

RHB Investment Bank Berhad

Basel II Pillar 3 Disclosures

30 June 2023

**RHB INVESTMENT BANK GROUP
BASEL II PILLAR 3 DISCLOSURES AS AT 30 JUNE 2023**

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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 2023 are accurate and complete.

GANESH SABARATNAM
Managing Director

RHB INVESTMENT BANK GROUP
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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 2023 with comparative quantitative information of the preceding financial year as at 31 December 2022. 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
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Table 1: Capital Adequacy Ratios

<u>Capital Ratios</u>	RHB Investment Bank Group		RHB Investment Bank	
	30.06.2023	31.12.2022	30.06.2023	31.12.2022
<u>Before proposed dividends</u>				
Common Equity Tier I Capital Ratio	35.710%	38.815%	27.480%	31.348%
Tier I Capital Ratio	35.736%	38.842%	27.480%	31.348%
Total Capital Ratio	38.724%	41.976%	33.405%	37.528%
<u>After proposed dividends</u>				
Common Equity Tier I Capital Ratio	35.710%	37.815%	27.480%	29.058%
Tier I Capital Ratio	35.736%	37.843%	27.480%	29.058%
Total Capital Ratio	38.724%	40.977%	33.405%	35.238%

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

<u>Risk Types</u>	RHB Investment Bank Group		RHB Investment Bank	
	30.06.2023	31.12.2022	30.06.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
Credit RWA	2,453,081	2,032,947	755,821	634,603
Market RWA	377,301	368,264	205,629	188,204
Operational RWA	1,545,136	1,602,662	885,826	923,914
Total	4,375,518	4,003,873	1,847,276	1,746,721

Table 3a: Risk-Weighted Assets by Risk Types and Minimum Capital Requirements as at 30 June 2023

<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	2,453,081	755,821	196,246	60,466
Market Risk				
Under Standardised Approach	377,301	205,629	30,184	16,450
Operational Risk				
Under Basic Indicator Approach	1,545,136	885,826	123,611	70,866
Total	4,375,518	1,847,276	350,041	147,782

Table 3b: Risk-Weighted Assets by Risk Types and Minimum Capital Requirements as at 31 December 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	2,032,947	634,603	162,636	50,769
Market Risk				
Under Standardised Approach	368,264	188,204	29,461	15,056
Operational Risk				
Under Basic Indicator Approach	1,602,662	923,914	128,213	73,913
Total	4,003,873	1,746,721	320,310	139,738

RHB INVESTMENT BANK GROUP
BASEL II PILLAR 3 DISCLOSURES AS AT 30 JUNE 2023

Table 4: Capital Structure

	RHB Investment Bank Group		RHB Investment Bank	
	30.06.2023	31.12.2022	30.06.2023	31.12.2022
	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	719,142	761,563	385,927	426,746
Other reserves	125,779	74,947	1,370	685
Fair value through other comprehensive income (FVOCI) reserves	38,864	35,601	38,215	35,060
Less:				
Goodwill	(449,978)	(449,978)	(372,395)	(372,395)
Investments in subsidiaries	-	-	(699,314)	(699,324)
Investments in associates and joint ventures	(4,785)	(4,721)	(5,028)	(5,028)
Other Intangible assets	(43,020)	(41,954)	(25,538)	(25,592)
Deferred tax assets	(22,135)	(21,793)	(14,585)	(13,300)
55% of cumulative gains arising from change in value of FVOCI instruments	(21,375)	(19,581)	(21,018)	(19,283)
Other deductions [#]	-	-	-	-
Total Common Equity Tier I Capital	1,562,492	1,554,084	507,634	547,569
Qualifying non controlling interest recognised as Tier I Capital	1,124	1,104	-	-
Total Tier I Capital	1,563,616	1,555,188	507,634	547,569
<u>Tier II Capital</u>				
Subordinated obligations meeting all relevant criteria	100,000	100,000	100,000	100,000
Qualifying non controlling interest recognised as Tier II Capital	85	83	-	-
General provisions [^]	30,664	25,412	9,448	7,933
Total Tier II Capital	130,749	125,495	109,448	107,933
Total Capital	1,694,365	1,680,683	617,082	655,502

