

RHB Islamic Bank Berhad
Basel II Pillar 3 Disclosures
30 June 2023

**RHB ISLAMIC BANK
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 Capital Adequacy Framework for Islamic Bank (CAFIB) – Disclosure Requirements (Pillar 3), and on behalf of the Board and Senior Management of RHB Islamic Bank Berhad, I am pleased to provide an attestation that the Basel II Pillar 3 Disclosures of RHB Islamic Bank Berhad as at 30 June 2023 are accurate and complete.

DATO' ADISSADIKIN BIN ALI
Managing Director

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INTRODUCTION

This document describes RHB Islamic Bank Berhad's (RHB Islamic Bank) risk profile and capital adequacy position in accordance with the disclosure requirements as outlined in the Capital Adequacy Framework for Islamic Bank (CAFIB) – Disclosure Requirements (Pillar 3) issued by Bank Negara Malaysia (BNM).

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

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

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

This document covers 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 Pillar 3 Disclosure Policy.

RHB Islamic Bank's Pillar 3 disclosure report will be made available under the Investor Relations section of the Bank's website at www.rhbgroup.com and as a separate report in the half-yearly condensed financial statements, after the notes to the financial statements.

SCOPE OF APPLICATION

In this Pillar 3 document, RHB Islamic Bank's information is presented at entity level and is referred to as 'the Bank'. The Bank is a wholly-owned subsidiary of RHB Bank Berhad as at 30 June 2023.

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

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Table 1: Capital Adequacy Ratios

RHB Islamic Bank		
Capital Ratios	30.06.2023	31.12.2022
<u>Before proposed dividends</u>		
Common Equity Tier I Capital Ratio	16.441%	17.828%
Tier I Capital Ratio	16.441%	17.828%
Total Capital Ratio	19.273%	20.826%
<u>After proposed dividends</u>		
Common Equity Tier I Capital Ratio	16.049%	17.033%
Tier I Capital Ratio	16.049%	17.033%
Total Capital Ratio	18.881%	20.031%

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

RHB Islamic Bank		
Risk Types	30.06.2023	31.12.2022
	RM'000	RM'000
Credit RWA	34,852,077	33,635,942
Credit RWA Absorbed by PSIA	(4,276,040)	(5,355,297)
Market RWA	302,694	170,490
Operational RWA	3,278,906	3,114,515
Total	34,157,637	31,565,650

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

RHB Islamic Bank	RWA		Minimum Capital Requirements	
	30.06.2023	31.12.2022	30.06.2023	31.12.2022
Risk Types	RM'000	RM'000	RM'000	RM'000
Credit Risk	30,576,037	28,280,645	2,446,083	2,262,452
Under Foundation Internal Ratings -Based (F-IRB) Approach	16,960,932	16,591,922	1,356,875	1,327,354
Under Advanced Internal Ratings -Based (A-IRB) Approach	11,299,552	10,537,071	903,964	842,966
Under Standardised Approach	6,591,593	6,506,949	527,327	520,556
Absorbed by PSIA under F-IRB Approach	(2,875,697)	(3,629,132)	(230,056)	(290,331)
Absorbed by PSIA under A-IRB Approach	(11,141)	(27,368)	(891)	(2,189)
Absorbed by PSIA under Standardised Approach	(1,389,202)	(1,698,797)	(111,136)	(135,904)
Market Risk				
Under Standardised Approach	302,694	170,490	24,216	13,639
Operational Risk				
Under Basic Indicator Approach	3,278,906	3,114,515	262,312	249,161
Total	34,157,637	31,565,650	2,732,611	2,525,252

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Table 4: Capital Structure

RHB Islamic Bank	30.06.2023	31.12.2022
	RM'000	RM'000
<u>Common Equity Tier I Capital/Tier I Capital</u>		
Paid up ordinary share capital	1,673,424	1,673,424
Retained profits	4,082,319	4,177,805
Other reserves	410	205
Fair value through other comprehensive income (FVOCI) reserves	(46,777)	(118,059)
Less:		
Other intangibles	(4,083)	(4,227)
Deferred tax assets	(89,276)	(100,598)
Other deductions [#]	(204)	(941)
Total Common Equity Tier I Capital/Tier I Capital	5,615,813	5,627,609
<u>Tier II Capital</u>		
Subordinated obligations	750,000	750,000
Surplus eligible provisions over expected losses	152,242	140,835
General provisions [^]	65,030	55,462
Total Tier II Capital	967,272	946,297
Total Capital	6,583,085	6,573,906

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

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

Includes the qualifying regulatory reserve of the Bank of RM49,798,000 (31 December 2022 : RM34,664,000).

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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 Islamic Bank	Gross Exposures/ EAD before CRM RM'000	Net Exposures/ EAD after CRM RM'000	Risk- Weighted Assets RM'000	Risk- Weighted Assets Absorbed by PSIA RM'000	Total Risk- Weighted Assets After Effect of PSIA RM'000	Minimum Capital Requirements RM'000
Exposures under Standardised Approach (SA)						
On-Balance Sheet Exposures						
Sovereigns & Central Banks	9,224,015	9,224,015	-	-	-	-
Public Sector Entities	7,697,628	7,626,028	12,284	-	12,284	983
Banks, Development Financial Institutions & MDBs	1,018,070	1,018,070	228,404	-	228,404	18,272
Takaful Cos, Securities Firms & Fund Managers	1,854	1,854	1,854	-	1,854	148
Corporates	1,185,725	1,176,872	627,041	-	627,041	50,163
Regulatory Retail	5,346,184	5,334,930	5,268,372	(1,375,522)	3,892,850	311,428
Residential Financing	11,482	11,482	4,997	(11)	4,986	399
Other Assets	185,778	185,778	176,970	-	176,970	14,158
Defaulted Exposures	152,216	54,506	68,535	(13,669)	54,866	4,389
Total On-Balance Sheet Exposures	24,822,952	24,633,535	6,388,457	(1,389,202)	4,999,255	399,940
Off-Balance Sheet Exposures						
OTC Derivatives	467,772	467,772	95,898	-	95,898	7,672
Off-balance sheet exposures other than OTC derivatives or credit derivatives	670,467	643,863	107,238	-	107,238	8,579
Defaulted Exposures	-	-	-	-	-	-
Total Off-Balance Sheet Exposures	1,138,239	1,111,635	203,136	-	203,136	16,251
Total On and Off-Balance Sheet Exposures under SA	25,961,191	25,745,170	6,591,593	(1,389,202)	5,202,391	416,191
Exposures under F-IRB Approach						
On-Balance Sheet Exposures						
Corporates, of which	26,277,708	26,277,708	14,837,859	(2,671,285)	12,166,574	973,325
Corporate Exposures (excluding exposures with firm size adjustments)	16,819,563	16,819,563	8,967,478	(2,360,101)	6,607,377	528,590
Corporate Exposures (with firm size adjustments)	7,080,360	7,080,360	3,855,510	(132,654)	3,722,856	297,828
Specialised Financing Exposures (Slotting Approach)						
Project Finance	157,273	157,273	162,167	-	162,167	12,973
Income Producing Real Estate	2,220,512	2,220,512	1,852,704	(178,530)	1,674,174	133,934
Defaulted Exposures	1,762,236	1,762,236	1,990	-	1,990	159
Total On-Balance Sheet Exposures	28,039,944	28,039,944	14,839,849	(2,671,285)	12,168,564	973,484
Off-Balance Sheet Exposures						
OTC Derivatives	22,207	22,207	36,524	-	36,524	2,922
Off-balance sheet exposures other than OTC derivatives or credit derivatives	2,894,995	2,894,995	1,124,507	(41,636)	1,082,871	86,630
Defaulted Exposures	60	60	-	-	-	-
Total Off-Balance Sheet Exposures	2,917,262	2,917,262	1,161,031	(41,636)	1,119,395	89,552
Exposures under A-IRB Approach						
On-Balance Sheet Exposures						
Retail, of which	49,606,999	49,606,999	9,238,446	(9,410)	9,229,036	738,323
Residential Financing Exposures	25,254,944	25,254,944	3,944,758	(8,296)	3,936,462	314,917
Qualifying Revolving Retail Exposures	302,010	302,010	194,373	-	194,373	15,550
Hire Purchase Exposures	10,009,263	10,009,263	3,125,263	-	3,125,263	250,021
Other Retail Exposures	14,040,782	14,040,782	1,974,052	(1,114)	1,972,938	157,835
Defaulted Exposures	894,051	894,051	594,872	(1,101)	593,771	47,502
Total On-Balance Sheet Exposures	50,501,050	50,501,050	9,833,318	(10,511)	9,822,807	785,825
Off-Balance Sheet Exposures						
OTC Derivatives	-	-	-	-	-	-
Off-balance sheet exposures other than OTC derivatives or credit derivatives	5,295,517	5,295,517	818,964	-	818,964	65,517
Defaulted Exposures	16,698	16,698	7,672	-	7,672	614
Total Off-Balance Sheet Exposures	5,312,215	5,312,215	826,636	-	826,636	66,131
Total On and Off-Balance Sheet Exposures before scaling factor under the IRB Approach	86,770,471	86,770,471	26,660,834	(2,723,432)	23,937,402	1,914,992
Total On and Off-Balance Sheet Exposures after scaling factor, 1.06 under the IRB Approach			28,260,484	(2,886,838)	25,373,646	2,029,892
Total (Exposures under the SA Approach and Exposures under the IRB Approach)	112,731,662	112,515,641	34,852,077	(4,276,040)	30,576,037	2,446,083

