

RHB ISLAMIC BANK BERHAD
(Incorporated in Malaysia)
Registration No. 200501003283 (680329-V)

INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Note	As at 31 March 2020 RM'000	As at 31 December 2019 RM'000
ASSETS			
Cash and short-term funds		3,203,572	4,052,396
Securities purchased under resale agreements	9	2,780,790	1,724,107
Deposits and placements with banks and other financial institutions	10	-	36,886
Financial assets at fair value through profit or loss ('FVTPL')	11	128,646	207,145
Financial assets at fair value through other comprehensive income ('FVOCI')	12	5,086,031	5,118,305
Financial investments at amortised cost	13	3,600,942	3,407,470
Financing and advances	14	60,284,975	60,263,546
Other assets	15	139,853	268,960
Derivative assets		213,912	130,688
Statutory deposits with Bank Negara Malaysia ('BNM')		161,175	1,517,000
Right of use assets		2,763	2,924
Property, plant and equipment		3,798	3,979
Intangible assets		3,381	3,633
TOTAL ASSETS		75,609,838	76,737,039
LIABILITIES AND EQUITY			
Deposits from customers	16	55,732,486	54,416,970
Deposits and placements of banks and other financial institutions	17	3,116,897	5,109,861
Investment account due to designated financial institutions	18	8,069,361	8,229,334
Bills and acceptances payable		14,516	12,460
Other liabilities	19	498,903	928,842
Derivative liabilities		298,733	183,468
Recourse obligation on financing sold to Cagamas Berhad ('Cagamas')		2,272,695	2,270,239
Provision for taxation and zakat		36,593	36,025
Deferred tax liabilities		18,018	25,421
Lease liabilities		2,852	3,040
Subordinated obligations		762,992	754,565
TOTAL LIABILITIES		70,824,046	71,970,225
Share capital		1,673,424	1,673,424
Reserves		3,112,368	3,093,390
TOTAL EQUITY		4,785,792	4,766,814
TOTAL LIABILITIES AND EQUITY		75,609,838	76,737,039
COMMITMENTS AND CONTINGENCIES	26	28,511,626	25,540,822

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Bank for the financial year ended 31 December 2019.

RHB ISLAMIC BANK BERHAD
(Incorporated in Malaysia)
Registration No. 200501003283 (680329-V)

INTERIM FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENT
FOR THE THREE MONTHS ENDED 31 MARCH 2020

	Note	Three Months Ended	
		31 March 2020	31 March 2019
		RM'000	RM'000
Income derived from investment of depositors' funds	20	733,999	669,258
Income derived from investment account funds	21	103,258	107,196
Income derived from investment of shareholders' funds	22	45,785	45,075
Allowance for credit losses on financial assets	23	(34,878)	(4,302)
Total distributable income		848,164	817,227
Income attributable to depositors	24	(493,591)	(466,980)
Profit distributed to investment account holders		(81,797)	(85,147)
		272,776	265,100
Personnel expenses		(7,320)	(8,983)
Other overheads and expenditures		(88,379)	(100,892)
Profit before taxation and zakat		177,077	155,225
Taxation and zakat		(43,491)	(37,379)
Net profit for the financial period		133,586	117,846
Basic earnings per share (sen)	25	7.98	7.04

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Bank for the financial year ended 31 December 2019.

RHB ISLAMIC BANK BERHAD
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INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED 31 MARCH 2020

	Three Months Ended	
	31 March 2020	31 March 2019
	RM'000	RM'000
Net profit for the financial period	133,586	117,846
Other comprehensive income/(loss) in respect of:		
Items that will be reclassified subsequently to profit or loss:		
Debt instruments measured at FVOCI:		
- Unrealised net (loss)/gain on revaluation	(24,540)	72,911
- Net transfer to income statement on disposal	(7,524)	(3,423)
- Changes in expected credit losses	(376)	(569)
Income tax relating to components of other comprehensive loss/(income)	7,695	(16,677)
Other comprehensive (loss)/income, net of tax, for the financial period	(24,745)	52,242
Total comprehensive income for the financial period	108,841	170,088

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Bank for the financial year ended 31 December 2019.

RHB ISLAMIC BANK BERHAD
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INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2020

	Share capital RM'000	Non distributable		Distributable	Total RM'000
		FVOCI reserve RM'000	Regulatory reserve RM'000	Retained profits RM'000	
Balance as at 1 January 2020	1,673,424	120,030	442,869	2,530,491	4,766,814
Net profit for the financial period	-	-	-	133,586	133,586
Other comprehensive income/(loss):					
Debt instruments measured at FVOCI:					
- Unrealised net loss	-	(24,540)	-	-	(24,540)
- Net transfer to income statement on disposal	-	(7,524)	-	-	(7,524)
- Changes in expected credit losses	-	(376)	-	-	(376)
Income tax relating to components of other comprehensive loss	-	7,695	-	-	7,695
Other comprehensive loss, net of tax, for the financial period	-	(24,745)	-	-	(24,745)
Total comprehensive loss for the financial period	-	(24,745)	-	133,586	108,841
Dividend paid	-	-	-	(89,863)	(89,863)
Transfer from regulatory reserve	-	-	(10,782)	10,782	-
Balance as at 31 March 2020	1,673,424	95,285	432,087	2,584,996	4,785,792

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INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2020

