

Basel II Pillar 3 Disclosures for the period ended 30 June 2017

- **CIMB Bank Berhad**

Abbreviations

A-IRB Approach	: Advanced Internal Ratings Based Approach
BIA	: Basic Indicator Approach
CAF	: Capital Adequacy Framework and, in some instances referred to as the Risk-Weighted Capital Adequacy Framework
CAFIB	: Capital Adequacy Framework for Islamic Banks
CAR	: Capital Adequacy Ratio and, in some instances referred to as the Risk-Weighted Capital Ratio
CIMBBG	: CIMB Bank, CIMB Islamic Bank Berhad, CIMBTH, CIMB Bank PLC (Cambodia), CIMB Factor Lease Berhad and non-financial subsidiaries
CIMBIBG	: CIMB Investment Bank Berhad, CIMB Futures Sdn Bhd and non-financial subsidiaries
CIMBISLG	: CIMB Islamic Bank Berhad, CIMB Islamic Nominees (Asing) Sdn Bhd and CIMB Islamic Nominees (Tempatan) Sdn Bhd
CIMBGH Group	: Group of Companies under CIMB Group Holdings Berhad
CIMBTH	: CIMB Thai Bank Public Company Ltd and its subsidiaries
CIMB Bank	: CIMB Bank Berhad and CIMB Bank (L) Ltd (as determined under the Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework (Basel II - Risk Weighted Assets) to include its wholly owned offshore banking subsidiary company)
CIMB Group or the Group	: Collectively CIMBBG, CIMBIBG and CIMB Islamic as described within this Report
CIMB IB	: CIMB Investment Bank Berhad
CIMB Islamic	: CIMB Islamic Bank Berhad
CRM	: Credit Risk Mitigants
DFIs	: Development Financial Institutions
EAD	: Exposure at Default
ECAIs	: External Credit Assessment Institutions
EL	: Expected Loss
EP	: Eligible Provision
F-IRB Approach	: Foundation Internal Ratings Based Approach
HPE	: Hire Purchase Exposures
IRB Approach	: Internal Ratings Based Approach
IRRBB	: Interest Rate Risk in the Banking Book
LGD	: Loss Given Default
MDBs	: Multilateral Development Bank
OTC	: Over the Counter
PD	: Probability of Default
PSEs	: Non-Federal Government Public Sector Entities
PSIA	: Profit Sharing Investment Accounts
QRRE	: Qualifying Revolving Retail Exposures
RORBB	: Rate of Return Risk in the Banking Book
RRE	: Residential Real Estate
RWA	: Risk-Weighted Assets
SA	: Standardised Approach

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OVERVIEW

The information herein is disclosed pursuant to the requirements of Bank Negara Malaysia's RWCAF – Disclosure Requirements (Pillar 3) and is published for the period ended 30 June 2017.

Any discrepancies between the totals and sum of the components in the tables contained in this disclosure are due to actual summation method and then rounded up to the nearest thousands.

These disclosures have been reviewed and verified by internal auditors and approved by the Board Risk Committee of CIMB Group, as delegated by the Board of Directors of CIMBGH Group.

CAPITAL MANAGEMENT

Capital Structure and Adequacy

On 13 October 2015, BNM issued revised guidelines on the Capital Adequacy Framework (Capital Components), of which will take effect beginning 1 January 2016 and 1 January 2019 for banking institutions and financial holding company respectively. BNM also issued updated guidelines on the Capital Adequacy Framework (Basel II – Risk-Weighted Assets) which are applicable to all banking institutions with immediate effect and all financial holding companies with effect from 1 January 2019.

On 1 August 2016, BNM issued an updated framework which revised capital treatment for credit derivatives transactions in the trading book. In addition, the framework also clarifies on the following;

- (i) Application of a 20% risk weight for the portion of residential mortgages guaranteed by Cagamas SRP Berhad under Cagamas MGP, Skim Rumah Pertamaku, and Skim Perumahan Belia;
- (ii) Application of a 100% risk weight to all residential mortgages with a loan-to-value ratio of more than 90% approved and disbursed by banking institutions on or after 1 February 2011; and
- (iii) Removal of the treatment for CGC's SME Assistance Guarantee Scheme as the scheme is no longer available.

Effective 1 August 2016, Commodity Finance and Object Finance portfolios are treated under Standardised Approach.

On 2 March 2017, BNM issued an updated framework whereby Banking institutions are provided the option to adopt the internal estimate method in computing effective maturity for non-retail exposures under F-IRB upon notifying the Bank. In addition, the framework also lists additional requirements to determine effective maturity for each facility under Advanced IRB approach.

The risk weighted assets of the CIMB Bank are computed in accordance with the Capital Adequacy Framework (Basel II - Risk-Weighted Assets). The IRB Approach is applied for the major credit exposures. It prescribes two approaches, the F-IRB Approach and A-IRB Approach. The remaining credit exposures and Market Risk are on the Standardised Approach while Operational Risk is based on Basic Indicator Approach. The components of eligible regulatory capital are based on the Capital Adequacy Framework (Capital Components).

The comparative capital adequacy ratios as at 30 June 2016 were based on BNM's Capital Adequacy Framework (CAF).

CAPITAL MANAGEMENT (CONTINUED)
Capital Structure and Adequacy (continued)

The minimum regulatory capital adequacy requirement for the total capital ratio is 8%. The tables below present the Capital Position of CIMB Bank:

Table 1: Capital Position

(RM'000)	CIMB Bank	
	30 June 2017	30 June 2016
Common Equity Tier 1 capital		
Ordinary shares	16,677,074	5,148,084
Other reserves	13,177,215	21,879,794
Qualifying non-controlling interests	-	-
Less: Proposed dividends	(1,282,864)	(814,879)
Common Equity Tier 1 capital before regulatory adjustments	28,571,425	26,212,998
<u>Less: Regulatory adjustments</u>		
Goodwill	(3,555,075)	(3,555,075)
Intangible assets	(783,587)	(855,701)
Deferred Tax Assets	(119,691)	(147,630)
Shortfall of eligible provisions to expected losses		-
Investment in capital instruments of unconsolidated financial and insurance / takaful entities	(4,517,169)	(2,573,706)
Others	(1,396,820)	(1,115,038)
Common Equity Tier 1 capital after regulatory adjustments / total	18,199,083	17,965,848
Additional Tier 1 capital		
Perpetual preference shares	200,000	120,000
Non-innovative Tier 1 capital	-	600,000
Innovative Tier 1 Capital	1,000,000	967,080
Perpetual subordinated capital securities	1,400,000	1,000,000
Additional Tier 1 capital before regulatory adjustments	2,600,000	2,687,080
<u>Less: Regulatory adjustments</u>		
Investments in Additional Tier 1 capital instruments of unconsolidated financial and insurance/takaful entities	(176,868)	(137,594)
Additional Tier 1 capital after regulatory adjustments	2,423,132	2,549,486
Total Tier 1 capital	20,622,215	20,515,334

CAPITAL MANAGEMENT (CONTINUED)
Capital Structure and Adequacy (continued)
Table 1: Capital Position (continued)

(RM'000)	CIMB Bank	
	30 June 2017	30 June 2016
Tier 2 Capital		
Subordinated notes	7,050,000	6,950,000
Redeemable Preference Shares	29,740	17,844
Surplus eligible provisions over expected losses	416,851	479,178
Qualifying capital instruments held by third parties	-	-
Portfolio impairment allowance and regulatory reserves	244,927	224,930
Tier 2 capital before regulatory adjustments	7,741,518	7,671,952
<u>Less: Regulatory adjustments</u>		
Investments in capital instruments of unconsolidated financial and insurance/takaful entities	(1,656,961)	(2,310,306)
Total Tier 2 Capital	6,084,557	5,361,646
Total capital base	26,706,772	25,876,980
RWA		
Credit risk	136,281,306	135,920,473
Market risk	12,234,634	12,245,566
Large Exposure risk requirement	725,876	665,798
Operational risk	13,931,304	13,225,216
Total RWA	163,173,120	162,057,053
Capital Adequacy Ratios		
Before deducting proposed dividend		
Common Equity Tier 1 Ratio	11.939%	11.589%
Tier 1 ratio	13.424%	13.162%
Total capital ratio	17.153%	16.471%
After deducting proposed dividend		
Common Equity Tier 1 Ratio	11.153%	11.086%
Tier 1 ratio	12.638%	12.659%
Total capital ratio	16.367%	15.968%

The Total Capital Ratio increased in June 2017 compared to June 2016 mainly due to higher retained earnings and higher paid-up capital and share premium arising from the reinvestment of cash dividend surplus from CIMBGH/CIMBG. The increase in credit RWA was mainly contributed by Corporate RWA due to increased exposures, but offset by decreased Residential Mortgage RWA. Overall Market RWA decreased in June 2017 mainly contributed by decreased Interest Rate RWA, Option RWA and FX RWA, but offset by increased Equity RWA and Commodity RWA.

