

RHB Investment Bank Berhad
Basel II Pillar 3 Disclosures
30 June 2024

**RHB INVESTMENT BANK GROUP
BASEL II PILLAR 3 DISCLOSURES AS AT 30 JUNE 2024**

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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 2024 are accurate and complete.

KEVIN VIJENDREN DAVIES
Managing Director

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INTRODUCTION

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

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

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

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

This document covers the quantitative information as at 30 June 2024 with comparative quantitative information of the preceding financial year as at 31 December 2023. This disclosure report has been verified and approved internally in line with the RHB Banking Group: Basel II Pillar 3 Disclosure Policy.

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

SCOPE OF APPLICATION

In this Pillar 3 document, RHB Investment Bank Berhad's information is presented on a consolidated basis, namely RHB Investment Bank Berhad with its overseas operations and its subsidiaries, and is referred to as 'RHB Investment Bank Group'.

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

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

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

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Table 1: Capital Adequacy Ratios

<u>Capital Ratios</u>	RHB Investment Bank Group		RHB Investment Bank	
	30.06.2024	31.12.2023	30.06.2024	31.12.2023
<u>Before proposed dividends</u>				
Common Equity Tier I Capital Ratio	35.031%	44.297%	26.764%	36.653%
Tier I Capital Ratio	35.055%	44.328%	26.764%	36.653%
Total Capital Ratio	38.001%	47.701%	32.169%	43.517%
<u>After proposed dividends</u>				
Common Equity Tier I Capital Ratio	35.031%	42.528%	26.764%	32.446%
Tier I Capital Ratio	35.055%	42.560%	26.764%	32.446%
Total Capital Ratio	38.001%	45.932%	32.169%	39.310%

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

<u>Risk Types</u>	RHB Investment Bank Group		RHB Investment Bank	
	30.06.2024	31.12.2023	30.06.2024	31.12.2023
	RM'000	RM'000	RM'000	RM'000
Credit RWA	2,709,067	2,061,013	902,154	616,039
Market RWA	530,877	282,091	412,916	155,584
Operational RWA	1,306,013	1,388,888	743,897	797,424
Total	4,545,957	3,731,992	2,058,967	1,569,047

Table 3a: Risk-Weighted Assets by Risk Types and Minimum Capital Requirements as at 30 June 2024

<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	2,709,067	902,154	216,726	72,172
Market Risk				
Under Standardised Approach	530,877	412,916	42,470	33,033
Operational Risk				
Under Basic Indicator Approach	1,306,013	743,897	104,481	59,512
Total	4,545,957	2,058,967	363,677	164,717

Table 3b: Risk-Weighted Assets by Risk Types and Minimum Capital Requirements as at 31 December 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	2,061,013	616,039	164,881	49,283
Market Risk				
Under Standardised Approach	282,091	155,584	22,567	12,447
Operational Risk				
Under Basic Indicator Approach	1,388,888	797,424	111,111	63,794
Total	3,731,992	1,569,047	298,559	125,524

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Table 4: Capital Structure

	RHB Investment Bank Group		RHB Investment Bank	
	30.06.2024	31.12.2023	30.06.2024	31.12.2023
	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	765,079	832,385	405,682	469,723
Other reserves	112,019	114,775	4,064	2,830
Fair value through other comprehensive income (FVOCI) reserves	42,978	39,473	41,938	38,675
Less:				
Goodwill	(445,163)	(449,978)	(372,395)	(372,395)
Investments in subsidiaries	-	-	(678,011)	(715,344)
Investments in associates and joint ventures	(12,962)	(13,139)	(5,028)	(5,028)
Other Intangible assets	(40,650)	(43,076)	(25,214)	(25,074)
Deferred tax assets	(25,176)	(25,573)	(16,905)	(17,020)
55% of cumulative gains arising from change in value of FVOCI instruments	(23,638)	(21,710)	(23,066)	(21,271)
Total Common Equity Tier I Capital	1,592,487	1,653,157	551,065	575,096
Qualifying non controlling interest recognised as Tier I Capital	1,103	1,177	-	-
Total Tier I Capital	1,593,590	1,654,334	551,065	575,096
<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	76	85	-	-
General provisions [^]	33,863	25,763	11,277	7,700
Total Tier II Capital	133,939	125,848	111,277	107,700
Total Capital	1,727,529	1,780,182	662,342	682,796