	<u>Share capital</u>	<u>Non distributable</u>		<u>Distributable</u>	<u>Total</u>
	<u>RM'000</u>	<u>FVOCI reserve</u>	<u>Regulatory reserve</u>	<u>Retained profits</u>	
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Balance as at 1 January 2019	1,673,424	1,898	358,054	2,013,786	4,047,162
Net profit for the financial period	-	-	-	117,846	117,846
Other comprehensive income/(loss):					
Debt instruments measured at FVOCI:					
- Unrealised net gain	-	72,911	-	-	72,911
- Net transfer to income statement on disposal	-	(3,423)	-	-	(3,423)
- Changes in expected credit losses	-	(569)	-	-	(569)
Income tax relating to components of other comprehensive income	-	(16,677)	-	-	(16,677)
Other comprehensive income, net of tax, for the financial period	-	52,242	-	-	52,242
Total comprehensive income for the financial period	-	52,242	-	117,846	170,088
Transfer to regulatory reserve	-	-	45,007	(45,007)	-
Balance as at 31 March 2019	<u>1,673,424</u>	<u>54,140</u>	<u>403,061</u>	<u>2,086,625</u>	<u>4,217,250</u>

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Bank for the financial year ended 31 December 2019.

RHB ISLAMIC BANK BERHAD
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INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED 31 MARCH 2020

	Three months ended	
	31 March 2020	31 March 2019
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	177,077	155,225
Adjustments for non-cash items	(40,539)	(72,946)
Operating profit before changes in working capital	136,538	82,279
Changes in working capital:		
Net changes in operating assets	442,932	(1,929,532)
Net changes in operating liabilities	(1,198,017)	4,365,926
Cash (used in)/generated from operations	(618,547)	2,518,673
Profit paid	(38)	(70)
Net tax and zakat paid	(42,629)	(31,417)
Net cash (used in)/generated from operating activities	(661,214)	2,487,186
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(55)	(417)
Purchase of intangible assets	(133)	(8)
Net redemption/(purchase) of financial assets at FVOCI	7,971	(1,624,279)
Net purchase of financial investments at amortised cost	(191,294)	(207,000)
Income received from financial assets at FVOCI	49,654	29,027
Income received from financial investments at amortised cost	36,906	36,255
Net cash used in investing activities	(96,951)	(1,766,422)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment for lease liabilities	(796)	(1,010)
Dividend paid	(89,863)	-
Net cash used in financing activities	(90,659)	(1,010)
Net (decrease)/increase in cash and cash equivalents	(848,824)	719,754
Cash and cash equivalents at the beginning of the financial period	4,052,396	3,463,278
Cash and cash equivalents at the end of the financial period	3,203,572	4,183,032
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Cash and short-term funds	3,203,572	4,183,032

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Bank for the financial year ended 31 December 2019.

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2020

1 BASIS OF PREPARATION

The interim financial statements are unaudited and has been prepared in compliance with Malaysian Financial Reporting Standard ('MFRS') 134, 'Interim Financial Reporting' issued by Malaysian Accounting Standards Board ('MASB') and should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 December 2019.

The accounting policies and presentation adopted by the Bank for the interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2019, except for the adoption of the following:

- (a) Accounting standards, annual improvements and amendments to MFRS which are effective and applicable for the Bank for financial period beginning on or after 1 January 2020:
- The Conceptual Framework for Financial Reporting (Revised 2018)
 - Amendments to MFRS 101 and MFRS 108 'Definition of Material'
 - Amendments to MFRS 7, MFRS 9 and MFRS 139 'Interest Rate Benchmark Reform'

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

- (b) Changes in regulatory requirements - additional measures issued by Bank Negara Malaysia ('BNM')

Given the exceptional circumstances brought about by the COVID-19 pandemic, BNM announced on 24 March 2020 the following measures which are aimed to ensure that the financial intermediation function of the financial sector remains intact, access to financing continues to be available and banking institutions remain focused on supporting the economy during this challenging period:

- (i) Banking institutions to grant an automatic moratorium on all financing repayments covering both principal and profit (except for credit card balances) by individuals and small and medium-sized enterprises ('SMEs') for a period of 6 months effective 1 April 2020. This automatic moratorium is applicable to financing that are not in arrears exceeding 90 days as at 1 April 2020 and denominated in Malaysian Ringgit;
- (ii) For credit cards, customers shall have the option of converting the outstanding balances into a term financing of a tenure of not more than 3 years and an effective profit rate capped at 13% per annum. For customers who have been unable to meet the minimum repayment for 3 consecutive months, their credit card balances will be automatically converted into a term loan with the abovementioned terms;
- (iii) Banking institutions are also strongly encouraged to facilitate requests for a moratorium for corporate borrowers in a way that enables viable corporations to preserve jobs and swiftly resume economic activities;
- (iv) Banking institutions are given the following relaxation of the prudential buffers, which will need to be restored to the minimum regulatory requirements by 30 September 2021:
 - Drawdown of capital conservation buffer of 2.5%;
 - Operate below the minimum liquidity coverage ratio ('LCR') of 100%; and
 - Reduce the regulatory reserves held against expected credit losses to 0%.
- (v) The implementation of the Net Stable Funding Ratio ('NSFR') will proceed as scheduled on 1 July 2020. However, the minimum NSFR will be lowered to 80% and banking institutions will be required to comply with the requirement of 100% from 30 September 2021.

The adoption of the above additional measures will give rise to the following observations:

- (i) Financing granted with moratorium will not be considered as 'restructured and rescheduled', unless they come with other concessions such as tenure extension and/or revision of repayment amount;
- (ii) Forward-looking information used must be reasonable and supportable including reflecting the impact of COVID-19 pandemic and fully accounting for the mitigating effects of the economic and financial measures announced;
- (iii) Moratorium should not automatically result in stage transfer under MFRS 9 in the absence of other factors relevant to the assessment of whether there has been a significant increase in credit risk. Instead, the Group and the Bank will assess other factors, such as historical repayment and delinquency trends before the COVID-19 outbreak, in considering whether the borrower has experienced a significant increase in credit risk.

