

Basel II Pillar 3 Disclosures for the period ended 30 June 2013

- **CIMB Investment Bank Berhad**

Abbreviations

A-IRB Approach	: Advanced Internal Ratings Based Approach
BIA	: Basic Indicator Approach
CIMBBG	: CIMB Bank, CIMB Islamic Bank Berhad, CIMBTH, CIMB Bank PLC (Cambodia) and CIMB Factor Lease Berhad
CIMBIBG	: Consist of CIMB Investment Bank Berhad and CIMB Futures 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
RWA	: Risk Weighted Assets
CAF	: Capital Adequacy Framework or in some instances referred to as the Risk Weighted Capital Adequacy Framework (RWCAF)
CAR	: Capital Adequacy Ratio or in some instances referred to as the Risk Weighted Capital Ratio
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 2013.

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.

The disclosure has been reviewed and verified by internal auditors and approved by Board of Directors of CIMBGH Group.

RISK GOVERNANCE

For the 6-months period ending 30 June 2013, enhancements were made to the risk governance structure and the roles of Chief Risk Officer and Group Risk Division as well as the implementation of a Risk-based Delegated Authority Framework in the Group. This section is to be read in conjunction to the Basel II Pillar 3 Disclosures for 2012.

The responsibility for supervision of risk management within CIMB Group remains with the Board and Board Risk Committee while the responsibility for administering risk management and control is delegated to the Group Risk Committee.

During the reporting period, the following changes took place:

1. The Regional Liquidity Risk Committee and Balance Sheet Management Committee have been consolidated to establish a Group Asset Liability Management Committee, which reports directly into the Board Risk Committee. Group Asset Liability Management Committee, amongst others, is responsible for the oversight and strategic management of the Group's balance sheet and liquidity needs to ensure that the capital management, earnings and the risk assumed are consistent with the overall risk appetite.
2. The Singapore Business Credit Committee has been dissolved with the introduction of a Risk-based Delegated Authority Framework.
3. The organisational structure of Group Risk Division is now made of two major components, namely the Chief Risk Officers (CRO) and the Risk Centres of Excellence. Group Risk Division is headed by the Group Chief Risk Officer who is appointed by the Board to spearhead risk management functions and the implementation of the Enterprise-Wide Risk Management. The CRO:
 - (i) Actively engages the Board and senior management on risk management issues and initiatives.
 - (ii) Maintains an oversight on risk management functions across all entities within the Group. In each country of operations, there will be a local Chief Risk Officer or a Country Risk Lead Officer, whose main function is to assess and manage the enterprise risk and regulators in the respective country.

The Group Risk Division teams are organised into several Risk Centres of Excellence in order to facilitate the implementation of the Group's Enterprise-Wide Risk Management framework. The Risk Centres of Excellence are specialised teams of risk officers responsible for the active oversight of group-wide functional risk management.

In ensuring a standardised approach to risk management across the Group, all risk management teams within the Group are required to conform to the Group's Enterprise-Wide Risk Management framework, subject to necessary adjustments required for local regulations.

RISK GOVERNANCE (CONTINUED)

4. Consistent with the three-lines of defence model on risk management where risks are managed from the point of risk-taking activities, the Group has recently implemented the Risk-based Delegated Authority Framework. This Framework promotes the clarity of risk accountability whereby the business unit, being the first line of defence, manages risk in a proactive manner with Group Risk Division as a function independent from the business units is the second line of defence. This enhances the collaboration between Group Risk Division and the business units. The Framework encompass the introduction of Joint Delegated Authority, enhanced credit approval process and a clear set of policies and procedures that defines the limits and types of authority designated to the specific individuals. CIMB Group adopts a multi-tiered credit approving authority spanning from the delegated authorities at business level, Joint delegated authorities holders between business units and Group Risk Division, to the various credit committees. The credit approving committees are set up to enhance the efficiency and effectiveness of the credit oversight as well as the credit approval process for all credit applications originating from the business units. Credit applications are independently evaluated by Credit Risk Centres of Excellence team prior to submission to the relevant committees for approval.

CAPITAL MANAGEMENT

Capital Structure and Adequacy

On 28 November 2012, Bank Negara Malaysia (BNM) issued revised guidelines on the capital adequacy framework which took effect beginning 1 January 2013. The revised guidelines sets out the general requirements concerning regulatory capital adequacy, components of eligible regulatory capital and requirements for computing risk-weighted assets.

