

RHB Investment Bank Berhad
Basel II Pillar 3 Disclosures
30 June 2022

**RHB INVESTMENT BANK GROUP
BASEL II PILLAR 3 DISCLOSURES AS AT 30 JUNE 2022**

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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 2022 are accurate and complete.

GANESH SABARATNAM
Managing Director

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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 2022 with comparative quantitative information of the preceding financial year as at 31 December 2021. 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.

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Table 1: Capital Adequacy Ratios

<u>Capital Ratios</u>	RHB Investment Bank Group		RHB Investment Bank	
	30.06.2022	31.12.2021	30.06.2022	31.12.2021
<u>Before proposed dividends</u>				
Common Equity Tier I Capital Ratio	36.584%	35.348%	26.851%	29.319%
Tier I Capital Ratio	36.610%	35.376%	26.851%	29.319%
Total Capital Ratio	42.274%	40.666%	38.504%	40.027%
<u>After proposed dividends</u>				
Common Equity Tier I Capital Ratio	36.584%	33.044%	26.851%	24.231%
Tier I Capital Ratio	36.610%	33.071%	26.851%	24.231%
Total Capital Ratio	42.274%	38.361%	38.504%	34.938%

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

<u>Risk Types</u>	RHB Investment Bank Group		RHB Investment Bank	
	30.06.2022	31.12.2021	30.06.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Credit RWA	2,043,750	2,358,408	663,084	834,269
Market RWA	292,934	285,276	179,294	162,040
Operational RWA	1,646,729	1,695,946	944,993	968,930
Total	3,983,413	4,339,630	1,787,371	1,965,239

Table 3a: Risk-Weighted Assets by Risk Types and Minimum Capital Requirements as at 30 June 2022

<u>Risk Types</u>	RWA		Minimum Capital Requirements	
	RHB	RHB	RHB	RHB
	Investment Bank Group	Investment Bank	Investment Bank Group	Investment Bank
	RM'000	RM'000	RM'000	RM'000
Credit Risk				
Under Standardised Approach	2,043,750	663,084	163,500	53,047
Market Risk				
Under Standardised Approach	292,934	179,294	23,435	14,343
Operational Risk				
Under Basic Indicator Approach	1,646,729	944,993	131,738	75,599
Total	3,983,413	1,787,371	318,673	142,989

Table 3b: Risk-Weighted Assets by Risk Types and Minimum Capital Requirements as at 31 December 2021

<u>Risk Types</u>	RWA		Minimum Capital Requirements	
	RHB	RHB	RHB	RHB
	Investment Bank Group	Investment Bank	Investment Bank Group	Investment Bank
	RM'000	RM'000	RM'000	RM'000
Credit Risk				
Under Standardised Approach	2,358,408	834,269	188,673	66,742
Market Risk				
Under Standardised Approach	285,276	162,040	22,822	12,963
Operational Risk				
Under Basic Indicator Approach	1,695,946	968,930	135,675	77,514
Total	4,339,630	1,965,239	347,170	157,219

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Table 4: Capital Structure

	RHB Investment Bank Group		RHB Investment Bank	
	30.06.2022	31.12.2021	30.06.2022	31.12.2021
	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	1,220,000	1,220,000	1,220,000
Retained profits	670,690	767,406	380,900	481,289
Other reserves	81,282	63,975	-	-
Fair value through other comprehensive income (FVOCI) reserves	34,279	38,949	33,930	38,642
Less:				
Goodwill	(449,978)	(449,978)	(372,395)	(372,395)
Investments in subsidiaries	-	-	(707,799)	(712,127)
Investments in associates and joint ventures	(4,674)	(4,644)	(5,028)	(5,028)
Other Intangible assets	(46,664)	(46,663)	(31,018)	(30,183)
Deferred tax assets	(28,802)	(33,571)	(20,005)	(22,684)
55% of cumulative gains arising from change in value of FVOCI instruments	(18,853)	(21,422)	(18,662)	(21,253)
Other deductions [#]	-	(71)	-	(71)
Total Common Equity Tier I Capital	1,457,280	1,533,981	479,923	576,190
Qualifying non controlling interest recognised as Tier I Capital	1,035	1,187	-	-
Total Tier I Capital	1,458,315	1,535,168	479,923	576,190
<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	75	98	-	-
General provisions [^]	25,547	29,480	8,289	10,428
Total Tier II Capital	225,622	229,578	208,289	210,428
Total Capital	1,683,937	1,764,746	688,212	786,618