The Bank is now progressing to assess the financial impact of these additional measures, the results of which will be released in the interim financial statements in the next quarter.

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NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2020

2 AUDITORS' REPORT

The auditors' report for the financial year ended 31 December 2019 was not subject to any qualification.

3 SEASONAL OR CYCLICAL ITEMS

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

4 EXCEPTIONAL OR UNUSUAL ITEMS

There were no exceptional or unusual items for the three months ended 31 March 2020.

5 CHANGES IN ESTIMATES

There were no material changes in estimates of amounts reported in prior financial years that have a material effect for the three months ended 31 March 2020.

6 CHANGES IN DEBT AND EQUITY SECURITIES

There were no other issuances and repayments of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the three months ended 31 March 2020.

7 DIVIDEND PAID

During the three months ended 31 March 2020, the Bank has paid a single-tier dividend of 5.37 sen per share in respect of the financial year ended 31 December 2019, amounting to RM89,863,000 on 24 March 2020.

8 INVESTMENT ACCOUNT ('IA')

IA is defined by the application of Shariah contracts as investment with non-principal guarantee feature. Under the Islamic Financial Services Act 2013, the priority payment for IA upon liquidation of Islamic Financial Institution ('IFI') is treated separately from Islamic deposit, in accordance with the rights and obligations accrued to the investment account holders. IA is further categorised to Restricted Investment Account ('RIA') and Unrestricted Investment Account ('URIA').

RIA refers to a type of investment account where the Investment Account Holder ('IAH') provides a specific investment mandate to the IFI such as purpose, asset class, economic sector and period for investment while URIA refers to a type of investment account where the IAH provides the IFI with the mandate to make the ultimate investment decision without specifying any particular restrictions or conditions.

IA are contracts based on the Shariah concept below:

- Mudharabah between two parties, customer and the Bank, to finance a business venture where the customer provides capital and the business venture is managed solely by the Bank. The profit of the business venture will be shared based on pre-agreed ratios with the Bank as Mudharib (manager or manager of funds), and losses shall be borne solely by customers.
- Details of the IA are as disclosed in Note 18.

9 SECURITIES PURCHASED UNDER RESALE AGREEMENTS

	<u>As at</u>	<u>As at</u>
	<u>31 March 2020</u>	<u>31 December 2019</u>
	<u>RM'000</u>	<u>RM'000</u>
At amortised cost		
Malaysian Government Investment Issues	<u>2,780,790</u>	<u>1,724,107</u>

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NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2020

10 DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	As at 31 March 2020	As at 31 December 2019
	RM'000	RM'000
Licensed Islamic banks	-	36,886

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

	As at 31 March 2020	As at 31 December 2019
	RM'000	RM'000
At fair value		
<u>Money market instruments:</u>		
Malaysian Government Investment Issues	128,646	207,145

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

	As at 31 March 2020	As at 31 December 2019
	RM'000	RM'000
At fair value		
Debt instruments	5,086,031	5,118,305
<u>Money market instruments:</u>		
Malaysian Government Investment Issues	1,278,429	1,451,776
Islamic Cagamas bonds	10,118	10,226
Negotiable Islamic debt certificates	-	149,537
<u>Unquoted securities:</u>		
<u>In Malaysia</u>		
Corporate sukuk	3,797,484	3,481,186
<u>Outside Malaysia</u>		
Corporate sukuk	-	25,580
	5,086,031	5,118,305

(a) Movement in allowance for credit losses recognised in FVOCI reserve

	12-month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
	RM'000	RM'000	RM'000	RM'000
31 March 2020				
Balance as at the beginning of the financial period	2,395	-	-	2,395
Allowance written back during the financial period	(376)	-	-	(376)
Balance as at the end of the financial period	2,019	-	-	2,019
31 December 2019				
Balance as at the beginning of the financial year	5,090	307	-	5,397
Allowance written back during the financial year	(2,695)	(307)	-	(3,002)
Balance as at the end of the financial year	2,395	-	-	2,395

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2020**

13 FINANCIAL INVESTMENTS AT AMORTISED COST

	As at 31 March 2020 RM'000	As at 31 December 2019 RM'000
At amortised cost		
<u>Money market instruments:</u>		
Malaysian Government Investment Issues	272,733	167,390
Sukuk Perumahan Kerajaan	10,111	10,014
Islamic Khazanah bonds	95,291	94,424
<u>Unquoted securities:</u>		
<u>In Malaysia</u>		
Corporate sukuk	3,228,067	3,141,013
	3,606,202	3,412,841
Allowance for credit losses	(5,260)	(5,371)
	3,600,942	3,407,470

Included in financial investments at amortised cost are exposures to RIA as part of arrangement between the Bank and its holding company, RHB Bank Berhad ('RHB Bank').

Gross exposure to RIA financing as at 31 March 2020 is RM811,775,000 (31 December 2019: RM811,775,000) and the portfolio expected credit losses for financial investments at amortised cost relating to RIA amounting to RM149,843,000 (31 December 2019: RM149,446,000) is recognised in the financial statements of RHB Bank.