[^] 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 RM33,241,000 (31 December 2023: RM25,113,000) and RM11,186,000 (31 December 2023: RM7,611,000) 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 2024

RHB Investment Bank Group	Gross Exposures/EAD before CRM	Net Exposures/EAD after CRM	Risk-Weighted Assets	Minimum Capital Requirement
Exposure Class	RM'000	RM'000	RM'000	RM'000
Exposures under the Standardised Approach				
On-Balance Sheet Exposures				
Sovereigns & Central Banks	1,529,099	1,529,099	4,593	367
Public Sector Entities	160,457	160,457	-	-
Banks, Development Financial Institutions & MDBs	2,542,517	2,542,517	619,645	49,572
Insurance Cos, Securities Firms & Fund Managers	38,834	38,834	38,834	3,107
Corporates	1,865,015	695,797	38,283	3,063
Regulatory Retail	855,815	1,742	1,306	104
Residential Mortgages	194	194	68	5
Higher Risk Assets	784,657	784,657	1,176,986	94,159
Other Assets	1,385,601	1,385,601	684,311	54,745
Equity Exposures	59,170	59,170	59,170	4,734
Defaulted Exposures	-	-	-	-
Total On-Balance Sheet Exposures	9,221,359	7,198,068	2,623,196	209,856
Off-Balance Sheet Exposures				
OTC Derivatives	14,280	14,280	6,587	527
Off-balance sheet exposures other than OTC derivatives or credit derivatives	392,535	80,829	79,284	6,343
Defaulted Exposures	-	-	-	-
Total Off-Balance Sheet Exposures	406,815	95,109	85,871	6,870
Total On and Off-Balance Sheet Exposures	9,628,174	7,293,177	2,709,067	216,726

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 2023

RHB Investment Bank Group	Gross Exposures/EAD before CRM	Net Exposures/EAD after CRM	Risk-Weighted Assets	Minimum Capital Requirement
Exposure Class	RM'000	RM'000	RM'000	RM'000
Exposures under the Standardised Approach				
On-Balance Sheet Exposures				
Sovereigns & Central Banks	1,633,621	1,633,621	4,501	360
Public Sector Entities	140,133	140,133	-	-
Banks, Development Financial Institutions & MDBs	1,724,389	1,724,389	424,046	33,924
Insurance Cos, Securities Firms & Fund Managers	35,202	35,202	35,202	2,816
Corporates	1,433,458	277,419	33,207	2,656
Regulatory Retail	719,049	17,211	12,908	1,033
Residential Mortgages	204	204	71	6
Higher Risk Assets	735,836	735,836	1,103,754	88,300
Other Assets	1,358,565	1,358,565	331,858	26,549
Equity Exposures	73,857	73,857	73,857	5,908
Defaulted Exposures	-	-	-	-
Total On-Balance Sheet Exposures	7,854,314	5,996,437	2,019,404	161,552
Off-Balance Sheet Exposures				
OTC Derivatives	5,633	5,633	1,127	90
Off-balance sheet exposures other than OTC derivatives or credit derivatives	660,627	57,000	40,482	3,239
Defaulted Exposures	-	-	-	-
Total Off-Balance Sheet Exposures	666,260	62,633	41,609	3,329
Total On and Off-Balance Sheet Exposures	8,520,574	6,059,070	2,061,013	164,881

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Table 6a: Exposures on Off-Balance Sheet and Counterparty Credit Risk (Before Credit Risk Mitigation) as at 30 June 2024

