

Basel II Pillar 3 Disclosures for the period ended 30 June 2014

- **CIMB Islamic Bank Berhad**

Abbreviations

A-IRB Approach	: Advanced Internal Ratings Based Approach
BIA	: Basic Indicator Approach
CAF	: Capital Adequacy Framework or in some instances referred to as the Risk-Weighted Capital Adequacy Framework (RWCAF)
CAFIB	: Capital Adequacy Framework for Islamic Banks
CAR	: Capital Adequacy Ratio or in some instances referred to as the Risk-Weighted Capital Ratio
CIMBBG	: CIMB Bank, CIMB Islamic Bank Berhad, CIMBTH, CIMB Bank PLC (Cambodia), CIMB Factor Lease Berhad and non-financial subsidiaries
CIMBIBG	: CIMB Investment Bank Berhad, CIMB Futures SdnBhd 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 CAFIB – Disclosure Requirements (Pillar 3) and is published for the period ended 30 June 2014.

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 Board of Directors of CIMBGH Group.

CAPITAL MANAGEMENT

Capital Structure and Adequacy

Bank Negara Malaysia issued revised guidelines on the capital adequacy framework on 28 November 2012, of 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 CIMB Bank are computed in accordance with the Capital Adequacy Framework (Basel II - Risk-Weighted Assets). The IRB Approach is applied for the major credit exposures. It prescribes two approaches, the F-IRB Approach and A-IRB Approach. The remaining credit exposures and Market Risk are on the Standardised Approach while Operational Risk is based on Basic Indicator Approach. The components of eligible regulatory capital are based on the Capital Adequacy Framework (Capital Components). The comparative capital adequacy ratios as at 30 June 2013 were based on BNM's Capital Adequacy Framework (CAF).

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

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

Table 1: Capital Position for CIMB Islamic

(RM'000)	CIMB Islamic	
	30 June 2014	30 June 2013
Common Equity Tier 1 capital		
Ordinary shares	1,000,000	1,000,000
Other reserves	1,803,400	1,439,449
Common Equity Tier 1 capital before regulatory adjustments	2,803,400	2,439,449
<u>Less: Regulatory adjustments</u>		
Goodwill	(136,000)	(136,000)
Intangible assets	(9,872)	(8,535)
Deferred tax assets	(30,061)	(13,996)
Others	(357,658)	(376,843)
Common Equity Tier 1 capital after regulatory adjustments	2,269,809	1,904,075
Additional Tier 1 capital		
Perpetual preference shares	206,000	63,000
Additional Tier 1 capital before regulatory adjustments	206,000	63,000
<u>Less: Regulatory adjustments</u>	-	-
Additional Tier 1 capital after regulatory adjustments	206,000	63,000
Total Tier 1 capital	2,475,809	1,967,075
Tier 2 capital		
Subordinated notes	680,000	765,000
Portfolio impairment allowance and regulatory reserves	49,498	44,526
Tier 2 capital before regulatory adjustments	729,498	809,526
<u>Less: Regulatory adjustments</u>	-	-
Total Tier 2 Capital	729,498	809,526
Total Capital	3,205,307	2,776,601
RWA		
Credit risk	19,538,228	18,269,211
Market risk	763,314	803,570
Operational	1,939,902	1,766,593
Total RWA	22,241,444	20,839,374

CAPITAL MANAGEMENT (CONTINUED)

Capital Structure and Adequacy (continued)

Table 1: Capital Position for CIMB Islamic (continued)

(RM'000)	CIMB Islamic	
	30 June 2014	30 June 2013
Capital Adequacy Ratios		
Before deducting proposed dividend		
Common Equity Tier 1 Ratio	10.21%	9.14%
Tier 1 ratio	11.13%	9.44%
Total capital ratio	14.41%	13.32%
After deducting proposed dividend		
Common Equity Tier 1 Ratio	10.21%	9.14%
Tier 1 ratio	11.13%	9.44%
Total capital ratio	14.41%	13.32%

The increase in capital was mainly due to the issuance of Basel 3 compliant Perpetual Preference Shares of RM150 mil to CIMB Bank in March 2014. The increase was partially offset by a reduction in subordinated debt mainly due to the phase out of old style instrument, at a rate of 10% every year starting 2013.

The increase in Credit RWA of around RM888 million between June 2013 and June 2014 was mainly due to the growth in retail portfolio and worsening of the PD exposure distribution for the non-retail portfolio.

There was adrop in Market RWA by RM 40 million between June 2013 and June 2014 mainly due to (i) lower profit rate risk following reduction inBank Negara Monetary Notes and Negotiable Instrument Deposits and (ii) lower risk in profit rate which was partially offset by higher risk from FX following increase exposure in USD and JPY.