The risk-weighted assets of the Bank are computed in accordance with Standardised approach (SA approach) for Credit Risk and Market Risk and Basic Indicator Approach for Operational Risk based on the Capital Adequacy Framework (Basel II - Risk Weighted Assets). The components of eligible regulatory capital are based on the Capital Adequacy Framework (Capital Components).

The comparative capital adequacy ratios as at 30 June 2012 were based on BNM's Risk-Weighted Capital Adequacy Framework (RWCAF).

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 IB:

Table 1: Capital Position

(RM'000)	CIMB IB
	30 June 2013
Common Equity Tier 1 capital	
Ordinary shares	100,000
Other reserves	398,812
Common Equity Tier 1 capital before regulatory adjustments	498,812
Less: Regulatory adjustments	
Goodwill	-
Deferred Tax Assets	(39,742)
Deductions in excess of Tier 2 capital	(9,984)
Others	-
Common equity tier 1 capital after regulatory adjustments / total Tier 1 capital	449,086
Tier 2 Capital	
Redeemable Preference Shares	9
Portfolio impairment allowance and regulatory reserves	1,503
Tier 2 capital before regulatory adjustments	1,512
Less: Regulatory adjustments	
Investments in capital instruments of unconsolidated financial and insurance/takaful entities	(11,496)
Total Tier 2 Capital	-
Total Capital	449,086
RWA	
Credit risk	1,181,060
Market risk	156,070
Operational risk	816,119
Total RWA	2,153,249
Capital Adequacy Ratios	
Common Equity Tier 1 Ratio	20.86%
Tier 1 ratio	20.86%
Total capital ratio	20.86%
After deducting proposed dividend	
Common Equity Tier 1 Ratio	20.86%
Tier 1 ratio	20.86%
Total capital ratio	20.86%

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

(RM'000)	CIMB IB
	30 June 2012
Tier 1 Capital	
Paid-up share capital + Share Premium	100,000
Non-Innovative Tier 1 instruments	-
Innovative Tier 1 instruments	-
Statutory Reserve	155,175
Retained Earnings/Profits	84,019
Approved Audited Half- Year Profit/Loss	72,999
General Reserve Fund	19,393
Less: Deductions from Tier 1 Capital	
Goodwill	-
Deductions in excess of Tier 2 Capital	8,288
Eligible Tier 1 Capital	423,298
Tier 2 Capital	
Subordinated Debt Capital	-
Cumulative Preference Shares	10
General Provision	752
Surplus of EP over EL	-
Tier 2 Capital Subject to Limits	762
Less: Deductions from Tier 2 capital	762
Investment in subsidiaries	9,050
Investment in capital instruments of other banking institutions	-
Other Deductions	-
Eligible Tier 2 Capital	-
Total Eligible Capital	423,298
RWA	
Credit	1,101,404
Credit RWA Absorbed by PSIA	-
Market	578,900
Operational	854,721
Large Exposure for Equity Holdings	-
Total RWA	2,535,025

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

(RM'000)	CIMB IB
	30 June 2012
Capital Adequacy Ratios	
Core Capital Ratio	16.70%
Capital Adequacy Ratio	16.70%
Proposed Dividends	-
Capital Adequacy Ratios After Dividends	
Core Capital Ratio	16.70%
Capital Adequacy Ratio	16.70%

The increase in the Credit RWA of around RM 79 million between June 2012 and June 2013 was mainly due to increase in staff loans. The drop in the Market RWA of RM423 million between June 2012 and June 2013 was mainly due to lower equity underwriting risk, lower interest rate risk due to disposal of sub-debt and lower FX risk due to sell-down of FX exposures.