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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 (Restated)

RHB Islamic Bank	Gross Exposures/ EAD before CRM RM'000	Net Exposures/ EAD after CRM RM'000	Risk- Weighted Assets RM'000	Risk- Weighted Assets Absorbed by PSIA RM'000	Total Risk- Weighted Assets After Effect of PSIA RM'000	Minimum Capital Requirements RM'000
Exposures under Standardised Approach (SA)						
On-Balance Sheet Exposures						
Sovereigns & Central Banks	10,146,980	10,146,980	-	-	-	-
Public Sector Entities	7,842,192	7,770,592	116,553	(3,019)	113,534	9,083
Banks, Development Financial Institutions & MDBs	2,689,740	2,689,740	560,114	-	560,114	44,809
Takaful Cos, Securities Firms & Fund Managers	-	-	-	-	-	-
Corporates	1,004,725	894,891	571,847	-	571,847	45,748
Regulatory Retail	5,007,412	4,997,226	4,937,837	(1,679,964)	3,257,873	260,629
Residential Financing	9,412	9,412	3,966	(25)	3,941	315
Other Assets	59,526	59,526	47,509	-	47,509	3,801
Defaulted Exposures	41,379	41,369	52,365	(15,789)	36,576	2,926
Total On-Balance Sheet Exposures	26,801,366	26,609,736	6,290,191	(1,698,797)	4,591,394	367,311
Off-Balance Sheet Exposures						
OTC Derivatives	579,789	576,485	115,823	-	115,823	9,266
Off-balance sheet exposures other than OTC derivatives or credit derivatives	668,098	636,576	100,935	-	100,935	8,075
Defaulted Exposures	-	-	-	-	-	-
Total Off-Balance Sheet Exposures	1,247,887	1,213,061	216,758	-	216,758	17,341
Total On and Off-Balance Sheet Exposures under SA	28,049,253	27,822,797	6,506,949	(1,698,797)	4,808,152	384,652
Exposures under F-IRB Approach						
On-Balance Sheet Exposures						
Corporates, of which	26,887,675	26,887,675	14,442,420	(3,417,761)	11,024,659	881,972
Corporate Exposures (excluding exposures with firm size adjustments)	16,670,314	16,670,314	8,401,319	(3,058,334)	5,342,985	427,439
Corporate Exposures (with firm size adjustments)	8,201,556	8,201,556	4,351,493	(179,252)	4,172,241	333,779
Specialised Financing Exposures (Slotting Approach)						
Project Finance	139,096	139,096	139,530	-	139,530	11,162
Income Producing Real Estate	1,876,709	1,876,709	1,550,078	(180,175)	1,369,903	109,592
Defaulted Exposures	1,428,400	1,428,400	1,912	-	1,912	153
Total On-Balance Sheet Exposures	28,316,075	28,316,075	14,444,332	(3,417,761)	11,026,571	882,125
Off-Balance Sheet Exposures						
OTC Derivatives	15,148	15,148	16,194	-	16,194	1,296
Off-balance sheet exposures other than OTC derivatives or credit derivatives	2,640,750	2,640,750	1,192,231	(5,948)	1,186,283	94,903
Defaulted Exposures	60	60	-	-	-	-
Total Off-Balance Sheet Exposures	2,655,958	2,655,958	1,208,425	(5,948)	1,202,477	96,199
Exposures under A-IRB Approach						
On-Balance Sheet Exposures						
Retail, of which	48,156,300	48,156,300	8,589,739	(23,544)	8,566,195	685,296
Residential Financing Exposures	23,817,087	23,817,087	3,583,726	(20,559)	3,563,167	285,053
Qualifying Revolving Retail Exposures	288,486	288,486	179,437	-	179,437	14,355
Hire Purchase Exposures	9,631,747	9,631,747	2,942,782	-	2,942,782	235,423
Other Retail Exposures	14,418,980	14,418,980	1,883,794	(2,985)	1,880,809	150,465
Defaulted Exposures	719,435	719,435	523,136	(2,275)	520,861	41,669
Total On-Balance Sheet Exposures	48,875,735	48,875,735	9,112,875	(25,819)	9,087,056	726,965
Off-Balance Sheet Exposures						
OTC Derivatives	-	-	-	-	-	-
Off-balance sheet exposures other than OTC derivatives or credit derivatives	5,344,602	5,344,602	822,005	-	822,005	65,760
Defaulted Exposures	10,212	10,212	5,753	-	5,753	460
Total Off-Balance Sheet Exposures	5,354,814	5,354,814	827,758	-	827,758	66,220
Total On and Off-Balance Sheet Exposures before scaling factor under the IRB Approach	85,202,582	85,202,582	25,593,390	(3,449,528)	22,143,862	1,771,509
Total On and Off-Balance Sheet Exposures after scaling factor, 1.06 under the IRB Approach			27,128,993	(3,656,500)	23,472,493	1,877,800
Total (Exposures under the SA Approach and Exposures under the IRB Approach)	113,251,835	113,025,379	33,635,942	(5,355,297)	28,280,645	2,262,452

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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 Islamic Bank

