

Basel II Pillar 3 Disclosures for the period ended 30 June 2018

- **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 Group 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 2018.

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.

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.

On 2 February 2018, BNM issued an updated Capital Adequacy Framework (Basel II – Risk-Weighted Assets) and Capital Adequacy Framework (Capital Components). The framework has been updated to incorporate the revised definition of General Provisions and Specific Provisions arising from the implementation of MFRS 9 Financial Instruments.

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 the Basic Indicator Approach. The components of eligible regulatory capital are based on the Capital Adequacy Framework (Capital Components).

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 2018	30 June 2017
Common Equity Tier 1 capital		
Ordinary shares	18,888,794	16,677,074
Other reserves	12,901,550	13,177,215
Less: Proposed dividends	(1,140,574)	(1,282,864)
Common Equity Tier 1 capital before regulatory adjustments	30,649,770	28,571,425
<u>Less: Regulatory adjustments</u>		
Goodwill	(3,555,075)	(3,555,075)
Intangible assets	(798,440)	(783,587)
Deferred Tax Assets	(304,464)	(119,691)
Investment in capital instruments of unconsolidated financial and insurance /takaful entities	(5,350,886)	(4,517,169)
Regulatory reserve	(1,376,915)	(1,172,151)
Others	(4,079)	(224,669)
Common Equity Tier 1 capital after regulatory adjustments	19,259,911	18,199,083
Additional Tier 1 capital		
Perpetual preference shares	200,000	200,000
Innovative Tier 1 Capital	924,720	1,000,000
Perpetual subordinated capital securities	1,400,000	1,400,000
Additional Tier 1 capital before regulatory adjustments	2,524,720	2,600,000
<u>Less: Regulatory adjustments</u>		
Investments in Additional Tier 1 capital instruments of unconsolidated financial and insurance/takaful entities	(229,587)	(176,868)
Additional Tier 1 capital after regulatory adjustments	2,295,133	2,423,132
Total Tier 1 capital	21,555,044	20,622,215

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

(RM'000)	CIMB Bank	
	30 June 2018	30 June 2017
Tier 2 Capital		
Subordinated notes	7,750,000	7,050,000
Redeemable Preference Shares	29,740	29,740
Surplus eligible provisions over expected losses	696,097	416,851
General provisions/Portfolio impairment allowance and regulatory reserves	281,445	244,927
Tier 2 capital before regulatory adjustments	8,757,282	7,741,518
<u>Less: Regulatory adjustments</u>		
Investments in capital instruments of unconsolidated financial and insurance/takaful entities	(1,103,482)	(1,656,961)
Total Tier 2 Capital	7,653,800	6,084,557
Total capital	29,208,844	26,706,772
RWA		
Credit risk	138,531,774	136,281,306
Market risk	11,466,358	12,234,634
Large Exposure risk requirements	830,026	725,876
Operational risk	14,462,863	13,931,304
Total RWA	165,291,021	163,173,120
Capital Adequacy Ratios		
Before deducting proposed dividend		
Common Equity Tier 1 Ratio	12.342%	11.939%
Tier 1 ratio	13.731%	13.424%
Total capital ratio	18.361%	17.153%
After deducting proposed dividend		
Common Equity Tier 1 Ratio	11.652%	11.153%
Tier 1 ratio	13.041%	12.638%
Total capital ratio	17.671%	16.367%