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 2013	CIMB IB				
(RM'000) Exposure Class	Gross Exposure before CRM (SA)	Net Exposure after CRM (SA)	RWA	Total RWA after effects of PSIA	Minimum capital requirement at 8%
Credit Risk (SA)					
Sovereign/Central Banks	354,828	354,828	-	-	-
Public Sector Entities	-	-	-	-	-
Banks, DFIs & MDBs	2,066,710	2,066,710	592,282	592,282	47,383
Insurance Cos, Securities Firms & Fund Managers	-	-	-	-	-
Corporate	85,003	85,003	85,578	85,578	6,846
Regulatory Retail	20,975	20,975	19,889	19,889	1,591
Residential Mortgages	56,772	56,772	32,926	32,926	2,634
Higher Risk Assets	746	746	1,118	1,118	89
Other Assets	449,316	449,316	449,267	449,267	35,941
Securitisation	-	-	-	-	-
Total Credit Risk	3,034,349	3,034,349	1,181,060	1,181,060	94,485
Large Exposure Risk Requirement	-	-	-	-	-
Market Risk (SA)					
Interest Rate Risk			31,446	31,446	2,516
Foreign Currency Risk			33,221	33,221	2,658
Equity Risk			556	556	44
Commodity Risk			-	-	-
Options Risk			90,848	90,848	7,268
Total Market Risk			156,070	156,070	12,486
Operational Risk (BIA)			816,119	816,119	65,290
Total RWA and Capital Requirement			2,153,249	2,153,249	172,260

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

30 June 2012	CIMB IB				
(RM'000) Exposure Class	Gross Exposure before CRM (SA)	Net Exposure after CRM (SA)	RWA	Total RWA after effects of PSIA	Minimum capital requirement at 8%
Credit Risk (SA)					
Sovereign/Central Banks	57,615	57,615	-	-	-
Public Sector Entities	-	-	-	-	-
Banks, DFIs & MDBs	2,175,994	2,175,994	582,488	582,488	46,599
Insurance Cos, Securities Firms & Fund Managers	-	-	-	-	-
Corporate	42,085	42,085	42,085	42,085	3,367
Regulatory Retail	18,311	18,311	13,833	13,833	1,107
Residential Mortgages	21,173	21,173	8,142	8,142	651
Higher Risk Assets	-	-	-	-	-
Other Assets	454,905	454,905	454,857	454,857	36,389
Securitisation	-	-	-	-	-
Total Credit Risk	2,770,084	2,770,084	1,101,404	1,101,404	88,112
Large Exposure Risk Requirement	-	-	-	-	-
Market Risk (SA)					
Interest Rate Risk			118,318	118,318	9,465
Foreign Currency Risk			64,487	64,487	5,159
Equity Risk			479	479	38
Commodity Risk			-	-	-
Options Risk			395,616	395,616	31,649
Total Market Risk			578,900	578,900	46,312
Operational Risk (BIA)			854,721	854,721	68,378
Total RWA and Capital Requirement			2,535,025	2,535,025	202,802

CREDITRISK

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 2013		CIMB IB			
(RM'000) Exposure Class	Malaysia	Singapore	Thailand	Other Countries	Total
Sovereign	354,828	-	-	-	354,828
Bank	2,066,710	-	-	-	2,066,710
Corporate	85,003	-	-	-	85,003
Mortgage	56,772	-	-	-	56,772
HPE	-	-	-	-	-
QRRE	-	-	-	-	-
Other Retail	20,975	-	-	-	20,975
Other Exposures	450,062	-	-	-	450,062
Total Gross Credit Exposure	3,034,349	-	-	-	3,034,349

30 June 2012		CIMB IB			
(RM'000) Exposure Class	Malaysia	Singapore	Thailand	Other Countries	Total
Sovereign	57,615	-	-	-	57,615
Bank	2,175,994	-	-	-	2,175,994
Corporate	42,085	-	-	-	42,085
Mortgage	21,173	-	-	-	21,173
HPE	-	-	-	-	-
QRRE	-	-	-	-	-
Other Retail	18,311	-	-	-	18,311
Other Exposures	454,905	-	-	-	454,905
Total Gross Credit Exposure	2,770,084	-	-	-	2,770,084

CREDIT RISK (CONTINUED)

ii) 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 2013											CIMB IB	
(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, Real Estate and Business Activities	Education, Health and Others	Household	Others*	Total
Sovereign	-	-	-	-	-	-	-	4,492	350,335	-	-	354,828
Bank	-	-	-	-	-	-	-	2,066,710	-	-	-	2,066,710
Corporate	-	-	-	-	-	-	-	1,171	-	30,001	53,831	85,003
Mortgage	-	-	-	-	-	-	-	-	-	56,772	-	56,772
HPE	-	-	-	-	-	-	-	-	-	-	-	-
QRRE	-	-	-	-	-	-	-	-	-	-	-	-
Other Retail	-	-	-	-	-	-	-	-	-	20,975	-	20,975
Other Exposures	-	-	-	-	-	-	-	-	-	-	450,062	450,062
Total Gross Credit Exposure	-	-	-	-	-	-	-	2,072,373	350,335	107,747	503,893	3,034,349

*Others are exposures which are not elsewhere classified.

