

RHB Investment Bank Berhad
Basel II Pillar 3 Disclosures
30 June 2021

**RHB INVESTMENT BANK GROUP
BASEL II PILLAR 3 DISCLOSURES AS AT 30 JUNE 2021**

Contents		Page(s)
Statement by Managing Director		2
Introduction		3
Scope of Application		3
List of Tables		
Table No	Description	
Table 1	Capital Adequacy Ratios	4
Table 2	Risk-Weighted Assets (RWA) by Risk Types	4
Tables 3a & 3b	Risk-Weighted Assets by Risk Types and Minimum Capital Requirements	4
Table 4	Capital Structure	5
Tables 5a & 5b	Summary of Credit Exposures with Credit Risk Mitigation (CRM) by Asset Class and Minimum Capital Requirements (On and Off-Balance Sheet Exposures)	6
Tables 6a & 6b	Exposures on Off-Balance Sheet and Counterparty Credit Risk (Before Credit Risk Mitigation)	7
Tables 7a & 7b	Credit Risk Exposures (Before Credit Risk Mitigation) by Geographical Distribution	8
Tables 8a & 8b	Credit Risk Exposures (Before Credit Risk Mitigation) by Industry Sector	9
Tables 9a & 9b	Credit Risk Exposures (Before Credit Risk Mitigation) by Remaining Maturity	10
Tables 10a & 10b	Portfolios under the Standardised Approach by Risk Weights	11
Tables 11a & 11b	Rated Exposures According to Ratings by External Credit Assessment Institutions (ECAIs)	12 - 13
Tables 12a & 12b	Credit Risk Mitigation of Portfolios under the Standardised Approach	14
Tables 13a & 13b	Impaired and Past Due Loans and Allowance for Credit Losses by Industry Sector	15
Table 14	Net Charges/(Write back) and Write-Offs for Impairment by Industry Sector	15
Tables 15a & 15b	Impaired and Past Due Loans and Allowance for Credit Losses by Geographical Distribution	16
Tables 16a & 16b	Movement in Loans Allowance for Credit Losses	16
Tables 17a & 17b	Market Risk-Weighted Assets and Minimum Capital Requirements	17
Table 18	Equity Exposures in the Banking Book	18
Tables 19a & 19b	Interest Rate Risk in the Banking Book	18
Table 20	Operational Risk-Weighted Assets and Minimum Capital Requirements	18

**RHB INVESTMENT BANK GROUP
BASEL II PILLAR 3 DISCLOSURES AS AT 30 JUNE 2021**

STATEMENT BY MANAGING DIRECTOR

In accordance with the requirements of Bank Negara Malaysia's Guideline on 'Risk-Weighted Capital Adequacy Framework (Basel II) – Disclosure Requirements (Pillar 3)', and on behalf of the Board and Senior Management of RHB Investment Bank Berhad, I am pleased to provide an attestation that the Basel II Pillar 3 Disclosures of RHB Investment Bank Berhad as at 30 June 2021 are accurate and complete.

GANESH SABARATNAM
Managing Director

**RHB INVESTMENT BANK GROUP
BASEL II PILLAR 3 DISCLOSURES AS AT 30 JUNE 2021**

INTRODUCTION

This document describes RHB Investment Bank Berhad's risk profile and capital adequacy position in accordance with the requirements as outlined in the Risk-Weighted Capital Adequacy Framework (Basel II) – Disclosure Requirements (Pillar 3) issued by Bank Negara Malaysia (BNM).

BNM's guidelines on Capital Adequacy Framework (Basel II - 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 Investment Bank Berhad are as follows:

Entity	Credit Risk	Market Risk	Operational Risk
RHB Investment Bank Berhad	Standardised Approach	Standardised Approach	Basic Indicator Approach

This document covers the quantitative information as at 30 June 2021 with comparative quantitative information of the preceding financial year as at 31 December 2020. This disclosure report has been verified and approved internally in line with the RHB Banking Group: Basel II Pillar 3 Disclosure Policy.

RHB Investment Bank Berhad's Pillar 3 disclosure report will be made available under the Investor Relations section of RHB Banking Group's website at 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 Investment Bank Berhad's information is presented on a consolidated basis, namely RHB Investment Bank Berhad with its overseas operations and its subsidiaries, and is referred to as 'RHB Investment Bank Group'.

RHB Investment Bank Group's capital requirements are generally based on the principles of consolidation adopted in the preparation of its financial statements, except where the types of investment to be deducted from eligible capital as guided by BNM's Capital Adequacy Framework (Capital Components).

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

The transfer of funds or regulatory capital within the RHB Investment Bank Group is subject to shareholders' and regulatory approval.

RHB INVESTMENT BANK GROUP
BASEL II PILLAR 3 DISCLOSURES AS AT 30 JUNE 2021

Table 1: Capital Adequacy Ratios

	RHB Investment Bank Group		RHB Investment Bank	
	30.06.2021	31.12.2020	30.06.2021	31.12.2020
Before proposed dividends				
Common Equity Tier I Capital Ratio	28.385%	38.246%	24.976%	36.116%
Tier I Capital Ratio	28.417%	38.296%	24.976%	36.116%
Total Capital Ratio	33.061%	43.790%	34.029%	46.862%
After proposed dividends				
Common Equity Tier I Capital Ratio	26.428%	38.246%	20.727%	36.116%
Tier I Capital Ratio	26.459%	38.296%	20.727%	36.116%
Total Capital Ratio	31.104%	43.790%	29.779%	46.862%