The Total Capital Ratio increased in June 2018 compared to June 2017 mainly due to (i) higher retained earnings; (ii) higher paid-up capital and share premium arising from the reinvestment of cash dividend surplus from CIMB Group's 11th Dividend Reinvestment Scheme ("DRS"); and (iii) issuance of RM700m 10 years non-callable 5 years Tier 2 Subordinated debt to CIMB Group Holdings Berhad. The increase in Credit RWA was mainly contributed by Corporate RWA and Bank RWA, but offset by decreased Other Retail RWA. Overall Market RWA decreased in June 2018 mainly contributed by decreased Equity RWA, Interest Rate RWA and Commodity RWA, but offset by increased FX RWA and Option 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 2018	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	39,250,231	39,250,231	447,596	447,596	35,808
Public Sector Entities	-	-	-	-	-
Banks, DFIs & MDBs	289,530	289,530	29,650	29,650	2,372
Insurance Cos/Takaful Operators, Securities Firms & Fund Managers	2,807,628	2,799,812	1,720,009	1,720,009	137,601
Corporate	8,926,881	5,705,516	6,933,434	6,933,434	554,675
Regulatory Retail	12,516,352	11,038,732	8,026,536	8,026,536	642,123
Residential Mortgages/ RRE Financing	833,651	831,493	304,057	304,057	24,325
Higher Risk Assets	1,097,888	1,097,888	1,646,832	1,646,832	131,747
Other Assets	5,858,293	5,858,293	3,359,244	3,359,244	268,739
Securitisation	241,017	241,017	48,203	48,203	3,856
Total for SA	71,821,471	67,112,511	22,515,562	22,515,562	1,801,245
Exposures under the IRB Approach					
Sovereign/Central Banks	-	-	-	-	-
Public Sector Entities	-	-	-	-	-
Banks, DFIs & MDBs	25,400,594	25,400,594	6,934,633	6,934,633	554,771
Insurance Cos/Takaful Operators, Securities Firms & Fund Managers	-	-	-	-	-
Corporate	109,620,447	109,620,447	72,718,972	72,718,972	5,817,518
Residential Mortgages/ RRE Financing	57,732,898	57,732,898	11,266,442	11,266,442	901,315
Qualifying Revolving Retail	12,965,959	12,965,959	7,423,676	7,423,676	593,894
Hire Purchase	8,792,241	8,792,241	5,117,468	5,117,468	409,397
Other Retail	34,071,011	34,071,011	5,988,065	5,988,065	479,045
Securitisation	-	-	-	-	-
Total for IRB Approach	248,583,151	248,583,151	109,449,257	109,449,257	8,755,941

CAPITAL MANAGEMENT (CONTINUED)

Capital Structure and Adequacy (continued)

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

30 June 2018	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)	320,404,622	315,695,662	138,531,774	138,531,774	11,082,542
Large Exposure Risk Requirement	830,026	830,026	830,026	830,026	66,402
Market Risk (SA)					
Interest Rate Risk/Benchmark rate risk			8,100,955	8,100,955	648,076
Foreign Currency Risk			833,647	833,647	66,692
Equity Risk			833,980	833,980	66,718
Commodity Risk			847,640	847,640	67,811
Options Risk			850,136	850,136	68,011
Total Market Risk			11,466,358	11,466,358	917,309
Operational Risk (BIA)			14,462,863	14,462,863	1,157,029
Total RWA and Capital Requirement			165,291,020	165,291,020	13,223,282

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%
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
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

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%
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

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 2018		CIMB Bank			
(RM'000) Exposure Class	Malaysia	Singapore	Thailand	Other Countries	Total
Sovereign	34,869,612	4,137,783	-	242,837	39,250,231
Bank	16,370,962	7,954,379	-	1,364,783	25,690,124
Corporate	87,830,363	29,704,229	-	3,820,364	121,354,956
Mortgage/ RRE Financing	53,407,953	4,889,751	-	268,844	58,566,549
HPE	8,792,241	-	-	-	8,792,241
QRRE	10,422,491	2,543,468	-	-	12,965,959
Other Retail	44,351,880	2,230,424	-	5,060	46,587,364
Other Exposures	5,941,633	1,132,172	-	123,393	7,197,197
Total Gross Credit Exposure	261,987,136	52,592,205	-	5,825,281	320,404,622