RHB Investment Bank Group	Principal/ Notional Amount	Positive Fair Value of Derivative Contracts	Credit Equivalent Amount	Risk- Weighted Assets
<u>Nature of Item</u>	RM'000	RM'000	RM'000	RM'000
Direct credit substitutes	32,993		32,993	32,993
NIFs and obligations under underwriting agreement	91,770		45,885	45,885
Lending of banks' securities or the posting of securities as collateral by banks, including instances where these arise out of repo style transactions	60,611		60,611	385
Foreign exchange related contracts	26,592	11	11	2
1 year or less	26,592	11	11	2
Over 1 year to 5 years	-	-	-	-
Over 5 years	-	-	-	-
Equity related contracts	107,964	7,524	14,269	6,585
1 year or less	107,964	7,524	14,269	6,585
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	1,265,175		253,035	13
Total	1,585,127	7,535	406,815	85,871

Table 6b: Exposures on Off-Balance Sheet and Counterparty Credit Risk (Before Credit Risk Mitigation) as at 31 December 2023

RHB Investment Bank Group	Principal/ Notional Amount	Positive Fair Value of Derivative Contracts	Credit Equivalent Amount	Risk- Weighted Assets
<u>Nature of Item</u>	RM'000	RM'000	RM'000	RM'000
Direct credit substitutes	33,166		33,166	33,166
NIFs and obligations under underwriting agreement	-		-	-
Lending of banks' securities or the posting of securities as collateral by banks, including instances where these arise out of repo style transactions	388,783		388,783	3,840
Foreign exchange related contracts	28,472	20	20	4
1 year or less	28,472	20	20	4
Over 1 year to 5 years	-	-	-	-
Over 5 years	-	-	-	-
Equity related contracts	200	5,600	5,613	1,123
1 year or less	200	5,600	5,613	1,123
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	7
Other commitments, such as formal standby facilities and credit lines, with original maturity of up to 1 year	1,193,334		238,667	3,469
Total	1,643,977	5,620	666,260	41,609

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Table 7a: Credit Risk Exposures (Before Credit Risk Mitigation) by Geographical Distribution as at 30 June 2024

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	1,524,506	-	-	-	-	4,593	-	1,529,099
Public Sector Entities	160,457	-	-	-	-	-	-	160,457
Banks, Development Financial Institutions & MDBs	2,509,610	9,413	678	29,308	14,431	47,184	-	2,610,624
Insurance Cos, Securities Firms & Fund Managers	38,834	-	-	-	-	-	-	38,834
Corporates	1,652,776	-	-	165,704	213,510	-	-	2,031,990
Regulatory Retail	891,114	-	-	79,249	57,184	-	-	1,027,547
Residential Mortgages	195	-	-	-	-	-	-	195
Higher Risk Assets	782,239	-	-	2,161	257	-	-	784,657
Other Assets	1,233,979	5,072	124	78,107	65,828	2,491	-	1,385,601
Total	8,793,710	14,485	802	354,529	351,210	54,268	-	9,569,004

Table 7b: Credit Risk Exposures (Before Credit Risk Mitigation) by Geographical Distribution as at 31 December 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	1,629,120	-	-	-	-	4,501	-	1,633,621
Public Sector Entities	140,133	-	-	-	-	-	-	140,133
Banks, Development Financial Institutions & MDBs	1,976,292	13,086	678	49,911	18,752	46,450	13,636	2,118,805
Insurance Cos, Securities Firms & Fund Managers	35,202	-	-	-	-	-	-	35,202
Corporates	1,199,260	-	-	97,651	260,191	-	-	1,557,102
Regulatory Retail	721,627	-	-	71,582	55,159	-	18,880	867,248
Residential Mortgages	205	-	-	-	-	-	-	205
Higher Risk Assets	733,330	-	-	2,240	266	-	-	735,836
Other Assets	1,207,280	2,865	124	79,600	61,402	2,661	4,633	1,358,565
Total	7,642,449	15,951	802	300,984	395,770	53,612	37,149	8,446,717