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 for CIMB Islamic

30 June 2014	CIMB Islamic				
(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	14,427,296	14,427,296	3,599	3,599	288
Public Sector Entities	-	-	-	-	-
Banks, DFIs & MDBs	75,355	75,355	31,177	31,177	2,494
Takaful Operators, Securities Firms & Fund Managers	1,064	589	589	589	47
Corporate	371,431	356,655	260,386	260,386	20,831
Regulatory Retail	4,645,006	4,609,420	3,613,550	3,613,550	289,084
RRE Financing	-	-	-	-	-
Higher Risk Assets	575	575	863	863	69
Other Assets	44,932	44,932	44,932	44,932	3,595
Securitisation	23,874	23,874	4,775	4,775	382
Total for SA	19,589,533	19,538,697	3,959,871	3,959,871	316,790
Exposures under the IRB Approach					
Sovereign/Central Banks	-	-	-	-	-
Public Sector Entities	-	-	-	-	-
Banks, DFIs & MDBs	2,311,680	2,311,680	502,370	502,370	40,190
Takaful Operators, Securities Firms & Fund Managers	-	-	-	-	-
Corporate	10,862,395	10,862,395	7,239,124	6,427,532	514,203
RRE Financing	8,252,171	8,252,171	2,685,222	2,685,222	214,818
Qualifying Revolving Retail	194,614	194,614	151,628	151,628	12,130
Hire Purchase	5,775,133	5,775,133	3,916,154	3,916,154	313,292
Other Retail	2,778,087	2,778,087	1,013,657	1,013,657	81,093
Securitisation	-	-	-	-	-
Total for IRB Approach	30,174,080	30,174,080	15,508,155	14,696,563	1,175,725

CAPITAL MANAGEMENT (CONTINUED)

Capital Structure and Adequacy (continued)

Table 2(b): Disclosure on Total RWA and Minimum Capital Requirement for CIMB Islamic (continued)

30 June 2014	CIMB Islamic				
(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)	49,763,613	49,712,777	20,398,515	19,538,228	1,563,058
Large Exposure Risk Requirement	-	-	-	-	-
Market Risk (SA)					
Benchmark Rate Risk			527,785	527,785	42,223
Foreign Currency Risk			235,529	235,529	18,842
Equity Risk			-	-	-
Commodity Risk			-	-	-
Options Risk			-	-	-
Total Market Risk			763,314	763,314	61,065
Operational Risk (BIA)			1,939,902	1,939,902	155,192
Total RWA and Capital Requirement			23,101,732	22,241,444	1,779,316

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

30 June 2013	CIMB Islamic				
(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	14,183,822	14,183,822	6,756	6,756	540
Public Sector Entities	-	-	-	-	-
Banks, DFIs & MDBs	50,907	50,907	10,181	10,181	815
Insurance Cos/Takaful Operators, Securities Firms & Fund Managers	450	-	-	-	-
Corporate	278,665	278,644	195,532	195,532	15,643
Regulatory Retail	3,925,172	3,886,177	3,297,724	3,297,724	263,818
RRE Financing	-	-	-	-	-
Higher Risk Assets	575	575	863	863	69
Other Assets	46,923	46,923	46,923	46,923	3,754
Securitisation	20,458	20,458	4,092	4,092	327
Total for SA	18,506,973	18,467,506	3,562,071	3,562,071	284,966
Exposures under the IRB Approach					
Sovereign/Central Banks	-	-	-	-	-
Public Sector Entities	-	-	-	-	-
Banks, DFIs & MDBs	1,840,345	1,840,345	347,085	347,085	27,767
Insurance Cos/Takaful Operators, Securities Firms & Fund Managers	-	-	-	-	-
Corporate	10,808,687	10,808,687	6,555,961	5,385,264	430,821
RRE Financing	8,198,406	8,198,406	2,794,321	2,794,321	223,546
Qualifying Revolving Retail	176,842	176,842	143,453	143,453	11,476
Hire Purchase	6,597,793	6,597,793	4,297,968	4,279,968	342,397
Other Retail	2,399,430	2,399,430	924,571	924,571	73,966
Securitisation	-	-	-	-	-
Total for IRB Approach	30,021,502	30,021,502	15,045,359	13,874,661	1,109,973
Total Credit Risk (Exempted Exposures and Exposures under the IRB Approach After Scaling Factor)	48,528,475	48,489,008	19,510,151	18,269,211	1,461,537
Large Exposure Risk Requirement	-	-	-	-	-

CAPITAL MANAGEMENT (CONTINUED)

Capital Structure and Adequacy (continued)

Table 2(b): Disclosure on Total RWA and Minimum Capital Requirement for CIMB Islamic (continued)

30 June 2013	CIMB Islamic				
(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%
Market Risk (SA)					
Benchmark Rate Risk			707,405	707,405	56,592
Foreign Currency Risk			96,165	96,165	7,693
Equity Risk			-	-	-
Commodity Risk			-	-	-
Options Risk			-	-	-
Total Market Risk			803,570	803,570	64,286
Operational Risk (BIA)			1,766,593	1,766,593	141,327
Total RWA and Capital Requirement			22,080,313	20,839,374	1,667,150

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 for CIMB Islamic

30 June 2014	CIMB Islamic				
(RM'000) Exposure Class	Malaysia	Singapore	Thailand	Other Countries	Total
Sovereign	14,427,296	-	-	-	14,427,296
Bank	2,387,035	-	-	-	2,387,035
Corporate	11,234,890	-	-	-	11,234,890
RRE Financing	8,252,171	-	-	-	8,252,171
HPE	5,775,133	-	-	-	5,775,133
QRRE	194,614	-	-	-	194,614
Other Retail	7,423,093	-	-	-	7,423,093
Other Exposures	69,381	-	-	-	69,381
Total Gross Credit Exposure	49,763,613	-	-	-	49,763,613