<u>Nature of Item</u>	Principal/ Notional Amount	Positive Fair Value of Derivative Contracts	Credit Equivalent Amount	Risk- Weighted Assets
	RM'000	RM'000	RM'000	RM'000
Transaction related contingent items	396,289		198,144	94,142
Short term self liquidating trade related contingencies	280,730		56,146	47,249
Forward asset purchases, forward deposits, partly paid shares and securities which represent commitments with certain drawdowns	52,619		52,619	45,525
Foreign exchange related contracts	1,461,180	19,433	41,060	27,819
1 year or less	1,461,180	19,433	41,060	27,819
Over 1 year to 5 years	-	-	-	-
Over 5 years	-	-	-	-
Profit rate related contracts	200,600	1,825	9,849	16,789
1 year or less	-	-	-	-
Over 1 year to 5 years	200,600	1,825	9,849	16,789
Over 5 years	-	-	-	-
Commodity contracts	64,167	-	-	-
1 year or less	25,000	-	-	-
Over 1 year to 5 years	39,167	-	-	-
Over 5 years	-	-	-	-
OTC derivative transactions and credit derivative contracts subject to valid bilateral netting agreements	18,846,214	209,192	439,070	87,814
Other commitments, such as formal standby facilities and financing lines, with original maturity of over 1 year	10,473,287		8,559,865	1,870,970
Other commitments, such as formal standby facilities and financing lines, with original maturity of up to 1 year	10,963		10,963	495
Any commitments that are unconditionally cancellable at any time by the Bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a customer's creditworthiness	2,704,543		-	-
Total	34,490,592	230,450	9,367,716	2,190,803

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

RHB Islamic Bank

<u>Nature of Item</u>	Principal/	Positive	Credit	Risk-
	Notional	Fair Value of	Equivalent	Weighted
	Amount	Derivative	Amount	Assets
	RM'000	Contracts	RM'000	RM'000
		RM'000		
Transaction related contingent items	381,269		190,634	100,481
Short term self liquidating trade related contingencies	264,229		52,846	45,507
Forward asset purchases, forward deposits, partly paid shares and securities which represent commitments with certain drawdowns	-		-	-
Foreign exchange related contracts	1,360,648	15,110	33,135	19,657
1 year or less	1,360,648	15,110	33,135	19,657
Over 1 year to 5 years	-	-	-	-
Over 5 years	-	-	-	-
Profit rate related contracts	630,000	-	630	126
1 year or less	630,000	-	630	126
Over 1 year to 5 years	-	-	-	-
Over 5 years	-	-	-	-
Commodity contracts	114,167	-	-	-
1 year or less	50,000	-	-	-
Over 1 year to 5 years	64,167	-	-	-
Over 5 years	-	-	-	-
OTC derivative transactions and credit derivative contracts subject to valid bilateral netting agreements	17,307,455	260,873	561,172	112,234
Other commitments, such as formal standby facilities and financing lines, with original maturity of over 1 year	10,217,382		8,405,621	1,974,906
Other commitments, such as formal standby facilities and financing lines, with original maturity of up to 1 year	14,621		14,621	30
Any commitments that are unconditionally cancellable at any time by the Bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a customer's creditworthiness	2,681,811		-	-
Total	32,971,582	275,983	9,258,659	2,252,941

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

RHB Islamic Bank												
<u>Exposure Class</u>	Agriculture	Mining & Quarrying	Manufacturing	Electricity, Gas & Water Supply	Construction	Wholesale, Retail Trade, Restaurants & Hotels	Transport, Storage & Communication	Finance, Insurance/ Takaful, Real Estate & Business	Education, Health & Others	Household	Others	Total
	RM'000	RM'000	RM'000	RM'000	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	-	-	-	-	-	-	-	3,389,510	5,834,505	-	-	9,224,015
Public Sector Entities	516,519	-	-	-	-	-	-	-	8,063,566	-	-	8,580,085
Banks, Development Financial Institutions & MDBs	-	-	-	-	-	-	-	1,136,983	-	-	-	1,136,983
Takaful Cos, Securities Firms & Fund Managers	-	-	-	-	-	-	-	2,106	-	-	-	2,106
Corporates	6,058	2,172	18,917	1,784	29,203	103,377	112,577	1,085,623	5,978	37,195	-	1,402,884
Regulatory Retail	1,785	1,092	14,087	375	14,860	36,679	6,976	14,322	1,071	5,326,601	-	5,417,848
Residential Financing	-	-	-	-	-	-	-	-	-	11,492	-	11,492
Other Assets	-	-	-	-	-	-	-	-	-	-	185,778	185,778
Total Exposures under Standardised Approach	524,362	3,264	33,004	2,159	44,063	140,056	119,553	5,628,544	13,905,120	5,375,288	185,778	25,961,191
<u>Exposures under IRB Approach</u>												
Corporates, of which	2,181,484	1,377,859	2,253,152	1,943,178	6,439,129	1,707,938	6,776,479	6,695,994	1,580,575	-	1,418	30,957,206
Corporate Exposures (excluding exposures with firm size adjustments)	1,432,976	1,267,041	1,251,217	1,795,313	2,470,955	492,749	5,747,923	3,846,258	1,264,339	-	1,418	19,570,189
Corporate Exposures (with firm size adjustments)	748,508	82,145	1,001,935	99,989	2,224,753	1,165,682	1,028,556	2,187,258	218,158	-	-	8,756,984
Specialised Financing Exposures (Slotting Approach)												
Project Finance	-	28,673	-	47,876	36,664	-	-	-	98,078	-	-	211,291
Income Producing Real Estate	-	-	-	-	1,706,757	49,507	-	662,478	-	-	-	2,418,742
Retail, of which	103,157	18,487	758,037	14,774	615,841	2,720,937	504,094	848,091	157,000	50,072,847	-	55,813,265
Residential Financing Exposures	-	-	-	-	-	-	-	-	-	26,210,641	-	26,210,641
Qualifying Revolving Retail Exposures	-	-	-	-	-	-	-	-	-	504,389	-	504,389
Hire Purchase Exposures	-	-	-	-	-	-	-	-	-	10,072,249	-	10,072,249
Other Retail Exposures	103,157	18,487	758,037	14,774	615,841	2,720,937	504,094	848,091	157,000	13,285,568	-	19,025,986
Total Exposures under IRB Approach	2,284,641	1,396,346	3,011,189	1,957,952	7,054,970	4,428,875	7,280,573	7,544,085	1,737,575	50,072,847	1,418	86,770,471
Total Exposures under Standardised and IRB Approaches	2,809,003	1,399,610	3,044,193	1,960,111	7,099,033	4,568,931	7,400,126	13,172,629	15,642,695	55,448,135	187,196	112,731,662

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

Table 7b: Credit Risk Exposures (Before Credit Risk Mitigation) by Industry Sector as at 31 December 2022 (Restated)