(a) Movement in allowance for credit losses

	12-month ECL (Stage 1) RM'000	Lifetime ECL not credit impaired (Stage 2) RM'000	Lifetime ECL credit impaired (Stage 3) RM'000	Total RM'000
31 March 2020				
Balance as at the beginning of the financial period	5,182	189	-	5,371
Allowance (written back)/made during the financial period	(142)	31	-	(111)
Balance as at the end of the financial period	5,040	220	-	5,260
31 December 2019				
Balance as at the beginning of the financial year	3,897	2,253	-	6,150
Allowance (written back)/made during the financial year	1,285	(2,064)	-	(779)
Balance as at the end of the financial year	5,182	189	-	5,371

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2020**

14 FINANCING AND ADVANCES

31 March 2020	Bai' Bithaman Ajil ('BBA')	Ijarah *	Murabahah	Musyarakah	Bai'Inah	Others	Total
At amortised cost	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cashline	-	-	834,174	-	-	28,026	862,200
Term financing:							
- Housing financing	323,777	-	5,935,179	12,732,198	-	959	18,992,113
- Syndicated term financing	-	-	2,765,926	-	-	19,181	2,785,107
- Hire purchase receivables	-	7,674,097	-	-	-	54,098	7,728,195
- Other term financing	684	121,513	23,290,995	-	1,526,198	2,480	24,941,870
Bills receivables	-	-	921,548	-	-	-	921,548
Trust receipts	-	-	52,464	-	-	-	52,464
Staff financing	1,878	-	6,270	-	-	-	8,148
Credit/charge card receivables	-	-	-	-	-	279,868	279,868
Revolving financing	-	-	3,986,506	-	-	-	3,986,506
Gross financing and advances	326,339	7,795,610	37,793,062	12,732,198	1,526,198	384,612	60,558,019
Fair value changes arising from fair value hedge							94,579
							60,652,598
Allowance for credit losses on financing and advances							(367,623)
Net financing and advances							60,284,975

* The Bank is the owner of the asset throughout the tenure of the ijarah financing. The ownership of the asset will be transferred to the customer via sale at the end of the Ijarah financing.

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NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2020

14 FINANCING AND ADVANCES (CONTINUED)

31 December 2019	Bai'						
	Bithaman						
	Ajil ('BBA')	Ijarah *	Murabahah	Musarakah	Bai'Inah	Others	Total
At amortised cost	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cashline	-	-	822,018	-	-	25,578	847,596
Term financing:							
- Housing financing	337,097	-	5,290,921	12,728,973	-	936	18,357,927
- Syndicated term financing	-	-	2,862,725	-	-	19,166	2,881,891
- Hire purchase receivables	-	7,666,322	-	-	-	56,705	7,723,027
- Other term financing	705	144,370	23,085,183	-	1,509,993	2,751	24,743,002
Bills receivables	-	-	910,771	-	-	-	910,771
Trust receipts	-	-	29,100	-	-	-	29,100
Staff financing	1,928	-	4,781	-	-	-	6,709
Credit/charge card receivables	-	-	-	-	-	293,523	293,523
Revolving financing	-	-	4,776,914	-	-	-	4,776,914
Gross financing and advances	339,730	7,810,692	37,782,413	12,728,973	1,509,993	398,659	60,570,460
Fair value changes arising from fair value hedge							34,139
							60,604,599
Allowance for credit losses on financing and advances							(341,053)
Net financing and advances							60,263,546

* The Bank is the owner of the asset throughout the tenure of the ijarah financing. The ownership of the asset will be transferred to the customer via sale at the end of the Ijarah financing.

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NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2020

14 FINANCING AND ADVANCES (CONTINUED)

- (a) Included in financing and advances are exposures to RIA as part of arrangement between the Bank and its holding company, RHB Bank.

As at 31 March 2020, the gross exposure to RIA financing is RM7,157,801,000 (31 December 2019: RM7,320,301,000) and the portfolio expected credit losses for financing and advances relating to RIA amounting to RM115,635,000 (31 December 2019: RM117,930,000) is recognised in the financial statements of RHB Bank.

- (b) Included in term financing are housing financing sold to Cagamas amounting to RM2,124,319,000 (31 December 2019: RM2,139,650,000).

(i) By type of customer	As at <u>31 March 2020</u> RM'000	As at <u>31 December 2019</u> RM'000
Domestic non-bank financial institutions:		
- Others	2,020,181	2,320,347
Domestic business enterprises:		
- Small medium enterprises	4,505,471	4,627,413
- Others	14,058,204	14,552,585
Government and statutory bodies	5,159,984	5,093,705
Individuals	34,304,084	33,508,427
Other domestic entities	122,105	122,341
Foreign entities	387,990	345,642
	<u>60,558,019</u>	<u>60,570,460</u>
 (ii) By profit rate sensitivity		
Fixed rate:		
- Housing financing	1,878	1,928
- Hire-purchase receivables	2,025,941	2,245,851
- Other fixed rate financing	5,241,416	5,210,268
Variable rate:		
- Base financing rate-plus	31,391,981	30,310,250
- Cost-plus	21,749,799	22,684,035
- Other variable rates	147,004	118,128
	<u>60,558,019</u>	<u>60,570,460</u>
 (iii) By economic sector		
Agriculture, hunting, forestry and fishing	1,401,101	1,389,917
Mining and quarrying	107,435	105,200
Manufacturing	1,765,244	1,949,183
Electricity, gas and water	186,825	213,850
Construction	4,993,125	4,802,590
Wholesale and retail trade and restaurant and hotel	1,913,629	1,843,689
Transport, storage and communication	4,624,238	5,036,663
Finance, insurance, real estate and business services	5,332,386	5,871,291
Government and government agencies	3,633,786	3,583,712
Education, health and others	1,914,940	1,919,904
Household sector	34,508,765	33,706,918
Others	176,545	147,543
	<u>60,558,019</u>	<u>60,570,460</u>

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14 FINANCING AND ADVANCES (CONTINUED)