CREDIT RISK (CONTINUED)

ii) *Gross Credit Exposures by Sector (continued)*

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

30 June 2012											CIMB IB	
(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, Real Estate and Business Activities	Education, Health and Others	Household	Others*	Total
Sovereign	-	-	-	-	-	-	-	57,615	-	-	-	57,615
Bank	-	-	-	-	-	-	-	2,175,994	-	-	-	2,175,994
Corporate	-	-	-	-	3	-	-	2,268	-	-	39,815	42,085
Mortgage	-	-	-	-	-	-	-	-	-	21,173	-	21,173
HPE	-	-	-	-	-	-	-	-	-	-	-	-
QRRE	-	-	-	-	-	-	-	-	-	-	-	-
Other Retail	-	-	-	-	-	-	-	-	-	18,311	-	18,311
Other Exposures	-	-	-	-	-	-	-	-	-	-	454,905	454,905
Total Gross Credit Exposure	-	-	-	-	3	-	-	2,235,877	-	39,484	494,719	2,770,084

*Others are exposures which are not elsewhere classified.

CREDIT RISK (CONITNUED)*iii) 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 2013	CIMB IB			
(RM'000) Exposure Class	Less than 1 year	1 to 5 years	More than 5 years	Total
Sovereign	350,335	-	4,492	354,828
Bank	2,049,746	7,831	9,133	2,066,710
Corporate	20,692	1,788	62,522	85,003
Mortgage	17	629	56,126	56,772
HPE	-	-	-	-
QRRE	-	-	-	-
Other Retail	7,097	2,560	11,318	20,975
Other Exposures	292	-	449,770	450,062
Total Gross Credit Exposure	2,428,179	12,808	593,362	3,034,349

30 June 2012	CIMB IB			
(RM'000) Exposure Class	Less than 1 year	1 to 5 years	More than 5 years	Total
Sovereign	49,959	-	7,656	57,615
Bank	2,160,535	13,184	2,276	2,175,994
Corporate	26	5,224	36,836	42,085
Mortgage	12	649	20,512	21,173
HPE	-	-	-	-
QRRE	-	-	-	-
Other Retail	152	1,791	16,368	18,311
Other Exposures	573	-	454,332	454,905
Total Gross Credit Exposure	2,211,257	20,848	537,980	2,770,084

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 2013 and 31 December 2012 which were past due but not impaired by sector and geographic respectively:

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

(RM'000)	CIMB IB	
	30 June 2013	31 December 2012
Primary Agriculture	-	-
Mining and Quarrying	-	-
Manufacturing	-	-
Electricity, Gas and Water Supply	-	-
Construction	-	-
Wholesale and Retail Trade, and Restaurants and Hotels	-	-
Transport, Storage and Communications	-	-
Finance, Insurance, Real Estate and Business Activities	-	-
Education, Health and Others	-	-
Household	-	-
Others*	-	-
Total	-	-

*Others are exposures which are not elsewhere classified.

Table 6(b): Past Due but Not Impaired Loans, Advances and Financing by Geographic Distribution

(RM'000)	CIMB IB	
	30 June 2013	31 December 2012
Malaysia	-	-
Singapore	-	-
Thailand	-	-
Other Countries	-	-
Total	-	-

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 2013 and 31 December 2012 which were impaired by sector and geographical respectively:

Table 7(a): Impaired Loans, Advances and Financing by Sector

(RM'000)	CIMB IB	
	30 June 2013	31 December 2012
Primary Agriculture	-	-
Mining and Quarrying	-	-
Manufacturing	-	-
Electricity, Gas and Water Supply	-	-
Construction	-	-
Wholesale and Retail Trade, and Restaurants and Hotels	-	-
Transport, Storage and Communications	-	-
Finance, Insurance, Real Estate and Business Activities	-	-
Education, Health and Others	-	-
Household	623	432
Others*	-	-
Total	623	432

*Others are exposures which are not elsewhere classified.