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 RM29,947,000 (31 December 2022: RM24,741,000) and RM9,351,000 (31 December 2022: RM7,850,000) 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 2023

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
<u>Exposure Class</u>				
<u>Exposures under the Standardised Approach</u>				
<u>On-Balance Sheet Exposures</u>				
Sovereigns & Central Banks	2,163,568	2,163,568	4,516	361
Public Sector Entities	160,740	160,740	-	-
Banks, Development Financial Institutions & MDBs	2,224,811	2,224,811	538,587	43,087
Insurance Cos, Securities Firms & Fund Managers	38,302	38,302	38,302	3,064
Corporates	1,470,334	241,278	30,879	2,470
Regulatory Retail	693,560	18,766	14,075	1,126
Residential Mortgages	214	214	75	6
Higher Risk Assets	761,227	761,227	1,141,840	91,347
Other Assets	1,137,964	1,137,964	554,834	44,387
Equity Exposures	75,465	75,465	75,465	6,037
Defaulted Exposures	1	-	-	-
Total On-Balance Sheet Exposures	8,726,186	6,822,335	2,398,573	191,885
<u>Off-Balance Sheet Exposures</u>				
OTC Derivatives	24,556	24,556	4,911	393
Off-balance sheet exposures other than OTC derivatives or credit derivatives	808,128	235,122	49,597	3,968
Defaulted Exposures	-	-	-	-
Total Off-Balance Sheet Exposures	832,684	259,678	54,508	4,361
Total On and Off-Balance Sheet Exposures	9,558,870	7,082,013	2,453,081	196,246

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 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
<u>Exposure Class</u>				
<u>Exposures under the Standardised Approach</u>				
<u>On-Balance Sheet Exposures</u>				
Sovereigns & Central Banks	1,848,458	1,848,458	4,281	342
Public Sector Entities	151,203	151,203	-	-
Banks, Development Financial Institutions & MDBs	1,772,120	1,772,120	444,923	35,594
Insurance Cos, Securities Firms & Fund Managers	44,322	44,322	44,322	3,546
Corporates	1,545,149	355,023	12,836	1,027
Regulatory Retail	681,415	15,160	11,369	910
Residential Mortgages	237	237	83	7
Higher Risk Assets	689,771	689,771	1,034,656	82,772
Other Assets	921,879	921,879	349,314	27,945
Equity Exposures	104,266	104,266	104,266	8,341
Defaulted Exposures	-	-	-	-
Total On-Balance Sheet Exposures	7,758,820	5,902,439	2,006,050	160,484
<u>Off-Balance Sheet Exposures</u>				
OTC Derivatives	2,119	2,119	424	34
Off-balance sheet exposures other than OTC derivatives or credit derivatives	1,105,716	119,540	26,473	2,118
Defaulted Exposures	-	-	-	-
Total Off-Balance Sheet Exposures	1,107,835	121,659	26,897	2,152
Total On and Off-Balance Sheet Exposures	8,866,655	6,024,098	2,032,947	162,636

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Table 6a: Exposures on Off-Balance Sheet and Counterparty Credit Risk (Before Credit Risk Mitigation)
as at 30 June 2023

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>				
Forward asset purchases, forward deposits, partly paid shares and securities which represent commitments with certain drawdowns	207,606		207,606	41,521
Lending of banks' securities or the posting of securities as collateral by banks, including instances where these arise out of repo style transactions	388,956		388,956	4,567
Foreign exchange related contracts	444,232	22,057	24,170	4,834
1 year or less	444,232	22,057	24,170	4,834
Over 1 year to 5 years	-	-	-	-
Over 5 years	-	-	-	-
Interest rate related contracts	160,000	220	380	76
1 year or less	160,000	220	380	76
Over 1 year to 5 years	-	-	-	-
Over 5 years	-	-	-	-
Equity related contracts	100	-	6	1
1 year or less	100	-	6	1
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	1,057,777		211,555	3,501
Total	2,258,693	22,277	832,684	54,508