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

Risk Types	RHB Investment Bank Group		RHB Investment Bank	
	30.06.2021 RM'000	31.12.2020 RM'000	30.06.2021 RM'000	31.12.2020 RM'000
Credit RWA	2,966,373	2,080,268	1,042,192	793,669
Market RWA	512,713	457,113	388,670	300,706
Operational RWA	1,629,556	1,580,409	922,493	858,966
Total	5,108,642	4,117,790	2,353,355	1,953,341

Table 3a: Risk-Weighted Assets by Risk Types and Minimum Capital Requirements as at 30 June 2021

Risk Types	RWA		Minimum Capital Requirements	
	RHB Investment Bank Group RM'000	RHB Investment Bank RM'000	RHB Investment Bank Group RM'000	RHB Investment Bank RM'000
Credit Risk				
Under Standardised Approach	2,966,373	1,042,192	237,310	83,375
Market Risk				
Under Standardised Approach	512,713	388,670	41,017	31,094
Operational Risk				
Under Basic Indicator Approach	1,629,556	922,493	130,364	73,799
Total	5,108,642	2,353,355	408,691	188,268

Table 3b: Risk-Weighted Assets by Risk Types and Minimum Capital Requirements as at 31 December 2020

Risk Types	RWA		Minimum Capital Requirements	
	RHB Investment Bank Group RM'000	RHB Investment Bank RM'000	RHB Investment Bank Group RM'000	RHB Investment Bank RM'000
Credit Risk				
Under Standardised Approach	2,080,268	793,669	166,421	63,494
Market Risk				
Under Standardised Approach	457,113	300,706	36,569	24,056
Operational Risk				
Under Basic Indicator Approach	1,580,409	858,966	126,433	68,717
Total	4,117,790	1,953,341	329,423	156,267

RHB INVESTMENT BANK GROUP
BASEL II PILLAR 3 DISCLOSURES AS AT 30 JUNE 2021

Table 4: Capital Structure

The Bank has sought and obtained approval via a special resolution to reduce its issued and paid up ordinary share capital pursuant to Section 117 of the Companies Act 2016 (CA 2016) on 12 January 2021. Following the confirmation received from Companies Commission of Malaysia (CCM) on 2 April 2021 that all the requirements of CA 2016 with respect to reduction of share capital have been complied with, the reduction of the issued and paid-up ordinary share capital of the Bank has on the same date been effected by way of:

- i) cancellation of 20,000,000 ordinary shares in the Bank which are held by RHB Bank Berhad resulting in the total number of issued ordinary shares in the Bank being reduced from 100,000,000 ordinary shares to 80,000,000 ordinary shares; and
- ii) reduction of the Bank's share capital from RM1,487,773,000 to RM1,220,000,000 by repaying the surplus capital of the amount of RM267,773,000 to RHB Bank Berhad.

The following table represents the capital position of RHB Investment Bank Group and RHB Investment Bank as at 30 June 2021 and 31 December 2020:

	RHB Investment Bank Group		RHB Investment Bank	
	30.06.2021	31.12.2020	30.06.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
<u>Common Equity Tier I Capital/Tier I Capital</u>				
Paid up ordinary share capital	1,220,000	1,487,773	1,220,000	1,487,773
Retained profits	660,355	522,727	475,531	331,261
Other reserves	65,808	62,097	-	-
Fair value through other comprehensive income (FVOCI) reserves	44,374	50,380	43,984	47,839
Less:				
Goodwill	(449,978)	(449,978)	(372,395)	(372,395)
Investments in subsidiaries	-	-	(714,068)	(715,398)
Investments in associates and joint ventures	(4,623)	(4,611)	(5,028)	(5,028)
Other Intangible assets	(41,582)	(37,414)	(25,696)	(24,296)
Deferred tax assets	(19,839)	(28,392)	(10,343)	(17,985)
55% of cumulative gains arising from change in value of FVOCI instruments	(24,406)	(27,709)	(24,191)	(26,311)
Other deductions [#]	(9)	-	(9)	-
Total Common Equity Tier I Capital	1,450,100	1,574,873	587,785	705,460
Qualifying non controlling interest recognised as Tier I Capital	1,599	2,060	-	-
Total Tier I Capital	1,451,699	1,576,933	587,785	705,460
<u>Tier II Capital</u>				
Subordinated obligations meeting all relevant criteria	200,000	200,000	200,000	200,000
Qualifying non controlling interest recognised as Tier II Capital	202	231	-	-
General provisions [^]	37,080	26,003	13,027	9,921
Total Tier II Capital	237,282	226,234	213,027	209,921
Total Capital	1,688,981	1,803,167	800,812	915,381

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

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

Includes the qualifying regulatory reserves of RHB Investment Bank Group and RHB Investment Bank of RM36,436,000 (31 December 2020: RM25,377,000) and RM12,990,000 (31 December 2020 : RM9,903,000) respectively.