30 June 2013	CIMB Islamic				
(RM'000) Exposure Class	Malaysia	Singapore	Thailand	Other Countries	Total
Sovereign	14,183,822	-	-	-	14,183,822
Bank	1,891,252	-	-	-	1,891,252
Corporate	11,087,802	-	-	-	11,087,802
RRE Financing	8,198,406	-	-	-	8,198,406
HPE	6,597,793	-	-	-	6,597,793
QRRE	176,842	-	-	-	176,842
Other Retail	6,324,601	-	-	-	6,324,601
Other Exposures	67,957	-	-	-	67,957
Total Gross Credit Exposure	48,528,475	-	-	-	48,528,475

CREDIT RISK (CONTINUED)

Summary of Credit Exposures (continued)

ii) *Gross Credit Exposures by Sector*

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

Table 4: Distribution of Credit Exposures by Sector for CIMB Islamic

	30 June 2014											CIMB Islamic	
(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	Islamic Finance, Insurance/Takaful, Real Estate and Business Activities	Education, Health and Others	Household	Others*	Total	
Sovereign	54,025	-	-	20,088	126,225	-	65,808	-	14,161,149	-	-	14,427,296	
Bank	-	-	-	-	-	-	-	2,387,035	-	-	-	2,387,035	
Corporate	711,065	21,404	1,164,746	185,618	2,313,073	733,558	1,427,769	3,633,277	902,425	57,964	83,992	11,234,890	
RRE	-	-	-	-	-	-	-	-	-	8,252,171	-	8,252,171	
Financing	-	-	-	-	-	-	-	-	-	5,775,133	-	5,775,133	
HPE	-	-	-	-	-	-	-	-	-	194,614	-	194,614	
QRRE	-	-	-	-	-	-	-	-	-	-	-	-	
Other Retail	13,598	7,391	61,142	2,240	82,446	160,710	6,929	214,282	44,120	6,786,264	43,972	7,423,094	
Other Exposures	-	-	-	-	-	-	-	575	23,874	-	44,932	69,381	
Total Gross Credit Exposure	778,688	28,795	1,225,888	207,946	2,521,744	894,268	1,500,505	6,235,169	15,131,568	21,066,146	172,896	49,763,614	

Note: All sectors above are Shariah compliant.

*Others are exposures which are not elsewhere classified.

CREDIT RISK (CONTINUED)

Summary of Credit Exposures (continued)

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

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

30 June 2013	CIMB Islamic											
(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	Islamic Finance, Insurance/Takaful, Real Estate and Business Activities	Education, Health and Others	Household	Others*	Total
Sovereign	-	-	-	20,179	-	-	164,906	1,394,401	12,604,337	-	-	14,183,822
Bank	-	-	-	-	-	-	-	1,891,252	-	-	-	1,891,252
Corporate	694,184	33,506	1,186,062	182,970	3,121,882	617,185	1,467,309	2,177,998	1,346,709	12,572	247,425	11,087,802
RRE	-	-	-	-	-	-	-	-	-	8,198,406	-	8,198,406
Financing	-	-	-	-	-	-	-	-	-	6,597,793	-	6,597,793
HPE	-	-	-	-	-	-	-	-	-	176,842	-	176,842
QRRE	-	-	-	-	-	-	-	-	-	-	-	-
Other Retail	15,945	4,630	51,007	995	61,875	129,714	7,025	194,058	41,250	5,766,405	41,698	6,324,601
Other Exposures	-	-	-	-	-	-	-	20,458	-	-	47,498	67,957
Total Gross Credit Exposure	710,129	38,135	1,237,069	204,144	3,183,757	746,899	1,639,239	5,678,167	13,992,296	20,762,018	336,621	48,528,475

Note: All sectors above are Shariah compliant.

*Others are exposures which are not elsewhere classified.

CREDIT RISK (CONTINUED)

Summary of Credit Exposures (continued)

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 for CIMB Islamic

30 June 2014	CIMB Islamic			
(RM'000) Exposure Class	Less than 1 year	1 to 5 years	More than 5 years	Total
Sovereign	5,818,359	2,170,279	6,438,657	14,427,296
Bank	1,896,817	331,138	159,080	2,387,035
Corporate	2,725,419	4,306,400	4,203,070	11,234,890
RRE Financing	2,230	49,534	8,200,407	8,252,171
HPE	54,115	1,991,859	3,729,160	5,775,133
QRRE	194,614	-	-	194,614
Other Retail	75,215	464,492	6,883,386	7,423,093
Other Exposures	-	23,874	45,507	69,381
Total Gross Credit Exposure	10,766,769	9,337,577	29,659,267	49,763,613

30 June 2013	CIMB Islamic			
(RM'000) Exposure Class	Less than 1 year	1 to 5 years	More than 5 years	Total
Sovereign	4,941,609	437,776	8,804,437	14,183,822
Bank	1,433,002	397,743	60,507	1,891,252
Corporate	3,881,122	2,751,039	4,455,641	11,087,802
RRE Financing	1,970	36,962	8,159,474	8,198,406
HPE	30,457	1,589,023	4,978,313	6,597,793
QRRE	176,842	-	-	176,842
Other Retail	71,370	569,786	5,683,445	6,324,601
Other Exposures	-	20,458	47,498	67,957
Total Gross Credit Exposure	10,536,372	5,802,788	32,189,315	48,528,475

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 2014 and 31 December 2013 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 for CIMB Islamic

(RM'000)	CIMB Islamic	
	30 June 2014	31 December 2013
Primary Agriculture	1,959	18,293
Mining and Quarrying	8	1
Manufacturing	19,749	6,618
Electricity, Gas and Water Supply	-	3
Construction	29,653	32,590
Wholesale and Retail Trade, and Restaurants and Hotels	7,418	15,432
Transport, Storage and Communications	26,141	1,752
Islamic Finance, takaful, Real Estate and Business Activities	25,357	23,091
Education, Health and Others	3,050	7,563
Household	2,040,398	1,831,454
Others*	54	1,149
Total	2,153,787	1,937,946

Note: All sectors above are Shariah compliant.