	<u>As at</u> <u>31 March 2020</u>	<u>As at</u> <u>31 December 2019</u>
	RM'000	RM'000
(iv) By purpose		
Purchase of securities	4,435,477	4,335,604
Purchase of transport vehicles	7,690,829	7,686,652
Purchase of landed property:		
- Residential	17,910,763	17,302,952
- Non-residential	4,629,004	4,500,893
Purchase of property, plant and equipment other than land and building	551,129	542,927
Personal use	4,268,453	4,184,378
Credit card	279,868	293,523
Construction	1,397,063	1,491,230
Working capital	10,867,889	11,698,617
Merger and acquisition	1,300,471	1,400,917
Other purposes	7,227,073	7,132,767
	<u>60,558,019</u>	<u>60,570,460</u>
(v) By geographical distribution		
In Malaysia	<u>60,558,019</u>	<u>60,570,460</u>
(vi) By remaining contractual maturities		
Maturing within one year	8,109,994	8,882,449
One year to three years	2,620,887	2,069,216
Three years to five years	7,931,221	8,648,635
Over five years	41,895,917	40,970,160
	<u>60,558,019</u>	<u>60,570,460</u>
(vii) Impaired financing and advances		
(a) Movement in impaired financing and advances		
Balance as at the beginning of the financial period/year	466,169	509,183
Transfer to 12-month ECL (Stage 1)	(8,440)	(18,522)
Transfer to Lifetime ECL not credit impaired (Stage 2)	(32,989)	(71,197)
Transfer to Lifetime ECL credit impaired (Stage 3)	138,708	209,647
Purchases and origination	6,279	46,347
Derecognition	(83,789)	(99,603)
Amount written off	(15,334)	(109,686)
Balance as at the end of the financial period/year	<u>470,604</u>	<u>466,169</u>

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14 FINANCING AND ADVANCES (CONTINUED)

(vii) Impaired financing and advances (continued)

	As at 31 March 2020	As at 31 December 2019
	RM'000	RM'000
(b) By economic sector		
Agriculture, hunting, forestry and fishing	1,215	1,527
Mining and quarrying	894	873
Manufacturing	24,942	25,226
Electricity, gas and water	4,670	20,768
Construction	42,451	47,860
Wholesale and retail trade and restaurant and hotel	39,051	42,870
Transport, storage and communication	16,386	13,661
Finance, insurance, real estate and business services	33,598	27,575
Education, health and others	7,091	6,813
Household sector	300,306	278,996
	470,604	466,169
(c) By purpose		
Purchase of securities	1,273	366
Purchase of transport vehicles	61,817	52,669
Purchase of landed property:		
- Residential	221,373	208,043
- Non-residential	67,245	69,180
Purchase of property, plant and equipment other than land and building	399	6,015
Personal use	11,639	10,303
Credit card	3,877	3,604
Working capital	67,905	85,939
Other purposes	35,076	30,050
	470,604	466,169
(d) By geographical distribution		
In Malaysia	470,604	466,169

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14 FINANCING AND ADVANCES (CONTINUED)

(vii) Impaired financing and advances (continued)

(e) Movement in allowance for credit losses

31 March 2020	12-month ECL (Stage 1) RM'000	Lifetime ECL not credit impaired (Stage 2) RM'000	Lifetime ECL credit impaired (Stage 3) RM'000	Total RM'000
Balance as at the beginning of the financial period	67,562	99,609	173,882	341,053
Changes due to financial assets recognised				
- in the opening balance that have been:				
- Transferred to 12-month ECL (Stage 1)	12,775	(10,184)	(2,591)	-
- Transferred to Lifetime ECL not credit impaired (Stage 2)	(3,859)	13,991	(10,132)	-
- Transferred to Lifetime ECL credit impaired (Stage 3)	(131)	(4,239)	4,370	-
	8,785	(432)	(8,353)	-
Allowance made/(written back) during the financial period	(10,622)	14,846	43,456	47,680
Bad debts written off	-	-	(11,001)	(11,001)
Derecognised during the financial period	(1,067)	(1,141)	(7,901)	(10,109)
Balance as at the end of the financial period	<u>64,658</u>	<u>112,882</u>	<u>190,083</u>	<u>367,623</u>

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14 FINANCING AND ADVANCES (CONTINUED)

(vii) Impaired financing and advances (continued)

(e) Movement in allowance for credit losses (continued)

	12-month ECL (Stage 1) RM'000	Lifetime ECL not credit impaired (Stage 2) RM'000	Lifetime ECL credit impaired (Stage 3) RM'000	Total RM'000
31 December 2019				
Balance as at the beginning of the financial year	73,615	116,254	233,219	423,088
Changes due to financial assets recognised in the opening balance that have been:				
- Transferred to 12-month ECL (Stage 1)	31,585	(25,017)	(6,568)	-
- Transferred to Lifetime ECL not credit impaired (Stage 2)	(5,332)	18,178	(12,846)	-
- Transferred to Lifetime ECL credit impaired (Stage 3)	(483)	(3,649)	4,132	-
	25,770	(10,488)	(15,282)	-
Allowance made/(written back) during the financial year	(20,935)	13,448	66,258	58,771
Bad debts written off	-	-	(84,924)	(84,924)
Changes to model methodologies	(2,628)	(4,104)	-	(6,732)
Derecognised	(8,260)	(15,501)	(25,389)	(49,150)
Balance as at the end of the financial year	<u>67,562</u>	<u>99,609</u>	<u>173,882</u>	<u>341,053</u>

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15 OTHER ASSETS

	As at 31 March 2020	As at 31 December 2019
	RM'000	RM'000
Prepayments	27,725	26,794
Deposits	1,516	1,527
Amount due to a related company	24	-
Other receivables	110,588	240,639
	139,853	268,960