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

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 2018	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	200,514	-	-	888,616	2,073,540	-	2,737,622	11,097,636	22,182,178	-	70,126	39,250,231
Bank	-	-	-	-	-	-	-	25,690,124	-	-	-	25,690,124
Corporate	5,755,254	7,724,473	9,696,803	6,225,526	12,742,637	14,337,626	12,530,154	32,849,482	11,803,145	5,375,010	2,314,845	121,354,956
Mortgage/ RRE	-	-	-	-	-	-	-	-	-	58,566,549	-	58,566,549
Financing	-	-	-	-	-	-	-	-	-	8,792,241	-	8,792,241
HPE	-	-	-	-	-	-	-	-	-	12,965,959	-	12,965,959
QRRE	-	-	-	-	-	-	-	-	-	39,707,079	-	39,707,079
Other Retail	171,120	49,208	992,812	21,730	733,124	1,783,373	271,825	2,271,914	585,176	-	-	46,587,364
Other Exposures	-	-	-	-	-	-	-	1,239,820	41,401	-	5,915,976	7,197,197
Total Gross Credit Exposure	6,126,887	7,773,681	10,689,616	7,135,873	15,549,301	16,120,999	15,539,601	73,148,976	34,611,901	125,406,839	8,300,947	320,404,622

*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 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	-	-	-	-	-	-	-	-	-	-	-	-
HPE	-	-	-	-	-	-	-	-	-	10,201,046	-	10,201,046
QRRE	-	-	-	-	-	-	-	-	-	13,150,929	-	13,150,929
Other Retail	144,433	44,132	856,346	32,240	688,081	1,473,842	216,685	1,950,089	586,483	43,629,640	-	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)

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 2018		CIMB Bank		
(RM'000) Exposure Class	Less than 1 year	1 to 5 years	More than 5 years	Total
Sovereign	14,643,726	9,018,403	15,588,103	39,250,231
Bank	18,128,385	6,225,639	1,336,100	25,690,124
Corporate	43,497,563	44,496,051	33,361,342	121,354,956
Mortgage/ RRE Financing	41,231	591,979	57,933,339	58,566,549
HPE	58,046	3,374,599	5,359,597	8,792,241
QRRE	12,965,959	-	-	12,965,959
Other Retail	2,143,442	2,532,109	41,911,813	46,587,364
Other Exposures	26,942	175,580	6,994,676	7,197,197
Total Gross Credit Exposure	91,505,293	66,414,359	162,484,970	320,404,622

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

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 2018 and 31 December 2017 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 2018	31 December 2017
Primary Agriculture	30,791	19,016
Mining and Quarrying	12,548	6,247
Manufacturing	79,852	54,896
Electricity, Gas and Water Supply	651	4,303
Construction	81,080	74,312
Wholesale and Retail Trade, and Restaurants and Hotels	784,793	184,230
Transport, Storage and Communications	23,009	39,146
Finance, Insurance/ Takaful, Real Estate and Business Activities	256,178	237,652
Education, Health and Others	128,923	96,296
Household	8,042,027	8,299,850
Others*	7,587	7,129
Total	9,447,439	9,023,077

*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 2018	31 December 2017
Malaysia	8,549,413	8,833,948
Singapore	853,864	189,023
Thailand	-	-
Other Countries	44,162	106
Total	9,447,439	9,023,077

CREDIT RISK (CONTINUED)

Credit Quality of Loans, Advances and Financing (continued)

ii) *Credit Impaired/Impaired Loans/Financings*

The following tables provide an analysis of the outstanding balances as at 30 June 2018 and 31 December 2017 which were credit impaired/impaired by sector and geographical respectively:

Table 8: Credit Impaired/Impaired Loans, Advances and Financing by Sector

(RM'000)	CIMB Bank	
	30 June 2018	31 December 2017
Primary Agriculture	45,693	41,550
Mining and Quarrying	703,830	583,576
Manufacturing	194,325	199,983
Electricity, Gas and Water Supply	315	552
Construction	144,410	76,403
Wholesale and Retail Trade, and Restaurants and Hotels	362,933	289,457
Transport, Storage and Communications	1,056,515	1,253,085
Finance, Insurance/ Takaful, Real Estate and Business Activities	215,348	176,520
Education, Health and Others	99,491	103,827
Household	1,113,082	1,193,352
Others*	6,308	12,253
Total	3,942,250	3,930,558

*Others are exposures which are not elsewhere classified.