RHB INVESTMENT BANK GROUP
BASEL II PILLAR 3 DISCLOSURES AS AT 30 JUNE 2021

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 2021

RHB Investment Bank Group	Gross Exposures/EAD before CRM RM'000	Net Exposures/EAD after CRM RM'000	Risk-Weighted Assets RM'000	Minimum Capital Requirement RM'000
Exposure Class				
Exposures under the Standardised Approach				
On-Balance Sheet Exposures				
Sovereigns & Central Banks	910,613	910,613	5,771	462
Public Sector Entities	230,229	230,229	-	-
Banks, Development Financial Institutions & MDBs	2,963,521	2,963,521	692,810	55,425
Insurance Cos, Securities Firms & Fund Managers	233,612	233,612	233,612	18,689
Corporates	1,781,630	674,275	20,928	1,674
Regulatory Retail	738,164	1,491	1,118	89
Residential Mortgages	276	276	97	8
Higher Risk Assets	572,304	572,304	858,456	68,677
Other Assets	1,636,794	1,636,794	1,029,365	82,349
Equity Exposures	124,039	124,039	124,039	9,923
Defaulted Exposures	6	-	-	-
Total On-Balance Sheet Exposures	9,191,188	7,347,154	2,966,196	237,296
Off-Balance Sheet Exposures				
OTC Derivatives	272	272	54	4
Off-balance sheet exposures other than OTC derivatives or credit derivatives	200,699	5,223	123	10
Defaulted Exposures	-	-	-	-
Total Off-Balance Sheet Exposures	200,971	5,495	177	14
Total On and Off-Balance Sheet Exposures	9,392,159	7,352,649	2,966,373	237,310

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 2020

RHB Investment Bank Group	Gross Exposures/EAD before CRM RM'000	Net Exposures/EAD after CRM RM'000	Risk-Weighted Assets RM'000	Minimum Capital Requirement RM'000
Exposure Class				
Exposures under the Standardised Approach				
On-Balance Sheet Exposures				
Sovereigns & Central Banks	721,968	721,968	5,629	450
Public Sector Entities	167,819	167,819	-	-
Banks, Development Financial Institutions & MDBs	2,664,767	2,664,767	640,477	51,238
Insurance Cos, Securities Firms & Fund Managers	60,888	60,888	60,888	4,871
Corporates	1,755,208	697,684	8,433	675
Regulatory Retail	759,344	734	551	44
Residential Mortgages	290	290	101	8
Higher Risk Assets	539,595	539,595	809,393	64,751
Other Assets	1,479,479	1,479,479	435,154	34,812
Equity Exposures	119,394	119,394	119,394	9,552
Defaulted Exposures	716	-	-	-
Total On-Balance Sheet Exposures	8,269,468	6,452,618	2,080,020	166,401
Off-Balance Sheet Exposures				
OTC Derivatives	547	547	110	9
Off-balance sheet exposures other than OTC derivatives or credit derivatives	225,886	6,028	138	11
Defaulted Exposures	-	-	-	-
Total Off-Balance Sheet Exposures	226,433	6,575	248	20
Total On and Off-Balance Sheet Exposures	8,495,901	6,459,193	2,080,268	166,421

RHB INVESTMENT BANK GROUP
BASEL II PILLAR 3 DISCLOSURES AS AT 30 JUNE 2021

Table 6a: Exposures on Off-Balance Sheet and Counterparty Credit Risk (Before Credit Risk Mitigation) as at 30 June 2021

RHB Investment Bank Group	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>				
Direct credit substitutes	-		-	-
Forward asset purchases, forward deposits, partly paid shares and securities which represent commitments with certain drawdowns	5,059		5,059	
Foreign exchange related contracts	41,647	9	9	2
1 year or less	41,647	9	9	2
Over 1 year to 5 years	-	-	-	-
Over 5 years	-	-	-	-
Interest rate related contracts	-	-	-	-
1 year or less	-	-	-	-
Over 1 year to 5 years	-	-	-	-
Over 5 years	-	-	-	-
Equity related contracts	3,154	74	263	52
1 year or less	3,154	74	263	52
Over 1 year to 5 years	-	-	-	-
Over 5 years	-	-	-	-
Other commitments, such as formal standby facilities and credit lines, with original maturity of over 1 year	21		11	8
Other commitments, such as formal standby facilities and credit lines, with original maturity of up to 1 year	978,148		195,629	115
Total	1,028,029	83	200,971	177

Table 6b: Exposures on Off-Balance Sheet and Counterparty Credit Risk (Before Credit Risk Mitigation) as at 31 December 2020

RHB Investment Bank Group	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>				
Direct credit substitutes	-		-	-
Forward asset purchases, forward deposits, partly paid shares and securities which represent commitments with certain drawdowns	5,843		5,843	-
Foreign exchange related contracts	44,538	46	46	9
1 year or less	44,538	46	46	9
Over 1 year to 5 years	-	-	-	-
Over 5 years	-	-	-	-
Interest rate related contracts	-	-	-	-
1 year or less	-	-	-	-
Over 1 year to 5 years	-	-	-	-
Over 5 years	-	-	-	-
Equity related contracts	7,082	76	501	101
1 year or less	7,082	76	501	101
Over 1 year to 5 years	-	-	-	-
Over 5 years	-	-	-	-
Other commitments, such as formal standby facilities and credit lines, with original maturity of over 1 year	22		11	8
Other commitments, such as formal standby facilities and credit lines, with original maturity of up to 1 year	1,100,162		220,032	130
Total	1,157,647	122	226,433	248

RHB INVESTMENT BANK GROUP
BASEL II PILLAR 3 DISCLOSURES AS AT 30 JUNE 2021

Table 7a: Credit Risk Exposures (Before Credit Risk Mitigation) by Geographical Distribution as at 30 June 2021