**Others are exposures which are not elsewhere classified.*

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

(RM'000)	CIMB Islamic	
	30 June 2014	31 December 2013
Malaysia	2,153,787	1,937,946
Singapore	-	-
Thailand	-	-
Other Countries	-	-
Total	2,153,787	1,937,946

CREDIT RISK (CONTINUED)

Credit Quality of Loans, Advances and Financing

ii) Impaired Loans/Financings

The following tables provide an analysis of the outstanding balances as at 30 June 2014 and 31 December 2013 which were impaired by sector and geographical respectively:

Table 8: Impaired Loans, Advances and Financing by Sector for CIMB Islamic

(RM'000)	CIMB Islamic	
	30 June 2014	31 December 2013
Primary Agriculture	7,822	4,961
Mining and Quarrying	-	-
Manufacturing	7,491	9,152
Electricity, Gas and Water Supply	576	572
Construction	35,985	35,747
Wholesale and Retail Trade, and Restaurants and Hotels	20,690	25,329
Transport, Storage and Communications	6	1,861
Islamic Finance, Takaful, Real Estate and Business Activities	7,480	7,218
Education, Health and Others	15,727	8,975
Household	291,572	216,217
Others*	752	119
Total	388,101	310,151

Note: All sectors above are Shariah compliant.

**Others are exposures which are not elsewhere classified.*

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

(RM'000)	CIMB Islamic	
	30 June 2014	31 December 2013
Malaysia	388,101	310,151
Singapore	-	-
Thailand	-	-
Other Countries	-	-
Total	388,101	310,151

CREDIT RISK (CONTINUED)

Credit Quality of Loans, Advances and Financing (continued)

ii) Impaired Loans/Financings (continued)

Table 10: Individual Impairment and Portfolio Impairment Allowances by Sector for CIMB Islamic for the period ended 30 June 2014 and 31 December 2013

(RM'000)	CIMB Islamic			
	30 June 2014		31 December 2013	
	Individual Impairment Allowance	Portfolio Impairment Allowance	Individual Impairment Allowance	Portfolio Impairment Allowance
Primary Agriculture	1,461	6,148	1,431	8,564
Mining and Quarrying	-	198	-	277
Manufacturing	2,197	9,061	3,029	9,018
Electricity, Gas and Water Supply	-	603	-	930
Construction	8,572	12,366	8,646	13,381
Wholesale and Retail Trade, and Restaurants and Hotels	5,800	9,503	11,030	10,916
Transport, Storage and Communications	-	2,856	1,722	3,338
Islamic Finance, Insurance/Takaful, Real Estate and Business Activities	2,893	15,047	3,180	18,011
Education, Health and Others	2,192	5,369	763	5,307
Household	-	290,008	-	306,173
Others*	-	812	-	934
Total	23,115	351,971	29,801	376,849

Note: All sectors above are Shariah compliant.

**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: Individual Impairment and Portfolio Impairment Allowances by Geographic Distribution for CIMB Islamic for the period ended 30 June 2014 and 31 December 2013

(RM'000)	CIMB Islamic			
	30 June 2014		31 December 2013	
	Individual Impairment Allowance	Portfolio Impairment Allowance	Individual Impairment Allowance	Portfolio Impairment Allowance
Malaysia	23,115	351,971	29,801	376,849
Singapore	-	-	-	-
Thailand	-	-	-	-
Other Countries	-	-	-	-
Total	23,115	351,971	29,801	376,849

Table 12: Charges for Individual Impairment Provision and Write Offs During the Period for CIMB Islamic for the period ended 30 June 2014 and 30 June 2013

(RM'000)	CIMB Islamic			
	30 June 2014		30 June 2013	
	Charges/ (Writeback)	Write-off	Charges/ (Writeback)	Write-off
Primary Agriculture	42	-	58	-
Mining and Quarrying	-	-	-	-
Manufacturing	(9)	855	(12,439)	-
Electricity, Gas and Water Supply	-	-	-	-
Construction	(3)	-	(121)	-
Wholesale and Retail Trade, and Restaurants and Hotels	(905)	4,553	573	1,382
Transport, Storage and Communications	-	1,592	1	-
Islamic Finance, Insurance/Takaful, Real Estate and Business Activities	(265)	-	(121)	50
Education, Health and Others	1,454	-	-	-
Household	-	-	(665)	-
Others*	-	-	-	-
Total	314	7,000	(12,714)	1,432

Note: All sectors above are Shariah compliant.

*Others are exposures which are not elsewhere classified.