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

(RM'000)	CIMB Bank	
	30 June 2018	31 December 2017
Malaysia	3,137,061	3,117,173
Singapore	802,753	810,822
Thailand	-	-
Other Countries	2,436	2,563
Total	3,942,250	3,930,558

CREDIT RISK (CONTINUED)

Credit Quality of Loans, Advances and Financing (continued)

ii) *Credit Impaired Loans/Financings (continued)*

Table 10: Expected credit losses (Stage 1, 2 and 3, and Purchased Credit Impaired) by Sector for the period ended 30 June 2018

(RM'000)	CIMB Bank				
	30 June 2018				
	12-month expected credit losses (Stage 1)	Lifetime expected credit losses – not credit impaired (Stage 2)	Lifetime expected credit losses – credit impaired (Stage 3)	Purchased credit impaired	Total
Primary Agriculture	21,431	7,049	31,378	-	59,858
Mining and Quarrying	11,850	1,472	170,851	-	184,173
Manufacturing	42,287	41,527	131,363	-	215,177
Electricity, Gas and Water Supply	5,132	2,713	315	-	8,160
Construction	21,732	8,615	75,973	-	106,320
Wholesale and Retail Trade, and Restaurants and Hotels	59,022	38,810	203,331	-	301,163
Transport, Storage and Communications	18,943	13,093	1,019,481	-	1,051,517
Finance, Insurance/Takaful, Real Estate and Business Activities	87,485	29,903	146,082	-	263,470
Education, Health and Others	11,755	7,729	5,414	-	24,898
Household	461,732	223,426	435,758	-	1,120,916
Others*	4,796	18,732	4,670	-	28,198
Total	746,165	393,069	2,224,616	-	3,363,850

*Others are exposures which are not elsewhere classified.

CREDIT RISK (CONTINUED)

Credit Quality of Loans, Advances and Financing (continued)

ii) *Credit Impaired/Impaired Loans/Financings (continued)*

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

(RM'000)	CIMB Bank	
	31 December 2017	
	Individual Impairment Allowance	Portfolio Impairment Allowance
Primary Agriculture	27,352	12,163
Mining and Quarrying	77,397	8,037
Manufacturing	78,752	39,210
Electricity, Gas and Water Supply	-	1,293
Construction	34,469	35,395
Wholesale and Retail Trade, and Restaurants and Hotels	109,039	63,182
Transport, Storage and Communication	1,085,463	10,111
Finance, Insurance/ Takaful, Real Estate and Business Activities	125,850	56,918
Education, Health and Others	3,868	11,338
Household	92,953	733,385
Others*	7,994	3,509
Total	1,643,137	974,541

*Others are exposures which are not elsewhere classified.

Table 11: Expected credit losses (Stage 1, 2 and 3, and Purchased Credit Impaired) by Geographic Distribution for the period ended 30 June 2018

(RM'000)	CIMB Bank				
	30 June 2018				
	12-month expected credit losses (Stage 1)	Lifetime expected credit losses – not credit impaired (Stage 2)	Lifetime expected credit losses – credit impaired (Stage 3)	Purchased credit impaired	Total
Malaysia	599,205	336,957	1,948,527	-	2,884,689
Singapore	131,567	55,985	276,010	-	463,562
Thailand	-	-	-	-	-
Other Countries	15,393	127	79	-	15,599
Total	746,165	393,069	2,224,616	-	3,363,850

CREDIT RISK (CONTINUED)

Credit Quality of Loans, Advances and Financing (continued)

ii) *Credit Impaired/Impaired Loans/Financings (continued)*

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

(RM'000)	CIMB Bank	
	31 December 2017	
	Individual Impairment Allowance	Portfolio Impairment Allowance
Malaysia	1,452,683	931,669
Singapore	190,454	37,723
Thailand	-	-
Other Countries	-	5,149
Total	1,643,137	974,541