Table 7(b): Impaired Loans, Advances and Financing by Geographic Distribution

(RM'000)	CIMB IB	
	30 June 2013	31 December 2012
Malaysia	623	432
Singapore	-	-
Thailand	-	-
Other Countries	-	-
Total	623	432

CREDIT RISK(CONTINUED)*Credit Quality of Loans, Advances and Financing (continued)**ii) Impaired Loans/Financings (continued)***Table 8: Individual Impairment and Portfolio Impairment Allowances by Sector for the period ended 30 June 2013 and 31 December 2012**

(RM'000)	CIMB IB			
	30 June 2013		31 December 2012	
	Individual Impairment Allowance	Portfolio Impairment Allowance	Individual Impairment Allowance	Portfolio Impairment Allowance
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, Real Estate and Business Activities	-	-	-	-
Education, Health and Others	-	-	-	-
Household	623	1,503	432	1,115
Others*	-	-	-	-
Total	623	1,503	432	1,115

Others are exposures which are not elsewhere classified.*Table 9: Individual Impairment and Portfolio Impairment Allowances by Geographic Distribution for the period ended 30 June 2013 and 31 December 2012**

(RM'000)	CIMB IB			
	30 June 2013		31 December 2012	
	Individual Impairment Allowance	Portfolio Impairment Allowance	Individual Impairment Allowance	Portfolio Impairment Allowance
Malaysia	623	1,503	432	1,115
Singapore	-	-	-	-
Thailand	-	-	-	-
Other Countries	-	-	-	-
Total	623	1,503	432	1,115

CREDIT RISK(CONTINUED)*Credit Quality of Loans, Advances and Financing (continued)**ii) Impaired Loans/Financings (continued)***Table 10: Charges for Individual Impairment Provision and Write Offs During the Period**

(RM'000)	CIMB IB			
	30 June 2013		30 June 2012	
	Charges/Write Back	Write-Off	Charges/Write Back	Write-Off
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, Real Estate and Business Activities	-	-	-	-
Education, Health and Others	-	-	-	-
Household	191	-	(149)	-
Others*	-	-	-	-
Total	191	-	(149)	-

**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 11: Analysis of movement for Loan/Financing Impairment Allowances for the Period Ended 30 June 2013 and 30 June 2012**

(RM'000)	CIMB IB			
	30 June 2013		30 June 2012	
	Individual Impairment Allowance	Portfolio Impairment Allowance	Individual Impairment Allowance	Portfolio Impairment Allowance
At 1 January	432	1,115	891	623
Allowance (written back)/made during the financial period/year	332	388	10	128
Amount transferred to portfolio impairment allowance	-	-	-	-
Amount written back in respect of recoveries	(141)	-	(159)	-
Allowance made and charged to deferred assets	-	-	-	-
Allowance made in relation to jointly controlled entity	-	-	-	-
Amount written off	-	-	-	-
Transfer(to)/from intercompany	-	-	-	-
Disposal of subsidiary	-	-	-	-
Unwinding income	-	-	-	-
Exchange fluctuation	-	-	-	-
Total	623	1,503	742	751

Capital Treatment for Credit Risk

Details on RWA and capital requirements related to Credit Risk are disclosed separately for CIMB IB in Table 2. Details on the disclosure for portfolio under the SA are in the following section.

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 12: Disclosure by Risk Weight under SA

30 June 2013											CIMB IB	
(RM'000)	Sovereign/ Central Banks	PSEs	Banks, MDBs and DFIs	Insurance Cos, Securities Firms & Fund Managers	Corporate	Regulatory Retail	Residential Mortgages	Higher Risk Assets	Other Assets	Securitisation*	Total Exposures after Netting and Credit Risk Mitigation*	Total Risk Weighted Assets
0%	354,828	-	-	-	-	-	-	-	49	-	354,877	-
20%	-	-	1,470,244	-	-	-	-	-	-	-	1,470,244	294,049
35%	-	-	-	-	-	-	30,856	-	-	-	30,856	10,800
50%	-	-	596,466	-	-	-	7,251	-	-	-	603,717	301,858
75%	-	-	-	-	-	4,344	654	-	-	-	4,998	3,749
100%	-	-	-	-	84,953	16,631	18,010	-	449,267	-	568,861	568,861
150%	-	-	-	-	-	-	-	746	-	-	746	1,118
1250%	-	-	-	-	50	-	-	-	-	-	50	625
Total	354,828	-	2,066,710	-	85,003	20,975	56,772	746	449,316	-	3,034,349	1,181,060
Average Risk Weight	0%	-	29%	-	101%	95%	58%	150%	100%	-	39%	-
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 12: Disclosure by Risk Weight under SA (continued)