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 2024

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	-	-	-	-	-	-	-	664,005	865,094	-	-	1,529,099
Public Sector Entities	-	-	-	-	-	-	-	-	160,457	-	-	160,457
Banks, Development Financial Institutions & MDBs	-	-	-	-	-	-	-	2,610,624	-	-	-	2,610,624
Insurance Cos, Securities Firms & Fund Managers	-	-	-	-	-	-	-	38,834	-	-	-	38,834
Corporates	93,454	79	32,758	37,122	91,514	19,975	140,324	960,878	2,499	653,387	-	2,031,990
Regulatory Retail	-	-	-	-	-	-	-	-	-	1,027,547	-	1,027,547
Residential Mortgages	-	-	-	-	-	-	-	-	-	195	-	195
Higher Risk Assets	-	-	-	-	-	-	-	784,657	-	-	-	784,657
Other Assets	-	-	-	-	-	-	-	256,171	-	-	1,129,430	1,385,601
Total	93,454	79	32,758	37,122	91,514	19,975	140,324	5,315,169	1,028,050	1,681,129	1,129,430	9,569,004

Table 8b: Credit Risk Exposures (Before Credit Risk Mitigation) by Industry Sector as at 31 December 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	-	-	-	-	-	-	-	939,435	694,186	-	-	1,633,621
Public Sector Entities	-	-	-	-	-	-	-	-	140,133	-	-	140,133
Banks, Development Financial Institutions & MDBs	-	-	-	-	-	-	-	2,118,805	-	-	-	2,118,805
Insurance Cos, Securities Firms & Fund Managers	-	-	-	-	-	-	-	35,202	-	-	-	35,202
Corporates	4,353	76	31,570	26,995	37,022	30,672	128,850	607,002	2,499	688,063	-	1,557,102
Regulatory Retail	-	-	-	-	-	-	-	-	-	867,248	-	867,248
Residential Mortgages	-	-	-	-	-	-	-	-	-	205	-	205
Higher Risk Assets	-	-	-	-	-	-	-	735,836	-	-	-	735,836
Other Assets	-	-	-	-	-	-	-	249,686	-	1,653	1,107,226	1,358,565
Total	4,353	76	31,570	26,995	37,022	30,672	128,850	4,685,966	836,818	1,557,169	1,107,226	8,446,717

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 2024

RHB Investment Bank Group				
<u>Exposure Class</u>	One Year	More Than	Over	Total
	or Less	One to	Five Years	
	RM'000	Five Years	Five Years	RM'000
<u>Exposures under Standardised Approach</u>				
Sovereigns & Central Banks	603,212	725,452	200,435	1,529,099
Public Sector Entities	20,329	120,139	19,989	160,457
Banks, Development Financial Institutions & MDBs	2,366,065	-	244,559	2,610,624
Insurance Cos, Securities Firms & Fund Managers	38,834	-	-	38,834
Corporates	1,481,383	407,515	143,092	2,031,990
Regulatory Retail	1,027,523	22	2	1,027,547
Residential Mortgages	-	53	142	195
Higher Risk Assets	257	-	784,400	784,657
Other Assets	879,546	-	506,055	1,385,601
Total	6,417,149	1,253,181	1,898,674	9,569,004

Table 9b: Credit Risk Exposures (Before Credit Risk Mitigation) by Remaining Maturity as at 31 December 2023

RHB Investment Bank Group				
<u>Exposure Class</u>	One Year	More Than	Over	Total
	or Less	One to	Five Years	
	RM'000	Five Years	Five Years	RM'000
<u>Exposures under Standardised Approach</u>				
Sovereigns & Central Banks	881,234	554,373	198,014	1,633,621
Public Sector Entities	50,975	69,188	19,970	140,133
Banks, Development Financial Institutions & MDBs	1,851,525	-	267,280	2,118,805
Insurance Cos, Securities Firms & Fund Managers	35,202	-	-	35,202
Corporates	1,269,571	111,637	175,894	1,557,102
Regulatory Retail	867,223	1	24	867,248
Residential Mortgages	-	59	146	205
Higher Risk Assets	266	-	735,570	735,836
Other Assets	1,169,566	-	188,999	1,358,565
Total	6,125,562	735,258	1,585,897	8,446,717