RHB Investment Bank Group

<u>Exposure Class</u>	Malaysia	Singapore	Hong Kong	Indonesia	Thailand	Cambodia	Vietnam	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Exposures under Standardised Approach</u>								
Sovereigns & Central Banks	906,540	-	-	-	-	4,073	-	910,613
Public Sector Entities	230,229	-	-	-	-	-	-	230,229
Banks, Development Financial Institutions & MDBs	2,742,818	7,564	10,558	103,182	30,017	40,084	29,570	2,963,793
Insurance Cos, Securities Firms & Fund Managers	232,845	-	352	-	-	-	415	233,612
Corporates	1,683,694	-	-	30,654	141,645	-	-	1,855,993
Regulatory Retail	676,731	-	-	107,064	80,702	-	8	864,505
Residential Mortgages	277	-	-	-	-	-	-	277
Higher Risk Assets	572,006	-	-	39	259	-	-	572,304
Other Assets	1,383,688	7,180	354	104,576	136,785	2,800	1,411	1,636,794
Total	8,428,828	14,744	11,264	345,515	389,408	46,957	31,404	9,268,120

Table 7b: Credit Risk Exposures (Before Credit Risk Mitigation) by Geographical Distribution as at 31 December 2020

RHB Investment Bank Group

<u>Exposure Class</u>	Malaysia	Singapore	Hong Kong	Indonesia	Thailand	Cambodia	Vietnam	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Exposures under Standardised Approach</u>								
Sovereigns & Central Banks	717,991	-	-	-	-	3,977	-	721,968
Public Sector Entities	167,819	-	-	-	-	-	-	167,819
Banks, Development Financial Institutions & MDBs	2,417,542	7,052	11,642	123,581	36,734	38,550	30,213	2,665,314
Insurance Cos, Securities Firms & Fund Managers	60,499	-	351	38	-	-	-	60,888
Corporates	1,654,988	-	-	87,223	108,536	-	-	1,850,747
Regulatory Retail	690,614	-	-	142,345	57,447	-	-	890,406
Residential Mortgages	291	-	-	-	-	-	-	291
Higher Risk Assets	539,293	-	-	38	264	-	-	539,595
Other Assets	1,005,284	4,098	1,970	269,656	194,138	2,522	1,811	1,479,479
Total	7,254,321	11,150	13,963	622,881	397,119	45,049	32,024	8,376,507

Note: This table excludes equity exposures

RHB INVESTMENT BANK GROUP
BASEL II PILLAR 3 DISCLOSURES AS AT 30 JUNE 2021

Table 8a: Credit Risk Exposures (Before Credit Risk Mitigation) by Industry Sector as at 30 June 2021

RHB Investment Bank Group												
<u>Exposure Class</u>	<u>Agriculture</u>	<u>Mining & Quarrying</u>	<u>Manufacturing</u>	<u>Electricity, Gas & Water Supply</u>	<u>Construction</u>	<u>Wholesale, Retail Trade, Restaurants & Hotels</u>	<u>Transport, Storage & Communication</u>	<u>Finance, Insurance, Real Estate & Business</u>	<u>Education, Health & Others</u>	<u>Household</u>	<u>Others</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Exposures under Standardised Approach												
Sovereigns & Central Banks	-	-	-	-	-	-	-	-	910,613	-	-	910,613
Public Sector Entities	-	-	-	-	-	-	-	143,383	86,846	-	-	230,229
Banks, Development Financial Institutions & MDBs	-	-	-	-	-	-	-	2,963,793	-	-	-	2,963,793
Insurance Cos, Securities Firms & Fund Managers	-	-	-	-	-	-	-	233,612	-	-	-	233,612
Corporates	184	91	3,880	35,292	6,614	174,870	101,635	816,362	2,282	714,783	-	1,855,993
Regulatory Retail	-	-	-	-	-	-	-	-	-	864,505	-	864,505
Residential Mortgages	-	-	-	-	-	-	-	-	-	277	-	277
Higher Risk Assets	-	-	-	-	-	-	-	572,304	-	-	-	572,304
Other Assets	-	-	-	-	-	-	-	144,017	-	-	1,492,777	1,636,794
Total	184	91	3,880	35,292	6,614	174,870	101,635	4,873,471	999,741	1,579,565	1,492,777	9,268,120

Table 8b: Credit Risk Exposures (Before Credit Risk Mitigation) by Industry Sector as at 31 December 2020

RHB Investment Bank Group												
<u>Exposure Class</u>	<u>Agriculture</u>	<u>Mining & Quarrying</u>	<u>Manufacturing</u>	<u>Electricity, Gas & Water Supply</u>	<u>Construction</u>	<u>Wholesale, Retail Trade, Restaurants & Hotels</u>	<u>Transport, Storage & Communication</u>	<u>Finance, Insurance, Real Estate & Business</u>	<u>Education, Health & Others</u>	<u>Household</u>	<u>Others</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Exposures under Standardised Approach												
Sovereigns & Central Banks	-	-	-	-	-	-	-	-	721,968	-	-	721,968
Public Sector Entities	-	-	-	-	-	-	-	112,259	55,560	-	-	167,819
Banks, Development Financial Institutions & MDBs	-	-	-	-	-	-	-	2,665,314	-	-	-	2,665,314
Insurance Cos, Securities Firms & Fund Managers	-	-	-	-	-	-	-	60,888	-	-	-	60,888
Corporates	345	93	3,750	50,462	14,291	216,258	101,289	749,573	-	714,686	-	1,850,747
Regulatory Retail	-	-	-	-	-	-	-	-	-	890,406	-	890,406
Residential Mortgages	-	-	-	-	-	-	-	-	-	291	-	291
Higher Risk Assets	-	-	-	-	-	-	-	539,595	-	-	-	539,595
Other Assets	-	-	-	-	-	-	-	198,319	-	-	1,281,160	1,479,479
Total	345	93	3,750	50,462	14,291	216,258	101,289	4,325,948	777,528	1,605,383	1,281,160	8,376,507