	30 June 2012											CIMB IB
(RM'000)	Sovereign/ Central Banks	PSEs	Banks, MDBs and DFIs	Insurance Cos, Securities Firms & Fund Managers	Corporate	Regulatory Retail	Residential Mortgages	Higher Risk Assets	Other Assets	Securitisation*	Total Exposures after Netting and Credit Risk Mitigation*	Total Risk Weighted Assets
0%	57,615	-	-	-	-	-	-	-	48	-	57,663	-
20%	-	-	1,685,924	-	-	-	-	-	-	-	1,685,924	337,185
35%	-	-	-	-	-	-	18,028	-	-	-	18,028	6,310
50%	-	-	489,534	-	-	21	2,106	-	-	-	491,660	245,830
75%	-	-	-	-	-	17,873	1,039	-	-	-	18,912	14,184
100%	-	-	536	-	42,085	418	-	-	454,857	-	497,896	497,896
150%	-	-	-	-	-	-	-	-	-	-	-	-
>1250%	-	-	-	-	-	-	-	-	-	-	-	-
Total	57,615	-	2,175,994	-	42,085	18,311	21,173	-	454,905	-	2,770,084	1,101,404
Average Risk Weight	-	-	27%	-	100%	76%	38%	-	100%	-	40%	-
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)*

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

Table 13: Disclosures of Rated and Unrated Non-Retail Exposures under SA according to Ratings by ECAs

30 June 2013	CIMB IB			
(RM '000) Exposure Class	Investment Grade	Non-Investment Grade	No Rating	Total
On and Off-Balance-Sheet Exposures				
Public Sector Entities	-	-	-	-
Insurance Cos, Securities Firms & Fund Managers	-	-	-	-
Corporate	-	-	85,003	85,003
Sovereign/Central Banks	-	-	354,828	354,828
Banks, MDBs and DFIs	2,065,737	-	973	2,066,710
Total	2,065,737	-	440,803	2,506,540

30 June 2012	CIMB IB			
(RM '000) Exposure Class	Investment Grade	Non-Investment Grade	No Rating	Total
On and Off-Balance-Sheet Exposures				
Public Sector Entities	-	-	-	-
Insurance Cos, Securities Firms & Fund Managers	-	-	-	-
Corporate	-	-	42,085	42,085
Sovereign/Central Banks	-	-	57,615	57,615
Banks, MDBs and DFIs	2,174,813	624	557	2,175,994
Total	2,174,813	624	100,258	2,275,695

The Bank has no Securitisation exposure under SA according to Ratings by ECAs.

CREDIT RISK (continued)*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 as at 30 June 2013 and 30 June 2012, there was no requirement for additional collateral to be posted. The following tables disclose the Off-Balance Sheet exposures and Counterparty Credit Risk:

Table 14: Disclosure on Off-Balance Sheet Exposures and Counterparty Credit Risk

30 June 2013	CIMB IB			
(RM '000) Description	Principal Amount	Positive Fair Value of Derivative Contracts	Credit Equivalent Amount	Risk Weighted Assets
Direct Credit Substitutes	484,284		484,284	242,142
Transaction Related Contingent Items	-		-	-
Short Term Self Liquidating Trade Related Contingencies	-		-	-
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	-	-	-	-
Equity related contracts				
One year or less	343,949	-	20,637	20,637
Over one year to five years	-	-	-	-
Over five years	-	-	-	-
OTC derivative transactions and credit derivative contracts subject to valid bilateral netting agreements	293,961	-	38,915	35,000
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	9,466		4,733	6,404
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	-		-	-
Unutilised credit card lines	-		-	-
Off-balance sheet items for securitisation exposures	-		-	-
Off-balance sheet exposures due to early amortisation provisions	-		-	-
Total	1,131,660	-	548,569	304,182

CREDIT RISK (continued)

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

Table 14: Disclosure on Off-Balance Sheet Exposures and Counterparty Credit Risk (continued)