16 DEPOSITS FROM CUSTOMERS

	As at 31 March 2020	As at 31 December 2019
	RM'000	RM'000
<u>Savings Deposits</u>		
Qard	1,721,609	1,546,038
<u>Demand Deposits</u>		
Qard	5,712,494	4,922,269
Commodity Murabahah	1,172,336	899,010
<u>Term Deposits</u>		
Commodity Murabahah	39,586,549	39,937,853
<u>Specific Investment Account</u>		
Commodity Murabahah	7,445,056	7,011,168
<u>General Investment Account</u>		
Mudharabah	94,442	100,632
	55,732,486	54,416,970

(a) The maturity structure of investment accounts and term deposits are as follows:

Due within six months	33,551,784	30,039,231
Six months to one year	12,131,277	15,563,054
One year to three years	1,047,114	964,180
Three years to five years	395,872	483,188
	47,126,047	47,049,653

(b) The deposits are sourced from the following classes of customers:

Government and statutory bodies	12,012,648	10,093,920
Business enterprises	26,153,451	25,315,576
Individuals	17,131,680	18,615,758
Others	434,707	391,716
	55,732,486	54,416,970

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17 DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	As at 31 March 2020	As at 31 December 2019
	RM'000	RM'000
<u>Non-Mudharabah Funds:</u>		
Licensed Islamic banks	659,443	996,510
Licensed banks	2,210,898	3,733,753
Licensed investment banks	99,811	299,320
BNM	64,523	59,360
	3,034,675	5,088,943
<u>Mudharabah Funds:</u>		
Other financial institutions	82,222	20,918
	3,116,897	5,109,861

18 INVESTMENT ACCOUNT DUE TO DESIGNATED FINANCIAL INSTITUTIONS

	As at 31 March 2020	As at 31 December 2019
	RM'000	RM'000
<u>Restricted Investment Account:</u>		
Mudharabah	8,069,361	8,229,334
<u>By type of counterparty:</u>		
Licensed banks	8,069,361	8,229,334
<u>Investment asset (principal):</u>		
Personal financing	1,000,000	1,000,000
Other term financing	6,157,801	6,320,301
Unquoted securities (Note 13)	811,775	811,775
	7,969,576	8,132,076

The entire restricted investment account is placed by the holding company, RHB Bank.

19 OTHER LIABILITIES

	As at 31 March 2020	As at 31 December 2019
	RM'000	RM'000
Sundry creditors	9,862	12,964
Amount due to holding company	196,801	431,027
Amount due to other related companies	616	260
Contract liability	4,088	7,154
Short term employee benefits	83	5,907
Accrual for operational expenses	10,342	9,537
Other accruals and payables	277,111	461,993
	498,903	928,842

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20 INCOME DERIVED FROM INVESTMENT OF DEPOSITORS' FUNDS

	Three Months Ended	
	31 March 2020	31 March 2019
	RM'000	RM'000
Income derived from investment of:		
(i) General investment deposits	1,252	1,443
(ii) Other deposits	<u>732,747</u>	<u>667,815</u>
	<u>733,999</u>	<u>669,258</u>
(i) Income derived from investment of general investment deposits:		
Financing and advances	1,060	1,189
Securities purchased under resale agreements	23	21
Financial assets at FVTPL	1	5
Financial assets at FVOCI	83	104
Financial investments at amortised cost	45	49
Money at call and deposits with banks and other financial institutions	29	50
Total finance income and hibah	<u>1,241</u>	<u>1,418</u>
Other operating income (Note a)	<u>11</u>	<u>25</u>
	<u>1,252</u>	<u>1,443</u>
Of which:		
Financing income earned on impaired financing	<u>6</u>	<u>7</u>
(a) Other operating income comprise of:		
Fee income:		
- Commission	4	5
- Guarantee fees	<u>1</u>	<u>2</u>
	<u>5</u>	<u>7</u>
Net (loss)/gain on revaluation of financial assets at FVTPL	(16)	2
Net gain on disposal of financial assets at FVTPL	10	8
Net gain on disposal of financial assets at FVOCI	<u>12</u>	<u>8</u>
	<u>11</u>	<u>25</u>

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20 INCOME DERIVED FROM INVESTMENT OF DEPOSITORS' FUNDS (CONTINUED)

	Three Months Ended	
	31 March 2020	31 March 2019
	RM'000	RM'000
(ii) Income derived from investment of other deposits:		
Financing and advances	620,024	549,848
Securities purchased under resale agreements	13,736	9,888
Financial assets at FVTPL	763	2,467
Financial assets at FVOCI	48,399	48,138
Financial investments at amortised cost	26,141	22,523
Money at call and deposits with banks and other financial institutions	17,017	23,318
Total finance income and hibah	<u>726,080</u>	<u>656,182</u>
Other operating income (Note a)	<u>6,667</u>	<u>11,633</u>
	<u>732,747</u>	<u>667,815</u>
Of which:		
Financing income earned on impaired financing	<u>3,048</u>	<u>3,285</u>
(a) Other operating income comprise of:		
Fee income:		
- Commission	2,415	2,382
- Guarantee fees	547	786
	<u>2,962</u>	<u>3,168</u>
Net (loss)/gain on revaluation of financial assets at FVTPL	(9,607)	1,445
Net gain on disposal of financial assets at FVTPL	6,013	3,713
Net gain on disposal of financial assets at FVOCI	7,299	3,307
	<u>6,667</u>	<u>11,633</u>