Note: This table excludes equity exposures

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Table 10a: Portfolios under the Standardised Approach by Risk Weights as at 30 June 2024

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%	1,524,506	160,457	-	-	644,369	-	-	-	496,353	-	2,825,685	-
20%	-	-	2,363,797	-	-	-	-	-	256,171	-	2,619,968	523,994
35%	-	-	-	-	-	-	195	-	-	-	195	68
50%	-	-	78,738	-	26,290	-	-	-	-	-	105,028	52,514
75%	-	-	-	-	-	8,553	-	-	-	-	8,553	6,414
100%	4,593	-	109,400	38,834	104,017	-	-	-	633,077	59,170	949,091	949,091
150%	-	-	-	-	-	-	-	784,657	-	-	784,657	1,176,986
Total Exposures	1,529,099	160,457	2,551,935	38,834	774,676	8,553	195	784,657	1,385,601	59,170	7,293,177	2,709,067

Table 10b: Portfolios under the Standardised Approach by Risk Weights as at 31 December 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%	1,629,120	140,133	-	-	231,450	-	-	-	826,958	-	2,827,661	-
20%	-	-	1,585,470	-	-	-	-	-	249,686	-	1,835,156	367,031
35%	-	-	-	-	-	-	205	-	-	-	205	72
50%	-	-	103,664	-	25,523	-	-	-	-	-	129,187	64,593
75%	-	-	-	-	-	21,846	-	-	-	-	21,846	16,384
100%	4,501	-	60,086	35,202	53,612	-	-	-	281,921	73,857	509,179	509,179
150%	-	-	-	-	-	-	-	735,836	-	-	735,836	1,103,754
Total Exposures	1,633,621	140,133	1,749,220	35,202	310,585	21,846	205	735,836	1,358,565	73,857	6,059,070	2,061,013

RHB INVESTMENT BANK GROUP
 BASEL II PILLAR 3 DISCLOSURES AS AT 30 JUNE 2024

Table 11a: Rated Exposures According to Ratings by External Credit Assessment Institutions (ECAIs) as at 30 June 2024

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
<u>Exposure Class</u>	R&I	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated

	RM'000	RM'000	RM'000	RM'000	RM'000
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On and Off-Balance Sheet Exposures

Public Sector Entities	-	-	-	-	160,457
Insurance Cos, Securities Firms & Fund Managers	-	-	-	-	38,834
Corporates	20,717	26,289	-	-	727,670

Ratings of Sovereigns and Central Banks
 by Approved ECAIs

	Moody's	Aaa to Aa3	A1 to A3	Baa1 to Baa3	Ba1 to B3	Caa1 to C	Unrated
	S&P	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to D	Unrated
	Fitch	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to D	Unrated
<u>Exposure Class</u>	R&I	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to C	Unrated

	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
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On and Off-Balance Sheet Exposures

Sovereigns & Central Banks	-	1,424,250	100,256	4,593	-	-
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Ratings of Banking Institutions by Approved ECAIs

	Moody's	Aaa to Aa3	A1 to A3	Baa1 to Baa3	Ba1 to B3	Caa1 to C	Unrated
	S&P	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to D	Unrated
	Fitch	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to D	Unrated
	RAM	AAA to AA3	A1 to A3	BBB1 to BBB3	BB1 to B3	C1 to D	Unrated
	MARC	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	C+ to D	Unrated
<u>Exposure Class</u>	R&I	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to C	Unrated

	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
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On and Off-Balance Sheet Exposures

Banks, Development Financial Institutions & MDBs	2,343,971	42,162	3	-	-	165,799
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RHB INVESTMENT BANK GROUP
 BASEL II PILLAR 3 DISCLOSURES AS AT 30 JUNE 2024

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

On and Off-Balance Sheet Exposures

Public Sector Entities		-	-	-	-	140,133
Insurance Cos, Securities Firms & Fund Managers		-	-	-	-	35,202
Corporates		-	25,523	-	-	285,062

