</u> RM'000	
<b>Specialised Lending Exposures</b>						
Project Finance	-	5,190	-	-	-	5,190
Income Producing Real Estate	321,014	668,474	656	-	-	995,144
<b>Total Exposures after Credit Risk Mitigation</b>	<b>321,014</b>	<b>673,664</b>	<b>656</b>	<b>-</b>	<b>-</b>	<b>995,334</b>
<b>Total Risk Weighted Assets</b>	<b>220,821</b>	<b>606,298</b>	<b>754</b>	<b>-</b>	<b>-</b>	<b>827,873</b>

Table 12a: Exposures under the IRB Approach by PD Band, Exposure Weighted Average Loss Given Default (LGD) and Exposure Weighted Average Risk Weight as at 30 June 2019

RHB Islamic Bank	Exposure At Default After Credit Risk Mitigation RM'000	Exposure Weighted Average LGD %	Exposure Weighted Average Risk Weight %	Undrawn Commitments RM'000
<b>Probability of Default (PD) Range</b>				
<b>Non Retail Exposures</b>				
<b>Corporate Exposures (excluding exposures with firm size adjustments)</b>				
0 to 1	9,981,300	41.73	44.52	1,619,481
>1 to 4	861,646	38.76	94.39	316,073
>4 to 12	3,469,856	15.31	63.48	1,426,258
>12 to <100	139,855	0.70	3.84	-
Default or 100	79,820	32.90	21.90	-
<b>Total for Corporate Exposures (excluding exposures with firm size adjustments)</b>	<b>14,532,477</b>			<b>3,361,812</b>
<b>Corporate Exposures (with firm size adjustments)</b>				
0 to 1	3,798,030	32.89	38.93	631,213
>1 to 4	2,378,655	39.01	80.61	457,818
>4 to 12	719,888	34.85	106.95	229,532
>12 to <100	1,300,942	2.72	11.82	17,550
Default or 100	105,234	36.52	0.00	-
<b>Total for Corporate Exposures (with firm size adjustments)</b>	<b>8,302,749</b>			<b>1,336,113</b>
<b>Total Non Retail Exposures</b>	<b>22,835,226</b>			<b>4,697,925</b>
<b>Retail Exposures</b>				
<b>Residential Mortgages Exposures</b>				
0 to 3	12,250,122	16.43	18.31	193,389
>3 to 10	942,950	16.65	51.12	2,097
>10 to 20	38,357	16.15	87.36	185
>20 to <100	314,039	16.45	88.86	272
Default or 100	183,313	16.37	28.26	1,711
<b>Total for Residential Mortgages Exposures</b>	<b>13,728,781</b>			<b>197,654</b>
<b>Qualifying Revolving Retail Exposures</b>				
0 to 3	184,929	57.06	28.31	330,671
>3 to 10	162,783	57.78	75.81	60,031
>10 to 20	38,520	55.71	117.61	5,439
>20 to <100	26,120	52.69	146.86	4,908
Default or 100	9,827	54.44	110.37	-
<b>Total for Qualifying Revolving Retail Exposures</b>	<b>422,179</b>			<b>401,049</b>
<b>Hire Purchase Exposures</b>				
0 to 3	6,791,632	43.79	31.37	-
>3 to 10	58,317	46.18	69.16	-
>10 to 20	207,696	45.07	85.09	-
>20 to <100	36,031	45.23	120.13	-
Default or 100	42,086	45.74	0.18	-
<b>Total Hire Purchase Exposures</b>	<b>7,135,762</b>			<b>-</b>
<b>Other Retail Exposures</b>				
0 to 3	7,690,849	18.79	17.49	2,864,451
>3 to 10	2,708,008	5.82	8.63	57,207
>10 to 20	442,052	6.60	14.11	4,072
>20 to <100	353,724	7.60	18.29	12,900
Default or 100	126,261	21.37	12.76	5,429
<b>Total Other Retail Exposures</b>	<b>11,320,894</b>			<b>2,944,059</b>
<b>Total Retail Exposures</b>	<b>32,607,616</b>			<b>3,542,762</b>
<b>Total Non Retail &amp; Retail Exposures under IRB Approach</b>	<b>55,442,842</b>			<b>8,240,687</b>