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 RM24,833,000 (31 December 2021: RM28,903,000) and RM8,197,000 (31 December 2021: RM10,400,000) respectively.

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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 2022

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	1,853,988	1,853,988	4,332	347
Public Sector Entities	151,498	151,498	-	-
Banks, Development Financial Institutions & MDBs	2,003,990	2,003,990	505,387	40,431
Insurance Cos, Securities Firms & Fund Managers	46,682	46,682	46,681	3,734
Corporates	1,456,970	461,391	24,123	1,930
Regulatory Retail	583,035	4,918	3,689	295
Residential Mortgages	251	251	88	7
Higher Risk Assets	672,643	672,643	1,008,965	80,717
Other Assets	932,083	932,083	340,324	27,226
Equity Exposures	85,564	85,564	85,564	6,845
Defaulted Exposures	-	-	-	-
Total On-Balance Sheet Exposures	7,786,704	6,213,008	2,019,153	161,532
Off-Balance Sheet Exposures				
OTC Derivatives	1,928	1,928	446	36
Off-balance sheet exposures other than OTC derivatives or credit derivatives	1,086,739	120,300	24,151	1,932
Defaulted Exposures	-	-	-	-
Total Off-Balance Sheet Exposures	1,088,667	122,228	24,597	1,968
Total On and Off-Balance Sheet Exposures	8,875,371	6,335,236	2,043,750	163,500

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 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	773,500	773,500	4,090	327
Public Sector Entities	209,002	209,002	-	-
Banks, Development Financial Institutions & MDBs	3,017,397	3,017,397	690,041	55,204
Insurance Cos, Securities Firms & Fund Managers	113,747	113,747	113,747	9,100
Corporates	1,682,720	688,498	12,270	982
Regulatory Retail	686,562	5,497	4,123	330
Residential Mortgages	264	264	92	6
Higher Risk Assets	626,956	626,956	940,434	75,235
Other Assets	1,139,626	1,139,626	508,590	40,687
Equity Exposures	84,973	84,973	84,973	6,798
Defaulted Exposures	25	-	-	-
Total On-Balance Sheet Exposures	8,334,772	6,659,460	2,358,360	188,669
Off-Balance Sheet Exposures				
OTC Derivatives	17	17	3	-
Off-balance sheet exposures other than OTC derivatives or credit derivatives	183,471	60	45	4
Defaulted Exposures	-	-	-	-
Total Off-Balance Sheet Exposures	183,488	77	48	4
Total On and Off-Balance Sheet Exposures	8,518,260	6,659,537	2,358,408	188,673

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Table 6a: Exposures on Off-Balance Sheet and Counterparty Credit Risk (Before Credit Risk Mitigation) as at 30 June 2022

RHB Investment Bank Group	Principal/ Notional Amount	Positive Fair Value of Derivative Contracts	Credit Equivalent Amount	Risk- Weighted Assets
<u>Nature of Item</u>	RM'000	RM'000	RM'000	RM'000
Lending of banks' securities or the posting of securities as collateral by banks, including instances where these arise out of repo style transactions	900,195		900,195	24,027
Foreign exchange related contracts	40,569	88	88	78
1 year or less	40,569	88	88	78
Over 1 year to 5 years	-	-	-	-
Over 5 years	-	-	-	-
Interest rate related contracts	160,000	165	1,766	353
1 year or less	-	-	-	-
Over 1 year to 5 years	160,000	165	1,766	353
Over 5 years	-	-	-	-
Equity related contracts	948	18	74	15
1 year or less	948	18	74	15
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	932,666		186,533	116
Total	2,034,400	271	1,088,667	24,597