CREDIT RISK (CONTINUED)

Credit Quality of Loans, Advances and Financing (continued)

ii) Impaired Loans/Financings (continued)

Table 13: Analysis of movement for Financing Impairment Allowances for the Period Ended 30 June 2014 and 30 June 2013 for CIMB Islamic

(RM'000)	CIMB Islamic			
	30 June 2014		30 June 2013	
	Individual Impairment Allowance	Portfolio Impairment Allowance	Individual Impairment Allowance	Portfolio Impairment Allowance
Balance as at 1 January	29,801	376,849	60,925	347,704
Allowance (write back)/ made during the financial period	314	48,965	(12,714)	63,909
Amount transferred to portfolio impairment allowance	-	-	-	-
Allowance made and charged to deferred assets	-	-	-	-
Allowance made in relation to jointly controlled entity	-	-	-	-
Amount written off	(7,000)	(73,843)	(1,432)	(80,702)
Transfer (to)/from intercompany	-	-	(1,672)	(4,229)
Disposal of subsidiary	-	-	-	-
Unwinding income	-	-	-	-
Exchange fluctuation	-	-	-	-
Total	23,115	351,971	45,107	326,682

Capital Treatment for Credit Risk

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

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 for CIMB Islamic

30 June 2014											CIMB Islamic	
(RM'000) Risk Weights	Sovereign/ Central Banks	PSEs	Banks, MDBs and DFIs	Insurance Cos/ Takaful Operators, Securities Firms & Fund Managers	Corporate	Regulatory Retail	RRE Financing	Higher Risk Assets	Other Assets	Securitisation*	Total Exposures after Netting and Credit Risk Mitigation*	Total Risk- Weighted Assets
0%	14,409,299	-	13,000	-	-	-	-	-	1	-	14,422,300	-
20%	17,997	-	-	-	-	-	-	-	-	23,874	41,871	8,374
35%	-	-	-	-	-	-	-	-	-	-	-	-
50%	-	-	62,355	-	193,430	1,649,604	-	-	-	-	1,905,388	952,694
75%	-	-	-	-	-	684,559	-	-	-	-	684,559	513,419
100%	-	-	-	589	162,774	2,275,114	-	-	44,932	-	2,483,410	2,483,410
100% < RW <1250%	-	-	-	-	431	144	-	575	-	-	1,149	1,724
>1250%	-	-	-	-	20	-	-	-	-	-	20	250
Total	14,427,296	-	75,355	589	356,655	4,609,420	-	575	44,932	23,874	19,538,697	3,959,871
Average Risk Weight	0%	-	41%	100%	73%	78%	-	150%	100%	20%	20%	
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 for CIMB Islamic (continued)

30 June 2013												CIMB Islamic	
(RM'000)	Risk Weights	Sovereign/ Central Banks	PSEs	Banks, MDBs and DFIs	Insurance Cos/ Takaful Operators, Securities Firms & Fund Managers	Corporate	Regulatory Retail	RRE Financing	Higher Risk Assets	Other Assets	Securitisation*	Total Exposures after Netting and Credit Risk Mitigation*	Total Risk- Weighted Assets
0%		14,150,043	-	-	-	-	-	-	-	-	-	14,150,043	-
20%		33,779	-	50,907	-	-	-	-	-	-	20,458	105,144	21,029
35%		-	-	-	-	-	-	-	-	-	-	-	-
50%		-	-	-	-	166,498	744,784	-	-	-	-	911,282	455,641
75%		-	-	-	-	-	864,383	-	-	-	-	864,383	648,287
100%		-	-	-	-	111,870	2,276,941	-	-	46,923	-	2,435,735	2,435,735
100% < RW <1250%		-	-	-	-	275	69	-	575	-	-	919	1,379
>1250%		-	-	-	-	-	-	-	-	-	-	-	-
Total		14,183,822	-	50,907	-	278,644	3,886,177	-	575	46,923	20,458	18,467,506	3,562,071
Average Risk Weight		0%	-	20%	-	70%	85%	-	150%	100%	20%	19%	
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 ECAIs:

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

30 June 2014		CIMB Islamic		
(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	-	-	1,064	1,064
Corporate	-	-	371,431	371,431
Sovereign/Central Banks	773,219	-	13,654,076	14,427,296
Banks, MDBs and DFIs	62,355	-	13,000	75,355
Total	835,574	-	14,039,572	14,875,145

30 June 2013		CIMB Islamic		
(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	-	-	-	-
Corporate	-	-	279,115	279,115
Sovereign/Central Banks	916,563	-	13,267,259	14,183,822
Banks, MDBs and DFIs	50,907	-	-	50,907
Total	967,470	-	13,546,374	14,513,844

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

30 June 2014		CIMB Islamic		
(RM '000) Exposure Class	Investment Grade	Non- Investment Grade	No Rating	Total
On and Off-Balance-Sheet Exposures				
Securitisation	23,874	-	-	23,874

CREDIT RISK (CONTINUED)

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

Table 16: Disclosures of Securitisation under SA according to Ratings by ECAIs for CIMB Islamic (continued)

30 June 2013	CIMB Islamic			
(RM '000) Exposure Class	Investment Grade	Non- Investment Grade	No Rating	Total
On and Off-Balance-Sheet Exposures				
Securitisation	20,458	-	-	20,458