RHB Islamic Bank	Agriculture		Mining & Quarrying		Electricity, Gas & Water		Wholesale, Retail Trade, Restaurants & Hotels		Transport, Storage & Communication		Finance, Insurance/ Takaful, 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	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	-	-	-	-	-	-	-	-	-	-	6,029,247	4,117,733	-	-	-	-	-	-	-	10,146,980	
Public Sector Entities	518,343	-	-	-	-	-	-	-	-	-	-	7,906,524	-	-	-	-	-	-	-	8,424,867	
Banks, Development Financial Institutions & MDBs	-	-	-	-	-	-	-	-	-	-	3,220,644	-	-	-	-	-	-	-	-	3,220,644	
Takaful Cos, Securities Firms & Fund Managers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Corporates	6,327	2,158	21,453	2,178	36,364	89,753	121,184	792,650	6,779	49,924	284	1,129,054	-	-	-	-	-	-	-	-	
Regulatory Retail	1,392	1,077	10,255	334	12,000	22,487	5,013	10,491	659	4,995,008	50	5,058,766	-	-	-	-	-	-	-	-	
Residential Financing	-	-	-	-	-	-	-	-	-	9,416	-	9,416	-	-	-	-	-	-	-	9,416	
Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	59,526	-	-	59,526	
Total Exposures under Standardised Approach	526,062	3,235	31,708	2,512	48,364	112,240	126,197	10,053,032	12,031,695	5,054,348	59,860	28,049,253									
Exposures under IRB Approach																					
Corporates, of which	1,883,687	1,341,122	2,211,730	1,843,957	6,003,088	1,649,748	6,873,248	8,403,449	761,659	-	345	30,972,033									
Corporate Exposures (excluding exposures with firm size adjustments)	1,110,040	1,239,591	1,152,305	1,745,829	2,105,868	510,404	6,192,728	4,896,375	457,466	-	345	19,410,951									
Corporate Exposures (with firm size adjustments)	773,647	71,158	1,059,425	54,869	2,542,588	1,092,850	680,520	2,721,197	208,993	-	-	9,205,247									
Specialised Financing Exposures (Slotting Approach)																					
Project Finance	-	30,373	-	43,259	36,097	-	-	-	95,200	-	-	204,929									
Income Producing Real Estate	-	-	-	-	1,318,535	46,494	-	785,877	-	-	-	2,150,906									
Retail, of which	96,073	20,110	706,159	13,487	602,854	2,605,231	515,433	850,303	156,441	48,664,458	-	54,230,549									
Residential Financing Exposures	-	-	-	-	-	-	-	-	-	24,678,961	-	24,678,961									
Qualifying Revolving Retail Exposures	-	-	-	-	-	-	-	-	-	490,982	-	490,982									
Hire Purchase Exposures	-	-	-	-	-	-	-	-	-	9,682,846	-	9,682,846									
Other Retail Exposures	96,073	20,110	706,159	13,487	602,854	2,605,231	515,433	850,303	156,441	13,811,669	-	19,377,760									
Total Exposures under IRB Approach	1,979,760	1,361,232	2,917,889	1,857,444	6,605,942	4,254,979	7,388,681	9,253,752	918,100	48,664,458	345	85,202,582									
Total Exposures under Standardised and IRB Approaches	2,505,822	1,364,467	2,949,597	1,859,956	6,654,306	4,367,219	7,514,878	19,306,784	12,949,795	53,718,806	60,205	113,251,835									

RHB ISLAMIC BANK
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Table 8a: Credit Risk Exposures (Before Credit Risk Mitigation) by Remaining Maturity as at 30 June 2023

RHB Islamic Bank	One Year or Less	More Than One to Five Years	Over Five Years	Total
Exposure Class	RM'000	RM'000	RM'000	RM'000
<u>Exposures under Standardised Approach</u>				
Sovereigns & Central Banks	4,595,802	1,028,361	3,599,852	9,224,015
Public Sector Entities	884,372	1,228,717	6,466,996	8,580,085
Banks, Development Financial Institutions & MDBs	761,378	345,259	30,346	1,136,983
Takaful Cos, Securities Firms & Fund Managers	252	1,854	-	2,106
Corporates	412,514	785,168	205,202	1,402,884
Regulatory Retail	53,988	976,752	4,387,108	5,417,848
Residential Financing	46	39	11,407	11,492
Other Assets	135,352	-	50,426	185,778
Total Exposures under Standardised Approach	6,843,704	4,366,150	14,751,337	25,961,191
<u>Exposures under IRB Approach</u>				
Corporates, of which	8,606,746	12,668,939	9,681,521	30,957,206
Corporate Exposures (excluding exposures with firm size adjustments)	5,900,101	9,162,922	4,507,166	19,570,189
Corporate Exposures (with firm size adjustments)	2,537,066	2,762,233	3,457,685	8,756,984
Specialised Financing Exposures (Slotting Approach)				
Project Finance	1,012	26,010	184,269	211,291
Income Producing Real Estate	168,567	717,774	1,532,401	2,418,742
Retail, of which	470,660	5,192,023	50,150,582	55,813,265
Residential Financing Exposures	3,604	61,116	26,145,921	26,210,641
Qualifying Revolving Retail Exposures	38,633	441,743	24,013	504,389
Hire Purchase Exposures	49,671	2,305,378	7,717,200	10,072,249
Other Retail Exposures	378,752	2,383,786	16,263,448	19,025,986
Total Exposures under IRB Approach	9,077,406	17,860,962	59,832,103	86,770,471
Total Exposures under Standardised and IRB Approaches	15,921,110	22,227,112	74,583,440	112,731,662

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

**Table 8b: Credit Risk Exposures (Before Credit Risk Mitigation) by Remaining Maturity as at 31 December 2022
(Restated)**

RHB Islamic Bank	One Year or Less	More Than One to Five Years	Over Five Years	Total
Exposure Class	RM'000	RM'000	RM'000	RM'000
<u>Exposures under Standardised Approach</u>				
Sovereigns & Central Banks	5,936,020	1,027,462	3,183,498	10,146,980
Public Sector Entities	540,822	1,341,607	6,542,438	8,424,867
Banks, Development Financial Institutions & MDBs	2,609,666	585,349	25,629	3,220,644
Takaful Cos, Securities Firms & Fund Managers	-	-	-	-
Corporates	398,754	565,951	164,349	1,129,054
Regulatory Retail	46,300	858,454	4,154,012	5,058,766
Residential Financing	-	103	9,313	9,416
Other Assets	18,241	-	41,285	59,526
Total Exposures under Standardised Approach	9,549,803	4,378,926	14,120,524	28,049,253
<u>Exposures under IRB Approach</u>				
Corporates, of which	7,229,949	13,593,791	10,148,293	30,972,033
Corporate Exposures (excluding exposures with firm size adjustments)	3,825,722	9,927,441	5,657,788	19,410,951
Corporate Exposures (with firm size adjustments)	3,264,734	2,714,705	3,225,808	9,205,247
Specialised Financing Exposures (Slotting Approach)				
Project Finance	150	25,303	179,476	204,929
Income Producing Real Estate	139,343	926,342	1,085,221	2,150,906
Retail, of which	663,194	4,494,198	49,073,157	54,230,549
Residential Financing Exposures	3,617	57,168	24,618,176	24,678,961
Qualifying Revolving Retail Exposures	54,189	432,469	4,324	490,982
Hire Purchase Exposures	44,130	2,103,770	7,534,946	9,682,846
Other Retail Exposures	561,258	1,900,791	16,915,711	19,377,760
Total Exposures under IRB Approach	7,893,143	18,087,989	59,221,450	85,202,582
Total Exposures under Standardised and IRB Approaches	17,442,946	22,466,915	73,341,974	113,251,835

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BASEL II PILLAR 3 DISCLOSURES AS AT 30 JUNE 2023

Table 9a: Portfolios under the Standardised Approach by Risk Weights as at 30 June 2023

RHB Islamic Bank										Total Risk-Weighted Assets
Exposure Class	Sovereigns & Central Banks	Public Sector Entities	Banks, Development Financial Institutions & MDBs	Takaful Cos, Securities Firms & Fund Managers	Corporates	Regulatory Retail	Residential Financing	Other Assets	Total Exposures after Credit Risk Mitigation	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Supervisory Risk Weights (%)										
0%	9,224,015	8,098,028	44,719	-	-	-	-	8,808	17,375,570	-
20%	-	410,028	972,954	-	688,789	-	-	-	2,071,771	414,354
35%	-	-	-	-	-	-	4,962	-	4,962	1,737
50%	-	-	119,227	-	63	11,015	6,530	-	136,835	68,417
75%	-	-	-	-	-	274,228	-	-	274,228	205,671
100%	-	-	-	2,106	591,984	5,071,524	-	176,970	5,842,584	5,842,584
150%	-	-	83	-	3	39,134	-	-	39,220	58,830
Total Exposures	9,224,015	8,508,056	1,136,983	2,106	1,280,839	5,395,901	11,492	185,778	25,745,170	6,591,593

Table 9b: Portfolios under the Standardised Approach by Risk Weights as at 31 December 2022