Table 6b: Exposures on Off-Balance Sheet and Counterparty Credit Risk (Before Credit Risk Mitigation) as at 31 December 2021

RHB Investment Bank Group	Principal/ Notional Amount	Positive Fair Value of Derivative Contracts	Credit Equivalent Amount	Risk- Weighted Assets
<u>Nature of Item</u>	RM'000	RM'000	RM'000	RM'000
Lending of banks' securities or the posting of securities as collateral by banks, including instances where these arise out of repo style transactions	-		-	-
Foreign exchange related contracts	24,496	17	17	3
1 year or less	24,496	17	17	3
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	-	-	-	-
1 year or less	-	-	-	-
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	917,299		183,460	37
Total	941,817	17	183,488	48

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Table 7a: Credit Risk Exposures (Before Credit Risk Mitigation) by Geographical Distribution as at 30 June 2022

RHB Investment Bank Group

<u>Exposure Class</u>	<u>Malaysia</u>	<u>Singapore</u>	<u>Hong Kong</u>	<u>Indonesia</u>	<u>Thailand</u>	<u>Cambodia</u>	<u>Vietnam</u>	<u>Total</u>
	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	1,849,656	-	-	-	-	4,332	-	1,853,988
Public Sector Entities	151,498	-	-	-	-	-	-	151,498
Banks, Development Financial Institutions & MDBs	2,688,393	13,034	6,937	114,215	13,886	43,649	25,924	2,906,038
Insurance Cos, Securities Firms & Fund Managers	46,751	-	1	5	-	-	-	46,757
Corporates	1,276,986	-	-	46,422	199,646	-	-	1,523,054
Regulatory Retail	569,657	-	-	69,406	60,779	-	3,652	703,494
Residential Mortgages	252	-	-	-	-	-	-	252
Higher Risk Assets	672,354	-	-	40	249	-	-	672,643
Other Assets	717,455	4,670	358	125,342	79,903	2,779	1,576	932,083
Total	7,973,002	17,704	7,296	355,430	354,463	50,760	31,152	8,789,807

Table 7b: Credit Risk Exposures (Before Credit Risk Mitigation) by Geographical Distribution as at 31 December 2021

RHB Investment Bank Group

<u>Exposure Class</u>	<u>Malaysia</u>	<u>Singapore</u>	<u>Hong Kong</u>	<u>Indonesia</u>	<u>Thailand</u>	<u>Cambodia</u>	<u>Vietnam</u>	<u>Total</u>
	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	769,410	-	-	-	-	4,090	-	773,500
Public Sector Entities	209,002	-	-	-	-	-	-	209,002
Banks, Development Financial Institutions & MDBs	2,854,946	11,395	8,988	67,039	8,175	40,458	26,413	3,017,414
Insurance Cos, Securities Firms & Fund Managers	113,745	-	2	-	-	-	-	113,747
Corporates	1,548,675	-	-	51,638	148,008	-	-	1,748,321
Regulatory Retail	617,303	-	-	104,730	79,829	-	2,594	804,456
Residential Mortgages	265	-	-	-	-	-	-	265
Higher Risk Assets	626,666	-	-	39	251	-	-	626,956
Other Assets	828,797	13,066	351	165,877	126,533	3,089	1,913	1,139,626
Total	7,568,809	24,461	9,341	389,323	362,796	47,637	30,920	8,433,287

Note: This table excludes equity exposures

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Table 8a: Credit Risk Exposures (Before Credit Risk Mitigation) by Industry Sector as at 30 June 2022