Credit Risk – Disclosure for Portfolios under the IRB Approach

Retail Exposures

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

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

Table 17: Retail Credit Exposures by PD Band for CIMB Islamic

30 June 2014	CIMB Islamic			
(RM'000) PD Range of Retail Exposures	0% ≤ PD < 2%	2% ≤ PD < 100%	100% Or Default	Total
Total Retail Exposure	15,118,592	1,594,272	287,141	17,000,005
RRE Financing	7,930,025	247,159	74,987	8,252,171
QRRE	96,173	96,010	2,432	194,614
Hire Purchase	4,805,188	799,961	169,985	5,775,133
Other Retail	2,287,206	451,143	39,738	2,778,087
Exposure Weighted Average LGD				
RRE Financing	24%	25%	34%	
QRRE	90%	90%	90%	
Hire Purchase	53%	55%	58%	
Other Retail	25%	45%	55%	
Exposure Weighted Average Risk Weight				
RRE Financing	30%	101%	56%	
QRRE	35%	123%	0%	
Hire Purchase	53%	106%	302%	
Other Retail	27%	78%	127%	

CREDIT RISK (CONTINUED)

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

Retail Exposures (continued)

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

30 June 2013	CIMB Islamic			
(RM'000) PD Range of Retail Exposures	0% ≤ PD < 2%	2% ≤ PD < 100%	100% Or Default	Total
Total Retail Exposure	14,862,116	2,316,596	193,758	17,372,470
RRE Financing	7,662,443	458,859	77,104	8,198,406
QRRE	87,654	88,816	371	176,842
Hire Purchase	5,147,550	1,358,845	91,398	6,597,793
Other Retail	1,964,469	410,076	24,885	2,399,430
Exposure Weighted Average LGD				
RRE Financing	24%	25%	34%	
QRRE	90%	90%	90%	
Hire Purchase	52%	50%	58%	
Other Retail	26%	50%	57%	
Exposure Weighted Average Risk Weight				
RRE Financing	31%	83%	55%	
QRRE	34%	127%	0%	
Hire Purchase	52%	98%	302%	
Other Retail	26%	88%	175%	

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 for CIMB Islamic

30 June 2014	CIMB Islamic			
(RM'000) Expected Loss Range of Retail Exposures	EL ≤ 1%	1% < EL < 100%	EL = 100%	Total
Total Retail Exposure (EAD)	15,343,186	1,656,282	537	17,000,005
RRE Financing	7,997,705	254,445	21	8,252,171
QRRE	57,470	137,144	-	194,614
Hire Purchase	4,792,367	982,616	150	5,775,133
Other Retail	2,495,644	282,077	366	2,778,087
Exposure Weighted Average LGD (%)				
RRE Financing	24%	28%	15%	
QRRE	90%	90%	0%	
Hire Purchase	53%	56%	55%	
Other Retail	25%	61%	100%	

30 June 2013	CIMB Islamic			
(RM'000) Expected Loss Range of Retail Exposures	EL ≤ 1%	1% < EL < 100%	EL = 100%	Total
Total Retail Exposure (EAD)	15,148,200	2,215,247	9,023	17,372,470
RRE Financing	7,911,129	285,086	2,191	8,198,406
QRRE	49,360	127,482	-	176,842
Hire Purchase	5,062,685	1,533,485	1,623	6,597,793
Other Retail	2,125,026	269,194	5,210	2,399,430
Exposure Weighted Average LGD (%)				
RRE Financing	24%	28%	41%	
QRRE	90%	90%	0%	
Hire Purchase	51%	54%	51%	
Other Retail	26%	64%	60%	

CREDIT RISK (CONTINUED)

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

Non-retail Exposures

The following tables summarise CIMBBG and CIMB Islamic’s non-retail credit exposures measured under F-IRB Approach:

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

30 June 2014	CIMB Islamic					
(RM '000) Supervisory Categories	Strong	Good	Satisfactory	Weak	Default	Total
Project Finance	137,106	-	-	-	-	137,106
Object Finance	-	-	87,709	-	-	87,709
Commodities Finance	-	-	-	-	-	-
Income Producing Real Estate	41,440	578,620	22,476	1,312	-	643,848
RWA	122,772	489,680	126,712	3,279	-	742,443

30 June 2013	CIMB Islamic					
(RM '000) Supervisory Categories	Strong	Good	Satisfactory	Weak	Default	Total
Project Finance	149,342	-	1,243	-	-	150,585
Object Finance	-	-	120,290	-	-	120,290
Commodities Finance	-	-	-	-	-	-
Income Producing Real Estate	70,785	251,897	37,661	6,275	-	366,618
RWA	153,169	216,430	183,074	15,688	-	568,360

There is 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 for CIMB Islamic

30 June 2014	CIMB Islamic				
(RM'000) Internal Risk Grading	1 - 3	4 - 9	10 - 13	Default	Total
Total Non-Retail Exposure	4,086,066	5,936,933	2,176,415	105,998	12,305,413
Bank	2,158,976	152,576	128	-	2,311,680
Corporate (excluding Specialised Financing)	1,927,091	5,784,357	2,176,287	105,998	9,993,732
Exposure Weighted Average LGD					
Bank	45%	45%	45%	0%	
Corporate (excluding Specialised Financing)	45%	43%	40%	39%	
Exposure Weighted Average Risk Weight					
Bank	20%	46%	150%	0%	
Corporate (excluding Specialised Financing)	11%	65%	116%	0%	

30 June 2013	CIMB Islamic				
(RM'000) Internal Risk Grading	1 - 3	4 - 9	10 - 13	Default	Total
Total Non-Retail Exposure	3,754,076	5,565,544	2,572,897	119,021	12,011,538
Bank	1,638,054	202,164	127	-	1,840,345
Corporate (excluding Specialised Financing)	2,116,022	5,363,380	2,572,771	119,021	10,171,193
Exposure Weighted Average LGD					
Bank	45%	45%	45%	0%	
Corporate (excluding Specialised Financing)	45%	44%	40%	37%	
Exposure Weighted Average Risk Weight					
Bank	16%	38%	135%	0%	
Corporate (excluding Specialised Financing)	16%	57%	101%	0%	