RHB Islamic Bank										Total Risk-Weighted Assets
Exposure Class	Sovereigns & Central Banks	Public Sector Entities	Banks, Development Financial Institutions & MDBs	Takaful Cos, Securities Firms & Fund Managers	Corporates	Regulatory Retail	Residential Financing	Other Assets	Total Exposures after Credit Risk Mitigation	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Supervisory Risk Weights (%)										
0%	10,146,980	7,721,251	49,358	-	-	-	-	12,017	17,929,606	-
20%	-	632,016	3,060,277	-	405,305	-	-	-	4,097,598	819,520
35%	-	-	-	-	-	-	4,940	-	4,940	1,729
50%	-	-	107,471	-	135	8,297	4,476	-	120,379	60,189
75%	-	-	-	-	-	240,367	-	-	240,367	180,275
100%	-	-	-	-	590,557	4,761,184	-	47,509	5,399,250	5,399,250
150%	-	-	234	-	2	30,421	-	-	30,657	45,986
Total Exposures	10,146,980	8,353,267	3,217,340	-	995,999	5,040,269	9,416	59,526	27,822,797	6,506,949

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BASEL II PILLAR 3 DISCLOSURES AS AT 30 JUNE 2023

Table 10a: Rated Exposures According to Ratings by External Credit Assessment Institutions (ECAIs) as at 30 June 2023

RHB Islamic Bank	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	
Ratings of Corporates by Approved ECAIs	Fitch	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated	
	RAM	AAA to AA3	A1 to A3	BBB1 to BB3	B to D	Unrated	
	MARC	AAA to AA-	A+ to A-	BBB+ to BB-	B1 to D	Unrated	
<u>Exposure Class</u>	R&I	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated	
		RM'000	RM'000	RM'000	RM'000	RM'000	
<u>On and Off-Balance Sheet Exposures</u>							
Public Sector Entities		-	-	-	-	8,508,056	
Takaful Cos, Securities Firms & Fund Managers		-	-	-	-	2,106	
Corporates		688,789	-	-	-	592,050	
<u>Ratings of Sovereigns and Central Banks by Approved ECAIs</u>							
	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
<u>On and Off-Balance Sheet Exposures</u>							
Sovereigns & Central Banks		-	9,224,015	-	-	-	-
<u>Ratings of Banking Institutions by Approved ECAIs</u>							
	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
<u>On and Off-Balance Sheet Exposures</u>							
Banks, Development Financial Institutions & MDBs		882,554	27,512	993	-	-	225,924

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BASEL II PILLAR 3 DISCLOSURES AS AT 30 JUNE 2023

Table 10b: Rated Exposures According to Ratings by External Credit Assessment Institutions (ECAIs) as at 31 December 2022

RHB Islamic Bank	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	
Ratings of Corporates by Approved ECAIs	Fitch	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated	
	RAM	AAA to AA3	A1 to A3	BBB1 to BB3	B to D	Unrated	
	MARC	AAA to AA-	A+ to A-	BBB+ to BB-	B1 to D	Unrated	
<u>Exposure Class</u>	R&I	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated	
		RM'000	RM'000	RM'000	RM'000	RM'000	
<u>On and Off-Balance Sheet Exposures</u>							
Public Sector Entities		87,393	518,343	-	-	7,747,531	
Takaful Cos, Securities Firms & Fund Managers		-	-	-	-	-	
Corporates		405,305	-	-	-	590,694	
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		-	10,146,980	-	-	-	-
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
<u>On and Off-Balance Sheet Exposures</u>							
Banks, Development Financial Institutions & MDBs		2,047,978	523,348	1,190	-	-	644,824

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BASEL II PILLAR 3 DISCLOSURES AS AT 30 JUNE 2023

Table 11a: Exposures Subject to the Supervisory Risk Weights under the IRB Approach as at 30 June 2023

RHB Islamic Bank

<u>Supervisory Categories/Risk Weights</u>	Exposure After Credit Risk Mitigation					<u>Total</u> RM'000
	<u>Strong</u> RM'000	<u>Good</u> RM'000	<u>Satisfactory</u> RM'000	<u>Weak</u> RM'000	<u>Default</u> RM'000	
Specialised Financing Exposures						
Project Finance	5,121	37,927	158,294	-	-	201,342
Income Producing Real Estate	455,958	1,633,692	2,450	-	-	2,092,100
Total Exposures after Credit Risk Mitigation	461,079	1,671,619	160,744	-	-	2,293,442
Total Risk-Weighted Assets	295,413	1,443,831	184,856	-	-	1,924,100

Table 11b: Exposures Subject to the Supervisory Risk Weights under the IRB Approach as at 31 December 2022

RHB Islamic Bank

<u>Supervisory Categories/Risk Weights</u>	Exposure After Credit Risk Mitigation					<u>Total</u> RM'000
	<u>Strong</u> RM'000	<u>Good</u> RM'000	<u>Satisfactory</u> RM'000	<u>Weak</u> RM'000	<u>Default</u> RM'000	
Specialised Financing Exposures						
Project Finance	-	64,073	131,296	-	-	195,369
Income Producing Real Estate	345,196	1,436,904	44,356	-	-	1,826,456
Total Exposures after Credit Risk Mitigation	345,196	1,500,977	175,652	-	-	2,021,825
Total Risk-Weighted Assets	226,270	1,264,056	202,001	-	-	1,692,327

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Table 12a: Exposures under the IRB Approach by PD Band, Exposure Weighted Average Loss Given Default (LGD) and Exposure Weighted Average Risk Weight as at 30 June 2023

RHB Islamic Bank	Exposure At Default After Credit Risk Mitigation	Exposure Weighted Average LGD	Exposure Weighted Average Risk Weight	Undrawn Commitments
<u>Probability of Default (PD) Range (%)</u>	RM'000	%	%	RM'000
<u>Non Retail Exposures</u>				
Corporate Exposures (excluding exposures with firm size adjustments)				
0 to 1	12,756,116	42.40	54.60	1,333,867
>1 to 4	2,677,974	38.27	93.24	480,566
>4 to 12	3,192,624	2.53	9.37	1,256,041
>12 to <100	4,362	23.07	123.57	2,420
Default or 100	1,275,704	44.43	0.16	-
Total Corporate Exposures (excluding exposures with firm size adjustments)	19,906,780			3,072,894
Corporate Exposures (with firm size adjustments)				
0 to 1	3,771,908	39.90	45.38	1,206,977
>1 to 4	2,514,575	28.10	60.47	483,764
>4 to 12	1,623,641	10.28	31.59	565,901
>12 to <100	360,268	34.64	155.65	35,065
Default or 100	486,592	21.71	0.00	-
Total Corporate Exposures (with firm size adjustments)	8,756,984			2,291,707
Total Non Retail Exposures	28,663,764			5,364,601
<u>Retail Exposures</u>				
Residential Financing Exposures				
0 to 3	23,889,919	16.60	11.63	421,627
>3 to 10	900,212	16.65	47.99	6,850
>10 to 20	188,825	16.61	79.97	174
>20 to <100	705,090	16.67	89.73	450
Default or 100	526,595	16.71	92.23	1,232
Total Residential Financing Exposures	26,210,641			430,333
Qualifying Revolving Retail Exposures				
0 to 3	252,402	58.87	24.27	393,049
>3 to 10	179,120	57.55	68.91	77,978
>10 to 20	39,903	55.34	116.23	12,307
>20 to <100	21,020	54.37	154.97	3,821
Default or 100	11,944	49.39	140.76	-
Total Qualifying Revolving Retail Exposures	504,389			487,155
Hire Purchase Exposures				
0 to 3	9,566,638	44.10	28.60	-
>3 to 10	210,507	46.07	73.20	-
>10 to 20	184,425	45.20	100.28	-
>20 to <100	47,693	45.17	105.63	-
Default or 100	62,986	45.62	48.76	-
Total Hire Purchase Exposures	10,072,249			-
Other Retail Exposures				
0 to 3	14,818,346	17.94	14.56	4,837,904
>3 to 10	3,070,789	6.90	10.29	74,102
>10 to 20	303,041	13.55	27.93	7,684
>20 to <100	524,586	8.80	22.13	22,136
Default or 100	309,224	21.37	22.43	14,131
Total Other Retail Exposures	19,025,986			4,955,957
Total Retail Exposures	55,813,265			5,873,445
Total Non Retail & Retail Exposures under IRB Approach	84,477,029			11,238,046