CAPITAL MANAGEMENT (CONTINUED)
Capital Structure and Adequacy (continued)

The tables below show the RWA under various exposure classes under the relevant approach and applying the minimum regulatory capital requirement at 8% to establish the minimum capital required for each of the exposure classes:

Table 2: Disclosure on Total RWA and Minimum Capital Requirement

30 June 2017	CIMB Bank				
(RM'000) Exposure Class	Gross Exposure before CRM (SA)/EAD (IRB)	Net Exposure after CRM (SA)/EAD (IRB)	RWA	Total RWA after effects of PSIA	Minimum capital requirement at 8%
Credit Risk					
Exposures under the SA					
Sovereign/Central Banks	37,732,185	37,732,185	417,800	417,800	33,424
Public Sector Entities	-	-	-	-	-
Banks, DFIs & MDBs	405,060	405,060	33,027	33,027	2,642
Insurance Cos/Takaful Operators, Securities Firms & Fund Managers	2,167,836	1,896,204	977,477	977,477	78,198
Corporate	6,887,050	4,544,110	5,787,877	5,787,877	463,030
Regulatory Retail	22,141,031	12,515,915	9,206,675	9,206,675	736,534
Residential Mortgages/ RRE Financing	698,060	695,365	256,563	256,563	20,525
Higher Risk Assets	1,105,402	1,105,402	1,658,103	1,658,103	132,648
Other Assets	5,966,804	5,966,804	2,990,748	2,990,748	239,260
Securitisation	412,957	412,957	82,591	82,591	6,607
Total for SA	77,516,386	65,274,003	21,410,862	21,410,862	1,712,869
Exposures under the IRB Approach					
Sovereign/Central Banks	-	-	-	-	-
Public Sector Entities	-	-	-	-	-
Banks, DFIs & MDBs	25,040,900	25,040,900	5,083,509	5,083,509	406,681
Insurance Cos/Takaful Operators, Securities Firms & Fund Managers	-	-	-	-	-
Corporate	110,802,972	110,802,972	69,519,137	69,519,137	5,561,531
Residential Mortgages/ RRE Financing	55,900,847	55,900,847	12,573,938	12,573,938	1,005,915
Qualifying Revolving Retail	13,150,929	13,150,929	7,915,295	7,915,295	633,224
Hire Purchase	10,201,046	10,201,046	5,915,427	5,915,427	473,234
Other Retail	27,480,941	27,480,941	7,361,037	7,361,037	588,883
Securitisation	-	-	-	-	-
Total for IRB Approach	242,577,635	242,577,635	108,368,344	108,368,344	8,669,468

CAPITAL MANAGEMENT (CONTINUED)

Capital Structure and Adequacy (continued)

Table 2: Disclosure on Total RWA and Minimum Capital Requirement (continued)

30 June 2017	CIMB Bank				
(RM'000) Exposure Class	Gross Exposure before CRM (SA)/EAD (IRB)	Net Exposure after CRM (SA)/EAD (IRB)	RWA	Total RWA after effects of PSIA	Minimum capital requirement at 8%
Total Credit Risk (Exempted Exposures and Exposures under the IRB Approach After Scaling Factor)	320,094,021	307,851,638	136,281,306	136,281,306	10,902,504
Large Exposure Risk Requirement	725,876	725,876	725,876	725,876	58,070
Market Risk (SA)					
Interest Rate Risk/Benchmark rate risk			8,564,101	8,564,101	685,128
Foreign Currency Risk			611,562	611,562	48,925
Equity Risk			1,351,973	1,351,973	108,158
Commodity Risk			948,551	948,551	75,884
Options Risk			758,446	758,446	60,676
Total Market Risk			12,234,634	12,234,634	978,771
Operational Risk (BIA)			13,931,304	13,931,304	1,114,504
Total RWA and Capital Requirement			163,173,120	163,173,120	13,053,850

CAPITAL MANAGEMENT (CONTINUED)
Capital Structure and Adequacy (continued)
Table 2: Disclosure on Total RWA and Minimum Capital Requirement (continued)

30 June 2016	CIMB Bank				
(RM'000) Exposure Class	Gross Exposure before CRM (SA)/EAD (IRB)	Net Exposure after CRM (SA)/EAD (IRB)	RWA	Total RWA after effects of PSIA	Minimum capital requirement at 8%
Credit Risk					
Exposures under the SA					
Sovereign/Central Banks	30,480,974	30,480,974	475,150	475,150	38,012
Public Sector Entities	2,091	2,091	418	418	33
Banks, DFIs & MDBs	256,833	256,833	52,671	52,671	4,214
Insurance Cos/Takaful Operators, Securities Firms & Fund Managers	3,443,035	2,267,985	1,233,628	1,233,628	98,690
Corporate	6,238,010	4,098,948	5,344,074	5,344,074	427,526
Regulatory Retail	23,732,129	12,352,178	9,403,352	9,403,352	752,268
Residential Mortgages/ RRE Financing	862,063	860,059	473,214	473,214	37,857
Higher Risk Assets	1,436,109	1,436,109	2,154,164	2,154,164	172,333
Other Assets	5,307,158	5,307,158	2,259,582	2,259,582	180,767
Securitisation	314,299	314,299	62,860	62,860	5,029
Total for SA	72,072,703	57,376,634	21,459,112	21,459,112	1,716,729
Exposures under the IRB Approach					
Sovereign/Central Banks	-	-	-	-	-
Public Sector Entities	-	-	-	-	-
Banks, DFIs & MDBs	25,684,161	25,684,161	5,038,433	5,038,433	403,075
Insurance Cos/Takaful Operators, Securities Firms & Fund Managers	-	-	-	-	-
Corporate	109,499,865	109,499,865	64,883,513	64,883,513	5,190,681
Residential Mortgages/ RRE Financing	50,083,610	50,083,610	15,921,692	15,921,692	1,273,735
Qualifying Revolving Retail	13,113,326	13,113,326	8,722,431	8,722,431	697,794
Hire Purchase	10,706,501	10,706,501	6,376,031	6,376,031	510,082
Other Retail	23,343,610	23,343,610	7,040,316	7,040,316	563,225
Securitisation	-	-	-	-	-
Total for IRB Approach	232,431,072	232,431,072	107,982,416	107,982,416	8,638,593
Total Credit Risk (Exempted Exposures and Exposures under the IRB Approach After Scaling Factor)	304,503,775	289,807,706	135,920,473	135,920,473	10,873,638

CAPITAL MANAGEMENT (CONTINUED)

Capital Structure and Adequacy (continued)

Table 2: Disclosure on Total RWA and Minimum Capital Requirement (continued)

30 June 2016	CIMB Bank				
(RM'000) Exposure Class	Gross Exposure before CRM (SA)/EAD (IRB)	Net Exposure after CRM (SA)/EAD (IRB)	RWA	Total RWA after effects of PSIA	Minimum capital requirement at 8%
Large Exposure Risk Requirement	665,798	665,798	665,798	665,798	53,264
Market Risk (SA)					
Interest Rate Risk/Benchmark rate risk			9,139,088	9,139,088	731,127
Foreign Currency Risk			734,634	734,634	58,771
Equity Risk			729,361	729,361	58,349
Commodity Risk			419,645	419,645	33,572
Options Risk			1,222,837	1,222,837	97,827
Total Market Risk			12,245,566	12,245,566	979,645
Operational Risk (BIA)			13,225,216	13,225,216	1,058,017
Total RWA and Capital Requirement			162,057,052	162,057,052	12,964,564

CREDIT RISK

Summary of Credit Exposures

i) Gross Credit Exposures by Geographic Distribution

The geographic distribution is based on the country in which the portfolio is geographically managed. The tables show the credit exposures by geographic region:

Table 3: Geographic Distribution of Credit Exposures

30 June 2017		CIMB Bank			
(RM'000) Exposure Class	Malaysia	Singapore	Thailand	Other Countries	Total
Sovereign	36,301,546	1,396,964	-	33,675	37,732,185
Bank	18,220,931	4,695,233	-	2,529,796	25,445,961
Corporate	86,221,849	29,588,840	-	4,047,170	119,857,858
Mortgage/ RRE Financing	50,667,830	5,676,825	-	254,252	56,598,908
HPE	10,201,046	-	-	-	10,201,046
QRRE	10,250,667	2,900,262	-	-	13,150,929
Other Retail	46,810,279	2,803,292	-	8,400	49,621,972
Other Exposures	6,729,726	531,103	-	224,335	7,485,163
Total Gross Credit Exposure	265,403,874	47,592,520	-	7,097,628	320,094,021

30 June 2016		CIMB Bank			
(RM'000) Exposure Class	Malaysia	Singapore	Thailand	Other Countries	Total
Sovereign	27,238,400	2,992,032	-	250,541	30,480,974
Bank	20,802,521	5,093,809	-	46,755	25,943,085
Corporate	86,014,126	29,819,628	-	3,347,157	119,180,911
Mortgage/ RRE Financing	45,359,503	5,586,171	-	-	50,945,674
HPE	10,706,501	-	-	-	10,706,501
QRRE	10,112,088	3,001,238	-	-	13,113,326
Other Retail	44,454,192	2,514,331	-	107,216	47,075,739
Other Exposures	6,536,126	492,823	-	28,617	7,057,566
Total Gross Credit Exposure	251,223,456	49,500,032	-	3,780,287	304,503,775

CREDIT RISK (CONTINUED)

Summary of Credit Exposures (continued)

i) Gross Credit Exposures by Sector

The following tables represent the Bank's credit exposure analysed by sector:

Table 4: Distribution of Credit Exposures by Sector

30 June 2017	CIMB Bank											
(RM'000) Exposure Class	Primary Agriculture	Mining and Quarrying	Manufacturing	Electricity, Gas and Water Supply	Construction	Wholesale and Retail Trade, and Restaurants and Hotels	Transport, Storage and Communication	Finance, Insurance/ Takaful, Real Estate and Business Activities	Education, Health and Others	Household	Others*	Total
Sovereign	199,363	-	-	1,019,471	1,914,009	-	2,324,884	12,075,850	20,068,200	-	130,408	37,732,185
Bank	-	-	-	-	-	-	-	25,445,961	-	-	-	25,445,961
Corporate	6,396,594	7,431,307	9,072,926	4,267,460	12,138,477	16,436,406	13,634,135	33,465,410	8,698,130	3,656,230	4,660,784	119,857,858
Mortgage/ RRE	-	-	-	-	-	-	-	-	-	56,598,908	-	56,598,908
Financing	-	-	-	-	-	-	-	-	-	10,201,046	-	10,201,046
HPE	-	-	-	-	-	-	-	-	-	13,150,929	-	13,150,929
QRRE	-	-	-	-	-	-	-	-	-	43,629,640	-	43,629,640
Other Retail	144,433	44,132	856,346	32,240	688,081	1,473,842	216,685	1,950,089	586,483	-	-	49,621,972
Other Exposures	6,914	-	-	-	-	-	-	1,333,994	137,403	-	6,006,853	7,485,163
Total Gross Credit Exposure	6,747,304	7,475,439	9,929,272	5,319,171	14,740,567	17,910,248	16,175,704	74,271,304	29,490,215	127,236,753	10,798,044	320,094,021

*Others are exposures which are not elsewhere classified.

CREDIT RISK (CONTINUED)

Summary of Credit Exposures (continued)

i) Gross Credit Exposures by Sector (continued)

Table 4: Distribution of Credit Exposures by Sector (continued)

30 June 2016	CIMB Bank											
(RM'000) Exposure Class	Primary Agriculture	Mining and Quarrying	Manufacturing	Electricity, Gas and Water Supply	Construction	Wholesale and Retail Trade, and Restaurants and Hotels	Transport, Storage and Communication	Finance, Insurance/ Takaful, Real Estate and Business Activities	Education, Health and Others	Household	Others*	Total
Sovereign	262,871	-	-	884,591	1,120,983	-	1,994,763	5,365,463	20,852,303	-	-	30,480,974
Bank	116	-	-	-	-	-	-	25,319,025	623,944	-	-	25,943,085
Corporate	6,620,695	7,807,651	6,877,671	5,476,203	9,459,934	13,415,725	11,505,281	36,483,684	8,466,677	3,315,260	9,752,130	119,180,911
Mortgage/ RRE	-	-	-	-	-	-	-	-	-	50,945,674	-	50,945,674
Financing	-	-	-	-	-	-	-	-	-	10,706,501	-	10,706,501
HPE	-	-	-	-	-	-	-	-	-	13,113,326	-	13,113,326
QRRE	-	-	-	-	-	-	-	-	-	41,796,908	-	41,796,908
Other Retail	127,830	36,738	702,857	28,204	648,439	1,284,822	165,927	1,720,959	563,057	-	-	47,075,739
Other Exposures	22,669	-	-	-	-	-	-	1,322,193	148,866	-	5,563,838	7,057,566
Total Gross Credit Exposure	7,034,180	7,844,388	7,580,528	6,388,998	11,229,356	14,700,547	13,665,971	70,211,324	30,654,847	119,877,668	15,315,968	304,503,775

*Others are exposures which are not elsewhere classified.

CREDIT RISK (CONTINUED)

Summary of Credit Exposures (continued)

ii) Gross Credit Exposures by Residual Contractual Maturity

The tables below present the distribution of credit exposures by residual contractual maturity:

Table 5: Distribution of Credit Exposures by Residual Contractual Maturity

30 June 2017		CIMB Bank		
(RM'000) Exposure Class	Less than 1 year	1 to 5 years	More than 5 years	Total
Sovereign	12,220,307	10,473,268	15,038,610	37,732,185
Bank	17,154,868	6,846,215	1,444,878	25,445,961
Corporate	36,113,850	47,719,946	36,024,062	119,857,858
Mortgage/ RRE Financing	47,907	569,710	55,981,292	56,598,908
HPE	62,352	2,462,951	7,675,743	10,201,046
QRRE	13,150,929	-	-	13,150,929
Other Retail	3,152,716	2,267,149	44,202,107	49,621,972
Other Exposures	129,883	222,890	7,132,391	7,485,163
Total Gross Credit Exposure	82,032,810	70,562,128	167,499,083	320,094,021

30 June 2016		CIMB Bank		
(RM'000) Exposure Class	Less than 1 year	1 to 5 years	More than 5 years	Total
Sovereign	6,802,845	8,033,029	15,645,100	30,480,974
Bank	16,921,403	7,637,865	1,383,817	25,943,085
Corporate	32,267,315	48,906,820	38,006,775	119,180,911
Mortgage/ RRE Financing	62,777	672,342	50,210,555	50,945,674
HPE	84,145	1,916,236	8,706,120	10,706,501
QRRE	13,113,326	-	-	13,113,326
Other Retail	2,611,980	2,153,346	42,310,413	47,075,739
Other Exposures	13,036	241,659	6,802,871	7,057,566
Total Gross Credit Exposure	71,876,827	69,561,296	163,065,652	304,503,775

CREDIT RISK (CONTINUED)

Credit Quality of Loans, Advances and Financing

i) Past Due But Not Impaired

The following tables provide an analysis of the outstanding balances as at 30 June 2017 and 31 December 2016 which were past due but not impaired by sector and geographic respectively:

Table 6: Past Due but Not Impaired Loans, Advances and Financing by Sector

(RM'000)	CIMB Bank	
	30 June 2017	31 December 2016
Primary Agriculture	18,875	13,222
Mining and Quarrying	237,818	1,221
Manufacturing	53,413	50,735
Electricity, Gas and Water Supply	2,588	523
Construction	97,470	77,579
Wholesale and Retail Trade, and Restaurants and Hotels	163,768	143,602
Transport, Storage and Communications	90,115	44,640
Finance, Insurance/ Takaful, Real Estate and Business Activities	183,066	143,270
Education, Health and Others	43,475	40,758
Household	8,882,192	8,673,260
Others*	9,968	4,105
Total	9,782,748	9,192,915

*Others are exposures which are not elsewhere classified.