CREDIT RISK (CONTINUED)

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

Expected Losses versus Actual Losses by Portfolio Types

The following tables summarises the actual losses by portfolio type:

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

CIMB Islamic				
(RM'000) Exposure Class	30 June 2014		30 June 2013	
	Regulatory Expected Losses as at 30 June 2013	Actual Losses for the period ended 30 June 2014	Regulatory Expected Losses as at 30 June 2012	Actual Losses for the period ended 30 June 2013
Sovereign	-	-	-	-
Bank	429	-	649	-
Corporate	73,860	(3,560)	120,384	(3,306)
RRE Financing	27,143	3,188	23,612	(1,647)
HPE	134,990	70,096	146,816	50,594
QRRE	8,137	4,985	9,395	3,522
Other Retail	31,986	27,669	28,737	13,471
Other Exposures	-	-	-	-
Total	276,545	102,377	329,594	62,633

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 Group, the two metrics are not directly comparable due to the differences in methodology.

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 2014 and 30 June 2013, there was no requirement for additional collateral to be posted.

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 for CIMB Islamic

30 June 2014	CIMB Islamic			
(RM '000) Description	Principal Amount	Positive Fair Value of Derivative Contracts	Credit Equivalent Amount	Risk-Weighted Assets
Direct Credit Substitutes	164,518		164,518	117,682
Transaction Related Contingent Items	366,849		183,425	126,109
Short Term Self Liquidating Trade Related Contingencies	62,383		12,477	8,132
Assets Sold With Recourse	-		-	-
Forward Asset Purchases	-		-	-
Obligations under an On-going Underwriting Agreement	-		-	-
Commitments to buy back Islamic securities under Sales and Buy Back agreement transactions	-		-	-
Foreign Exchange Related Contracts				
One year or less	-	-	-	-
Over one year to five years	-	-	-	-
Over five years	-	-	-	-
OTC derivative transactions subject to valid bilateral netting agreements	21,200,139	21,232	372,695	76,124
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	3,802,206		2,969,293	1,663,959
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	8,164		6,033	3,344
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 customer's creditworthiness	1,608,855		-	-
Unutilised credit card lines	205,096		90,718	60,655
Off-balance sheet items for securitisation exposures	-		-	-
Total	27,418,211	21,232	3,799,158	2,056,005

CREDIT RISK (CONTINUED)

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

Table 22: Disclosure on Off-Balance Sheet Exposures and Counterparty Credit Risk for CIMB Islamic (continued)

30 June 2013	CIMB Islamic			
(RM '000) Description	Principal Amount	Positive Fair Value of Derivative Contracts	Credit Equivalent Amount	Risk-Weighted Assets
Direct Credit Substitutes	191,468		191,468	157,163
Transaction Related Contingent Items	319,358		159,679	116,238
Short Term Self Liquidating Trade Related Contingencies	14,099		2,820	1,758
Assets Sold With Recourse	-		-	-
Forward Asset Purchases	-		-	-
Obligations under an On-going Underwriting Agreement	-		-	-
Commitments to buy back Islamic securities under Sales and Buy Back agreement transactions	-		-	-
Foreign Exchange Related Contracts				
One year or less	-	-	-	-
Over one year to five years	-	-	-	-
Over five years	-	-	-	-
OTC derivative transactions subject to valid bilateral netting agreements	20,155,639	84,166	504,492	168,919
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	3,509,577		2,691,627	1,127,476
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	30,385		20,618	16,213
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 customer's creditworthiness	1,619,227		-	-
Unutilised credit card lines	180,990		81,477	48,530
Off-balance sheet items for securitisation exposures	-		-	-
Total	26,020,743	84,166	3,652,151	1,636,298

CREDIT RISK (CONTINUED)

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

The tables below show 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 for CIMB Islamic

(RM'000)	CIMB Islamic			
	30 June 2014		30 June 2013	
	Notional of Credit Derivatives			
	Protection Bought	Protection Sold	Protection Bought	Protection Sold
Own Credit Portfolio	-	-	-	-
Client Intermediation Activities	-	56,900	-	59,230
Total	-	56,900	-	59,230
Total Return Swaps	-	56,900	-	59,230
Total	-	56,900	-	31,430

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 for CIMB Islamic

30 June 2014	CIMB Islamic			
(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	14,427,296	-	-	-
Public Sector Entities	-	-	-	-
Banks, DFIs & MDBs	2,387,035	-	-	-
Insurance Cos/Takaful Operators, Securities Firms & Fund Managers	1,064	-	475	-
Corporate	11,123,761	500,409	172,208	1,459,840
RRE Financing	8,177,184	-	-	-
Qualifying Revolving Retail	192,182	-	-	-
Hire Purchase	5,605,149	-	-	-
Other Retail	7,383,624	-	35,279	-
Securitisation	23,874	-	-	-
Higher Risk Assets	575	-	-	-
Other Assets	44,932	-	-	-
<i>Defaulted Exposures</i>	241,060	-	3,044	49,547
Total Exposures	49,607,736	500,409	211,006	1,509,387

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 for CIMB Islamic (continued)