RHB Investment Bank Group												
Exposure Class	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	Others	Total
	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	-	-	-	-	-	-	-	-	1,853,988	-	-	1,853,988
Public Sector Entities	-	-	-	-	40,311	-	-	80,147	31,040	-	-	151,498
Banks, Development Financial Institutions & MDBs	-	-	-	-	-	-	-	2,906,038	-	-	-	2,906,038
Insurance Cos, Securities Firms & Fund Managers	-	-	-	-	-	-	-	46,757	-	-	-	46,757
Corporates	711	86	3,637	35,190	5,285	21,835	99,225	764,255	2,495	590,335	-	1,523,054
Regulatory Retail	-	-	-	-	-	-	-	-	-	703,494	-	703,494
Residential Mortgages	-	-	-	-	-	-	-	-	-	252	-	252
Higher Risk Assets	-	-	-	-	-	-	-	672,643	-	-	-	672,643
Other Assets	-	-	-	-	-	-	-	273,993	-	14	658,076	932,083
Total	711	86	3,637	35,190	45,596	21,835	99,225	4,743,833	1,887,523	1,294,095	658,076	8,789,807

Table 8b: Credit Risk Exposures (Before Credit Risk Mitigation) by Industry Sector as at 31 December 2021

RHB Investment Bank Group												
Exposure Class	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	Others	Total
	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	-	-	-	-	-	-	-	-	773,500	-	-	773,500
Public Sector Entities	-	-	-	-	40,311	-	-	82,017	86,674	-	-	209,002
Banks, Development Financial Institutions & MDBs	-	-	-	-	-	-	-	3,017,414	-	-	-	3,017,414
Insurance Cos, Securities Firms & Fund Managers	-	-	-	-	-	-	-	113,747	-	-	-	113,747
Corporates	176	86	4,460	35,249	5,452	174,962	100,660	819,560	2,499	605,217	-	1,748,321
Regulatory Retail	-	-	-	-	-	-	-	-	-	804,456	-	804,456
Residential Mortgages	-	-	-	-	-	-	-	-	-	265	-	265
Higher Risk Assets	-	-	-	-	-	-	-	626,956	-	-	-	626,956
Other Assets	-	-	-	-	-	-	-	281,828	-	399	857,399	1,139,626
Total	176	86	4,460	35,249	45,763	174,962	100,660	4,941,522	862,673	1,410,337	857,399	8,433,287

Note: This table excludes equity exposures

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Table 9a: Credit Risk Exposures (Before Credit Risk Mitigation) by Remaining Maturity as at 30 June 2022

RHB Investment Bank Group				
Exposure Class	One Year	More Than	Over	Total
	or Less	One to	Five Years	
	RM'000	Five Years	RM'000	RM'000
Exposures under Standardised Approach				
Sovereigns & Central Banks	1,214,582	374,244	265,162	1,853,988
Public Sector Entities	-	112,876	38,622	151,498
Banks, Development Financial Institutions & MDBs	2,617,849	1,766	286,423	2,906,038
Insurance Cos, Securities Firms & Fund Managers	46,757	-	-	46,757
Corporates	1,312,402	133,470	77,182	1,523,054
Regulatory Retail	703,465	-	29	703,494
Residential Mortgages	2	14	236	252
Higher Risk Assets	249	-	672,394	672,643
Other Assets	710,527	-	221,556	932,083
Total	6,605,833	622,370	1,561,604	8,789,807

Table 9b: Credit Risk Exposures (Before Credit Risk Mitigation) by Remaining Maturity as at 31 December 2021

RHB Investment Bank Group				
Exposure Class	One Year	More Than	Over	Total
	or Less	One to	Five Years	
	RM'000	Five Years	RM'000	RM'000
Exposures under Standardised Approach				
Sovereigns & Central Banks	405,067	123,932	244,501	773,500
Public Sector Entities	85,611	113,290	10,101	209,002
Banks, Development Financial Institutions & MDBs	2,669,978	-	347,436	3,017,414
Insurance Cos, Securities Firms & Fund Managers	113,747	-	-	113,747
Corporates	1,406,825	276,238	65,258	1,748,321
Regulatory Retail	804,426	-	30	804,456
Residential Mortgages	4	16	245	265
Higher Risk Assets	251	-	626,705	626,956
Other Assets	766,247	-	373,379	1,139,626
Total	6,252,156	513,476	1,667,655	8,433,287