Table 7: Past Due but Not Impaired Loans, Advances and Financing by Geographic Distribution

(RM'000)	CIMB Bank	
	30 June 2017	31 December 2016
Malaysia	9,426,373	8,656,840
Singapore	356,375	536,075
Thailand	-	-
Other Countries	-	-
Total	9,782,748	9,192,915

CREDIT RISK (CONTINUED)

Credit Quality of Loans, Advances and Financing (continued)

ii) *Impaired Loans/Financings*

The following tables provide an analysis of the outstanding balances as at 30 June 2017 and 31 December 2016 which were impaired by sector and geographical respectively:

Table 8: Impaired Loans, Advances and Financing by Sector

(RM'000)	CIMB Bank	
	30 June 2017	31 December 2016
Primary Agriculture	45,241	46,704
Mining and Quarrying	248,782	127,118
Manufacturing	185,518	236,806
Electricity, Gas and Water Supply	598	1,016
Construction	126,977	87,442
Wholesale and Retail Trade, and Restaurants and Hotels	287,967	175,278
Transport, Storage and Communications	1,117,558	1,133,434
Finance, Insurance/ Takaful, Real Estate and Business Activities	205,061	199,282
Education, Health and Others	25,481	13,936
Household	1,350,575	1,455,245
Others*	6,414	7,188
Total	3,600,172	3,483,449

*Others are exposures which are not elsewhere classified.

Table 9: Impaired Loans, Advances and Financing by Geographic Distribution

(RM'000)	CIMB Bank	
	30 June 2017	31 December 2016
Malaysia	3,095,400	3,070,980
Singapore	504,496	412,208
Thailand	-	-
Other Countries	276	261
Total	3,600,172	3,483,449

CREDIT RISK (CONTINUED)

Credit Quality of Loans, Advances and Financing (continued)

ii) Impaired Loans/Financings (continued)

Table 10: Individual Impairment and Portfolio Impairment Allowances by Sector for the period ended 30 June 2017 and 31 December 2016

(RM'000)	CIMB Bank			
	30 June 2017		31 December 2016	
	Individual Impairment Allowance	Portfolio Impairment Allowance	Individual Impairment Allowance	Portfolio Impairment Allowance
Primary Agriculture	31,660	11,891	28,215	12,294
Mining and Quarrying	44,599	17,185	34,404	14,227
Manufacturing	104,570	39,149	151,543	38,191
Electricity, Gas and Water Supply	-	1,119	672	1,289
Construction	34,973	33,261	35,899	64,625
Wholesale and Retail Trade, and Restaurants and Hotels	135,401	62,979	75,226	61,552
Transport, Storage and Communication	1,036,278	11,486	1,033,547	13,442
Finance, Insurance/ Takaful, Real Estate and Business Activities	146,693	56,301	150,370	53,344
Education, Health and Others	3,871	9,891	3,711	12,804
Household	50,166	773,352	93,111	824,291
Others*	3,622	3,758	4,124	4,117
Total	1,591,833	1,020,372	1,610,822	1,100,176

*Others are exposures which are not elsewhere classified.

Table 11: Individual Impairment and Portfolio Impairment Allowances by Geographic Distribution for the period ended 30 June 2017 and 31 December 2016

(RM'000)	CIMB Bank			
	30 June 2017		31 December 2016	
	Individual Impairment Allowance	Portfolio Impairment Allowance	Individual Impairment Allowance	Portfolio Impairment Allowance
Malaysia	1,502,598	979,212	1,488,740	1,045,083
Singapore	89,235	35,423	122,082	48,707
Thailand	-	-	-	-
Other Countries	-	5,737	-	6,386
Total	1,591,833	1,020,372	1,610,822	1,100,176

CREDIT RISK (CONTINUED)

Credit Quality of Loans, Advances and Financing (continued)

ii) *Impaired Loans/Financings (continued)*

Table 12: Charges for Individual Impairment Provision and Write Offs During the Period 30 June 2017 and 30 June 2016

(RM'000)	CIMB Bank			
	30 June 2017		30 June 2016	
	Charges/Write Back	Write-Off	Charges/Write Back	Write-Off
Primary Agriculture	(194)	-	(181)	-
Mining and Quarrying	85	41	25	-
Manufacturing	(3,087)	31,523	(818)	-
Electricity, Gas and Water Supply	-	-	-	-
Construction	(1,041)	4	(3,359)	-
Wholesale and Retail Trade, and Restaurants and Hotels	61,216	-	3,682	119
Transport, Storage and Communication	266	-	(1,174)	806
Finance, Insurance/ Takaful, Real Estate and Business Activities	(581)	129	(5,905)	-
Education, Health and Others	219	50	749	-
Household	30,362	63,819	35,678	2,196
Others*	(4)	-	1	-
Total	87,241	95,575	28,698	3,121

*Others are exposures which are not elsewhere classified.

CREDIT RISK (CONTINUED)

Credit Quality of Loans, Advances and Financing (continued)

ii) *Impaired Loans/Financings (continued)*

Table 13: Analysis of movement for Loan/Financing Impairment Allowances for the Period Ended 30 June 2017 and 30 June 2016

(RM'000)	CIMB Bank			
	30 June 2017		30 June 2016	
	Individual Impairment Allowance	Portfolio Impairment Allowance	Individual Impairment Allowance	Portfolio Impairment Allowance
At 1 January	1,610,822	1,100,176	1,543,267	1,110,673
Allowance made during the financial period	87,241	173,125	28,698	158,010
Amount transferred to portfolio impairment allowance	-	-	-	-
Amount written back in respect of recoveries	-	-	-	-
Allowance made and charged to deferred assets	-	-	-	-
Allowance made in relation to jointly controlled entity	-	-	-	-
Amount written off	(95,575)	(251,514)	(3,121)	(208,216)
Transfer(to)/from intercompany	-	14	-	-
Disposal of subsidiary	-	-	-	-
Unwinding income	-	-	-	-
Exchange fluctuation	(10,655)	(1,429)	(11,640)	(1,101)
Total	1,591,833	1,020,372	1,557,204	1,059,366

Capital Treatment for Credit Risk

Details on RWA and capital requirements related to Credit Risk are disclosed separately for CIMB Bank in Table 2. Details on the disclosure for portfolios under the SA and the IRB Approach are in the sections that follow.

CREDIT RISK (CONTINUED)

Credit Risk – Disclosure for Portfolios under the SA

The following tables present the credit exposures by risk weights and after credit risk mitigation:

Table 14: Disclosure by Risk Weight under SA

30 June 2017	CIMB Bank											
(RM'000) Risk Weights	Sovereign/ Central Banks	PSEs	Banks, MDBs and DFIs	Insurance Cos/Takaful Operators, Securities Firms & Fund Managers	Corporate	Regulatory Retail	Residential Mortgages / RRE Financing	Higher Risk Assets	Other Assets	Securitisation*	Total Exposures after Netting and Credit Risk Mitigation*	Total Risk Weighted Assets
0%	36,346,016	-	286,071	-	-	-	-	-	2,976,056	-	39,608,144	-
20%	917,616	-	88,225	401,018	5,201	366,579	-	-	-	412,957	2,191,597	438,319
35%	-	-	-	-	-	-	640,583	-	-	-	640,583	224,204
50%	468,553	-	30,764	1,195,826	18,450	30,565	44,841	-	-	-	1,789,000	894,500
75%	-	-	-	-	-	12,041,797	7	-	-	-	12,041,804	9,031,353
100%	-	-	-	299,360	4,348,803	57,463	9,934	-	2,990,748	-	7,706,308	7,706,308
150%	-	-	-	-	65,172	19,510	-	1,105,402	-	-	1,190,084	1,785,127
150%<RW<1250%	-	-	-	-	-	-	-	-	-	-	-	-
>1250%	-	-	-	-	106,484	-	-	-	-	-	106,484	1,331,051
Total	37,732,185	-	405,060	1,896,204	4,544,110	12,515,915	695,365	1,105,402	5,966,804	412,957	65,274,003	21,410,861
Average Risk Weight	1%	-	8%	52%	127%	74%	37%	150%	50%	20%	33%	
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	-	-	

*The total includes the portion which is deducted from Capital Base, if any.