Table 12b: Exposures under the IRB Approach by PD Band, Exposure Weighted Average Loss Given Default (LGD) and Exposure Weighted Average Risk Weight as at 31 December 2018

RHB Islamic Bank	Exposure At Default After Credit Risk Mitigation RM'000	Exposure Weighted Average LGD %	Exposure Weighted Average Risk Weight %	Undrawn Commitments RM'000
<b>Probability of Default (PD) Range</b>				
<b>Non Retail Exposures</b>				
<b>Corporate Exposures (excluding exposures with firm size adjustments)</b>				
0 to 1	9,969,154	41.47	45.01	903,746
>1 to 4	1,255,271	38.14	91.69	426,640
>4 to 12	3,173,080	18.90	80.05	1,452,602
>12 to <100	137,458	0.45	2.52	-
Default or 100	78,295	32.69	22.07	-
<b>Total for Corporate Exposures (excluding exposures with firm size adjustments)</b>	<b>14,613,258</b>			<b>2,782,988</b>
<b>Corporate Exposures (with firm size adjustments)</b>				
0 to 1	3,207,998	32.05	35.93	400,247
>1 to 4	2,494,003	39.58	78.59	540,089
>4 to 12	671,408	34.58	103.41	107,066
>12 to <100	1,287,063	2.36	9.72	28,285
Default or 100	161,201	40.63	0.00	-
<b>Total for Corporate Exposures (with firm size adjustments)</b>	<b>7,821,673</b>			<b>1,075,687</b>
<b>Total Non Retail Exposures</b>	<b>22,434,931</b>			<b>3,858,675</b>
<b>Retail Exposures</b>				
<b>Residential Mortgages Exposures</b>				
0 to 3	11,405,287	16.40	18.41	165,062
>3 to 10	687,514	16.55	51.94	1,545
>10 to 20	39,477	16.14	87.39	413
>20 to <100	283,379	16.30	88.42	168
Default or 100	165,439	16.50	19.20	193
<b>Total for Residential Mortgages Exposures</b>	<b>12,581,096</b>			<b>167,381</b>
<b>Qualifying Revolving Retail Exposures</b>				
0 to 3	198,562	56.94	27.96	504,921
>3 to 10	161,882	57.76	75.36	78,514
>10 to 20	36,919	55.90	117.58	10,347
>20 to <100	27,802	52.81	144.62	10,837
Default or 100	9,094	54.79	129.74	-
<b>Total for Qualifying Revolving Retail Exposures</b>	<b>434,259</b>			<b>604,619</b>
<b>Hire Purchase Exposures</b>				
0 to 3	6,452,389	43.62	31.57	-
>3 to 10	61,146	46.02	68.90	-
>10 to 20	184,253	44.89	84.69	-
>20 to <100	33,646	45.04	119.63	-
Default or 100	48,054	45.63	0.24	-
<b>Total Hire Purchase Exposures</b>	<b>6,779,488</b>			<b>-</b>
<b>Other Retail Exposures</b>				
0 to 3	6,134,122	19.10	18.25	2,316,451
>3 to 10	2,004,580	7.86	11.81	49,142
>10 to 20	332,093	7.16	15.35	4,541
>20 to <100	258,953	6.32	15.23	8,859
Default or 100	111,794	22.71	27.00	2,804
<b>Total Other Retail Exposures</b>	<b>8,841,542</b>			<b>2,381,797</b>
<b>Total Retail Exposures</b>	<b>28,636,385</b>			<b>3,153,797</b>
<b>Total Non Retail &amp; Retail Exposures under IRB Approach</b>	<b>51,071,316</b>			<b>7,012,472</b>

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Table 13a: Exposures under the A-IRB Approach by EL Range and Exposure Weighted Average Risk Weight as at 30 June 2019