Table 12: Expected credit losses charges/(write back) and write-off for Stage 3 and purchased credit impaired for the period ended 30 June 2018

(RM'000)	CIMB Bank			
	30 June 2018			
	Charges/(write back)		Write-off	
	Lifetime expected credit losses - Credit impaired (Stage 3)	Purchased credit impaired	Lifetime expected credit losses - Credit impaired (Stage 3)	Purchased credit impaired
Primary Agriculture	2,655	-	3,101	-
Mining and Quarrying	22,327	-	184	-
Manufacturing	31,603	-	1,255	-
Electricity, Gas and Water Supply	(2)	-	4	-
Construction	20,893	-	3,302	-
Wholesale and Retail Trade, and Restaurants and Hotels	867	-	2,695	-
Transport, Storage and Communications	4,829	-	1,039	-
Finance, Insurance/Takaful, Real Estate and Business Activities	(380)	-	2,215	-
Education, Health and Others	(1,144)	-	683	-
Household	211,114	-	232,474	-
Others*	12,665	-	232	-
Total	305,427	-	247,284	-

*Others are exposures which are not elsewhere classified.

CREDIT RISK (CONTINUED)

Credit Quality of Loans, Advances and Financing (continued)

ii) *Credit Impaired/Impaired Loans/Financings (continued)*

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

(RM'000)	CIMB Bank	
	30 June 2017	
	Charges/Write Back	Write-Off
Primary Agriculture	(194)	-
Mining and Quarrying	85	41
Manufacturing	(3,087)	31,523
Electricity, Gas and Water Supply	-	-
Construction	(1,041)	4
Wholesale and Retail Trade, and Restaurants and Hotels	61,216	-
Transport, Storage and Communication	266	-
Finance, Insurance/ Takaful, Real Estate and Business Activities	(581)	129
Education, Health and Others	219	50
Household	30,362	63,819
Others*	(4)	-
Total	87,241	95,575

*Others are exposures which are not elsewhere classified.

CREDIT RISK (CONTINUED)

Credit Quality of Loans, Advances and Financing (continued)

ii) *Credit Impaired/Impaired Loans/Financings (continued)*

Table 13: Analysis of movement in the Expected Credit Losses for Loans, Advances and Financing for the Period Ended 30 June 2018

(RM'000)	CIMB Bank				
	30 June 2018				
	12-month expected credit losses (Stage 1)	Lifetime expected credit losses - not credit impaired (Stage 2)	Lifetime expected credit losses - Credit impaired (Stage 3)	Purchased credit impaired	Total
At 1 January 2018	-	-	-	-	-
Effect of adopting MFRS 9	702,566	478,824	2,239,192	-	3,420,582
Adjusted 1 January 2018	702,566	478,824	2,239,192	-	3,420,582
Changes in expected credit losses due to transferred within stages	369,870	(298,162)	(71,708)	-	-
Transferred to Stage 1	490,125	(377,863)	(112,262)	-	-
Transferred to Stage 2	(108,385)	235,793	(127,408)	-	-
Transferred to Stage 3	(11,870)	(156,092)	167,962	-	-
Total charge to Income Statement	(323,714)	204,280	305,427	-	185,993
New financial assets originated	112,242	21	17,282	-	129,545
Financial assets that have been derecognised	(104,878)	(59,630)	-	-	(164,508)
Write back in respect of full recoveries	-	-	(7,703)	-	(7,703)
Change in credit risk	(331,078)	263,889	295,848	-	228,659
Write-offs	(549)	-	(247,284)	-	(247,833)
Exchange fluctuation	(3,636)	(1,634)	(2,412)	-	(7,682)
Other movements	1,628	9,761	1,401	-	12,790
Total	746,165	393,069	2,224,616	-	3,363,850

CREDIT RISK (CONTINUED)