Table 6b: Exposures on Off-Balance Sheet and Counterparty Credit Risk (Before Credit Risk Mitigation)
as at 31 December 2022

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>				
Forward asset purchases, forward deposits, partly paid shares and securities which represent commitments with certain drawdowns	-		-	-
Lending of banks' securities or the posting of securities as collateral by banks, including instances where these arise out of repo style transactions	904,157		904,157	22,975
Foreign exchange related contracts	106,289	45	1,043	209
1 year or less	106,289	45	1,043	209
Over 1 year to 5 years	-	-	-	-
Over 5 years	-	-	-	-
Interest rate related contracts	160,000	670	1,069	214
1 year or less	160,000	670	1,069	214
Over 1 year to 5 years	-	-	-	-
Over 5 years	-	-	-	-
Equity related contracts	110	-	7	1
1 year or less	110	-	7	1
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	1,007,743		201,548	3,490
Total	2,178,321	715	1,107,835	26,897

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Table 7a: Credit Risk Exposures (Before Credit Risk Mitigation) by Geographical Distribution as at 30 June 2023

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	2,159,052	-	-	-	-	4,516	-	2,163,568
Public Sector Entities	160,740	-	-	-	-	-	-	160,740
Banks, Development Financial Institutions & MDBs	2,441,472	12,591	678	97,201	26,259	46,300	13,822	2,638,323
Insurance Cos, Securities Firms & Fund Managers	38,302	-	-	-	-	-	-	38,302
Corporates	1,422,205	-	-	69,766	269,029	-	-	1,761,000
Regulatory Retail	665,863	-	-	83,612	51,471	-	21,119	822,065
Residential Mortgages	216	-	-	-	-	-	-	216
Higher Risk Assets	760,922	-	-	42	263	-	-	761,227
Other Assets	928,520	4,121	124	121,337	75,198	3,146	5,518	1,137,964
Total	8,577,292	16,712	802	371,958	422,220	53,962	40,459	9,483,405

Table 7b: Credit Risk Exposures (Before Credit Risk Mitigation) by Geographical Distribution as at 31 December 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	1,844,177	-	-	-	-	4,281	-	1,848,458
Public Sector Entities	151,203	-	-	-	-	-	-	151,203
Banks, Development Financial Institutions & MDBs	2,501,928	13,755	678	82,766	15,895	43,906	19,468	2,678,396
Insurance Cos, Securities Firms & Fund Managers	44,322	-	-	-	-	-	-	44,322
Corporates	1,227,349	-	-	59,322	329,288	-	-	1,615,959
Regulatory Retail	639,771	-	-	86,153	67,188	-	19,051	812,163
Residential Mortgages	238	-	-	-	-	-	-	238
Higher Risk Assets	689,480	-	-	38	253	-	-	689,771
Other Assets	765,196	4,330	124	55,365	89,432	3,160	4,272	921,879
Total	7,863,664	18,085	802	283,644	502,056	51,347	42,791	8,762,389

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 2023

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	-	-	-	-	-	-	-	1,488,859	674,709	-	-	2,163,568
Public Sector Entities	-	-	-	-	-	-	-	-	160,740	-	-	160,740
Banks, Development Financial Institutions & MDBs	-	-	-	-	-	-	-	2,638,323	-	-	-	2,638,323
Insurance Cos, Securities Firms & Fund Managers	-	-	-	-	-	-	-	38,302	-	-	-	38,302
Corporates	4,356	76	9,820	234,281	9,664	27,491	64,249	727,566	2,499	680,998	-	1,761,000
Regulatory Retail	-	-	-	-	-	-	-	-	-	822,065	-	822,065
Residential Mortgages	-	-	-	-	-	-	-	-	-	216	-	216
Higher Risk Assets	-	-	-	-	-	-	-	761,227	-	-	-	761,227
Other Assets	-	-	-	-	-	-	-	272,532	-	1,360	864,072	1,137,964
Total	4,356	76	9,820	234,281	9,664	27,491	64,249	5,926,809	837,948	1,504,639	864,072	9,483,405