30 June 2013	CIMB Islamic			
(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	14,183,822	-	-	-
Public Sector Entities	-	-	-	-
Banks, DFIs & MDBs	1,891,252	-	-	-
Insurance Cos/Takaful Operators, Securities Firms & Fund Managers	450	-	450	-
Corporate	10,959,420	1,314,712	169,771	2,085,313
RRE Financing	8,121,302	-	-	-
Qualifying Revolving Retail	176,471	-	-	-
Hire Purchase	6,506,395	-	-	-
Other Retail	6,299,627	-	38,612	-
Securitisation	20,458	-	-	-
Higher Risk Assets	575	-	-	-
Other Assets	46,923	-	-	-
<i>Defaulted Exposures</i>	182,759	5,842	3,395	77,040
Total Exposures	48,389,455	1,320,554	212,228	2,162,353

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

There were no outstanding exposures securitised by CIMB Islamic as at 30 June 2013 and 30 June 2014 respectively. The tables below represent the disclosure on Securitisation under the SA for Banking Book:

Table 25: Disclosure on Securitisation under the SA for Banking Book Exposures for CIMB Islamic

(RM'000) Exposure Class	Net Exposure After CRM	Exposures subject to deduction	Distribution of Exposures after CRM according to Applicable Risk Weights							Risk-Weighted Assets
			Unrated (Look Through)							
			0%	10%	20%	50%	100%	350%	1250%	
Traditional Securitisation (Banking Book)										
<i>Non-originating Banking Institution</i>										
<i>On-Balance Sheet</i>										
Most senior	23,874	-	-	23,874	-	-	-	-	-	4,775
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)	-	-	-	-	-	-	-	-	-	-

SECURITISATION (CONTINUED)

Table 25: Disclosure on Securitisation under the SA for Banking Book Exposures for CIMB Islamic (continued)

30 June 2014		Distribution of Exposures after CRM according to Applicable Risk Weights						Unrated (Look Through)		Risk-Weighted Assets
(RM'000) Exposure Class	Net Exposure After CRM	Exposures subject to deduction	Rated Securitisation Exposures					Weighted Average RW	Exposure Amount	Risk-Weighted Assets
			0%	10%	20%	50%	100%			
<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	23,874		23,874							4,775

SECURITISATION (CONTINUED)

Table 25: Disclosure on Securitisation under the SA for Banking Book Exposures for CIMB Islamic (continued)

30 June 2013		Distribution of Exposures after CRM according to Applicable Risk Weights							CIMB Islamic	
(RM'000) Exposure Class	Net Exposure After CRM	Rated Securitisation Exposures						Unrated (Look Through)		Risk-Weighted Assets
		0%	10%	20%	50%	100%	350%	1250%	Weighted Average RW	
Traditional Securitisation (Banking Book)										
<i>Non-originating Banking Institution</i>										
<i>On-Balance Sheet</i>										
Most senior	20,458	-	-	20,458	-	-	-	-	-	4,092
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)	-			-	-	-	-	-	-	-

SECURITISATION (CONTINUED)

Table 25: Disclosure on Securitisation under the SA for Banking Book Exposures for CIMB Islamic (continued)

30 June 2013		Distribution of Exposures after CRM according to Applicable Risk Weights							CIMB Islamic	
(RM'000) Exposure Class	Net Exposure After CRM	Rated Securitisation Exposures					Unrated (Look Through)		Risk-Weighted Assets	
		0%	10%	20%	50%	100%	350%	1250%		Weighted Average RW
<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	20,458	-	-	20,458	-	-	-	-	-	4,092

SECURITISATION (CONTINUED)

As at 30 June 2014 and 30 June 2013, CIMB Islamic has no Securitisation under the SA for Trading Book Exposures subject to Market Risk Capital Charge.

MARKET RISK

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

OPERATIONAL RISK

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

EQUITY EXPOSURES IN BANKING BOOK

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

Table 26: Analysis of Equity Investments by Grouping and RWA for CIMB Islamic

in RM('000)	CIMB Islamic			
	30 June 2014		30 June 2013	
	Exposures subject to Risk-Weighting	RWA	Exposures subject to Risk-Weighting	RWA
Privately held	575	863	575	863
Publicly traded	-	-	-	-
Total	575	863	575	863

RATE OF RETURN RISK IN THE BANKING BOOK

For the purpose of this disclosure, the impact under an instantaneous 100 bps parallel 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 the Group's RORBB under a 100 bps parallel upward benchmark rate shock from economic value and earnings perspectives:

Table 27: RORBB – Impact on Economic Value on CIMB Islamic

(RM'000)	CIMB Islamic	
	30 June 2014	30 June 2013
Currency	+100bps Increase (Decline) in Economic Value (Value in RM Equivalent)	
Ringgit Malaysia	(373,227)	(384,018)
US Dollar	1,358	486
Thai Baht	-	-
Singapore Dollar	-	5
Others	110	43
Total	(371,759)	(383,484)

Table 28: RORBB – Impact on Earnings on CIMB Islamic

(RM'000)	CIMB Islamic	
	30 June 2014	30 June 2013
Currency	+100bps Increase (Decline) in Earnings (Value in RM Equivalent)	
Ringgit Malaysia	(73,122)	(77,988)
US Dollar	(10,968)	(17,419)
Thai Baht	-	-
Singapore Dollar	(9)	(113)
Others	(870)	(324)
Total	(84,969)	(95,844)

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] -