CREDIT RISK (CONTINUED)

Credit Risk – Disclosure for Portfolios under the SA (continued)

Table 14: Disclosure by Risk Weight under SA (continued)

30 June 2016											CIMB Bank	
(RM'000) Risk Weights	Sovereign/ Central Banks	PSEs	Banks, MDBs and DFIs	Insurance Cos/Takaful Operators, Securities Firms & Fund Managers	Corporate	Regulatory Retail	Residential Mortgages/ RRE Financing	Higher Risk Assets	Other Assets	Securitisation*	Total Exposures after Netting and Credit Risk Mitigation*	Total Risk Weighted Assets
0%	29,408,482	-	78,186	-	-	-	-	-	3,047,576	-	32,534,244	-
20%	203,652	2,091	122,176	346,759	-	-	-	-	-	314,299	988,978	197,796
35%	-	-	-	-	-	-	443,028	-	-	-	443,028	155,060
50%	868,839	-	56,471	1,513,900	24,048	28,328	194,632	-	-	-	2,686,218	1,343,109
75%	-	-	-	-	-	11,772,794	6,242	-	-	-	11,779,035	8,834,277
100%	-	-	-	407,326	3,903,250	533,985	216,157	-	2,259,582	-	7,320,301	7,320,301
150%	-	-	-	-	65,166	17,071	-	1,436,109	-	-	1,518,347	2,277,520
150%<RW< 1250%	-	-	-	-	-	-	-	-	-	-	-	-
1250%	-	-	-	-	106,484	-	-	-	-	-	106,484	1,331,051
Total	30,480,974	2,091	256,833	2,267,985	4,098,948	12,352,178	860,059	1,436,109	5,307,158	314,299	57,376,634	21,459,112
Average Risk Weight	2%	20%	21%	54%	130%	76%	55%	150%	43%	20%	37%	
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	-	-	

*The total includes the portion which is deducted from Capital Base, if any.

CREDIT RISK (CONTINUED)
Credit Risk – Disclosure for Portfolios under the SA

The following tables present the non-retail credit exposures before the effect of credit risk mitigation, according to ratings by ECAIs:

Table 15: Disclosures of Rated and Unrated Non-Retail Exposures under SA according to Ratings by ECAIs

30 June 2017		CIMB Bank		
(RM '000) Exposure Class	Investment Grade	Non-Investment Grade	No Rating	Total
On and Off-Balance-Sheet Exposures				
Public Sector Entities	-	-	-	-
Insurance Cos/Takaful Operators, Securities Firms & Fund Managers	1,814,684	104,550	248,602	2,167,836
Corporate	13	-	6,887,037	6,887,050
Sovereign/Central Banks	19,198,556	-	18,533,629	37,732,185
Banks, MDBs and DFIs	405,060	-	-	405,060
Total	21,418,313	104,550	25,669,268	47,192,131

30 June 2016		CIMB Bank		
(RM '000) Exposure Class	Investment Grade	Non-Investment Grade	No Rating	Total
On and Off-Balance-Sheet Exposures				
Public Sector Entities	-	-	2,091	2,091
Insurance Cos/Takaful Operators, Securities Firms & Fund Managers	2,561,761	134,281	746,993	3,443,035
Corporate	827	130,704	6,106,480	6,238,010
Sovereign/Central Banks	17,951,155	-	12,529,818	30,480,974
Banks, MDBs and DFIs	256,833	-	-	256,833
Total	20,770,577	264,985	19,385,382	40,420,944

Table 16: Disclosures of Securitisation under SA according to Ratings by ECAIs

30 June 2017		CIMB Bank		
(RM '000) Exposure Class	Investment Grade	Non-Investment Grade	No Rating	Total
On and Off-Balance-Sheet Exposures				
Securitisation	412,957	-	-	412,957

30 June 2016		CIMB Bank		
(RM '000) Exposure Class	Investment Grade	Non-Investment Grade	No Rating	Total
On and Off-Balance-Sheet Exposures				
Securitisation	314,299	-	-	314,299

CREDIT RISK (CONTINUED)

Credit Risk – Disclosure for Portfolios under the IRB Approach

Retail Exposures

Retail exposures covered under the A-IRB Approach include credit cards, auto loans/financing, personal financing, business premises loan/financing and Residential Mortgages/ RRE Financing.

The following tables summarise the Bank's retail credit exposures measured under A-IRB Approach:

Table 17: Retail Credit Exposures by PD Band

30 June 2017	CIMB Bank			
(RM'000) PD Range of Retail Exposures	0% ≤ PD < 2%	2% ≤ PD < 100%	100% Or Default	Total
Total Retail Exposure	91,133,673	13,925,070	1,675,019	106,733,763
Residential Mortgage	48,825,499	6,125,630	949,719	55,900,847
QRRE	9,244,007	3,777,699	129,223	13,150,929
Hire Purchase	9,012,012	1,026,029	163,006	10,201,046
Other Retail	24,052,156	2,995,713	433,071	27,480,941
Exposure Weighted Average LGD				
Residential Mortgage	23%	23%	27%	
QRRE	89%	89%	89%	
Hire Purchase	52%	54%	56%	
Other Retail	27%	30%	63%	
Exposure Weighted Average Risk Weight				
Residential Mortgage	13%	74%	159%	
QRRE	28%	131%	268%	
Hire Purchase	52%	93%	177%	
Other Retail	21%	49%	206%	

CREDIT RISK (CONTINUED)

Credit Risk – Disclosure for Portfolios under the IRB Approach (continued)

Retail Exposures (continued)

Table 17: Retail Credit Exposures by PD Band (continued)

30 June 2016	CIMB Bank			
(RM'000) PD Range of Retail Exposures	0% ≤ PD < 2%	2% ≤ PD < 100%	100% Or Default	Total
Total Retail Exposure	85,634,122	10,078,197	1,534,728	97,247,047
Residential Mortgage	47,241,126	2,055,975	786,509	50,083,610
QRRE	8,479,990	4,516,467	116,869	13,113,326
Hire Purchase	8,722,959	1,816,446	167,095	10,706,501
Other Retail	21,190,047	1,689,309	464,254	23,343,610
Exposure Weighted Average LGD				
Residential Mortgage	22%	23%	29%	
QRRE	89%	89%	89%	
Hire Purchase	52%	53%	57%	
Other Retail	26%	28%	68%	
Exposure Weighted Average Risk Weight				
Residential Mortgage	28%	87%	105%	
QRRE	29%	132%	226%	
Hire Purchase	52%	86%	167%	
Other Retail	24%	43%	249%	

CREDIT RISK (CONTINUED)

Credit Risk – Disclosure for Portfolios under the IRB Approach (continued)

Retail Exposures (continued)

Table 18: Retail Exposures under the IRB Approach by Expected Loss Range

30 June 2017	CIMB Bank			
(RM'000) Expected Loss Range of Retail Exposure	EL ≤ 1%	1% < EL < 100%	EL = 100%	Total
Total Retail Exposure	94,972,733	11,676,001	85,029	106,733,763
Residential Mortgage	52,927,365	2,933,603	39,879	55,900,847
QRRE *	7,679,991	5,470,514	423	13,150,929
Hire Purchase	9,015,065	1,184,302	1,679	10,201,046
Other Retail	25,350,312	2,087,581	43,047	27,480,941
Exposure Weighted Average LGD				
Residential Mortgage	23%	26%	37%	
QRRE *	89%	89%	89%	
Hire Purchase	52%	54%	63%	
Other Retail	27%	40%	73%	

Note: * Effective June 2017, the computation of EL for QRRE is based on PD at account level to be consistent with EL computation for other retail products. Previously, the EL was computed based on range of PDs.

30 June 2016	CIMB Bank			
(RM'000) Expected Loss Range of Retail Exposure	EL ≤ 1%	1% < EL < 100%	EL = 100%	Total
Total Retail Exposure	85,934,434	11,208,251	104,361	97,247,047
Residential Mortgage	48,147,005	1,880,836	55,769	50,083,610
QRRE	6,729,387	6,383,939	-	13,113,326
Hire Purchase	8,730,372	1,973,991	2,137	10,706,501
Other Retail	22,327,670	969,485	46,455	23,343,610
Exposure Weighted Average LGD				
Residential Mortgage	22%	26%	38%	
QRRE	89%	89%	-	
Hire Purchase	52%	54%	60%	
Other Retail	26%	45%	74%	

CREDIT RISK (CONTINUED)

Credit Risk – Disclosure for Portfolios under the IRB Approach (continued)

Non-retail Exposures

The following tables summarise the Bank's non-retail credit exposures measured under F-IRB Approach:

Table 19: Credit Exposures Subject to Supervisory Risk Weight under IRB Approach

30 June 2017		CIMB Bank				
(RM '000) Supervisory Categories	Strong	Good	Satisfactory	Weak	Default	Total
Project Finance	136,881	1,255,755	-	149,529	1,493,478	3,035,644
Object Finance	-	-	-	-	-	-
Commodities Finance	-	-	-	-	-	-
Income Producing Real Estate	2,113,621	9,678,630	390,064	81,146	53,079	12,316,539
RWA	1,131,424	8,719,360	448,573	576,687	-	10,876,045

30 June 2016		CIMB Bank				
(RM '000) Supervisory Categories	Strong	Good	Satisfactory	Weak	Default	Total
Project Finance	52,474	1,350,879	-	87,040	1,427,792	2,918,185
Object Finance	-	26,783	4,680	-	7,976	39,438
Commodities Finance	-	-	-	-	-	-
Income Producing Real Estate	3,121,687	6,923,534	461,113	185,143	2,601	10,694,077
RWA	1,708,157	6,767,924	535,661	680,457	-	9,692,198

The Bank has no exposure to High Volatility Commercial Real Estate and Equities under the Simple Risk Weight Approach.