Table 8b: Credit Risk Exposures (Before Credit Risk Mitigation) by Industry Sector as at 31 December 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	-	-	-	-	-	-	-	1,145,562	702,896	-	-	1,848,458
Public Sector Entities	-	-	-	-	-	-	-	-	151,203	-	-	151,203
Banks, Development Financial Institutions & MDBs	-	-	-	-	-	-	-	2,678,396	-	-	-	2,678,396
Insurance Cos, Securities Firms & Fund Managers	-	-	-	-	-	-	-	44,322	-	-	-	44,322
Corporates	591	76	5,318	35,437	3,700	45,279	89,237	794,567	2,499	639,255	-	1,615,959
Regulatory Retail	-	-	-	-	-	-	-	-	-	812,163	-	812,163
Residential Mortgages	-	-	-	-	-	-	-	-	-	238	-	238
Higher Risk Assets	-	-	-	-	-	-	-	689,771	-	-	-	689,771
Other Assets	-	-	-	-	-	-	-	209,736	-	1,876	710,267	921,879
Total	591	76	5,318	35,437	3,700	45,279	89,237	5,562,354	856,598	1,453,532	710,267	8,762,389

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 2023

RHB Investment Bank Group				
Exposure Class	One Year or Less	More Than One to Five Years	Over Five Years	Total
	RM'000	RM'000	RM'000	RM'000
<u>Exposures under Standardised Approach</u>				
Sovereigns & Central Banks	1,450,943	534,755	177,870	2,163,568
Public Sector Entities	51,090	60,948	48,702	160,740
Banks, Development Financial Institutions & MDBs	2,385,420	-	252,903	2,638,323
Insurance Cos, Securities Firms & Fund Managers	38,302	-	-	38,302
Corporates	1,378,825	85,517	296,658	1,761,000
Regulatory Retail	822,039	-	26	822,065
Residential Mortgages	-	-	216	216
Higher Risk Assets	263	-	760,964	761,227
Other Assets	707,942	-	430,022	1,137,964
Total	6,834,824	681,220	1,967,361	9,483,405

**Table 9b: Credit Risk Exposures (Before Credit Risk Mitigation) by Remaining Maturity as at 31 December 2022
(Restated)**

RHB Investment Bank Group				
Exposure Class	One Year or Less	More Than One to Five Years	Over Five Years	Total
	RM'000	RM'000	RM'000	RM'000
<u>Exposures under Standardised Approach</u>				
Sovereigns & Central Banks	1,171,818	474,428	202,212	1,848,458
Public Sector Entities	20,336	92,128	38,739	151,203
Banks, Development Financial Institutions & MDBs	2,372,915	-	305,481	2,678,396
Insurance Cos, Securities Firms & Fund Managers	44,322	-	-	44,322
Corporates	1,462,303	78,194	75,462	1,615,959
Regulatory Retail	812,135	-	28	812,163
Residential Mortgages	-	12	226	238
Higher Risk Assets	253	-	689,518	689,771
Other Assets	698,798	-	223,081	921,879
Total	6,582,880	644,762	1,534,747	8,762,389

Note: This table excludes equity exposures

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BASEL II PILLAR 3 DISCLOSURES AS AT 30 JUNE 2023

Table 10a: Portfolios under the Standardised Approach by Risk Weights as at 30 June 2023

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%	2,159,052	160,740	-	-	201,753	-	-	-	365,104	-	2,886,649	-
20%	-	-	2,060,327	-	207,606	-	-	-	272,532	-	2,540,465	508,093
35%	-	-	-	-	-	-	216	-	-	-	216	76
50%	-	-	151,756	-	17,290	-	-	-	-	-	169,046	84,523
75%	-	-	-	-	-	23,443	-	-	-	-	23,443	17,582
100%	4,516	-	60,122	38,302	22,234	-	-	-	500,328	75,465	700,967	700,967
150%	-	-	-	-	-	-	-	761,227	-	-	761,227	1,141,840
Total Exposures	2,163,568	160,740	2,272,205	38,302	448,883	23,443	216	761,227	1,137,964	75,465	7,082,013	2,453,081