Note: This table excludes equity exposures

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Table 10a: Portfolios under the Standardised Approach by Risk Weights as at 30 June 2022

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%	1,849,657	151,498	-	-	437,267	-	-	-	384,671	-	2,823,093	-
20%	-	-	1,893,302	-	-	-	-	-	258,860	-	2,152,162	430,433
35%	-	-	-	-	-	-	252	-	-	-	252	88
50%	-	-	163,101	-	-	-	-	-	-	-	163,101	81,550
75%	-	-	-	-	-	5,083	-	-	-	-	5,083	3,812
100%	4,331	-	69,573	46,757	24,125	-	-	-	288,552	85,564	518,902	518,902
150%	-	-	-	-	-	-	-	672,643	-	-	672,643	1,008,965
Total Exposures	1,853,988	151,498	2,125,976	46,757	461,392	5,083	252	672,643	932,083	85,564	6,335,236	2,043,750

Table 10b: Portfolios under the Standardised Approach by Risk Weights as at 31 December 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%	769,410	209,002	-	-	676,228	-	-	-	420,196	-	2,074,836	-
20%	-	-	2,840,329	-	-	-	-	-	263,550	-	3,103,879	620,776
35%	-	-	-	-	-	-	265	-	-	-	265	93
50%	-	-	110,213	-	-	-	-	-	-	-	110,213	55,106
75%	-	-	-	-	-	5,556	-	-	-	-	5,556	4,167
100%	4,090	-	66,872	113,747	12,270	-	-	-	455,880	84,973	737,832	737,832
150%	-	-	-	-	-	-	-	626,956	-	-	626,956	940,434
Total Exposures	773,500	209,002	3,017,414	113,747	688,498	5,556	265	626,956	1,139,626	84,973	6,659,537	2,358,408

RHB INVESTMENT BANK GROUP
BASEL II PILLAR 3 DISCLOSURES AS AT 30 JUNE 2022

Table 11a: Rated Exposures According to Ratings by External Credit Assessment Institutions (ECAIs) as at 30 June 2022

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
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On and Off-Balance Sheet Exposures

Public Sector Entities	-	-	-	-	151,498
Insurance Cos, Securities Firms & Fund Managers	-	-	-	-	46,757
Corporates	35,190	-	-	-	426,202

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
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On and Off-Balance Sheet Exposures

Sovereigns & Central Banks	-	1,849,657	-	4,331	-	-
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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
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On and Off-Balance Sheet Exposures

Banks, Development Financial Institutions & MDBs	1,861,677	41,869	3	-	-	222,427
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RHB INVESTMENT BANK GROUP
BASEL II PILLAR 3 DISCLOSURES AS AT 30 JUNE 2022

Table 11b: Rated Exposures According to Ratings by External Credit Assessment Institutions (ECAIs) as at 31 December 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		-	-	-	-	209,002
Insurance Cos, Securities Firms & Fund Managers		-	-	-	-	113,747
Corporates		-	-	-	-	653,248

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		-	769,410	-	4,090	-	-
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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		2,693,692	50,838	2	-	-	272,882
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RHB INVESTMENT BANK GROUP
BASEL II PILLAR 3 DISCLOSURES AS AT 30 JUNE 2022

Table 12a: Credit Risk Mitigation of Portfolios under the Standardised Approach as at 30 June 2022

