

Date: 8 May 2014

**RHB ISLAMIC BANK BERHAD (“RHB ISLAMIC” or “ISSUER”)
PROPOSED ISSUANCE OF SUBORDINATED SUKUK MURABAHAH (“SUKUK MURABAHAH”)
PURSUANT TO A SUBORDINATED SUKUK MURABAHAH PROGRAMME OF UP TO RM1.0
BILLION IN NOMINAL VALUE (“PROGRAMME”)**

Information Memorandum dated 31 March 2014 (“IM”)

Pricing Supplement No: 1

Terms defined in the IM shall have the same meaning when used in this pricing supplement, unless otherwise indicated or the context otherwise requires. This pricing supplement shall be read together with the IM, as amended or supplemented from time to time if any.

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| 1 | <i>Issuer</i> | : | RHB Islamic Bank Berhad |
| 2. | <i>Issue Date</i> | : | 15 May 2014 |
| 3. | <i>Issue Size</i> | : | RM500,000,000.00 |
| 4. | <i>Tenure of the Sukuk Murabahah</i> | : | 10 non-callable 5 years |
| 5. | <i>Rating</i> | : | AA ₃ by RAM Rating Services Berhad |
| 6. | <i>Profit Rate (%)/
Periodic Profit
Payment Frequency</i> | : | 4.95% per annum/ Semi-annual |
| 7. | <i>Details on Utilisation of Proceeds</i> | : | The proceeds from this issuance will be used for Shariah compliant working capital and general banking purposes |
| 8. | <i>Other Conditions</i> | : | Please refer to the IM for other terms and conditions applicable to the Programme |

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement and the Issuer confirms that after having made all enquiries as were reasonable, the information contained in this Pricing Supplement is not false, misleading and there is no omission of any material information.