Table 10b: Portfolios under the Standardised Approach by Risk Weights as at 31 December 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%	1,844,177	151,203	-	-	342,187	-	-	-	410,402	-	2,747,969	-
20%	-	-	1,693,077	-	-	-	-	-	202,704	-	1,895,781	379,156
35%	-	-	-	-	-	-	238	-	-	-	238	83
50%	-	-	132,664	-	-	-	-	-	-	-	132,664	66,332
75%	-	-	-	-	-	19,823	-	-	-	-	19,823	14,867
100%	4,281	-	63,374	44,322	12,836	-	-	-	308,773	104,266	537,852	537,852
150%	-	-	-	-	-	-	-	689,771	-	-	689,771	1,034,657
Total Exposures	1,848,458	151,203	1,889,115	44,322	355,023	19,823	238	689,771	921,879	104,266	6,024,098	2,032,947

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 BASEL II PILLAR 3 DISCLOSURES AS AT 30 JUNE 2023

Table 11a: Rated Exposures According to Ratings by External Credit Assessment Institutions (ECAIs) as at 30 June 2023

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 BB3	B to D	Unrated	
	MARC	AAA to AA-	A+ to A-	BBB+ to BB-	B1 to D	Unrated	
	R&I	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated	
<u>Exposure Class</u>		RM'000	RM'000	RM'000	RM'000	RM'000	
<u>On and Off-Balance Sheet Exposures</u>							
Public Sector Entities		-	-	-	-	160,740	
Insurance Cos, Securities Firms & Fund Managers		-	-	-	-	38,302	
Corporates		207,606	17,290	-	-	223,987	
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
	R&I	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to C	Unrated
<u>Exposure Class</u>		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>On and Off-Balance Sheet Exposures</u>							
Sovereigns & Central Banks		-	2,159,052	-	4,516	-	-
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
	R&I	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to C	Unrated
<u>Exposure Class</u>		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>On and Off-Balance Sheet Exposures</u>							
Banks, Development Financial Institutions & MDBs		2,006,178	72,269	3	-	-	193,755

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 BASEL II PILLAR 3 DISCLOSURES AS AT 30 JUNE 2023

Table 11b: Rated Exposures According to Ratings by External Credit Assessment Institutions (ECAIs) as at 31 December 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 BB3	B to D	Unrated
	MARC	AAA to AA-	A+ to A-	BBB+ to BB-	B1 to D	Unrated
	R&I	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
<u>Exposure Class</u>		RM'000	RM'000	RM'000	RM'000	RM'000

On and Off-Balance Sheet Exposures

Public Sector Entities		-	-	-	-	151,203
Insurance Cos, Securities Firms & Fund Managers		-	-	-	-	44,322
Corporates		35,141	-	-	-	319,882

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
	R&I	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to C	Unrated
<u>Exposure Class</u>		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000

On and Off-Balance Sheet Exposures

Sovereigns & Central Banks		-	1,844,177	-	4,281	-	-
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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
	R&I	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to C	Unrated
<u>Exposure Class</u>		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000

On and Off-Balance Sheet Exposures

Banks, Development Financial Institutions & MDBs		1,670,167	39,985	3	-	-	178,960
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RHB INVESTMENT BANK GROUP
BASEL II PILLAR 3 DISCLOSURES AS AT 30 JUNE 2023

Table 12a: Credit Risk Mitigation of Portfolios under the Standardised Approach as at 30 June 2023