Note: This table excludes equity exposures

RHB INVESTMENT BANK GROUP
 BASEL II PILLAR 3 DISCLOSURES AS AT 30 JUNE 2021

Table 9a: Credit Risk Exposures (Before Credit Risk Mitigation) by Remaining Maturity as at 30 June 2021

RHB Investment Bank Group				
<u>Exposure Class</u>	One Year	More Than	Over	Total
	or Less	One to	Five Years	
	RM'000	Five Years	RM'000	RM'000
<u>Exposures under Standardised Approach</u>				
Sovereigns & Central Banks	470,430	185,634	254,549	910,613
Public Sector Entities	146,751	73,374	10,104	230,229
Banks, Development Financial Institutions & MDBs	2,698,949	-	264,844	2,963,793
Insurance Cos, Securities Firms & Fund Managers	233,612	-	-	233,612
Corporates	1,502,701	321,460	31,832	1,855,993
Regulatory Retail	864,474	-	31	864,505
Residential Mortgages	-	24	253	277
Higher Risk Assets	259	-	572,045	572,304
Other Assets	1,485,969	-	150,825	1,636,794
Total	7,403,145	580,492	1,284,483	9,268,120

Table 9b: Credit Risk Exposures (Before Credit Risk Mitigation) by Remaining Maturity as at 31 December 2020 (Restated)

RHB Investment Bank Group				
<u>Exposure Class</u>	One Year	More Than	Over	Total
	or Less	One to	Five Years	
	RM'000	Five Years	RM'000	RM'000
<u>Exposures under Standardised Approach</u>				
Sovereigns & Central Banks	161,785	378,876	181,307	721,968
Public Sector Entities	61,635	106,184	-	167,819
Banks, Development Financial Institutions & MDBs	2,386,363	-	278,951	2,665,314
Insurance Cos, Securities Firms & Fund Managers	60,888	-	-	60,888
Corporates	1,272,724	562,251	15,772	1,850,747
Regulatory Retail	890,374	-	32	890,406
Residential Mortgages	-	29	262	291
Higher Risk Assets	264	-	539,331	539,595
Other Assets	1,315,037	-	164,442	1,479,479
Total	6,149,070	1,047,340	1,180,097	8,376,507

Note: This table excludes equity exposures

RHB INVESTMENT BANK GROUP
BASEL II PILLAR 3 DISCLOSURES AS AT 30 JUNE 2021

Table 10a: Portfolios under the Standardised Approach by Risk Weights as at 30 June 2021

RHB Investment Bank Group	Sovereigns & Central Banks	Public Sector Entities	Banks, Development Financial Institutions & MDBs	Insurance Cos, Securities Firms & Fund Managers	Corporates	Regulatory Retail	Residential Mortgages	Higher Risk Assets	Other Assets	Equity Exposures	Total Exposures after Credit Risk Mitigation	Total Risk-Weighted Assets
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
Supervisory Risk Weights (%)												
0%	898,051	230,229	30,389	-	658,406	-	-	-	492,323	-	2,309,398	-
20%	8,489	-	2,695,550	-	-	-	-	-	143,882	-	2,847,921	569,584
35%	-	-	-	-	-	-	277	-	-	-	277	97
50%	-	-	168,199	-	-	-	-	-	-	-	168,199	84,099
75%	-	-	-	-	-	1,654	-	-	-	-	1,654	1,241
100%	4,073	-	69,655	233,612	20,928	-	-	-	1,000,589	124,039	1,452,896	1,452,896
150%	-	-	-	-	-	-	-	572,304	-	-	572,304	858,456
Total Exposures	910,613	230,229	2,963,793	233,612	679,334	1,654	277	572,304	1,636,794	124,039	7,352,649	2,966,373

Table 10b: Portfolios under the Standardised Approach by Risk Weights as at 31 December 2020

RHB Investment Bank Group	Sovereigns & Central Banks	Public Sector Entities	Banks, Development Financial Institutions & MDBs	Insurance Cos, Securities Firms & Fund Managers	Corporates	Regulatory Retail	Residential Mortgages	Higher Risk Assets	Other Assets	Equity Exposures	Total Exposures after Credit Risk Mitigation	Total Risk-Weighted Assets
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
Supervisory Risk Weights (%)												
0%	709,729	167,819	30,411	-	695,094	-	-	-	885,759	-	2,488,812	-
20%	8,262	-	2,370,823	-	-	-	-	-	198,208	-	2,577,293	515,459
35%	-	-	-	-	-	-	291	-	-	-	291	102
50%	-	-	195,315	-	-	-	-	-	-	-	195,315	97,657
75%	-	-	-	-	-	918	-	-	-	-	918	689
100%	3,977	-	68,765	60,888	8,433	-	-	-	395,512	119,394	656,969	656,969
150%	-	-	-	-	-	-	-	539,595	-	-	539,595	809,392
Total Exposures	721,968	167,819	2,665,314	60,888	703,527	918	291	539,595	1,479,479	119,394	6,459,193	2,080,268

RHB INVESTMENT BANK GROUP
BASEL II PILLAR 3 DISCLOSURES AS AT 30 JUNE 2021

Table 11a: Rated Exposures According to Ratings by External Credit Assessment Institutions (ECAIs) as at 30 June 2021