CREDIT RISK (CONTINUED)

Credit Risk – Disclosure for Portfolios under the IRB Approach (continued)

Non-retail Exposures (continued)

Table 20: Non-Retail Exposures under IRB Approach by Risk Grades

30 June 2017	CIMB Bank				
(RM'000) Internal Risk Grading	1 - 3	4 - 9	10 - 13	Default	Total
Total Non-Retail Exposure	45,372,950	55,834,029	17,349,614	1,935,098	120,491,690
Sovereign/Central Banks	-	-	-	-	-
Bank	22,465,669	2,340,408	234,823	0.1	25,040,900
Corporate (excluding Specialised Lending)	22,907,280	53,493,621	17,114,790	1,935,098	95,450,789
Exposure Weighted Average LGD					
Sovereign/Central Banks	-	-	-	-	-
Bank	37%	31%	45%	45%	
Corporate (excluding Specialised Lending)	45%	40%	34%	36%	
Exposure Weighted Average Risk Weight					
Sovereign/Central Banks	-	-	-	-	-
Bank	18%	31%	164%	-	
Corporate (excluding Specialised Lending)	16%	70%	102%	-	

30 June 2016	CIMB Bank				
(RM'000) Internal Risk Grading	1 - 3	4 - 9	10 - 13	Default	Total
Total Non-Retail Exposure	44,923,376	57,485,459	17,545,441	1,578,049	121,532,326
Sovereign/Central Banks	-	-	-	-	-
Bank	22,531,514	3,110,262	42,384	1	25,684,161
Corporate (excluding Specialised Lending)	22,391,862	54,375,197	17,503,057	1,578,048	95,848,165
Exposure Weighted Average LGD					
Sovereign/Central Banks	-	-	-	-	-
Bank	37%	35%	45%	45%	
Corporate (excluding Specialised Lending)	45%	37%	30%	38% ¹	
Exposure Weighted Average Risk Weight					
Sovereign/Central Banks	-	-	-	-	-
Bank	17%	36%	138%	-	
Corporate (excluding Specialised Lending)	18%	64%	93%	-	

Note: ¹ amended due to formula error.

CREDIT RISK (CONTINUED)

Credit Risk – Disclosure for Portfolios under the IRB Approach (continued)

Expected Losses versus Actual Losses by Portfolio Types

The following table summarises the actual losses by portfolio type:

Table 21: Analysis of Expected Loss versus Actual Losses by Portfolio Types

CIMB Bank				
(RM'000) Exposure Class	30 June 2017		30 June 2016	
	Regulatory Expected Losses as at 30 June 2016	Actual Losses for the period ended 30 June 2017	Regulatory Expected Losses as at 30 June 2015	Actual Losses for the period ended 30 June 2016
Sovereign	-	-	-	-
Bank	8,371	0.01	15,089	-
Corporate	596,814	136,746	690,358	(39,309)
Mortgage/ RRE Financing	156,960	36,351	172,814	8,867
HPE	127,031	106,728	124,994	37,149
QRRE	462,761	174,831	474,473	163,402
Other Retail	81,986	(11,893)	84,902	(20,750)
Other Exposures	-	-	-	-
Total	1,433,922	442,763	1,562,630	149,360

Actual loss refers to impairment provisions and direct write-offs, if any during the period.

On the other hand, EL measures the loss expected from non-defaulted exposures at the start of the period. It is computed based on the risk parameters of the adopted IRB Approach. While a comparison of actual losses and EL provides some insight of the predictive power of the IRB Approach models used by the Bank, the two metrics are not directly comparable due to the differences in methodology.

Off-Balance Sheet Exposures and Counterparty Credit Risk

In the event of a one-notch downgrade of rating, based on the terms of the existing Credit Support Annexes, International Swaps and Derivatives Association Agreement and exposure, there was no requirement for additional collateral to be posted as at 30 June 2017, as compared to RM 6,045,000 as at 30 June 2016.

CREDIT RISK (CONTINUED)

Off-Balance Sheet Exposures and Counterparty Credit Risk (continued)

The following tables disclose the Off-Balance Sheet exposures and Counterparty Credit Risk:

Table 22: Disclosure on Off-Balance Sheet Exposures and Counterparty Credit Risk

30 June 2017	CIMB Bank			
(RM '000) Description	Principal Amount	Positive Fair Value of Derivative Contracts	Credit Equivalent Amount	Risk Weighted Assets
Direct Credit Substitutes	3,091,827		3,091,827	1,629,616
Transaction Related Contingent Items	3,532,459		1,766,229	941,668
Short Term Self Liquidating Trade Related Contingencies	2,716,434		543,287	265,909
Assets Sold With Recourse	-		-	-
Forward Asset Purchases	-		-	-
Obligations under an On-going 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 (i.e. repurchase/reverse repurchase and securities lending/borrowing transactions)	-		-	-
Foreign Exchange Related Contracts				
One year or less	-	-	-	-
Over one year to five years	-	-	-	-
Over five years	-	-	-	-
OTC derivative transactions and credit derivative contracts subject to valid bilateral netting agreements	503,115,743	4,309,340	12,539,042	5,598,172
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	26,805,795		24,191,275	8,301,748
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	188,895		81,424	69,520
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 borrower's creditworthiness	66,461,797		-	-
Unutilised credit card lines	24,191,064		6,822,006	2,604,796
Off-balance sheet items for securitisation exposures	-		-	-
Off-balance sheet exposures due to early amortisation provisions	-		-	-
Total	630,104,012	4,309,340	49,035,090	19,411,429

CREDIT RISK (CONTINUED)
Off-Balance Sheet Exposures and Counterparty Credit Risk (continued)
Table 22: Disclosure on Off-Balance Sheet Exposures and Counterparty Credit Risk (continued)

30 June 2016	CIMB Bank			
(RM '000) Description	Principal Amount	Positive Fair Value of Derivative Contracts	Credit Equivalent Amount	Risk Weighted Assets
Direct Credit Substitutes	3,026,980		3,026,980	1,497,072
Transaction Related Contingent Items	3,165,963		1,582,981	845,197
Short Term Self Liquidating Trade Related Contingencies	6,766,073		1,353,215	332,693
Assets Sold With Recourse	-		-	-
Forward Asset Purchases	-		-	-
Obligations under an On-going 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 (i.e. repurchase/reverse repurchase and securities lending/borrowing transactions)	-		-	-
Foreign Exchange Related Contracts				
One year or less	-	-	-	-
Over one year to five years	-	-	-	-
Over five years	-	-	-	-
OTC derivative transactions and credit derivative contracts subject to valid bilateral netting agreements	550,353,360	4,469,989	12,400,547	5,510,557
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	25,744,466		22,361,969	10,517,620
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	68,110		37,602	23,370
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 borrower's creditworthiness	63,116,376		-	-
Unutilised credit card lines	22,552,025		6,708,816	2,922,702
Off-balance sheet items for securitisation exposures	-		-	-
Off-balance sheet exposures due to early amortisation provisions	-		-	-
Total	674,793,354	4,469,989	47,472,110	21,649,211

CREDIT RISK (CONTINUED)

Off-Balance Sheet Exposures and Counterparty Credit Risk (continued)

The table below shows the credit derivative transactions that create exposures to Counterparty Credit Risk (notional value) segregated between own use and client intermediation activities:

Table 23: Disclosure on Credit Derivative Transactions

(RM'000)	CIMB Bank			
	30 June 2017		30 June 2016	
	Notional of Credit Derivatives			
	Protection Bought	Protection Sold	Protection Bought	Protection Sold
Own Credit Portfolio	3,892,044	3,049,859	3,044,388	3,315,112
Client Intermediation Activities	125,871	392,657	27,150	212,500
Total	4,017,915	3,442,517	3,071,538	3,527,612
Credit Default Swaps	3,991,365	2,144,557	3,044,388	3,315,112
Total Return Swaps	26,550	1,297,959	27,150	212,500
Total	4,017,915	3,442,517	3,071,538	3,527,612