RHB Islamic Bank	Exposure At Default After Credit Risk Mitigation RM'000	Exposure Weighted Average Risk Weight %	Undrawn Commitments RM'000
<u>Expected Losses (EL) Range</u>			
<b><u>Retail Exposures</u></b>			
<b>Residential Mortgages Exposures</b>			
0 to 1	12,995,267	19.86	195,928
>1 to 10	539,400	87.22	1,239
>10 to <100	182,538	20.77	487
100	11,576	0.00	-
<b>Total Residential Mortgages Exposures</b>	<b>13,728,781</b>		<b>197,654</b>
<b>Qualifying Revolving Retail Exposures</b>			
0 to 1	136,918	23.51	265,558
>1 to 10	246,289	75.16	130,583
>10 to <100	38,972	135.89	4,908
100	-	0.00	-
<b>Total Qualifying Revolving Retail Exposures</b>	<b>422,179</b>		<b>401,049</b>
<b>Hire Purchase Exposures</b>			
0 to 1	6,546,362	30.18	-
>1 to 10	511,283	72.70	-
>10 to <100	66,721	64.99	-
100	11,396	0.00	-
<b>Total Hire Purchase Exposures</b>	<b>7,135,762</b>		<b>-</b>
<b>Other Retail Exposures</b>			
0 to 1	10,800,841	14.22	2,906,343
>1 to 10	368,757	44.90	30,058
>10 to <100	117,719	17.17	7,521
100	33,577	0.00	137
<b>Total Other Retail Exposures</b>	<b>11,320,894</b>		<b>2,944,059</b>
<b>Total Retail Exposures</b>	<b>32,607,616</b>		<b>3,542,762</b>

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Table 13b: Exposures under the A-IRB Approach by EL Range and Exposure Weighted Average Risk Weight as at 31 December 2018

RHB Islamic Bank	Exposure At Default After Credit Risk Mitigation RM'000	Exposure Weighted Average Risk Weight %	Undrawn Commitments RM'000
<u>Expected Losses (EL) Range</u>			
<b><u>Retail Exposures</u></b>			
<b>Residential Mortgages Exposures</b>			
0 to 1	11,924,921	19.58	166,062
>1 to 10	464,363	86.57	1,144
>10 to <100	181,963	20.52	175
100	9,849	0.00	-
<b>Total Residential Mortgages Exposures</b>	<b>12,581,096</b>		<b>167,381</b>
<b>Qualifying Revolving Retail Exposures</b>			
0 to 1	149,106	23.06	418,055
>1 to 10	245,344	74.43	175,271
>10 to <100	39,809	140.53	11,293
100	-	0.00	-
<b>Total Qualifying Revolving Retail Exposures</b>	<b>434,259</b>		<b>604,619</b>
<b>Hire Purchase Exposures</b>			
0 to 1	6,233,228	30.49	-
>1 to 10	464,560	72.11	-
>10 to <100	71,164	56.72	-
100	10,536	0.00	-
<b>Total Hire Purchase Exposures</b>	<b>6,779,488</b>		<b>-</b>
<b>Other Retail Exposures</b>			
0 to 1	8,273,474	15.21	2,344,690
>1 to 10	453,823	43.97	31,959
>10 to <100	89,949	20.36	5,096
100	24,296	0.00	52
<b>Total Other Retail Exposures</b>	<b>8,841,542</b>		<b>2,381,797</b>
<b>Total Retail Exposures</b>	<b>28,636,385</b>		<b>3,153,797</b>

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**Table 14a: Credit Risk Mitigation of Portfolios under the Standardised Approach as at 30 June 2019**