Credit Quality of Loans, Advances and Financing (continued)

ii) *Credit Impaired/Impaired Loans/Financings (continued)*

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

(RM'000)	CIMB Bank	
	30 June 2017	
	Individual Impairment Allowance	Portfolio Impairment Allowance
At 1 January 2017	1,610,822	1,100,176
Allowance made during the financial period	87,241	173,125
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)
Transfer(to)/from intercompany	-	14
Disposal of subsidiary	-	-
Unwinding income	-	-
Exchange fluctuation	(10,655)	(1,429)
Total	1,591,833	1,020,372

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 2018	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%	37,498,803	-	166,137	-	-	3,130	-	-	2,499,049	-	40,167,119	-
20%	1,427,061	-	106,822	558,891	4,078	483,857	-	-	-	241,017	2,821,725	564,345
35%	-	-	-	-	-	-	768,328	-	-	-	768,328	268,915
50%	324,368	-	16,571	1,265,391	13,880	7,888	56,045	-	-	-	1,684,144	842,072
75%	-	-	-	-	-	10,480,659	-	-	-	-	10,480,659	7,860,494
100%	-	-	-	975,520	5,502,552	58,939	7,119	-	3,359,244	-	9,903,375	9,903,375
150%	-	-	-	10	80,859	4,258	-	1,097,888	-	-	1,183,015	1,774,523
150%<RW<1250%	-	-	-	-	-	-	-	-	-	-	-	-
>1250%	-	-	-	-	104,147	-	-	-	-	-	104,147	1,301,838
Total	39,250,231	-	289,530	2,799,812	5,705,516	11,038,732	831,493	1,097,888	5,858,293	241,017	67,112,511	22,515,561
Average Risk Weight	1%	-	10%	61%	122%	73%	37%	150%	57%	20%	34%	
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 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

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 2018		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	1,853,622	63,202	890,804	2,807,628
Corporate	118	-	8,926,763	8,926,881
Sovereign/Central Banks	23,067,543	-	16,182,689	39,250,231
Banks, MDBs and DFIs	289,530	-	-	289,530
Total	25,210,812	63,202	26,000,256	51,274,270

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

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

30 June 2018		CIMB Bank		
(RM '000) Exposure Class	Investment Grade	Non-Investment Grade	No Rating	Total
On and Off-Balance-Sheet Exposures				
Securitisation	241,017	-	-	241,017

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

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 2018	CIMB Bank			
(RM'000) PD Range of Retail Exposures	0% ≤ PD < 2%	2% ≤ PD < 100%	100% Or Default	Total
Total Retail Exposure	91,592,082	20,205,302	1,764,725	113,562,109
Residential Mortgage	51,090,580	5,585,989	1,056,329	57,732,898
QRRE	9,266,762	3,591,997	107,201	12,965,959
Hire Purchase	7,777,874	870,796	143,572	8,792,241
Other Retail	23,456,867	10,156,520	457,624	34,071,011
Exposure Weighted Average LGD				
Residential Mortgage	19%	21%	28%	
QRRE	89%	89%	89%	
Hire Purchase	51%	53%	56%	
Other Retail	25%	11%	66%	
Exposure Weighted Average Risk Weight				
Residential Mortgage	11%	69%	182%	
QRRE	29%	128%	168%	
Hire Purchase	52%	91%	209%	
Other Retail	16%	18%	83%	

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

30 June 2018		CIMB Bank		
(RM'000)	EL ≤ 1%	1% < EL < 100%	EL = 100%	Total
Expected Loss Range of Retail Exposure				
Total Retail Exposure	101,829,075	11,339,937	393,098	113,562,109
Residential Mortgage	55,137,912	2,483,863	111,123	57,732,898
QRRE	7,729,735	5,234,673	1,552	12,965,959
Hire Purchase	7,780,764	1,004,223	7,254	8,792,241
Other Retail	31,180,664	2,617,179	273,169	34,071,011
Exposure Weighted Average LGD				
Residential Mortgage	19%	25%	43%	
QRRE	89%	89%	90%	
Hire Purchase	51%	54%	57%	
Other Retail	20%	24%	90%	

30 June 2017		CIMB Bank		
(RM'000)	EL ≤ 1%	1% < EL < 100%	EL = 100%	Total
Expected Loss Range of Retail Exposure				
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.