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Table 12b: Exposures under the IRB Approach by PD Band, Exposure Weighted Average Loss Given Default (LGD) and Exposure Weighted Average Risk Weight as at 31 December 2022

RHB Islamic Bank	Exposure At Default After Credit Risk Mitigation RM'000	Exposure Weighted Average LGD %	Exposure Weighted Average Risk Weight %	Undrawn Commitments RM'000
<u>Probability of Default (PD) Range (%)</u>				
<u>Non Retail Exposures</u>				
Corporate Exposures (excluding exposures with firm size adjustments)				
0 to 1	12,533,247	42.39	52.70	1,362,225
>1 to 4	3,444,347	26.43	66.11	643,585
>4 to 12	2,513,190	3.69	13.03	1,110,910
>12 to <100	5,573	23.58	128.72	504
Default or 100	1,248,604	44.33	0.15	-
Total Corporate Exposures (excluding exposures with firm size adjustments)	19,744,961			3,117,224
Corporate Exposures (with firm size adjustments)				
0 to 1	3,905,072	36.72	40.47	1,178,845
>1 to 4	2,722,345	31.72	69.20	499,657
>4 to 12	1,722,767	9.37	28.35	147,681
>12 to <100	675,207	29.56	130.78	36,159
Default or 100	179,856	36.36	0.00	-
Total Corporate Exposures (with firm size adjustments)	9,205,247			1,862,342
Total Non Retail Exposures	28,950,208			4,979,566
<u>Retail Exposures</u>				
Residential Financing Exposures				
0 to 3	22,766,438	16.61	11.72	422,010
>3 to 10	820,567	16.74	48.29	10,085
>10 to 20	140,473	16.58	79.82	259
>20 to <100	522,148	16.63	87.89	185
Default or 100	429,335	16.76	88.32	1,398
Total Residential Financing Exposures	24,678,961			433,937
Qualifying Revolving Retail Exposures				
0 to 3	254,642	58.62	24.07	370,674
>3 to 10	166,135	57.20	67.95	64,910
>10 to 20	39,012	54.83	114.76	10,939
>20 to <100	18,209	54.54	155.24	3,727
Default or 100	12,984	50.22	106.39	-
Total Qualifying Revolving Retail Exposures	490,982			450,250
Hire Purchase Exposures				
0 to 3	9,236,125	43.91	28.13	-
>3 to 10	188,450	45.75	72.65	-
>10 to 20	168,740	44.77	99.31	-
>20 to <100	38,432	44.97	105.15	-
Default or 100	51,099	45.23	61.30	-
Total Hire Purchase Exposures	9,682,846			-
Other Retail Exposures				
0 to 3	14,841,988	17.48	14.05	4,853,169
>3 to 10	3,534,813	6.42	9.53	107,888
>10 to 20	288,439	13.26	27.16	10,735
>20 to <100	476,291	7.16	17.89	15,682
Default or 100	236,229	22.47	44.26	8,428
Total Other Retail Exposures	19,377,760			4,995,902
Total Retail Exposures	54,230,549			5,880,089
Total Non Retail & Retail Exposures under IRB Approach	83,180,757			10,859,655

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Table 13a: Exposures under the A-IRB Approach by EL Range and Exposure Weighted Average Risk Weight as at 30 June 2023

RHB Islamic Bank	Exposure At Default After Credit Risk Mitigation	Exposure Weighted Average Risk Weights	Undrawn Commitments
<u>Expected Losses (EL) Range (%)</u>	<u>RM'000</u>	<u>%</u>	<u>RM'000</u>
<u>Retail Exposures</u>			
Residential Financing Exposures			
0 to 1	24,785,010	12.99	429,240
>1 to 10	1,056,562	111.60	982
>10 to <100	356,286	22.65	105
100	12,783	0.00	6
Total Residential Financing Exposures	26,210,641		430,333
Qualifying Revolving Retail Exposures			
0 to 1	219,977	22.44	365,770
>1 to 10	250,147	71.87	116,855
>10 to <100	34,265	149.82	4,530
100	-	0.00	-
Total Qualifying Revolving Retail Exposures	504,389		487,155
Hire Purchase Exposures			
0 to 1	9,341,488	27.78	-
>1 to 10	620,082	77.40	-
>10 to <100	92,914	87.27	-
100	17,765	0.00	-
Total Hire Purchase Exposures	10,072,249		-
Other Retail Exposures			
0 to 1	17,981,373	13.11	4,902,326
>1 to 10	712,173	45.02	35,318
>10 to <100	279,150	23.77	18,043
100	53,290	0.00	270
Total Other Retail Exposures	19,025,986		4,955,957
Total Retail Exposures	55,813,265		5,873,445

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Table 13b: Exposures under the A-IRB Approach by EL Range and Exposure Weighted Average Risk Weight as at 31 December 2022

RHB Islamic Bank	Exposure At Default After Credit Risk Mitigation	Exposure Weighted Average Risk Weights	Undrawn Commitments
<u>Expected Losses (EL) Range (%)</u>	<u>RM'000</u>	<u>%</u>	<u>RM'000</u>
<u>Retail Exposures</u>			
Residential Financing Exposures			
0 to 1	23,583,071	13.04	433,018
>1 to 10	771,665	112.72	758
>10 to <100	312,506	22.51	155
100	11,719	0.00	6
Total Residential Financing Exposures	24,678,961		433,937
Qualifying Revolving Retail Exposures			
0 to 1	222,902	22.29	343,204
>1 to 10	235,942	71.15	102,744
>10 to <100	32,138	135.35	4,302
100	-	0.00	-
Total Qualifying Revolving Retail Exposures	490,982		450,250
Hire Purchase Exposures			
0 to 1	9,027,627	27.34	-
>1 to 10	565,690	76.81	-
>10 to <100	79,275	90.47	-
100	10,254	0.00	-
Total Hire Purchase Exposures	9,682,846		-
Other Retail Exposures			
0 to 1	18,496,110	12.46	4,941,147
>1 to 10	657,488	49.03	41,945
>10 to <100	170,871	36.66	12,301
100	53,291	0.00	509
Total Other Retail Exposures	19,377,760		4,995,902
Total Retail Exposures	54,230,549		5,880,089

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Table 14: Exposures under IRB Approach by Actual Losses versus Expected Losses

RHB Islamic Bank	Actual Losses as at 30 June 2023	Expected Losses as at 30 June 2022	Actual Losses as at 30 June 2022	Expected Losses as at 30 June 2021
<u>Exposure Class</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Corporates, of which				
Corporate Exposures (excluding exposures with firm size adjustments)	-	35,808	450,246	45,861
Corporate Exposures (with firm size adjustments)	95,129	76,762	13,745	73,253
Specialised Lending Exposures (Slotting Approach)				
Project Finance	-	270	-	364
Income Producing Real Estate	-	9,425	-	15,704
Retail, of which				
Residential Financing Exposures	43,554	51,119	22,486	54,489
Qualifying Revolving Retail Exposures	6,963	10,649	7,536	13,645
Hire Purchase Exposures	34,395	46,696	12,934	55,671
Other Retail Exposures	42,774	51,657	18,831	52,091
Total	222,815	282,386	525,778	311,078

Note :

Actual losses are derived from impairment allowances and write-offs during the year, while expected losses (EL) measures the loss expected from the Bank's credit exposures as at 30 June of the preceding year.