<b>RHB Islamic Bank</b>	<b>Gross Exposures Before Credit Risk Mitigation</b>	<b>Gross Exposures Covered by Guarantees / Credit Derivatives</b>	<b>Gross Exposures Covered by Eligible Financial Collateral</b>
<b><u>Exposure Class</u></b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>On Balance Sheet Exposures</u></b>			
Sovereigns & Central Banks	10,544,769	-	-
Public Sector Entities	6,028,753	5,937,826	7,531
Banks, Development Financial Institutions & MDBs	965,515	30,842	-
Takaful Cos, Securities Firms & Fund Managers	176,166	-	-
Corporates	1,073,542	-	328,631
Regulatory Retail	3,736,661	-	1,338
Residential Mortgages	3,646	-	-
Higher Risk Assets	-	-	-
Other Assets	332,866	-	-
Defaulted Exposures	6,761	-	-
<b>Total On Balance Sheet Exposures</b>	<b>22,868,679</b>	<b>5,968,668</b>	<b>337,500</b>
<b><u>Off Balance Sheet Exposures</u></b>			
OTC Derivatives	169,488	-	-
Off balance sheet exposures other than OTC derivatives or credit derivatives	420,985	325,000	76,186
Defaulted Exposures	-	-	-
<b>Total Off Balance Sheet Exposures</b>	<b>590,473</b>	<b>325,000</b>	<b>76,186</b>
<b>Total On and Off Balance Sheet Exposures</b>	<b>23,459,152</b>	<b>6,293,668</b>	<b>413,686</b>

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**Table 14b: Credit Risk Mitigation of Portfolios under the Standardised Approach as at  
31 December 2018**

<b>RHB Islamic Bank</b>	<b>Gross Exposures Before Credit Risk Mitigation</b>	<b>Gross Exposures Covered by Guarantees / Credit Derivatives</b>	<b>Gross Exposures Covered by Eligible Financial Collateral</b>
<b><u>Exposure Class</u></b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>On Balance Sheet Exposures</u></b>			
Sovereigns & Central Banks	5,521,764	-	-
Public Sector Entities	5,809,258	5,769,165	-
Banks, Development Financial Institutions & MDBs	1,020,165	25,242	-
Takaful Cos, Securities Firms & Fund Managers	176,910	-	-
Corporates	1,088,467	-	358,523
Regulatory Retail	3,478,859	-	101
Residential Mortgages	2,749	-	-
Higher Risk Assets	-	-	-
Other Assets	495,816	-	-
Defaulted Exposures	12,324	-	2,017
<b>Total On Balance Sheet Exposures</b>	<b>17,606,312</b>	<b>5,794,407</b>	<b>360,641</b>
<b><u>Off Balance Sheet Exposures</u></b>			
OTC Derivatives	272,184	-	-
Off balance sheet exposures other than OTC derivatives or credit derivatives	364,498	325,000	15,975
Defaulted Exposures	-	-	-
<b>Total Off Balance Sheet Exposures</b>	<b>636,682</b>	<b>325,000</b>	<b>15,975</b>
<b>Total On and Off Balance Sheet Exposures</b>	<b>18,242,994</b>	<b>6,119,407</b>	<b>376,616</b>



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Table 15a: Credit Risk Mitigation of Portfolios under the IRB Approach as at 30 June 2019

RHB Islamic Bank	Gross Exposures Before Credit Risk Mitigation RM'000	Gross Exposures Covered by Guarantees / Credit Derivatives RM'000	Gross Exposures Covered by Eligible Financial Collateral RM'000	Gross Exposures Covered by Other Eligible Collateral RM'000
<b><u>Exposure Class</u></b>				
<b><u>On Balance Sheet Exposures</u></b>				
<b>Corporates, of which</b>	21,321,022	5,052,089	841,207	3,112,517
Corporate Exposures (excluding exposures with firm size adjustments)	12,491,276	3,110,690	36,228	659,089
Corporate Exposures (with firm size adjustments)	7,519,349	1,733,654	804,979	2,453,428
Specialised Financing Exposures (Slotting Approach)				
Project Finance	37,822	32,508	-	-
Income Producing Real Estate	1,272,575	175,237	-	-
<b>Retail, of which</b>	29,082,522	1,493	3,390,599	16,782,257
Residential Mortgages Exposures	13,349,525	-	-	13,329,642
Qualifying Revolving Retail Exposures	272,020	-	-	-
Hire Purchase Exposures	7,093,676	-	-	-
Other Retail Exposures	8,367,301	1,493	3,390,599	3,452,615
Defaulted Exposures	540,409	32,840	6,747	273,339
<b>Total On Balance Sheet Exposures</b>	<b>50,943,953</b>	<b>5,086,422</b>	<b>4,238,553</b>	<b>20,168,113</b>
<b><u>Off Balance Sheet Exposures</u></b>				
OTC Derivatives	27,547	-	-	-
Off balance sheet exposures other than OTC derivatives or credit derivatives	5,831,323	1,098,593	146,434	3,102,944
Defaulted Exposures	7,294	-	-	6,445
<b>Total Off Balance Sheet Exposures</b>	<b>5,866,164</b>	<b>1,098,593</b>	<b>146,434</b>	<b>3,109,389</b>
<b>Total On and Off Balance Sheet Exposures</b>	<b>56,810,117</b>	<b>6,185,015</b>	<b>4,384,987</b>	<b>23,277,502</b>