21 INCOME DERIVED FROM INVESTMENT ACCOUNT FUNDS

	Three Months Ended	
	31 March 2020	31 March 2019
	RM'000	RM'000
Financing and advances	91,206	96,067
Financial investments at amortised cost	12,026	11,129
Money at call and deposits with banks and other financial institutions	26	-
Total finance income and hibah	<u>103,258</u>	<u>107,196</u>

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22 INCOME DERIVED FROM INVESTMENT OF SHAREHOLDERS' FUNDS

	Three Months Ended	
	31 March 2020	31 March 2019
	RM'000	RM'000
Financing and advances	18,078	18,218
Securities purchased under resale agreements	401	328
Financial assets at FVTPL	22	82
Financial assets at FVOCI	1,411	1,595
Financial investments at amortised cost	762	746
Money at call and deposits with banks and other financial institutions	496	773
Total finance income and hibah	21,170	21,742
Other operating income (Note a)	24,615	23,333
	45,785	45,075
Of which:		
Financing income earned on impaired financing	88	109
(a) Other operating income comprise of:		
Fee income:		
- Commission	8,559	9,396
- Guarantee and underwriting fees	16	26
- Service charges and fees	17,954	14,598
	26,529	24,020
Net (loss)/gain on revaluation of financial assets at FVTPL	(280)	48
Net gain on disposal of financial assets at FVTPL	175	123
Net gain on disposal of financial investments at FVOCI	213	110
Net loss on revaluation of derivatives	(2,591)	(1,883)
Net gain/(loss) on fair value hedges	894	(1,259)
Other income:		
- Foreign exchange gain	85	1,761
- Other non-operating income/(loss)	(410)	413
	24,615	23,333

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23 ALLOWANCE FOR CREDIT LOSSES ON FINANCIAL ASSETS

	<u>Three Months Ended</u>	
	<u>31 March 2020</u>	<u>31 March 2019</u>
<u>Charge/(Writeback)</u>	<u>RM'000</u>	<u>RM'000</u>
Financing and advances:		
- Net charge	37,571	5,150
- Bad debts recovered	(6,503)	(4,255)
- Bad debts written off	4,299	6,898
	35,367	7,793
Financial assets at FVOCI	(376)	(569)
Financial investments at amortised cost	(111)	(2,886)
Other financial assets	(2)	(36)
	<u>34,878</u>	<u>4,302</u>

24 INCOME ATTRIBUTABLE TO DEPOSITORS

	<u>Three Months Ended</u>	
	<u>31 March 2020</u>	<u>31 March 2019</u>
	<u>RM'000</u>	<u>RM'000</u>
Deposits from customers:		
- Mudharabah funds	4,518	1,290
- Non-Mudharabah funds	422,905	394,794
Deposits and placements of banks and other financial institutions:		
- Non-Mudharabah funds	33,430	37,519
Others:		
- Subordinated obligations	8,427	9,111
- Recourse obligation on financing sold to Cagamas	24,273	24,196
- Others	38	70
	<u>493,591</u>	<u>466,980</u>

25 EARNINGS PER SHARE

	<u>Three Months Ended</u>	
	<u>31 March 2020</u>	<u>31 March 2019</u>
Net profit for the financial period (RM'000)	<u>133,586</u>	<u>117,846</u>
Weighted average number of ordinary shares in issue ('000)	<u>1,673,424</u>	<u>1,673,424</u>
Basic earnings per share (sen)	<u>7.98</u>	<u>7.04</u>

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26 COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Bank makes various commitments and incurs certain contingent liabilities with legal recourse to customers.

	<u>As at</u> <u>31 March 2020</u>	<u>As at</u> <u>31 December 2019</u>
	RM'000	RM'000
Transaction-related contingent items	268,001	260,081
Short term self-liquidating trade-related contingencies	126,322	95,289
Forward asset purchases, forward deposits, partly paid shares and securities which represent commitments with certain drawdowns	52,759	-
Irrevocable commitments to extend credit:		
- Maturity less than one year	501,791	30,233
- Maturity more than one year	7,167,045	7,522,933
Foreign exchange related contracts [^] :		
- Less than one year	11,236,016	9,851,295
- One year to less than five years	877,931	854,063
- More than five years	980,643	954,177
Profit rate related contracts [^] :		
- Less than one year	3,202,282	1,860,000
- One year to less than five years	1,043,201	1,346,015
- More than five years	500,000	500,000
Any commitments that are unconditionally cancelled at any time by the time by the Bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	2,555,635	2,266,736
	<u>28,511,626</u>	<u>25,540,822</u>

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

27 CAPITAL COMMITMENTS

	<u>As at</u> <u>31 March 2020</u>	<u>As at</u> <u>31 December 2019</u>
	RM'000	RM'000
Capital expenditure for property, plant and equipment:		
- Authorised and contracted for	748	958

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28 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

	<u>Level 1</u> RM'000	<u>Level 2</u> RM'000	<u>Level 3</u> RM'000	<u>Total</u> RM'000
31 March 2020				
<u>Financial assets</u>				
Financial assets at FVTPL:				
- money market instruments	-	128,646	-	128,646
Financial assets at FVOCI:				
- money market instruments	-	5,086,031	-	5,086,031
- unquoted securities	-	1,288,547	-	1,288,547
	-	3,797,484	-	3,797,484
Derivative assets	-	213,912	-	213,912
	-	5,428,589	-	5,428,589
<u>Financial liabilities</u>				
Derivative liabilities	-	298,733	-	298,733
31 December 2019				
<u>Financial assets</u>				
Financial assets at FVTPL:				
- money market instruments	-	207,145	-	207,145
Financial assets at FVOCI:				
- money market instruments	-	5,118,305	-	5,118,305
- unquoted securities	-	1,611,539	-	1,611,539
	-	3,506,766	-	3,506,766
Derivative assets	-	130,688	-	130,688
	-	5,456,138	-	5,456,138
<u>Financial liabilities</u>				
Derivative liabilities	-	183,468	-	183,468

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28 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

(i) Valuation techniques and sensitivity analysis

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

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

Financial instruments are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data (unobservable inputs). This category includes non-transferable and non-tradable perpetual sukuk and impaired securities.