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	2,163,568	-	-
Public Sector Entities	160,740	160,740	-
Banks, Development Financial Institutions & MDBs	2,224,811	-	-
Insurance Cos, Securities Firms & Fund Managers	38,302	-	-
Corporates	1,470,334	201,753	1,229,056
Regulatory Retail	693,560	-	674,794
Residential Mortgages	214	-	-
Higher Risk Assets	761,227	-	-
Other Assets	1,137,964	-	-
Equity Exposures	75,465	-	-
Defaulted Exposures	1	-	1
Total On-Balance Sheet Exposures	8,726,186	362,493	1,903,851
<u>Off-Balance Sheet Exposures</u>			
OTC Derivatives	24,556	-	-
Off-balance sheet exposures other than OTC derivatives or credit derivatives	808,128	-	573,006
Defaulted Exposures	-	-	-
Total Off-Balance Sheet Exposures	832,684	-	573,006
Total On and Off-Balance Sheet Exposures	9,558,870	362,493	2,476,857

Table 12b: Credit Risk Mitigation of Portfolios under the Standardised Approach as at 31 December 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	1,848,458	-	-
Public Sector Entities	151,203	151,203	-
Banks, Development Financial Institutions & MDBs	1,772,120	-	-
Insurance Cos, Securities Firms & Fund Managers	44,322	-	-
Corporates	1,545,149	342,187	1,190,126
Regulatory Retail	681,415	-	666,255
Residential Mortgages	237	-	-
Higher Risk Assets	689,771	-	-
Other Assets	921,879	-	-
Equity Exposures	104,266	-	-
Defaulted Exposures	-	-	-
Total On-Balance Sheet Exposures	7,758,820	493,390	1,856,381
<u>Off-Balance Sheet Exposures</u>			
OTC Derivatives	2,119	-	-
Off-balance sheet exposures other than OTC derivatives or credit derivatives	1,105,716	-	986,176
Defaulted Exposures	-	-	-
Total Off-Balance Sheet Exposures	1,107,835	-	986,176
Total On and Off-Balance Sheet Exposures	8,866,655	493,390	2,842,557

RHB INVESTMENT BANK GROUP
BASEL II PILLAR 3 DISCLOSURES AS AT 30 JUNE 2023

Table 13a: Impaired and Past Due Loans and Allowance for Credit Losses by Industry Sector as at 30 June 2023

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	12,563	-	12,563
Others	-	-	-
Total	12,563	-	12,563

Table 13b: Impaired and Past Due Loans and Allowance for Credit Losses by Industry Sector as at 31 December 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	11,713	-	11,714
Others	-	-	-
Total	11,713	-	11,714

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

RHB Investment Bank Group		Six Months Period Ended 30.06.2023		Twelve Months Period Ended 31.12.2022	
<u>Industry Sector</u>		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)
		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	-	-	-	-	-

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BASEL II PILLAR 3 DISCLOSURES AS AT 30 JUNE 2023

Table 15a: Impaired and Past Due Loans and Allowance for Credit Losses by Geographical Distribution as at 30 June 2023

RHB Investment Bank Group	Impaired Loans and Advances	Past Due Loans	Allowance For Credit Losses
<u>Geographical Distribution</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Malaysia	1	-	1
Singapore	-	-	-
Hong Kong	-	-	-
Indonesia	-	-	-
Thailand	12,562	-	12,562
Total	12,563	-	12,563

Table 15b: Impaired and Past Due Loans and Allowance for Credit Losses by Geographical Distribution as at 31 December 2022

RHB Investment Bank Group	Impaired Loans and Advances	Past Due Loans	Allowance For Credit Losses
<u>Geographical Distribution</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Malaysia	-	-	1
Singapore	-	-	-
Hong Kong	-	-	-
Indonesia	-	-	-
Thailand	11,713	-	11,713
Total	11,713	-	11,714

Table 16a: Movement in Loans Allowance for Credit Losses as at 30 June 2023

RHB Investment Bank Group	12-month ECL (Stage 1)	Lifetime ECL Not Credit Impaired (Stage 2)	Lifetime ECL Credit Impaired (Stage 3)	Total
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Balance as at the beginning of financial year	1	-	11,713	11,714
Exchange differences and other movements	-	-	849	849
Balance as at the end of financial year	1	-	12,562	12,563

Table 16b: Movement in Loans Allowance for Credit Losses as at 31 December 2022

RHB Investment Bank Group	12-month ECL (Stage 1)	Lifetime ECL Not Credit Impaired (Stage 2)	Lifetime ECL Credit Impaired (Stage 3)	Total
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Balance as at the beginning of financial year	1	-	10,983	10,984
Exchange differences and other movements	-	-	730	730
Balance as at the end of financial year	1	-	11,713	11,714