Table 15b: Credit Risk Mitigation of Portfolios under the IRB Approach as at 31 December 2018

RHB Islamic Bank	Gross Exposures Before Credit Risk Mitigation RM'000	Gross Exposures Covered by Guarantees / Credit Derivatives RM'000	Gross Exposures Covered by Eligible Financial Collateral RM'000	Gross Exposures Covered by Other Eligible Collateral RM'000
<b>Exposure Class</b>				
<b>On Balance Sheet Exposures</b>				
<b>Corporates, of which</b>	20,957,417	5,171,810	896,295	2,844,134
Corporate Exposures (excluding exposures with firm size adjustments)	12,757,496	3,030,696	93,546	643,932
Corporate Exposures (with firm size adjustments)	7,099,954	1,758,997	802,749	2,200,202
Specialised Financing Exposures (Slotting Approach)				
Project Finance	105,473	100,283	-	-
Income Producing Real Estate	994,494	281,834	-	-
<b>Retail, of which</b>	25,689,375	1,466	2,276,196	15,144,755
Residential Mortgages Exposures	12,248,469	-	-	12,235,406
Qualifying Revolving Retail Exposures	275,179	-	-	-
Hire Purchase Exposures	6,731,434	-	-	-
Other Retail Exposures	6,434,293	1,466	2,276,196	2,909,349
Defaulted Exposures	570,568	32,662	1,625	248,340
<b>Total On Balance Sheet Exposures</b>	<b>47,217,360</b>	<b>5,205,938</b>	<b>3,174,116</b>	<b>18,237,229</b>
<b>Off Balance Sheet Exposures</b>				
OTC Derivatives	33,101	-	-	-
Off balance sheet exposures other than OTC derivatives or credit derivatives	4,812,880	1,044,754	78,974	2,455,444
Defaulted Exposures	3,309	-	106	2,986
<b>Total Off Balance Sheet Exposures</b>	<b>4,849,290</b>	<b>1,044,754</b>	<b>79,080</b>	<b>2,458,430</b>
<b>Total On and Off Balance Sheet Exposures</b>	<b>52,066,650</b>	<b>6,250,692</b>	<b>3,253,196</b>	<b>20,695,659</b>

Table 16a: Impaired and Past Due Financing and Allowances for Impairment by Industry Sector as at 30 June 2019

RHB Islamic Bank			
Industry Sector	Impaired	Past Due	Allowance
	Financing	Financing	For
	RM'000	RM'000	Credit Losses
			RM'000
Agriculture	357	130,091	144
Mining & Quarrying	1,275	294	14,469
Manufacturing	26,446	91,479	20,106
Electricity, Gas & Water Supply	57,699	23	17,229
Construction	43,865	22,851	46,469
Wholesale, Retail Trade, Restaurants & Hotels	36,577	16,710	24,325
Transport, Storage & Communication	13,082	39,532	32,422
Finance, Takaful, Real Estate & Business	30,712	165,032	20,501
Education, Health & Others	6,743	2,814	7,605
Household	245,598	1,834,084	149,233
Others	-	517	24,184
<b>Total</b>	<b>462,354</b>	<b>2,303,427</b>	<b>356,687</b>

Table 16b: Impaired and Past Due Financing and Allowances for Impairment by Industry Sector as at 31 December 2018