RHB Investment Bank Group

Ratings of Corporates by Approved ECAIs

	Moody's	Aaa to Aa3	A1 to A3	Baa1 to Ba3	B1 to C	Unrated
	S&P	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
	Fitch	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
	RAM	AAA to AA3	A1 to A3	BBB1 to BBB3	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
--	--------	--------	--------	--------	--------

On and Off-Balance Sheet Exposures

Public Sector Entities	-	-	-	-	230,229
Insurance Cos, Securities Firms & Fund Managers	-	-	-	-	233,612
Corporates	35,291	-	-	-	644,043

Ratings of Sovereigns and Central Banks
by Approved ECAIs

	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
--	--------	--------	--------	--------	--------	--------

On and Off-Balance Sheet Exposures

Sovereigns & Central Banks	-	906,540	-	4,073	-	-
----------------------------	---	---------	---	-------	---	---

Ratings of Banking Institutions by Approved ECAIs

	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 BBB3	BB1 to B3	C1 to D	Unrated
	MARC	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	C+ to D	Unrated
<u>Exposure Class</u>	R&I	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to C	Unrated

	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
--	--------	--------	--------	--------	--------	--------

On and Off-Balance Sheet Exposures

Banks, Development Financial Institutions & MDBs	2,686,106	51,647	2	-	-	226,038
--	-----------	--------	---	---	---	---------

RHB INVESTMENT BANK GROUP
BASEL II PILLAR 3 DISCLOSURES AS AT 30 JUNE 2021

Table 11b: Rated Exposures According to Ratings by External Credit Assessment Institutions (ECAIs) as at 31 December 2020

RHB Investment Bank Group

Ratings of Corporates by Approved ECAIs

	Moody's	Aaa to Aa3	A1 to A3	Baa1 to Ba3	B1 to C	Unrated
	S&P	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
	Fitch	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
	RAM	AAA to AA3	A1 to A3	BBB1 to BBB3	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

On and Off-Balance Sheet Exposures

Public Sector Entities		-	-	-	-	167,819
Insurance Cos, Securities Firms & Fund Managers		-	-	-	-	60,888
Corporates		-	-	-	-	703,527

Ratings of Sovereigns and Central Banks
by Approved ECAIs

	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

On and Off-Balance Sheet Exposures

Sovereigns & Central Banks		-	717,991	-	3,977	-	-
----------------------------	--	---	---------	---	-------	---	---

Ratings of Banking Institutions by Approved ECAIs

	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 BBB3	BB1 to B3	C1 to D	Unrated
	MARC	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	C+ to D	Unrated
<u>Exposure Class</u>	R&I	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to C	Unrated

RM'000 RM'000 RM'000 RM'000 RM'000 RM'000

On and Off-Balance Sheet Exposures

Banks, Development Financial Institutions & MDBs		2,356,152	57,041	2	-	-	252,119
--	--	-----------	--------	---	---	---	---------

RHB INVESTMENT BANK GROUP
 BASEL II PILLAR 3 DISCLOSURES AS AT 30 JUNE 2021

Table 12a: Credit Risk Mitigation of Portfolios under the Standardised Approach as at 30 June 2021

RHB Investment Bank Group	Gross Exposures Before Credit Risk Mitigation	Gross Exposures Covered by Guarantees/ Credit Derivatives	Gross Exposures Covered by Eligible Financial Collateral
<u>Exposure Class</u>	RM'000	RM'000	RM'000
<u>On-Balance Sheet Exposures</u>			
Sovereigns & Central Banks	910,613	-	-
Public Sector Entities	230,229	230,229	-
Banks, Development Financial Institutions & MDBs	2,963,521	30,389	-
Insurance Cos, Securities Firms & Fund Managers	233,612	-	-
Corporates	1,781,630	653,347	1,107,355
Regulatory Retail	738,164	-	736,673
Residential Mortgages	276	-	-
Higher Risk Assets	572,304	-	-
Other Assets	1,636,794	-	-
Equity Exposures	124,039	-	-
Defaulted Exposures	6	-	6
Total On-Balance Sheet Exposures	9,191,188	913,965	1,844,034
<u>Off-Balance Sheet Exposures</u>			
OTC Derivatives	272	-	-
Off-balance sheet exposures other than OTC derivatives or credit derivatives	200,699	5,059	195,476
Defaulted Exposures	-	-	-
Total Off-Balance Sheet Exposures	200,971	5,059	195,476
Total On and Off-Balance Sheet Exposures	9,392,159	919,024	2,039,510

Table 12b: Credit Risk Mitigation of Portfolios under the Standardised Approach as at 31 December 2020

RHB Investment Bank Group	Gross Exposures Before Credit Risk Mitigation	Gross Exposures Covered by Guarantees/ Credit Derivatives	Gross Exposures Covered by Eligible Financial Collateral
<u>Exposure Class</u>	RM'000	RM'000	RM'000
<u>On-Balance Sheet Exposures</u>			
Sovereigns & Central Banks	721,968	-	-
Public Sector Entities	167,819	167,819	-
Banks, Development Financial Institutions & MDBs	2,664,767	30,411	-
Insurance Cos, Securities Firms & Fund Managers	60,888	-	-
Corporates	1,755,208	689,251	1,057,524
Regulatory Retail	759,344	-	758,610
Residential Mortgages	290	-	-
Higher Risk Assets	539,595	-	-
Other Assets	1,479,479	-	-
Equity Exposures	119,394	-	-
Defaulted Exposures	716	-	716
Total On-Balance Sheet Exposures	8,269,468	887,481	1,816,850
<u>Off-Balance Sheet Exposures</u>			
OTC Derivatives	547	-	-
Off-balance sheet exposures other than OTC derivatives or credit derivatives	225,886	5,843	219,858
Defaulted Exposures	-	-	-
Total Off-Balance Sheet Exposures	226,433	5,843	219,858
Total On and Off-Balance Sheet Exposures	8,495,901	893,324	2,036,708