CREDIT RISK (CONTINUED)
Credit Risk Mitigation

The following tables summarise the extent of which exposures are covered by eligible credit risk mitigants:

Table 24: Disclosure on Credit Risk Mitigation

30 June 2017	CIMB Bank			
(RM'000) Exposure Class	Exposures before CRM	Exposures Covered by Guarantees/Credit Derivatives	Exposures Covered by Eligible Financial Collateral	Exposures Covered by Other Eligible Collateral
Performing Exposures				
Sovereign/Central Banks	37,732,185	-	-	-
Public Sector Entities	-	-	-	-
Banks, DFIs & MDBs	25,445,961	-	5,056,865	-
Insurance Cos/Takaful Operators, Securities Firms & Fund Managers	2,167,836	2,500	271,632	-
Corporate	114,117,568	666,291	10,036,463	13,242,898
Residential Mortgages/ RRE Financing	55,865,213	-	2,696	-
Qualifying Revolving Retail	13,022,768	-	-	-
Hire Purchase	10,038,040	-	-	-
Other Retail	49,130,955	366,579	9,623,184	-
Securitisation	412,957	-	-	-
Higher Risk Assets	1,105,402	-	-	-
Other Assets	5,966,804	-	-	-
Defaulted Exposures	2,567,846	-	336,833	311,177
Total Exposures	317,573,535	1,035,371	25,327,673	13,554,075

The type of collateral recognised in each asset class is in accordance to the approach adopted in computing the RWA. The CRM shown is computed after taking into account the haircut as prescribed by the guidelines. For assets under SA, only financial collateral and guarantee are recognised. For assets under F-IRB Approach, guarantee, financial collateral and other eligible collateral are recognised. For assets under A-IRB Approach, the collateral has been taken into consideration in the computation of LGD, hence, excluded from the CRM disclosure.

CREDIT RISK (CONTINUED)
Credit Risk Mitigation (continued)
Table 24: Disclosure on Credit Risk Mitigation (continued)

30 June 2016	CIMB Bank			
(RM'000) Exposure Class	Exposures before CRM	Exposures Covered by Guarantees/Credit Derivatives	Exposures Covered by Eligible Financial Collateral	Exposures Covered by Other Eligible Collateral
<i>Performing Exposures</i>				
Sovereign/Central Banks	30,480,974	-	-	-
Public Sector Entities	2,091	-	-	-
Banks, DFIs & MDBs	25,940,994	-	5,019,821	-
Insurance Cos/Takaful Operators, Securities Firms & Fund Managers	3,443,035	409,025	1,175,050	-
Corporate	112,611,442	1,886,925	14,840,828	12,891,455
Residential Mortgages/ RRE Financing	50,154,693	-	2,005	-
Qualifying Revolving Retail	13,024,518	-	-	-
Hire Purchase	10,539,405	-	-	-
Other Retail	46,566,622	-	11,376,817	-
Securitisation	314,299	-	-	-
Higher Risk Assets	1,436,109	-	-	-
Other Assets	5,307,158	-	-	-
<i>Defaulted Exposures</i>	2,148,515	-	195,001	246,485
Total Exposures	301,969,856	2,295,950	32,609,522	13,137,940

The type of collateral recognised in each asset class is in accordance to the approach adopted in computing the RWA. The CRM shown is computed after taking into account the haircut as prescribed by the guidelines. For assets under SA, only financial collateral and guarantee are recognised. For assets under F-IRB Approach, guarantee, financial collateral and other eligible collateral are recognised. For assets under A-IRB Approach, the collateral has been taken into consideration in the computation of LGD, hence, excluded from the CRM disclosure.

SECURITISATION

The following tables show the disclosure on Securitisation for Trading and Banking Book:

Table 25: Disclosure on Securitisation for Trading and Banking Book

30 June 2017		CIMB Bank		
(RM'000) Underlying Asset	Total Exposures Securitized	Past Due	Impaired	Gain/Losses Recognised during the period
TRADITIONAL SECURITISATION (Banking Book) <u>Originated by the Banking Institution</u> Hire Purchase Exposure	1,146,726	89,767	196	(331)

31 December 2016		CIMB Bank		
(RM'000) Underlying Asset	Total Exposures Securitized	Past Due	Impaired	Gain/Losses Recognised during the period
TRADITIONAL SECURITISATION (Banking Book) <u>Originated by the Banking Institution</u> Hire Purchase Exposure	-	-	-	-

* Gains/losses recognised during the period represent gain/losses recognised during the 6 months period from 1 January 2016 to 30 June 2016 and 1 January 2017 to 30 June 2017.

SECURITISATION (CONTINUED)

The tables below represent the disclosure on Securitisation under the SA for Banking Book:

Table 26: Disclosure on Securitisation under the SA for Banking Book Exposures

30 June 2017		CIMB Bank									
(RM'000) Exposure Class	Net Exposure After CRM	Distribution of Exposures after CRM according to Applicable Risk Weights									Risk Weighted Assets
		Rated Securitisation Exposures							Unrated (Look Through)		
		0%	10%	20%	50%	100%	350%	1250%	Weighted Average RW	Exposure Amount	
Traditional Securitisation (Banking Book)											
<i>Non-originating Banking Institution</i>											
<i>On-Balance Sheet</i>											
Most senior	399,108	-	-	399,108	-	-	-	-	-	-	79,822
Mezzanine	13,849	-	-	13,849	-	-	-	-	-	-	2,770
First loss	-	-	-	-	-	-	-	-	-	-	-
<i>Off-Balance Sheet</i>											
Rated eligible liquidity facilities	-	-	-	-	-	-	-	-	-	-	-
Unrated eligible liquidity facilities (with original maturity > 1 year)	-	-	-	-	-	-	-	-	-	-	-
Unrated eligible liquidity facilities (with original maturity < 1 year)	-	-	-	-	-	-	-	-	-	-	-
Eligible servicer cash advance facilities	-	-	-	-	-	-	-	-	-	-	-
Eligible underwriting facilities	-	-	-	-	-	-	-	-	-	-	-
Guarantees and credit derivatives	-	-	-	-	-	-	-	-	-	-	-
Other off-balance sheet securitisation exposures (excl. guarantees and credit derivatives)	-	-	-	-	-	-	-	-	-	-	-

SECURITISATION (CONTINUED)

Table 26: Disclosure on Securitisation under the SA for Banking Book Exposures (continued)

30 June 2017		CIMB Bank										
(RM'000) Exposure Class	Net Exposure After CRM	Distribution of Exposures after CRM according to Applicable Risk Weights									Risk Weighted Assets	
		Rated Securitisation Exposures							Unrated (Look Through)			
		0%	10%	20%	50%	100%	350%	1250%	Weighted Average RW	Exposure Amount		
<i>Originating Banking Institution</i>												
<i>On-Balance Sheet</i>												
Most senior	-	-	-	-	-	-	-	-	-	-	-	-
Mezzanine	-	-	-	-	-	-	-	-	-	-	-	-
First loss	-	-	-	-	-	-	-	-	-	-	-	-
<i>Off-Balance Sheet</i>												
Rated eligible liquidity facilities	-	-	-	-	-	-	-	-	-	-	-	-
Unrated eligible liquidity facilities (with original maturity > 1 year)	-	-	-	-	-	-	-	-	-	-	-	-
Unrated eligible liquidity facilities (with original maturity < 1 year)	-	-	-	-	-	-	-	-	-	-	-	-
Eligible servicer cash advance facilities	-	-	-	-	-	-	-	-	-	-	-	-
Eligible underwriting facilities	-	-	-	-	-	-	-	-	-	-	-	-
Guarantees and credit derivatives	-	-	-	-	-	-	-	-	-	-	-	-
Other off-balance sheet securitisation exposures (excl. guarantees and credit derivatives)	-	-	-	-	-	-	-	-	-	-	-	-
Total Exposures	412,957	-	-	412,957	-	-	-	-	-	-	-	82,591

SECURITISATION (CONTINUED)

Table 26: Disclosure on Securitisation under the SA for Banking Book Exposures (continued)