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 2018		CIMB Bank				
(RM '000) Supervisory Categories	Strong	Good	Satisfactory	Weak	Default	Total
Project Finance	943,356	2,632,148	39,481	216,960	1,565,055	5,396,999
Object Finance	-	-	-	-	-	-
Commodities Finance	-	-	-	-	-	-
Income Producing Real Estate	1,785,509	9,887,542	309,015	88,045	43,562	12,113,672
RWA	1,457,549	9,748,576	400,771	762,511	-	12,369,406

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

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 2018	CIMB Bank				
(RM'000) Internal Risk Grading	1 - 3	4 - 9	10 - 13	Default	Total
Total Non-Retail Exposure	34,030,355	63,326,340	18,186,658	1,967,017	117,510,370
Sovereign/Central Banks	-	-	-	-	-
Bank	15,424,120	9,852,170	124,305	-	25,400,594
Corporate (excluding Specialised Lending)	18,606,235	53,474,170	18,062,354	1,967,017	92,109,775
Exposure Weighted Average LGD					
Sovereign/Central Banks	-	-	-	-	
Bank	42%	44%	45%	-	
Corporate (excluding Specialised Lending)	43%	40%	35%	41%	
Exposure Weighted Average Risk Weight					
Sovereign/Central Banks	-	-	-	-	
Bank	18%	40%	157%	-	
Corporate (excluding Specialised Lending)	15%	73%	103%	-	

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%	-	

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 2018		30 June 2017	
	Regulatory Expected Losses as at 30 June 2017	Actual Losses for the period ended 30 June 2018	Regulatory Expected Losses as at 30 June 2016	Actual Losses for the period ended 30 June 2017
Sovereign	-	-	-	-
Bank	13,655	0.02	8,371	0.01
Corporate	629,229	49,464	596,814	136,746
Mortgage/ RRE Financing	173,900	53,510	156,960	36,351
HPE	105,654	114,818	127,031	106,728
QRRE	401,918	135,127	462,761	174,831
Other Retail	138,996	(2,681)	81,986	(11,893)
Other Exposures	-	-	-	-
Total	1,463,351	350,238	1,433,922	442,763

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 2018 and 30 June 2017.

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 2018	CIMB Bank			
(RM '000) Description	Principal Amount	Positive Fair Value of Derivative Contracts	Credit Equivalent Amount	Risk Weighted Assets
Direct Credit Substitutes	3,414,809		3,414,809	1,829,771
Transaction Related Contingent Items	4,129,961		2,064,981	1,151,125
Short Term Self Liquidating Trade Related Contingencies	2,744,376		548,875	332,943
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)	923,293		923,293	66,183
Foreign Exchange Related Contracts				
One year or less	20,198,001	233,672	473,785	341,050
Over one year to five years	185,144	3,485	14,323	10,406
Over five years	-	-	-	-
Interest/Profit Rate Related Contracts				
One year or less	1,945,823	29,252	45,429	42,051
Over one year to five years	3,160,956	107,655	192,719	177,950
Over five years	1,132,220	56,722	179,259	133,580
Equity related contracts				
One year or less	62,711	22,965	26,728	25,721
Over one year to five years	279,400	64,408	86,760	118,271
Over five years	-	-	-	-
Commodity contracts				
One year or less	24,388	-	2,439	2,474
Over one year to five years	-	-	-	-
Over five years	-	-	-	-
OTC derivative transactions and credit derivative contracts subject to valid bilateral netting agreements	475,827,442	2,523,451	9,368,815	3,776,367

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 (continued)

30 June 2018	CIMB Bank			
(RM '000) Description	Principal Amount	Positive Fair Value of Derivative Contracts	Credit Equivalent Amount	Risk Weighted Assets
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	26,773,505		23,772,163	7,926,284
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	-		-	-
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	69,648,524		-	-
Unutilised credit card lines	25,320,821		6,671,394	2,514,177
Off-balance sheet items for securitisation exposures	-		-	-
Off-balance sheet exposures due to early amortisation provisions	-		-	-
Total	635,771,375	3,041,610	47,785,771	18,448,354