RHB Islamic Bank			
Industry Sector	Impaired	Past Due	Allowance
	Financing	Financing	For
	RM'000	RM'000	Credit Losses
			RM'000
Agriculture	356	1,501	8,088
Mining & Quarrying	1,588	3,963	11,449
Manufacturing	31,550	16,303	22,061
Electricity, Gas & Water Supply	57,120	34	17,109
Construction	83,903	11,247	87,368
Wholesale, Retail Trade, Restaurants & Hotels	63,362	19,444	45,894
Transport, Storage & Communication	9,799	1,437	35,596
Finance, Takaful, Real Estate & Business	27,029	14,342	19,261
Education, Health & Others	8,452	1,496	9,189
Household	226,024	1,708,746	138,550
Others	-	3	28,523
<b>Total</b>	<b>509,183</b>	<b>1,778,516</b>	<b>423,088</b>

Table 17: Net Charges/(Write back) and Write-Offs for Financing Impairment by Industry Sector

RHB Islamic Bank	Six Months Period Ended 30.06.2019		Twelve Months Period Ended 31.12.2018	
	Net Charges /	Write-Offs	Net Charges /	Write-Offs
	(Write back)	for Lifetime ECL	(Write back)	for Lifetime ECL
	for Lifetime ECL	Credit Impaired	for Lifetime ECL	Credit Impaired
	Credit Impaired	(Stage 3)	Credit Impaired	(Stage 3)
Industry Sector	RM'000	RM'000	RM'000	RM'000
Agriculture	16	-	(113)	-
Mining & Quarrying	(203)	-	(173)	-
Manufacturing	(1,781)	230	8,744	805
Electricity, Gas & Water Supply	89	8	16,163	-
Construction	3,264	39,707	2,344	1,872
Wholesale, Retail Trade, Restaurants & Hotels	(25,545)	862	(533)	2,943
Transport, Storage & Communication	2,045	1,002	(387)	30
Finance, Takaful, Real Estate & Business	1,035	998	5,632	66
Education, Health & Others	(1,502)	174	1,509	30
Household	22,826	16,946	34,305	40,193
Others	1,705	-	7,977	13,913
<b>Total</b>	<b>1,949</b>	<b>59,927</b>	<b>75,468</b>	<b>59,852</b>

**RHB ISLAMIC BANK**  
**BASEL II PILLAR 3 DISCLOSURES AS AT 30 JUNE 2019**

**Table 18a: Reconciliation of Changes to Financing Impairment Allowances as at 30 June 2019**

RHB Islamic Bank	12-month ECL (Stage 1) RM'000	Lifetime ECL not credit impaired (Stage 2) RM'000	Lifetime ECL credit impaired (Stage 3) RM'000	Total RM'000
<b>Balance as at the beginning of the financial period</b>	73,615	116,254	233,219	423,088
<b>Changes due to financial assets recognised in the opening balance that have:</b>				
- Transferred to 12-month ECL (Stage 1)	23,896	(18,208)	(5,688)	-
- Transferred to Lifetime ECL not credit impaired (Stage 2)	(9,825)	22,277	(12,452)	-
- Transferred to Lifetime ECL credit impaired (Stage 3)	(327)	(3,498)	3,825	-
	<b>13,744</b>	<b>571</b>	<b>(14,315)</b>	<b>-</b>
Allowance made/ (written back) during the financial period	(11,701)	5,252	31,631	25,182
Bad debts written off	-	-	(59,927)	(59,927)
Derecognised during the financial period	(3,265)	(13,024)	(15,367)	(31,656)
<b>Balance as at the end of the financial period</b>	<b>72,393</b>	<b>109,053</b>	<b>175,241</b>	<b>356,687</b>