RHB INVESTMENT BANK GROUP
BASEL II PILLAR 3 DISCLOSURES AS AT 30 JUNE 2021

Table 13a: Impaired and Past Due Loans and Allowance for Credit Losses by Industry Sector as at 30 June 2021

RHB Investment Bank Group			
<u>Industry Sector</u>	Impaired Loans and Advances	Past Due Loans	Allowance For Credit Losses
	RM'000	RM'000	RM'000
Agriculture	-	-	-
Mining & Quarrying	-	-	-
Manufacturing	-	-	-
Electricity, Gas & Water Supply	-	-	-
Construction	-	-	-
Wholesale, Retail Trade, Restaurants & Hotels	-	-	-
Transport, Storage & Communication	-	-	-
Finance, Insurance, Real Estate & Business	-	-	-
Education, Health & Others	-	-	-
Household	8,799	-	8,793
Others	-	-	-
Total	8,799	-	8,793

Table 13b: Impaired and Past Due Loans and Allowance for Credit Losses by Industry Sector as at 31 December 2020

RHB Investment Bank Group			
<u>Industry Sector</u>	Impaired Loans and Advances	Past Due Loans	Allowance For Credit Losses
	RM'000	RM'000	RM'000
Agriculture	-	-	-
Mining & Quarrying	-	-	-
Manufacturing	-	-	-
Electricity, Gas & Water Supply	-	-	-
Construction	-	-	-
Wholesale, Retail Trade, Restaurants & Hotels	-	-	-
Transport, Storage & Communication	-	-	-
Finance, Insurance, Real Estate & Business	-	-	-
Education, Health & Others	-	-	-
Household	9,667	-	8,951
Others	-	-	-
Total	9,667	-	8,951

Table 14: Net Charges/(Write back) and Write-Offs for Impairment by Industry Sector

RHB Investment Bank Group	Six Months Period Ended 30.06.2021		Twelve Months Period Ended 31.12.2020	
	Net Charges/ (Write back) for Lifetime ECL Credit Impaired (Stage 3)	Write-Offs for Lifetime ECL Credit Impaired (Stage 3)	Net Charges/ (Write back) for Lifetime ECL Credit Impaired (Stage 3)	Write-Offs for Lifetime ECL Credit Impaired (Stage 3)
<u>Industry Sector</u>	RM'000	RM'000	RM'000	RM'000
Agriculture	-	-	-	-
Mining & Quarrying	-	-	-	(6,846)
Manufacturing	-	-	-	-
Electricity, Gas & Water Supply	-	-	-	-
Construction	-	-	-	-
Wholesale, Retail Trade, Restaurants & Hotels	-	-	-	-
Transport, Storage & Communication	-	-	-	-
Finance, Insurance, Real Estate & Business	-	-	-	-
Education, Health & Others	-	-	-	-
Household	-	-	(298)	(1,535)
Others	-	-	-	-
Total	-	-	(298)	(8,381)

RHB INVESTMENT BANK GROUP
BASEL II PILLAR 3 DISCLOSURES AS AT 30 JUNE 2021

Table 15a: Impaired and Past Due Loans and Allowance for Credit Losses by Geographical Distribution as at 30 June 2021

RHB Investment Bank Group	Impaired Loans and Advances	Past Due Loans	Allowance For Credit Losses
<u>Geographical Distribution</u>	RM'000	RM'000	RM'000
Malaysia	6	-	-
Singapore	-	-	-
Hong Kong	-	-	-
Indonesia	-	-	-
Thailand	8,793	-	8,793
Total	8,799	-	8,793

Table 15b: Impaired and Past Due Loans and Allowance for Credit Losses by Geographical Distribution as at 31 December 2020

RHB Investment Bank Group	Impaired Loans and Advances	Past Due Loans	Allowance For Credit Losses
<u>Geographical Distribution</u>	RM'000	RM'000	RM'000
Malaysia	-	-	-
Singapore	-	-	-
Hong Kong	-	-	-
Indonesia	716	-	-
Thailand	8,951	-	8,951
Total	9,667	-	8,951

Table 16a: Movement in Loans Allowance for Credit Losses as at 30 June 2021

RHB Investment Bank Group	12-month ECL (Stage 1)	Lifetime ECL Not Credit Impaired (Stage 2)	Lifetime ECL Credit Impaired (Stage 3)	Total
	RM'000	RM'000	RM'000	RM'000
Balance as at the beginning of financial year	1	-	8,950	8,951
Allowance made/(written back) during the financial year	-	-	-	-
Bad debts written off	-	-	-	-
Disposal of a subsidiary	-	-	-	-
Exchange differences	-	-	(158)	(158)
Balance as at the end of financial year	1	-	8,792	8,793