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Table 15a: Credit Risk Mitigation of Portfolios under the Standardised Approach as at 30 June 2023

RHB Islamic Bank	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	9,224,015	-	-
Public Sector Entities	7,697,628	7,564,607	71,600
Banks, Development Financial Institutions & MDBs	1,018,070	44,718	-
Takaful Cos, Securities Firms & Fund Managers	1,854	-	-
Corporates	1,185,725	-	8,853
Regulatory Retail	5,346,184	-	11,254
Residential Financing	11,482	-	-
Other Assets	185,778	-	-
Defaulted Exposures	152,216	-	97,710
Total On-Balance Sheet Exposures	24,822,952	7,609,325	189,417
<u>Off-Balance Sheet Exposures</u>			
OTC Derivatives	467,772	-	-
Off-balance sheet exposures other than OTC derivatives or credit derivatives	670,467	533,421	26,604
Defaulted Exposures	-	-	-
Total Off-Balance Sheet Exposures	1,138,239	533,421	26,604
Total On and Off-Balance Sheet Exposures	25,961,191	8,142,746	216,021

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BASEL II PILLAR 3 DISCLOSURES AS AT 30 JUNE 2023

Table 15b: Credit Risk Mitigation of Portfolios under the Standardised Approach as at 31 December 2022

RHB Islamic Bank	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	10,146,980	-	-
Public Sector Entities	7,842,192	7,187,830	71,600
Banks, Development Financial Institutions & MDBs	2,689,740	49,358	-
Takaful Cos, Securities Firms & Fund Managers	-	-	-
Corporates	1,004,725	-	109,834
Regulatory Retail	5,007,412	-	10,186
Residential Financing	9,412	-	-
Other Assets	59,526	-	-
Defaulted Exposures	41,379	-	10
Total On-Balance Sheet Exposures	26,801,366	7,237,188	191,630
<u>Off-Balance Sheet Exposures</u>			
OTC Derivatives	579,789	-	3,304
Off-balance sheet exposures other than OTC derivatives or credit derivatives	668,098	533,421	31,522
Defaulted Exposures	-	-	-
Total Off-Balance Sheet Exposures	1,247,887	533,421	34,826
Total On and Off-Balance Sheet Exposures	28,049,253	7,770,609	226,456

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Table 16a: Credit Risk Mitigation of Portfolios under the IRB Approach as at 30 June 2023

RHB Islamic Bank

<u>Exposure Class</u>	Gross Exposures Before Credit Risk Mitigation RM'000	Gross Exposures Covered by Guarantees/ Credit Derivatives RM'000	Gross Exposures Covered by Eligible Financial Collateral RM'000	Gross Exposures Covered by Other Eligible Collateral RM'000
On-Balance Sheet Exposures				
Corporates, of which	26,277,708	5,615,213	1,194,982	5,439,741
Corporate Exposures (excluding exposures with firm size adjustments)	16,819,563	3,913,291	420,831	2,537,422
Corporate Exposures (with firm size adjustments)	7,080,360	1,419,674	774,151	2,902,319
Specialised Financing Exposures (Slotting Approach)				
Project Finance	157,273	-	-	-
Income Producing Real Estate	2,220,512	282,248	-	-
Retail, of which	49,606,999	62,798	4,640,199	30,035,554
Residential Financing Exposures	25,254,944	-	-	25,212,622
Qualifying Revolving Retail Exposures	302,010	-	-	-
Hire Purchase Exposures	10,009,263	-	-	-
Other Retail Exposures	14,040,782	62,798	4,640,199	4,822,932
Defaulted Exposures	2,656,287	10,399	231,056	697,314
Total On-Balance Sheet Exposures	78,540,994	5,688,410	6,066,237	36,172,609
Off-Balance Sheet Exposures				
OTC Derivatives	22,207	-	-	-
Off-balance sheet exposures other than OTC derivatives or credit derivatives	8,190,512	1,151,763	211,583	4,585,792
Defaulted Exposures	16,758	-	-	14,711
Total Off-Balance Sheet Exposures	8,229,477	1,151,763	211,583	4,600,503
Total On and Off-Balance Sheet Exposures	86,770,471	6,840,173	6,277,820	40,773,112

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Table 16b: Credit Risk Mitigation of Portfolios under the IRB Approach as at 31 December 2022

RHB Islamic Bank

<u>Exposure Class</u>	Gross Exposures Before Credit Risk Mitigation RM'000	Gross Exposures Covered by Guarantees/ Credit Derivatives RM'000	Gross Exposures Covered by Eligible Financial Collateral RM'000	Gross Exposures Covered by Other Eligible Collateral RM'000
<u>On-Balance Sheet Exposures</u>				
Corporates, of which	26,887,675	6,737,857	1,322,972	4,851,441
Corporate Exposures (excluding exposures with firm size adjustments)	16,670,314	4,446,560	180,901	2,063,325
Corporate Exposures (with firm size adjustments)	8,201,556	2,015,855	1,142,071	2,788,116
Specialised Financing Exposures (Slotting Approach)			-	-
Project Finance	139,096	-	-	-
Income Producing Real Estate	1,876,709	275,442	-	-
Retail, of which	48,156,300	52,754	5,397,906	28,316,218
Residential Financing Exposures	23,817,087	-	-	23,778,333
Qualifying Revolving Retail Exposures	288,486	-	-	-
Hire Purchase Exposures	9,631,747	-	-	-
Other Retail Exposures	14,418,980	52,754	5,397,906	4,537,885
Defaulted Exposures	2,147,835	11,373	12,185	606,691
Total On-Balance Sheet Exposures	77,191,810	6,801,984	6,733,063	33,774,350
<u>Off-Balance Sheet Exposures</u>				
OTC Derivatives	15,148	-	-	-
Off-balance sheet exposures other than OTC derivatives or credit derivatives	7,985,352	871,926	193,371	4,583,221
Defaulted Exposures	10,272	-	-	9,362
Total Off-Balance Sheet Exposures	8,010,772	871,926	193,371	4,592,583
Total On and Off-Balance Sheet Exposures	85,202,582	7,673,910	6,926,434	38,366,933

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Table 17a: Impaired and Past Due Financing and Allowance for Credit Losses by Industry Sector as at 30 June 2023

RHB Islamic Bank			
<u>Industry Sector</u>	Impaired Financing	Past Due Financing	Allowance for Credit Losses
	RM'000	RM'000	RM'000
Agriculture	648	1,370	11,865
Mining & Quarrying	4,585	-	438
Manufacturing	23,381	20,207	26,736
Electricity, Gas & Water Supply	10,393	72	6,043
Construction	62,414	41,380	49,841
Wholesale, Retail Trade, Restaurants & Hotels	52,585	36,993	160,787
Transport, Storage & Communication	444,121	3,136	110,776
Finance, Takaful, Real Estate & Business	40,954	56,556	56,142
Education, Health & Others	88,826	29,116	7,776
Household	405,747	2,417,575	273,931
Others	-	38,602	17,986
Total	1,133,654	2,645,007	722,321

Table 17b: Impaired and Past Due Financing and Allowance for Credit Losses by Industry Sector as at 31 December 2022