Ratings of Sovereigns and Central Banks
 by Approved ECAIs

	Moody's	Aaa to Aa3	A1 to A3	Baa1 to Baa3	Ba1 to B3	Caa1 to C	Unrated
	S&P	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to D	Unrated
	Fitch	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to D	Unrated
<u>Exposure Class</u>	R&I	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to C	Unrated
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000

On and Off-Balance Sheet Exposures

Sovereigns & Central Banks		-	1,629,120	-	4,501	-	-
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Ratings of Banking Institutions by Approved ECAIs

	Moody's	Aaa to Aa3	A1 to A3	Baa1 to Baa3	Ba1 to B3	Caa1 to C	Unrated
	S&P	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to D	Unrated
	Fitch	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to D	Unrated
	RAM	AAA to AA3	A1 to A3	BBB1 to BBB3	BB1 to B3	C1 to D	Unrated
	MARC	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	C+ to D	Unrated
<u>Exposure Class</u>	R&I	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to C	Unrated
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000

On and Off-Balance Sheet Exposures

Banks, Development Financial Institutions & MDBs		1,562,302	41,598	3	-	-	145,317
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**RHB INVESTMENT BANK GROUP
BASEL II PILLAR 3 DISCLOSURES AS AT 30 JUNE 2024**

Table 12a: Credit Risk Mitigation of Portfolios under the Standardised Approach as at 30 June 2024

RHB Investment Bank Group	Gross Exposures Before Credit Risk Mitigation	Gross Exposures Covered by Guarantees/ Credit Derivatives	Gross Exposures Covered by Eligible Financial Collateral
Exposure Class	RM'000	RM'000	RM'000
<u>On-Balance Sheet Exposures</u>			
Sovereigns & Central Banks	1,529,099	-	-
Public Sector Entities	160,457	160,457	-
Banks, Development Financial Institutions & MDBs	2,542,517	-	-
Insurance Cos, Securities Firms & Fund Managers	38,834	-	-
Corporates	1,865,015	644,369	1,169,218
Regulatory Retail	855,815	-	854,073
Residential Mortgages	194	-	-
Higher Risk Assets	784,657	-	-
Other Assets	1,385,601	-	-
Equity Exposures	59,170	-	-
Defaulted Exposures	-	-	-
Total On-Balance Sheet Exposures	9,221,359	804,826	2,023,291
<u>Off-Balance Sheet Exposures</u>			
OTC Derivatives	14,280	-	-
Off-balance sheet exposures other than OTC derivatives or credit derivatives	392,535	-	311,706
Defaulted Exposures	-	-	-
Total Off-Balance Sheet Exposures	406,815	-	311,706
Total On and Off-Balance Sheet Exposures	9,628,174	804,826	2,334,997

Table 12b: Credit Risk Mitigation of Portfolios under the Standardised Approach as at 31 December 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
Exposure Class	RM'000	RM'000	RM'000
<u>On-Balance Sheet Exposures</u>			
Sovereigns & Central Banks	1,633,621	-	-
Public Sector Entities	140,133	140,133	-
Banks, Development Financial Institutions & MDBs	1,724,389	-	-
Insurance Cos, Securities Firms & Fund Managers	35,202	-	-
Corporates	1,433,458	231,450	1,156,039
Regulatory Retail	719,049	-	701,838
Residential Mortgages	204	-	-
Higher Risk Assets	735,836	-	-
Other Assets	1,358,565	-	-
Equity Exposures	73,857	-	-
Defaulted Exposures	-	-	-
Total On-Balance Sheet Exposures	7,854,314	371,583	1,857,877
<u>Off-Balance Sheet Exposures</u>			
OTC Derivatives	5,633	-	-
Off-balance sheet exposures other than OTC derivatives or credit derivatives	660,627	-	603,627
Defaulted Exposures	-	-	-
Total Off-Balance Sheet Exposures	666,260	-	603,627
Total On and Off-Balance Sheet Exposures	8,520,574	371,583	2,461,504