**Table 18b: Reconciliation of Changes to Financing Impairment Allowances as at 31 December 2018**

RHB Islamic Bank	12-month ECL (Stage 1) RM'000	Lifetime ECL not credit impaired (Stage 2) RM'000	Lifetime ECL credit impaired (Stage 3) RM'000	Total RM'000
<b>Balance as at the beginning of the financial period</b>	53,225	105,450	217,603	376,278
<b>Changes due to financial assets recognised in the opening balance that have:</b>				
- Transferred to 12-month ECL (Stage 1)	34,882	(22,784)	(12,098)	-
- Transferred to Lifetime ECL not credit impaired (Stage 2)	(13,222)	20,844	(7,622)	-
- Transferred to Lifetime ECL credit impaired (Stage 3)	(679)	(5,966)	6,645	-
	<b>20,981</b>	<b>(7,906)</b>	<b>(13,075)</b>	<b>-</b>
Allowance made/ (written back) during the financial period	10,513	31,760	122,537	164,810
Bad debts written off	-	-	(59,852)	(59,852)
Derecognised during the financial period	(11,104)	(13,050)	(33,994)	(58,148)
<b>Balance as at the end of the financial period</b>	<b>73,615</b>	<b>116,254</b>	<b>233,219</b>	<b>423,088</b>

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BASEL II PILLAR 3 DISCLOSURES AS AT 30 JUNE 2019

Table 19a: Market Risk Weighted Assets and Minimum Capital Requirements as at 30 June 2019

RHB Islamic Bank				
<u>Market Risk</u>	Long Position RM'000	Short Position RM'000	Risk Weighted Assets RM'000	Minimum Capital Requirements RM'000
Profit Rate Risk	15,824,311	15,801,571	110,990	8,879
Foreign Currency Risk	30,607	11,789	30,607	2,449
<b>Total</b>			<b>141,597</b>	<b>11,328</b>

Table 19b: Market Risk Weighted Assets and Minimum Capital Requirements as at 31 December 2018

RHB Islamic Bank				
<u>Market Risk</u>	Long Position RM'000	Short Position RM'000	Risk Weighted Assets RM'000	Minimum Capital Requirements RM'000
Profit Rate Risk	10,408,900	10,160,321	241,398	19,312
Foreign Currency Risk	2,218	26,733	26,732	2,138
<b>Total</b>			<b>268,130</b>	<b>21,450</b>

Note:

As at 30 June 2019 and 31 December 2018, RHB Islamic Bank did not have any exposure under equity position risk, commodity risk, inventory risk, options risk, and market risk exposure absorbed by PSIA.

Table 20a: Rate of Return Risk in the Banking Book as at 30 June 2019

<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 +100 basis points RM'000	Impact based on -100 basis points RM'000	Impact based on +100 basis points RM'000	Impact based on -100 basis points RM'000
MYR - Malaysian Ringgit	153,595	(153,595)	(403,727)	403,727
USD - US Dollar	(20,962)	20,962	8,892	(8,892)
Others <sup>1</sup>	(7,761)	7,761	18,739	(18,739)
<b>Total</b>	<b>124,872</b>	<b>(124,872)</b>	<b>(376,096)</b>	<b>376,096</b>

Table 20b: Rate of Return Risk in the Banking Book as at 31 December 2018

<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 +100 basis points RM'000	Impact based on -100 basis points RM'000	Impact based on +100 basis points RM'000	Impact based on -100 basis points RM'000
MYR - Malaysian Ringgit	73,635	(73,635)	(414,076)	414,076
USD - US Dollar	(1,175)	1,175	1,332	(1,332)
Others <sup>1</sup>	(6,571)	6,571	5,228	(5,228)
<b>Total</b>	<b>65,889</b>	<b>(65,889)</b>	<b>(407,516)</b>	<b>407,516</b>

Note:

- Inclusive of GBP, EUR, SGD, etc
- The EaR and EVE exposures are additive and do not take into account any correlation impact in the aggregation.
- The earnings and economic values were computed based on the standardised approach adopted by BNM.
- 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.

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**Table 21: Operational Risk Weighted Assets and Minimum Capital Requirements**

<u>Operational Risk</u>	RHB Islamic Bank	
	30.06.2019	31.12.2018
	RM'000	RM'000
Risk Weighted Assets	<b>1,805,373</b>	1,679,551
Minimum Capital Requirements	<b>144,430</b>	134,364