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>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<u>On-Balance Sheet Exposures</u>			
Sovereigns & Central Banks	1,853,988	-	-
Public Sector Entities	151,498	151,498	-
Banks, Development Financial Institutions & MDBs	2,003,990	-	-
Insurance Cos, Securities Firms & Fund Managers	46,682	-	-
Corporates	1,456,970	437,267	995,579
Regulatory Retail	583,035	-	578,117
Residential Mortgages	251	-	-
Higher Risk Assets	672,643	-	-
Other Assets	932,083	-	-
Equity Exposures	85,564	-	-
Defaulted Exposures	-	-	-
Total On-Balance Sheet Exposures	7,786,704	588,765	1,573,696
<u>Off-Balance Sheet Exposures</u>			
OTC Derivatives	1,928	-	-
Off-balance sheet exposures other than OTC derivatives or credit derivatives	1,086,739	-	966,439
Defaulted Exposures	-	-	-
Total Off-Balance Sheet Exposures	1,088,667	-	966,439
Total On and Off-Balance Sheet Exposures	8,875,371	588,765	2,540,135

Table 12b: Credit Risk Mitigation of Portfolios under the Standardised Approach as at 31 December 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>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<u>On-Balance Sheet Exposures</u>			
Sovereigns & Central Banks	773,500	-	-
Public Sector Entities	209,002	209,002	-
Banks, Development Financial Institutions & MDBs	3,017,397	-	-
Insurance Cos, Securities Firms & Fund Managers	113,747	-	-
Corporates	1,682,720	676,228	994,222
Regulatory Retail	686,562	-	681,065
Residential Mortgages	264	-	-
Higher Risk Assets	626,956	-	-
Other Assets	1,139,626	-	-
Equity Exposures	84,973	-	-
Defaulted Exposures	25	-	25
Total On-Balance Sheet Exposures	8,334,772	885,230	1,675,312
<u>Off-Balance Sheet Exposures</u>			
OTC Derivatives	17	-	-
Off-balance sheet exposures other than OTC derivatives or credit derivatives	183,471	-	183,411
Defaulted Exposures	-	-	-
Total Off-Balance Sheet Exposures	183,488	-	183,411
Total On and Off-Balance Sheet Exposures	8,518,260	885,230	1,858,723

RHB INVESTMENT BANK GROUP
BASEL II PILLAR 3 DISCLOSURES AS AT 30 JUNE 2022

Table 13a: Impaired and Past Due Loans and Allowance for Credit Losses by Industry Sector as at 30 June 2022

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	11,214	-	11,215
Others	-	-	-
Total	11,214	-	11,215

Table 13b: Impaired and Past Due Loans and Allowance for Credit Losses by Industry Sector as at 31 December 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	11,008	-	10,984
Others	-	-	-
Total	11,008	-	10,984

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

RHB Investment Bank Group				
<u>Industry Sector</u>	Six Months Period Ended 30.06.2022		Twelve Months Period Ended 31.12.2021	
	Net Charges/ (Write back)	Write-Offs	Net Charges/ (Write back)	Write-Offs
	for Lifetime ECL Credit Impaired	for Lifetime ECL Credit Impaired	for Lifetime ECL Credit Impaired	for Lifetime ECL Credit Impaired
	(Stage 3)	(Stage 3)	(Stage 3)	(Stage 3)
	RM'000	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	-	-	-	-
Others	-	-	-	-
Total	-	-	-	-

RHB INVESTMENT BANK GROUP
BASEL II PILLAR 3 DISCLOSURES AS AT 30 JUNE 2022

Table 15a: Impaired and Past Due Loans and Allowance for Credit Losses by Geographical Distribution as at 30 June 2022

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	-	-	1
Singapore	-	-	-
Hong Kong	-	-	-
Indonesia	-	-	-
Thailand	11,214	-	11,214
Total	11,214	-	11,215

Table 15b: Impaired and Past Due Loans and Allowance for Credit Losses by Geographical Distribution as at 31 December 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	25	-	1
Singapore	-	-	-
Hong Kong	-	-	-
Indonesia	-	-	-
Thailand	10,983	-	10,983
Total	11,008	-	10,984

Table 16a: Movement in Loans Allowance for Credit Losses as at 30 June 2022

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 period	1	-	10,983	10,984
Exchange differences and other movements	-	-	231	231
Balance as at the end of financial period	1	-	11,214	11,215