RHB INVESTMENT BANK GROUP
BASEL II PILLAR 3 DISCLOSURES AS AT 30 JUNE 2024

Table 13a: Impaired and Past Due Loans and Allowance for Credit Losses by Industry Sector as at 30 June 2024

RHB Investment Bank Group			
Industry Sector	Impaired Loans and Advances	Past Due Loans	Allowance For Credit Losses
	RM'000	RM'000	RM'000
Agriculture	-	-	-
Mining & Quarrying	-	-	-
Manufacturing	2,446	-	2,446
Electricity, Gas & Water Supply	-	-	-
Construction	-	-	-
Wholesale, Retail Trade, Restaurants & Hotels	-	-	-
Transport, Storage & Communication	-	-	-
Finance, Insurance, Real Estate & Business	-	-	-
Education, Health & Others	-	-	-
Household	580	-	581
Others	-	-	-
Total	3,026	-	3,027

Table 13b: Impaired and Past Due Loans and Allowance for Credit Losses by Industry Sector as at 31 December 2023

RHB Investment Bank Group			
Industry Sector	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	-	-	1
Others	-	-	-
Total	-	-	1

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

RHB Investment Bank Group	Six Months Period Ended 30.06.2024		Twelve Months Period Ended 31.12.2023	
	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)
Industry Sector	RM'000	RM'000	RM'000	RM'000
Agriculture	-	-	-	-
Mining & Quarrying	-	-	-	-
Manufacturing	2,398	-	-	-
Electricity, Gas & Water Supply	-	-	-	-
Construction	-	-	-	-
Wholesale, Retail Trade, Restaurants & Hotels	-	-	-	-
Transport, Storage & Communication	-	-	-	-
Finance, Insurance, Real Estate & Business	-	-	-	-
Education, Health & Others	-	-	-	-
Household	574	-	-	(12,465)
Others	-	-	-	-
Total	2,972	-	-	(12,465)

RHB INVESTMENT BANK GROUP
BASEL II PILLAR 3 DISCLOSURES AS AT 30 JUNE 2024

Table 15a: Impaired and Past Due Loans and Allowance for Credit Losses by Geographical Distribution as at 30 June 2024

RHB Investment Bank Group	Impaired Loans and Advances	Past Due Loans	Allowance For Credit Losses
<u>Geographical Distribution</u>	RM'000	RM'000	RM'000
Malaysia	-	-	1
Singapore	-	-	-
Hong Kong	-	-	-
Indonesia	-	-	-
Thailand	3,026	-	3,026
Total	3,026	-	3,027

Table 15b: Impaired and Past Due Loans and Allowance for Credit Losses by Geographical Distribution as at 31 December 2023

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

Table 16a: Movement in Loans Allowance for Credit Losses as at 30 June 2024

RHB Investment Bank Group	12-month ECL (Stage 1)	Lifetime ECL Not Credit Impaired (Stage 2)	Lifetime ECL Credit Impaired (Stage 3)	Total
	RM'000	RM'000	RM'000	RM'000
Balance as at the beginning of financial year	1	-	-	1
Allowance made during the financial year	-	-	2,972	2,972
Exchange differences and other movements	-	-	54	54
Balance as at the end of financial year	1	-	3,026	3,027

Table 16b: Movement in Loans Allowance for Credit Losses as at 31 December 2023

RHB Investment Bank Group	12-month ECL (Stage 1)	Lifetime ECL Not Credit Impaired (Stage 2)	Lifetime ECL Credit Impaired (Stage 3)	Total
	RM'000	RM'000	RM'000	RM'000
Balance as at the beginning of financial year	1	-	11,713	11,714
Bad debts written off	-	-	(12,465)	(12,465)
Exchange differences and other movements	-	-	752	752
Balance as at the end of financial year	1	-	-	1

RHB INVESTMENT BANK GROUP
BASEL II PILLAR 3 DISCLOSURES AS AT 30 JUNE 2024

Table 17a: Market Risk-Weighted Assets and Minimum Capital Requirements as at 30 June 2024