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29 CAPITAL ADEQUACY

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

The capital adequacy ratios of the Bank are as follows:

	As at 31 March 2020	As at 31 December 2019
	RM'000	RM'000
<u>Common Equity Tier-I ('CET-I') Capital /Tier I Capital</u>		
Share capital	1,673,424	1,673,424
Retained profits	2,451,410	2,530,491
FVOCI reserve	93,267	117,635
	4,218,101	4,321,550
Less:		
Deferred tax assets	(12,019)	(12,068)
Intangible assets (include associated deferred tax liabilities)	(2,796)	(3,295)
55% of cumulative gains of financial assets at FVOCI	(51,297)	(64,699)
Other deductions*	(1,471)	(1,955)
Total CET-I/Total Tier I Capital	4,150,518	4,239,533
<u>Tier II Capital</u>		
Subordinated obligations	750,000	750,000
Surplus eligible provisions over expected losses	118,581	114,957
General provisions [^]	48,345	53,940
Total Tier II Capital	916,926	918,897
Total Capital	5,067,444	5,158,430
<u>Capital Ratios</u>		
Before proposed dividends:		
CET-I Capital Ratio	13.719%	13.922%
Tier-I Capital Ratio	13.719%	13.922%
Total Capital Ratio	16.750%	16.939%
After proposed dividends:		
CET-I Capital Ratio	13.719%	13.627%
Tier-I Capital Ratio	13.719%	13.627%
Total Capital Ratio	16.750%	16.644%

* 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.

[^] 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 MFRS 9 'Financial Instruments'; and regulatory reserve, to the extent they are ascribed to non-credit-impaired exposures, determined under standardised approach for credit risk.

Includes the qualifying regulatory reserve of the Bank of RM39,800,000 (31 December 2019: RM44,447,000).

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29 CAPITAL ADEQUACY (CONTINUED)

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

	<u>As at</u> <u>31 March 2020</u>	<u>As at</u> <u>31 December 2019</u>
	<u>RM'000</u>	<u>RM'000</u>
Credit risk	29,345,273	29,308,355
Credit risk absorbed by PSIA ⁺	(5,714,140)	(5,833,615)
Market risk	239,215	293,518
Operational risk	1,997,799	1,937,774
Additional RWA due to capital floor	4,386,041	4,746,219
Total risk-weighted assets	<u>30,254,188</u>	<u>30,452,251</u>

The total risk-weighted assets of Bank are computed based on BNM's Capital Adequacy Framework for Islamic Banks ('CAFIB'): Internal Ratings Based Approach for Credit and Standardised Approach for Market Risk and Basic Indicator Approach for Operational Risk (Basel II).

⁺ In accordance with BNM's 'Guidelines on the Recognition and Measurement of Profit Sharing Investment Account ('PSIA') as Risk Absorbent', the credit risk of the assets funded by the Restricted Profit Sharing Investment account ('RPSIA') which qualifies as risk absorbent are excluded from the risk weighted capital ratio (RWCR) calculation.

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30 VALUATION OF PROPERTY, PLANT AND EQUIPMENT

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

31 EVENTS SUBSEQUENT TO BALANCE SHEET DATE

There are no material events subsequent to the balance sheet date that have not been reflected in the financial statements.

32 CHANGES IN THE COMPOSITION OF THE BANK

There are no significant changes in the composition of the Bank for the three months ended 31 March 2020.

33 CHANGES IN PROFIT FOR THE QUARTER

The Bank reported a pre-tax profit of RM177.1 million for the current quarter, 27.3% lower as compared to the preceding quarter ended 31 December 2019 of RM243.7 million. The lower profit was mainly attributed to higher allowance for credit losses by RM44.7 million, lower net funding income by RM14.8 million and lower non funding income by RM9.1 million, partially offset by lower overhead expenses by RM2.0 million.

34 PERFORMANCE REVIEW

For the three months ended 31 March 2020, the Bank recorded a pre-tax profit of RM177.1 million, 14.1% higher than previous year corresponding period of RM155.2 million. The higher profit was mainly due to higher net funding income by RM42.0 million and lower overhead expenses by RM14.2 million, partly offset by higher allowance for credit losses by RM30.6 million and lower non funding income by RM3.7 million.

35 PROSPECTS FOR 2020

The COVID-19 pandemic has caused a significant disruption to economic activities. Another challenge facing the industry is the potential effects of low commodities prices, although it is too early to ascertain its full impact to the economy. The Malaysian government's relief measures, however, are expected to mitigate the negative effects of the pandemic.

One of the relief measures was the introduction by Bank Negara Malaysia of automatic moratorium on all financing repayments by individuals and SME borrowers for a period of six months from April to September 2020. While borrowers are relieved of repayment obligations during this period, the banking industry will be actively monitoring the portfolio of clients during this period to assess the implications to the banks post the moratorium period. Nevertheless, RHB Banking Group has sufficient liquidity and ample capital to steer through the moratorium and pandemic.

Under the challenging operating environment, we remain cautious, placing utmost importance in ensuring business continuity, attending to urgent customer needs and assisting our staff who may be facing difficulties. We will continue to engage with our customers and support them in this difficult period. Our focus on implementing FIT22 remains, though we may have to prioritise certain initiatives in light of the pandemic and Movement Control Order.