RHB INVESTMENT BANK GROUP
BASEL II PILLAR 3 DISCLOSURES AS AT 30 JUNE 2023

Table 17a: Market Risk-Weighted Assets and Minimum Capital Requirements as at 30 June 2023

RHB Investment Bank Group		Risk-	Minimum
Market Risk	Long	Short	Weighted
	Position	Position	Assets
	RM'000	RM'000	RM'000
Interest Rate Risk	453,703	409,523	14,572
Equity Position Risk	98,726	73,775	75,752
Foreign Currency Risk	134,898	743	134,897
Options Risk	96,053	73,775	152,080
Total			377,301
			30,184

RHB Investment Bank		Risk-	Minimum
Market Risk	Long	Short	Weighted
	Position	Position	Assets
	RM'000	RM'000	RM'000
Interest Rate Risk	290,056	272,555	-
Equity Position Risk	61,520	53,315	28,797
Foreign Currency Risk	72,131	743	72,131
Options Risk	50,803	53,315	104,701
Total			205,629
			16,450

Table 17b: Market Risk-Weighted Assets and Minimum Capital Requirements as at 31 December 2022

RHB Investment Bank Group		Risk-	Minimum
Market Risk	Long	Short	Weighted
	Position	Position	Assets
	RM'000	RM'000	RM'000
Interest Rate Risk	75,313	78,293	3,408
Equity Position Risk	71,660	46,157	105,362
Foreign Currency Risk	182,440	698	182,440
Options Risk	29,536	46,157	77,054
Total			368,264
			29,461

RHB Investment Bank		Risk-	Minimum
Market Risk	Long	Short	Weighted
	Position	Position	Assets
	RM'000	RM'000	RM'000
Interest Rate Risk	8,670	8,622	-
Equity Position Risk	38,413	27,636	33,187
Foreign Currency Risk	113,465	698	113,465
Options Risk	12,640	27,636	41,552
Total			188,204
			15,056

Note:

1. As at 30 June 2023 and 31 December 2022, RHB Investment Bank Group and RHB Investment Bank did not have any exposures under Commodity or Inventory Risk.
2. For the Equity Position risk, the position is computed based on net long and net short position.

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Table 18: Equity Exposures in the Banking Book

RHB Investment Bank Group <u>Equity Type</u>	Gross Credit Exposures		Risk-Weighted Assets	
	30.06.2023	31.12.2022	30.06.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
Publicly traded				
Investment in unit trust funds	30,592	41,054	30,592	41,054
Holdings of equity investments	4,349	24,695	4,349	24,695
Privately held				
For socio economic purposes	40,524	38,517	40,524	38,517
For non socio economic purposes	761,227	689,771	1,141,840	1,034,656
Total	836,692	794,037	1,217,305	1,138,922
	30.06.2023	31.12.2022		
	RM'000	RM'000		
Cumulative Realised (Loss)/ Gains from Sale and Liquidations	(49)	(535)		
Total Net Unrealised Gains	297,136	251,059		

Table 19a: Interest Rate Risk in the Banking Book as at 30 June 2023

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	4,009	(4,009)	(34,558)	34,558
USD - US Dollar	(7,851)	7,851	144	(144)
Others ¹	4,175	(4,175)	(2,282)	2,282
Total	333	(333)	(36,696)	36,696

Table 19b: Interest Rate Risk in the Banking Book as at 31 December 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	3,666	(3,666)	(30,419)	30,419
USD - US Dollar	(3,675)	3,675	286	(286)
Others ¹	2,803	(2,803)	(2,425)	2,425
Total	2,794	(2,794)	(32,558)	32,558

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	
	30.06.2023	31.12.2022	30.06.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
Risk-Weighted Assets	1,545,136	1,602,662	885,826	923,914
Minimum Capital Requirements	123,611	128,213	70,866	73,913