Table 16b: Movement in Loans Allowance for Credit Losses as at 31 December 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
Exchange differences and other movements	-	-	2,033	2,033
Balance as at the end of financial year	1	-	10,983	10,984

**RHB INVESTMENT BANK GROUP
BASEL II PILLAR 3 DISCLOSURES AS AT 30 JUNE 2022**

Table 17a: Market Risk-Weighted Assets and Minimum Capital Requirements as at 30 June 2022

RHB Investment Bank Group				
Market Risk	Long Position	Short Position	Risk- Weighted Assets	Minimum Capital Requirements
	RM'000	RM'000	RM'000	RM'000
Interest Rate Risk	16,789	16,657	-	-
Equity Position Risk	70,038	60,013	69,605	5,568
Foreign Currency Risk	162,519	747	162,519	13,002
Options Risk	-	60,013	60,810	4,865
Total			292,934	23,435

RHB Investment Bank				
Market Risk	Long Position	Short Position	Risk- Weighted Assets	Minimum Capital Requirements
	RM'000	RM'000	RM'000	RM'000
Interest Rate Risk	16,789	16,657	-	-
Equity Position Risk	64,970	60,013	26,006	2,080
Foreign Currency Risk	92,478	747	92,478	7,398
Options Risk	-	60,013	60,810	4,865
Total			179,294	14,343

Table 17b: Market Risk-Weighted Assets and Minimum Capital Requirements as at 31 December 2021

RHB Investment Bank Group				
Market Risk	Long Position	Short Position	Risk- Weighted Assets	Minimum Capital Requirements
	RM'000	RM'000	RM'000	RM'000
Interest Rate Risk	6,741	3,392	3,291	263
Equity Position Risk	86,932	68,750	99,883	7,991
Foreign Currency Risk	146,496	730	146,496	11,720
Options Risk	-	68,750	35,606	2,848
Total			285,276	22,822

RHB Investment Bank				
Market Risk	Long Position	Short Position	Risk- Weighted Assets	Minimum Capital Requirements
	RM'000	RM'000	RM'000	RM'000
Interest Rate Risk	6,741	3,392	3,291	263
Equity Position Risk	80,624	68,750	40,672	3,254
Foreign Currency Risk	82,471	730	82,471	6,598
Options Risk	-	68,750	35,606	2,848
Total			162,040	12,963

Note:

- As at 30 June 2022 and 31 December 2021, 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 2022

Table 18: Equity Exposures in the Banking Book

RHB Investment Bank Group <u>Equity Type</u>	Gross Credit Exposures		Risk-Weighted Assets	
	30.06.2022	31.12.2021	30.06.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Publicly traded				
Investment in unit trust funds	44,845	46,155	44,845	46,155
Holdings of equity investments	2,202	2,148	2,202	2,148
Privately held				
For socio economic purposes	38,517	36,670	38,517	36,670
For non socio economic purposes	672,643	626,956	1,008,965	940,434
Total	758,207	711,929	1,094,529	1,025,407
	30.06.2022	31.12.2021		
	RM'000	RM'000		
Cumulative Realised Gains/ (Loss) from Sale and Liquidations	93	1,950		
Total Net Unrealised Gains/(Loss)	236,018	216,701		

Table 19a: Interest Rate Risk in the Banking Book as at 30 June 2022

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	(4,073)	4,073	(52,187)	52,187
USD - US Dollar	(3,591)	3,591	(99)	99
Others ¹	2,688	(2,688)	(1,813)	1,813
Total	(4,976)	4,976	(54,099)	54,099

Table 19b: Interest Rate Risk in the Banking Book as at 31 December 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	(8,108)	8,108	(47,213)	47,213
USD - US Dollar	(3,186)	3,186	181	(181)
Others ¹	2,032	(2,032)	(2,376)	2,376
Total	(9,262)	9,262	(49,408)	49,408

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	
	30.06.2022	31.12.2021	30.06.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Risk-Weighted Assets	1,646,729	1,695,946	944,993	968,930
Minimum Capital Requirements	131,738	135,675	75,599	77,514