30 June 2016	CIMB Bank										
(RM'000) Exposure Class	Net Exposure After CRM	Distribution of Exposures after CRM according to Applicable Risk Weights									Risk Weighted Assets
		Rated Securitisation Exposures							Unrated (Look Through)		
		0%	10%	20%	50%	100%	350%	1250%	Weighted Average RW	Exposure Amount	
Traditional Securitisation (Banking Book)											
<i>Non-originating Banking Institution</i>											
<i>On-Balance Sheet</i>											
Most senior	305,008	-	-	305,008	-	-	-	-	-	-	61,002
Mezzanine	9,291	-	-	9,291	-	-	-	-	-	-	1,858
First loss	-	-	-	-	-	-	-	-	-	-	-
<i>Off-Balance Sheet</i>											
Rated eligible liquidity facilities	-	-	-	-	-	-	-	-	-	-	-
Unrated eligible liquidity facilities (with original maturity > 1 year)	-	-	-	-	-	-	-	-	-	-	-
Unrated eligible liquidity facilities (with original maturity < 1 year)	-	-	-	-	-	-	-	-	-	-	-
Eligible servicer cash advance facilities	-	-	-	-	-	-	-	-	-	-	-
Eligible underwriting facilities	-	-	-	-	-	-	-	-	-	-	-
Guarantees and credit derivatives	-	-	-	-	-	-	-	-	-	-	-
Other off-balance sheet securitisation exposures (excl. guarantees and credit derivatives)	-	-	-	-	-	-	-	-	-	-	-

SECURITISATION (CONTINUED)

Table 26: Disclosure on Securitisation under the SA for Banking Book Exposures (continued)

30 June 2016		CIMB Bank									
(RM'000) Exposure Class	Net Exposure After CRM	Distribution of Exposures after CRM according to Applicable Risk Weights									Risk Weighted Assets
		Rated Securitisation Exposures							Unrated (Look Through)		
		0%	10%	20%	50%	100%	350%	1250%	Weighted Average RW	Exposure Amount	
<i>Originating Banking Institution</i>											
<i>On-Balance Sheet</i>											
Most senior	-	-	-	-	-	-	-	-	-	-	-
Mezzanine	-	-	-	-	-	-	-	-	-	-	-
First loss	-	-	-	-	-	-	-	-	-	-	-
<i>Off-Balance Sheet</i>											
Rated eligible liquidity facilities	-	-	-	-	-	-	-	-	-	-	-
Unrated eligible liquidity facilities (with original maturity > 1 year)	-	-	-	-	-	-	-	-	-	-	-
Unrated eligible liquidity facilities (with original maturity < 1 year)	-	-	-	-	-	-	-	-	-	-	-
Eligible servicer cash advance facilities	-	-	-	-	-	-	-	-	-	-	-
Eligible underwriting facilities	-	-	-	-	-	-	-	-	-	-	-
Guarantees and credit derivatives	-	-	-	-	-	-	-	-	-	-	-
Other off-balance sheet securitisation exposures (excl. guarantees and credit derivatives)	-	-	-	-	-	-	-	-	-	-	-
Total Exposures	314,299	-	-	314,299	-	-	-	-	-	-	62,860

SECURITISATION (CONTINUED)

The table below presents the Securitisation under the SA for Trading Book Exposures subject to Market Risk capital charge:

Table 27: Disclosure on Securitisation under the SA for Trading Book Exposures subject to Market Risk Capital Charge

30 June 2017	CIMB Bank				
(RM'000) Securitisation Exposures	Total Exposure Value of Positions Purchased or Retained	Exposures subject to deduction	General Risk Charge	Specific Risk Charge	Risk Weighted Assets
TRADITIONAL SECURITISATION					
<u>Originated by Third Party</u>					
<i>On-Balance Sheet</i>	-	-	-	-	-
<i>Off-Balance Sheet</i>	-	-	-	-	-
<i>Sub-total</i>	-	-	-	-	-
<u>Originated by Banking Institution</u>					
<i>On-Balance Sheet</i>	-	-	-	-	-
<i>Off-Balance Sheet</i>	-	-	-	-	-
<i>Sub-total</i>	-	-	-	-	-
<u>Securitisation subject to Early Amortisation</u>					
<u>Seller's interest</u>					
<i>On-Balance Sheet</i>	-	-	-	-	-
<i>Off-Balance Sheet</i>	-	-	-	-	-
<u>Investor's interest</u>					
<i>On-Balance Sheet</i>	-	-	-	-	-
<i>Off-Balance Sheet</i>	-	-	-	-	-
<i>Sub-total</i>	-	-	-	-	-
TOTAL (TRADITIONAL SECURITISATION)	-	-	-	-	-

SECURITISATION (CONTINUED)

Table 27: Disclosure on Securitisation under the SA for Trading Book Exposures subject to Market Risk Capital Charge (continued)

30 June 2016	CIMB Bank				
(RM'000) Securitisation Exposures	Total Exposure Value of Positions Purchased or Retained	Exposures subject to deduction	General Risk Charge	Specific Risk Charge	Risk Weighted Assets
TRADITIONAL SECURITISATION					
<u>Originated by Third Party</u>					
<i>On-Balance Sheet</i>	-	-	-	-	-
<i>Off-Balance Sheet</i>	-	-	-	-	-
<i>Sub-total</i>	-	-	-	-	-
<u>Originated by Banking Institution</u>					
<i>On-Balance Sheet</i>	-	-	-	-	-
<i>Off-Balance Sheet</i>	-	-	-	-	-
<i>Sub-total</i>	-	-	-	-	-
<u>Securitisation subject to Early Amortisation</u>					
<u>Seller's interest</u>					
<i>On-Balance Sheet</i>	-	-	-	-	-
<i>Off-Balance Sheet</i>	-	-	-	-	-
<u>Investor's interest</u>					
<i>On-Balance Sheet</i>	-	-	-	-	-
<i>Off-Balance Sheet</i>	-	-	-	-	-
<i>Sub-total</i>	-	-	-	-	-
TOTAL (TRADITIONAL SECURITISATION)	-	-	-	-	-

MARKET RISK

Details on RWA and capital requirements related to Market Risk are disclosed for CIMB Bank in Table 2.

OPERATIONAL RISK

Details on RWA and capital requirements related to Operational Risk are disclosed for CIMB Bank in Table 2.

EQUITY EXPOSURES IN BANKING BOOK

Realised gains arising from sales and liquidations of equities for CIMB Bank for the period ended 30 June 2017 and 30 June 2016 is as follows:

Table 28: Realised Gains/Losses from Sales and Liquidations of Equities

In RM('000)	CIMB Bank	
	30 June 2017	30 June 2016
Realised gains		
Shares, private equity funds and unit trusts	1,039	5,510
Unrealised gains		
Shares, private equity funds and unit trusts	732,541	632,388

The table below presents the analysis of Equity investments by Grouping and RWA:

Table 29: Analysis of Equity Investments by Grouping and RWA

In RM('000)	CIMB Bank			
	30 June 2017		30 June 2016	
	Exposures subject to Risk-Weighting	RWA	Exposures subject to Risk-Weighting	RWA
Privately held	1,105,402	1,658,103	1,436,109	2,154,164
Publicly traded	-	-	-	-
Total	1,105,402	1,658,103	1,436,109	2,154,164

INTEREST RATE RISK/ RATE OF RETURN RISK IN THE BANKING BOOK

For the purpose of this disclosure, the impact under an instantaneous 100 bps parallel interest rate/benchmark rate shock is applied. The treatments and assumptions applied are based on the contractual repricing maturity and remaining maturity of the products, whichever is earlier. Items with indefinite repricing maturity are treated based on the earliest possible repricing date. The actual dates may vary from the repricing profile allocated due to factors such as pre-mature withdrawals, prepayment and so forth.

The tables below illustrate CIMB Bank IRRBB/RORBB under a 100 bps parallel upward interest rate/benchmark rate shock from economic value and earnings perspectives:

Table 30: IRRBB/RORBB – Impact on Economic Value

(RM'000)	CIMB Bank	
	30 June 2017	30 June 2016
Currency	+100bps Increase (Decline) in Economic Value (Value in RM Equivalent)	
Ringgit Malaysia	(726,571)	(650,420)
US Dollar	109,287	(153,161)
Thai Baht	(7)	1
Singapore Dollar	(178,122)	(314,903)
Others	45,116	(12,953)
Total	(750,297)	(1,131,436)

Table 31: IRRBB/RORBB – Impact on Earnings

(RM'000)	CIMB Bank	
	30 June 2017	30 June 2016
Currency	+100bps Increase (Decline) in Earnings (Value in RM Equivalent)	
Ringgit Malaysia	268,341	131,979
US Dollar	(79,455)	(75,963)
Thai Baht	170	(13)
Singapore Dollar	(51,799)	(81,999)
Others	5,423	3,543
Total	142,680	(22,453)

The sign reflects the nature of the rate sensitivity, with a negative number indicating exposure to increase in interest rate/benchmark rate and vice versa.

- [END OF SECTION] -