RHB Islamic Bank			
<u>Industry Sector</u>	Impaired Financing	Past Due Financing	Allowance for Credit Losses
	RM'000	RM'000	RM'000
Agriculture	729	656	38,278
Mining & Quarrying	4,833	-	2,863
Manufacturing	21,122	9,755	27,409
Electricity, Gas & Water Supply	9,954	-	5,876
Construction	58,085	35,050	54,807
Wholesale, Retail Trade, Restaurants & Hotels	47,800	31,470	168,552
Transport, Storage & Communication	14,284	4,023	113,025
Finance, Takaful, Real Estate & Business	39,879	26,100	98,950
Education, Health & Others	82,623	22,289	4,632
Household	321,179	2,114,865	238,342
Others	-	17,922	29,848
Total	600,488	2,262,130	782,582

Table 18: Net Charges/(Write back) and Write-Offs for Financing Impairment by Industry Sector

RHB Islamic Bank				
<u>Industry Sector</u>	Six Months Period Ended 30.06.2023		Twelve Months Period Ended 31.12.2022	
	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	44	-	27	-
Mining & Quarrying	(2,442)	-	-	-
Manufacturing	2,142	(91)	391	(2,760)
Electricity, Gas & Water Supply	583	-	(422)	-
Construction	859	(803)	6,144	(1,812)
Wholesale, Retail Trade, Restaurants & Hotels	3,419	(608)	6,057	(2,800)
Transport, Storage & Communication	86,463	(513)	907	(535)
Finance, Takaful, Real Estate & Business	1,208	(2,324)	6,683	(3,826)
Education, Health & Others	(148)	(45)	4	-
Household	62,609	(35,698)	88,992	(50,682)
Others	(6,177)	(49)	21,942	(7)
Total	148,560	(40,131)	130,725	(62,422)

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Table 19a: Movement in Financing Allowance for Credit Losses as at 30 June 2023

RHB Islamic Bank	12-month ECL (Stage 1) RM'000	Lifetime ECL Not Credit Impaired (Stage 2) RM'000	Lifetime ECL Credit Impaired (Stage 3) RM'000	Total RM'000
Balance as at the beginning of the financial period	156,445	374,072	252,065	782,582
Changes due to financial assets recognised in the opening balance that have been:				
- Transferred to 12-month ECL (Stage 1)	45,974	(42,208)	(3,766)	-
- Transferred to Lifetime ECL not credit impaired (Stage 2)	(4,487)	26,788	(22,301)	-
- Transferred to Lifetime ECL credit impaired (Stage 3)	(460)	(34,766)	35,226	-
	41,027	(50,186)	9,159	-
Changes in credit risk	(60,221)	(71,766)	145,708	13,721
Purchases and origination	5,817	1,583	277	7,677
Bad debts written off	-	-	(40,131)	(40,131)
Changes in model methodologies	(15,024)	(14,716)	6,141	(23,599)
Derecognition	(3,166)	(2,621)	(12,725)	(18,512)
Other movements	-	-	583	583
Balance as at the end of the financial period	124,878	236,366	361,077	722,321

Table 19b: Movement in Financing Allowance for Credit Losses as at 31 December 2022

RHB Islamic Bank	12-month ECL (Stage 1) RM'000	Lifetime ECL Not Credit Impaired (Stage 2) RM'000	Lifetime ECL Credit Impaired (Stage 3) RM'000	Total RM'000
Balance as at the beginning of the financial year	170,709	252,606	183,176	606,491
Changes due to financial assets recognised in the opening balance that have been:				
- Transferred to 12-month ECL (Stage 1)	47,653	(42,848)	(4,805)	-
- Transferred to Lifetime ECL not credit impaired (Stage 2)	(5,976)	12,793	(6,817)	-
- Transferred to Lifetime ECL credit impaired (Stage 3)	(2,965)	(6,699)	9,664	-
	38,712	(36,754)	(1,958)	-
Changes in credit risk	(62,225)	174,676	148,855	261,306
Purchases and origination	26,322	5,017	5,256	36,595
Bad debts written off	-	-	(62,422)	(62,422)
Changes in model methodologies	(4,079)	(16,222)	(143)	(20,444)
Derecognition	(12,994)	(5,251)	(21,285)	(39,530)
Other movements	-	-	586	586
Balance as at the end of the financial year	156,445	374,072	252,065	782,582

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Table 20a: Market Risk-Weighted Assets and Minimum Capital Requirements as at 30 June 2023

RHB Islamic Bank	Long Position	Short Position	Risk-Weighted Assets	Minimum Capital Requirements
<u>Market Risk</u>	RM'000	RM'000	RM'000	RM'000
Profit Rate Risk	15,055	14,499	205,572	16,446
Foreign Currency Risk	5,872	97,122	97,122	7,770
Total			302,694	24,216

Table 20b: Market Risk-Weighted Assets and Minimum Capital Requirements as at 31 December 2022

RHB Islamic Bank	Long Position	Short Position	Risk-Weighted Assets	Minimum Capital Requirements
<u>Market Risk</u>	RM'000	RM'000	RM'000	RM'000
Profit Rate Risk	13,712,284	13,659,288	109,266	8,741
Foreign Currency Risk	6,956	61,224	61,224	4,898
Total			170,490	13,639

Note:

As at 30 June 2023 and 31 December 2022, RHB Islamic Bank did not have any exposure under equity position risk, commodity risk, inventory risk, options risk, and market risk exposure absorbed by PSIA.

Table 21a: Rate of Return Risk in the Banking Book as at 30 June 2023

RHB Islamic Bank	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
<u>Currency</u>	RM'000	RM'000	RM'000	RM'000
MYR - Malaysian Ringgit	220,128	(220,128)	(354,421)	354,421
USD - US Dollar	(16,522)	16,522	5,285	(5,285)
Others ¹	(67)	67	280	(280)
Total	203,539	(203,539)	(348,856)	348,856

Table 21b: Rate of Return Risk in the Banking Book as at 31 December 2022

RHB Islamic Bank	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
<u>Currency</u>	RM'000	RM'000	RM'000	RM'000
MYR - Malaysian Ringgit	197,433	(197,433)	(354,361)	354,361
USD - US Dollar	(11,885)	11,885	1,483	(1,483)
Others ¹	166	(166)	545	(545)
Total	185,714	(185,714)	(352,333)	352,333

Note:

1. Inclusive of GBP, EUR, SGD, etc

2. The EaR and EVE exposures are additive and do not take into account any correlation impact in the aggregation.

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

4. PSIA between RHB Islamic and RHB Bank which qualifies as a risk absorbent, is excluded from the computation of rate of return risk.

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

Table 22: Operational Risk-Weighted Assets and Minimum Capital Requirements

RHB Islamic Bank		
<u>Operational Risk</u>	<u>30.06.2023</u>	<u>31.12.2022</u>
	RM'000	RM'000
Risk-Weighted Assets	3,278,906	3,114,515
Minimum Capital Requirements	262,312	249,161

Table 23: Disclosure on Profit Sharing Investment Account

RHB Islamic Bank		
<u>Unrestricted Investment Account (URIA)</u>	<u>30.06.2023</u>	<u>31.12.2022</u>
	%	%
Return on Assets (ROA)	8.88	7.58
Average Net Distributable Income	12.21	7.49
Average Net Distributable Income Attributable to the Investment Account Holder (IAH)	3.75	3.00
	RM'000	RM'000
Impaired assets funded by URIA	7,194	12,218
ECL Stage 1 provisions funded by URIA	171	496
ECL Stage 2 provisions funded by URIA	506	1,465
ECL Stage 3 provisions funded by URIA	2,220	3,778

Notes:

1 Return on Assets refers to total gross income/ average amount of assets funded by URIA.

2 Average Net Distributable Income refers to total average net distributable income/ average amount of assets funded by URIA.