30 June 2012	CIMB IB			
(RM '000) Description	Principal Amount	Positive Fair Value of Derivative Contracts	Credit Equivalent Amount	Risk Weighted Assets
Direct Credit Substitutes	-	-	-	-
Transaction Related Contingent Items	-	-	-	-
Short Term Self Liquidating Trade Related Contingencies	-	-	-	-
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	-	-	-	-
Equity 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	576,185	-	40,388	33,796
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	3,153	-	1,576	3,474
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	-	-	-	-
Unutilised credit card lines	-	-	-	-
Off-balance sheet items for securitisation exposures	-	-	-	-
Off-balance sheet exposures due to early amortisation provisions	-	-	-	-
Total	579,337	-	41,964	37,270

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 15: Disclosure on Credit Derivative Transactions

(RM'000)	CIMB IB			
	30 June 2013		30 June 2012	
	Notional of Credit Derivatives			
	Protection Bought	Protection Sold	Protection Bought	Protection Sold
Own Credit Portfolio	-	-	-	-
Client Intermediation Activities	-	163,450	-	175,050
Total	-	163,450	-	175,050
Credit Default Swaps	-	-	-	-
Total Return Swaps	-	163,450	-	175,050
Total	-	163,450	-	175,050

CREDIT RISK (continued)*Credit Risk Mitigation*

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

Table 16: Disclosure on Credit Risk Mitigation

30 June 2013	CIMB IB			
(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	354,828	-	-	-
Public Sector Entities	-	-	-	-
Banks, DFIs & MDBs	2,066,710	-	-	-
Insurance Cos, Securities Firms & Fund Managers	-	-	-	-
Corporate	85,003	-	-	-
Residential Mortgages	56,772	-	-	-
Qualifying Revolving Retail	-	-	-	-
Hire Purchase	-	-	-	-
Other Retail	20,975	-	-	-
Securitisation	-	-	-	-
Higher Risk Assets	746	-	-	-
Other Assets	449,316	-	-	-
<i>Defaulted Exposures</i>	-	-	-	-
Total Exposures	3,034,349	-	-	-

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 16: Disclosure on Credit Risk Mitigation (continued)**

30 June 2012	CIMB IB			
(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	57,615	-	-	-
Public Sector Entities	-	-	-	-
Banks, DFIs & MDBs	2,175,994	-	-	-
Insurance Cos, Securities Firms & Fund Managers	-	-	-	-
Corporate	42,085	-	-	-
Residential Mortgages	21,173	-	-	-
Qualifying Revolving Retail	-	-	-	-
Hire Purchase	-	-	-	-
Other Retail	18,290	-	-	-
Securitisation	-	-	-	-
Higher Risk Assets	-	-	-	-
Other Assets	454,905	-	-	-
<i>Defaulted Exposures</i>	21	-	-	-
Total Exposures	2,770,084	-	-	-

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 Bank has no Securitisation exposure under the SA for Banking Book or Securitisation under the SA for Trading Book Exposures subject to Market Risk capital charge for 30 June 2013 and 30 June 2012 respectively.

MARKET RISK

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

OPERATIONAL RISK

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

EQUITY EXPOSURES IN BANKING BOOK

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

Table 17: Analysis of Equity Investments by Grouping and RWA

In RM('000)	CIMB IB			
	30 June 2013		30 June 2012	
	Exposures subject to Risk- Weighting	RWA	Exposures subject to Risk- Weighting	RWA
Privately held	746	1,118	-	-
Publicly traded	-	-	-	-
Total	746	1,118	-	-

INTEREST RATE RISK IN THE BANKING BOOK

For the purpose of this disclosure, the impact under an instantaneous 100 bps parallel interest 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 IB IRRBB under a 100 bps parallel upward interest rate shock from economic value and earnings perspectives.

Table 18: IRRBB – Impact on Economic Value

(RM'000)	CIMB IB	
	30 June 2013	30 June 2012
Currency	+100bps Increase (Decline) in Economic Value (Value in RM Equivalent)	
Ringgit Malaysia	3,007	5,944
US Dollar	(11)	(5)
Thai Baht	-	-
Singapore Dollar	(5)	(8)
Others	(3)	(7)
Total	2,988	5,924

Table 19: IRRBB – Impact on Earnings

(RM'000)	CIMB IB	
	30 June 2013	30 June 2012
Currency	+100bps Increase (Decline) in Earnings (Value in RM Equivalent)	
Ringgit Malaysia	1,386	5,433
US Dollar	247	113
Thai Baht	-	(3)
Singapore Dollar	123	176
Others	59	152
Total	1,815	5,871

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

- [END OF SECTION] -