RHB Investment Bank Group				
Market Risk	Long Position RM'000	Short Position RM'000	Risk- Weighted Assets RM'000	Minimum Capital Requirements RM'000
Interest Rate Risk	126,161	9,350	9,267	741
Equity Position Risk	264,985	233,442	110,104	8,808
Foreign Currency Risk	199,801	699	199,801	15,984
Options Risk	107,491	233,442	211,705	16,937
Total			530,877	42,470

RHB Investment Bank				
Market Risk	Long Position RM'000	Short Position RM'000	Risk- Weighted Assets RM'000	Minimum Capital Requirements RM'000
Interest Rate Risk	124,100	9,350	8,803	704
Equity Position Risk	239,000	231,215	49,899	3,992
Foreign Currency Risk	148,626	699	148,626	11,890
Options Risk	103,370	231,215	205,588	16,447
Total			412,916	33,033

Table 17b: Market Risk-Weighted Assets and Minimum Capital Requirements as at 31 December 2023

RHB Investment Bank Group				
Market Risk	Long Position RM'000	Short Position RM'000	Risk- Weighted Assets RM'000	Minimum Capital Requirements RM'000
Interest Rate Risk	30,584	10,376	8,986	719
Equity Position Risk	199,933	180,686	93,013	7,441
Foreign Currency Risk	98,844	1,007	98,844	7,907
Options Risk	32,025	137,454	81,248	6,500
Total			282,091	22,567

RHB Investment Bank				
Market Risk	Long Position RM'000	Short Position RM'000	Risk- Weighted Assets RM'000	Minimum Capital Requirements RM'000
Interest Rate Risk	14,571	10,376	4,143	331
Equity Position Risk	132,267	129,438	33,169	2,654
Foreign Currency Risk	67,810	1,007	67,810	5,425
Options Risk	-	129,438	50,462	4,037
Total			155,584	12,447

Note:

- As at 30 June 2024 and 31 December 2023, RHB Investment Bank Group and RHB Investment Bank did not have any exposures under Commodity or Inventory Risk.
- For the Equity Position risk, the position is computed based on net long and net short position.

RHB INVESTMENT BANK GROUP
BASEL II PILLAR 3 DISCLOSURES AS AT 30 JUNE 2024

Table 18: Equity Exposures in the Banking Book

RHB Investment Bank Group <u>Equity Type</u>	Gross Credit Exposures		Risk-Weighted Assets	
	30.06.2024	31.12.2023	30.06.2024	31.12.2023
	RM'000	RM'000	RM'000	RM'000
Publicly traded				
Investment in unit trust funds	8,084	27,798	8,084	27,798
Holdings of equity investments	7,572	5,535	7,572	5,535
Privately held				
For socio economic purposes	43,514	40,524	43,514	40,524
For non socio economic purposes	784,657	735,836	1,176,986	1,103,754
Total	843,827	809,693	1,236,156	1,177,611
	30.06.2024	31.12.2023		
	RM'000	RM'000		
Cumulative Realised (Loss)/ Gains from Sale and Liquidations	118	(47)		
Total Net Unrealised Gains	357,762	309,358		

Table 19a: Interest Rate Risk in the Banking Book as at 30 June 2024

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	(9,126)	9,126	(48,131)	48,131
USD - US Dollar	(3,338)	3,338	(148)	148
Others ¹	2,227	(2,227)	(2,631)	2,631
Total	(10,237)	10,237	(50,910)	50,910

Table 19b: Interest Rate Risk in the Banking Book as at 31 December 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	(1,115)	1,115	(37,727)	37,727
USD - US Dollar	(3,188)	3,188	186	(186)
Others ¹	2,292	(2,292)	(2,499)	2,499
Total	(2,011)	2,011	(40,040)	40,040

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	
	30.06.2024	31.12.2023	30.06.2024	31.12.2023
	RM'000	RM'000	RM'000	RM'000
Risk-Weighted Assets	1,306,013	1,388,888	743,897	797,424
Minimum Capital Requirements	104,481	111,111	59,512	63,794