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 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)

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 2018		30 June 2017	
	Notional of Credit Derivatives			
	Protection Bought	Protection Sold	Protection Bought	Protection Sold
Own Credit Portfolio	1,769,817	2,557,365	3,892,044	3,049,859
Client Intermediation Activities	170,368	374,117	125,871	392,657
Total	1,940,185	2,931,482	4,017,915	3,442,517
Credit Default Swaps	1,915,185	2,493,272	3,991,365	2,144,557
Total Return Swaps	25,000	438,210	26,550	1,297,959
Total	1,940,185	2,931,482	4,017,915	3,442,517

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 2018	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	39,250,231	-	-	-
Public Sector Entities	-	-	-	-
Banks, DFIs & MDBs	25,690,124	-	1,329,209	-
Insurance Cos/Takaful Operators, Securities Firms & Fund Managers	2,807,618	-	7,816	-
Corporate	114,852,038	3,591,921	11,217,039	12,259,726
Residential Mortgages/ RRE Financing	57,881,635	-	2,158	-
Qualifying Revolving Retail	12,858,771	-	-	-
Hire Purchase	8,648,669	-	-	-
Other Retail	46,164,458	486,975	1,477,385	-
Securitisation	241,017	-	-	-
Higher Risk Assets	1,097,888	-	-	-
Other Assets	5,858,293	-	-	-
Defaulted Exposures	1,809,431	13	141,666	264,762
Total Exposures	317,160,173	4,078,909	14,175,273	12,524,488

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 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.

SECURITISATION

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

Table 25: Disclosure on Securitisation for Banking Book

30 June 2018		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	830,539	22,735	3,338	(1,815)

31 December 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	983,471	90,975	1,831	(425)

* Gains/(losses) recognised during the period represent gain/(losses) recognised during the 6 months period from 1 January 2017 to 30 June 2017 and 1 January 2018 to 30 June 2018.

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 2018		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	227,330	-	-	227,330	-	-	-	-	-	-	45,466
Mezzanine	13,687	-	-	13,687	-	-	-	-	-	-	2,737
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 2018		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	241,017			241,017								48,203

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	
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)

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 2018	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 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)	-	-	-	-	-

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 2018 and 30 June 2017 is as follows:

Table 28: Realised Gains/(Losses) from Sales and Liquidations, and Unrealised Gains of Equities

In RM('000)	CIMB Bank	
	30 June 2018	30 June 2017
Realised gains		
Shares, private equity funds and unit trusts	5,662	1,039
Unrealised gains		
Shares, private equity funds and unit trusts	15,439	732,541

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 2018		30 June 2017	
	Exposures subject to Risk-Weighting	RWA	Exposures subject to Risk-Weighting	RWA
Privately held	1,097,888	1,646,832	1,105,402	1,658,103
Publicly traded	-	-	-	-
Total	1,097,888	1,646,832	1,105,402	1,658,103

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 2018	30 June 2017
Currency	+100bps Increase (Decline) in Economic Value (Value in RM Equivalent)	
Ringgit Malaysia	(664,683)	(726,571)
US Dollar	44,856	109,287
Thai Baht	(4)	(7)
Singapore Dollar	(105,181)	(178,122)
Others	30,058	45,116
Total	(694,954)	(750,297)

Table 31: IRRBB/RORBB – Impact on Earnings

(RM'000)	CIMB Bank	
	30 June 2018	30 June 2017
Currency	+100bps Increase (Decline) in Earnings (Value in RM Equivalent)	
Ringgit Malaysia	344,976	268,341
US Dollar	(80,073)	(79,455)
Thai Baht	90	170
Singapore Dollar	(6,895)	(51,799)
Others	26,506	5,423
Total	284,604	142,680

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] -