Table 16b: Movement in Loans Allowance for Credit Losses as at 31 December 2020

RHB Investment Bank Group	12-month ECL (Stage 1)	Lifetime ECL Not Credit Impaired (Stage 2)	Lifetime ECL Credit Impaired (Stage 3)	Total
	RM'000	RM'000	RM'000	RM'000
Balance as at the beginning of financial year	1	-	19,616	19,617
Allowance made/(written back) during the financial year	-	-	(298)	(298)
Bad debts written off	-	-	(8,381)	(8,381)
Disposal of a subsidiary	-	-	(1,560)	(1,560)
Exchange differences	-	-	(427)	(427)
Balance as at the end of financial year	1	-	8,950	8,951

RHB INVESTMENT BANK GROUP
 BASEL II PILLAR 3 DISCLOSURES AS AT 30 JUNE 2021

Table 17a: Market Risk-Weighted Assets and Minimum Capital Requirements as at 30 June 2021

RHB Investment Bank Group				
	Long	Short	Risk-Weighted	Minimum
<u>Market Risk</u>	<u>Position</u>	<u>Position</u>	<u>Assets</u>	<u>Requirements</u>
	RM'000	RM'000	RM'000	RM'000
Interest Rate Risk	12,952	9,559	3,374	270
Equity Position Risk	77,803	48,504	108,044	8,643
Foreign Currency Risk	189,972	(749)	189,972	15,198
Options Risk	-	48,504	211,323	16,906
Total			512,713	41,017

RHB Investment Bank				
	Long	Short	Risk-Weighted	Minimum
<u>Market Risk</u>	<u>Position</u>	<u>Position</u>	<u>Assets</u>	<u>Requirements</u>
	RM'000	RM'000	RM'000	RM'000
Interest Rate Risk	12,952	9,559	3,374	270
Equity Position Risk	75,838	48,504	72,158	5,773
Foreign Currency Risk	103,240	749	103,240	8,259
Options Risk	-	48,504	209,898	16,792
Total			388,670	31,094

Table 17b: Market Risk-Weighted Assets and Minimum Capital Requirements as at 31 December 2020

RHB Investment Bank Group				
	Long	Short	Risk-Weighted	Minimum
<u>Market Risk</u>	<u>Position</u>	<u>Position</u>	<u>Assets</u>	<u>Requirements</u>
	RM'000	RM'000	RM'000	RM'000
Interest Rate Risk	12,381	10,990	1,539	123
Equity Position Risk	222,251	198,700	168,988	13,519
Foreign Currency Risk	182,175	3,432	182,175	14,574
Options Risk	-	198,700	104,411	8,353
Total			457,113	36,569

RHB Investment Bank				
	Long	Short	Risk-Weighted	Minimum
<u>Market Risk</u>	<u>Position</u>	<u>Position</u>	<u>Assets</u>	<u>Requirements</u>
	RM'000	RM'000	RM'000	RM'000
Interest Rate Risk	12,381	10,990	1,539	123
Equity Position Risk	225,659	198,744	70,604	5,648
Foreign Currency Risk	124,154	4,430	124,154	9,932
Options Risk	-	198,744	104,409	8,353
Total			300,706	24,056

Note:

- As at 31 June 2021 and 31 December 2020, RHB Investment Bank Group and RHB Investment Bank did not have any exposures under Commodity or Inventory Risk.
- For the Equity Position risk, the position is computed based on net long and net short position.

**RHB INVESTMENT BANK GROUP
BASEL II PILLAR 3 DISCLOSURES AS AT 30 JUNE 2021**

Table 18: Equity Exposures in the Banking Book

RHB Investment Bank Group <u>Equity Type</u>	Gross Credit Exposures		Risk-Weighted Assets	
	30.06.2021	31.12.2020	30.06.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Publicly traded				
Investment in unit trust funds	85,118	82,573	85,118	82,573
Holdings of equity investments	2,252	1,867	2,252	1,867
Privately held				
For socio economic purposes	36,669	40,823	36,669	43,758
For non socio economic purposes	572,304	533,726	858,456	800,589
Total	696,343	658,989	982,495	928,787
	30.06.2021	31.12.2020		
	RM'000	RM'000		
Total Net Unrealised Gains/(Loss)	189,621	150,305		

Table 19a: Interest Rate Risk in the Banking Book as at 30 June 2021

RHB Investment Bank Group <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	Impact based on -100 basis points	Impact based on +100 basis points	Impact based on -100 basis points
	RM'000	RM'000	RM'000	RM'000
MYR - Malaysian Ringgit	(8,419)	8,419	(42,817)	42,817
USD - US Dollar	(3,142)	3,142	(90)	90
Others ¹	1,306	(1,306)	(4,354)	4,354
Total	(10,255)	10,255	(47,261)	47,261

Table 19b: Interest Rate Risk in the Banking Book as at 31 December 2020

RHB Investment Bank Group <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	Impact based on -100 basis points	Impact based on +100 basis points	Impact based on -100 basis points
	RM'000	RM'000	RM'000	RM'000
MYR - Malaysian Ringgit	(12,463)	12,463	(42,715)	42,715
USD - US Dollar	(3,144)	3,144	128	(128)
Others ¹	500	(500)	(4,531)	4,531
Total	(15,107)	15,107	(47,118)	47,118

Note:

1. Inclusive of GBP, EUR, SGD, etc

2. The earnings and economic values were computed based on the standardised approach adopted by BNM.

Table 20: Operational Risk-Weighted Assets and Minimum Capital Requirements

<u>Operational Risk</u>	RHB Investment Bank Group		RHB Investment Bank	
	30.06.2021	31.12.2020	30.06.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Risk-Weighted Assets	1,629,556	1,580,409	922,493	858,966
Minimum Capital Requirements	130,364	126,433	73,799	68,717