

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

- **CIMB Bank Berhad**

## Abbreviations

A-IRB Approach	: Advanced Internal Ratings Based Approach
BIA	: Basic Indicator Approach
CAF	: Capital Adequacy Framework and, in some instances referred to as the Risk-Weighted Capital Adequacy Framework
CAFIB	: Capital Adequacy Framework for Islamic Banks
CAR	: Capital Adequacy Ratio and, in some instances referred to as the Risk-Weighted Capital Ratio
CIMBBG	: CIMB Bank, CIMB Islamic Bank Berhad, CIMBTH, CIMB Bank PLC (Cambodia), CIMB Factor Lease Berhad and non-financial subsidiaries
CIMBIBG	: CIMB Investment Bank Berhad, CIMB Futures 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
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 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.

The disclosure has 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 Bank:

**Table 1: Capital Position**

(RM'000)	CIMB Bank	
	30 June 2014	30 June 2013
<b>Common Equity Tier 1 capital</b>		
Ordinary shares	4,681,930	3,764,469
Other reserves	18,409,613	14,083,942
Qualifying non-controlling interests	-	-
<b>Common Equity Tier 1 capital before regulatory adjustments</b>	<b>23,091,543</b>	<b>17,848,411</b>
<u>Less: Regulatory adjustments</u>		
Goodwill	(3,555,075)	(3,555,075)
Intangible assets	(915,584)	(708,671)
Deferred Tax Assets	(261,997)	(100,817)
Deductions in excess of Tier 2 capital	-	-
Others	(2,848,717)	(1,378,004)
<b>Common Equity Tier 1 capital after regulatory adjustments / total</b>	<b>15,510,170</b>	<b>12,105,844</b>
<b>Additional Tier 1 capital</b>		
Perpetual preference shares	160,000	180,000
Non-innovative Tier 1 capital	800,000	900,000
Innovative Tier 1 Capital	1,289,440	1,450,620
Qualifying capital instruments held by third parties	-	-
<b>Additional Tier 1 capital before regulatory adjustments</b>	<b>2,249,440</b>	<b>2,530,620</b>
<u>Less: Regulatory adjustments</u>		
Investments in Additional Tier 1 capital instruments of unconsolidated financial and insurance/takaful entities	(44,054)	-
Additional Tier 1 capital after regulatory adjustments	2,205,386	2,530,620
<b>Total Tier 1 capital</b>	<b>17,715,556</b>	<b>14,636,464</b>

**CAPITAL MANAGEMENT (CONTINUED)**

**Capital Structure and Adequacy (continued)**

**Table 1: Capital Position (continued)**

(RM'000)	CIMB Bank	
	30 June 2014	30 June 2013
<b>Tier 2 Capital</b>		
Subordinated notes	6,050,000	5,000,000
Redeemable Preference Shares	29,740	29,740
Surplus eligible provisions over expected losses	-	139,832
Qualifying capital instruments held by third parties	-	-
Portfolio impairment allowance and regulatory reserves	222,593	233,428
Tier 2 capital before regulatory adjustments	6,302,333	5,403,000
<u>Less: Regulatory adjustments</u>		
Investments in capital instruments of unconsolidated financial and insurance/takaful entities	(3,245,041)	(4,155,519)
<b>Total Tier 2 Capital</b>	<b>3,057,292</b>	<b>1,247,481</b>
<b>Total Capital</b>	<b>20,772,848</b>	<b>15,883,945</b>
<b>RWA</b>		
Credit risk	115,703,006	99,586,351
Market risk	13,536,136	13,132,839
Large Exposure risk requirement	515,568	420,477
Operational risk	11,519,572	10,811,391
<b>Total RWA</b>	<b>141,274,282</b>	<b>123,951,058</b>
<b>Capital Adequacy Ratios</b>		
<b>Before deducting proposed dividend</b>		
Common Equity Tier 1 Ratio	10.98%	9.77%
Tier 1 ratio	12.54%	11.81%
Total capital ratio	14.70%	12.82%
<b>After deducting proposed dividend</b>		
Common Equity Tier 1 Ratio	10.37%	9.25%
Tier 1 ratio	11.93%	11.29%
Total capital ratio	14.10%	12.30%

The increase in capital between June 2013 and June 2014 was mainly contributed by few key factors i.e. (i) reinvestment of excess cash pursuant to DRS at CIMBGH, (ii) one-off injection in December 2013 via redeemable preference shares (RPS) and another injection in April 2014 pursuant to CIMBGH private placement. This was mainly to strengthen the capital position of the bank and to maintain the ratio to be above the group's internal target. In addition, the increase in Tier 2 was also largely contributed by the issuance of Basel 3 compliant subordinated debt of RM1,050 mil in 2013.

The increase in Credit RWA of approximately RM11.4 billion between June 2013 and June 2014 was mainly caused by the growth in both the corporate and retail portfolio. This was offset by the migration of CIMB Bank Singapore's mortgage and credit card retail portfolio from SA and IRB Approach effective July 2013.

The increase in Market RWA by RM 403 million between June 2013 and June 2014 was mainly due to (i) higher FX RWA following an increase in long exposure to USD with higher USD cash and short term funds and an increase in long USD off balance sheet items and (ii) increase in Option risk mainly due to higher interest rate option risk following an increase in exposure in interest rate Callable Range Accrual.

**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 2014	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%
<b>Credit Risk</b>					
<b>Exposures under the SA</b>					
Sovereign/Central Banks	26,199,175	26,199,175	164,935	164,935	13,195
Public Sector Entities	2,107	2,107	421	421	34
Banks, DFIs & MDBs	271,182	271,182	135,583	135,583	10,847
Insurance Cos, Securities Firms & Fund Managers	2,235,818	2,012,415	1,010,524	1,010,524	80,842
Corporate	4,448,844	2,710,371	3,995,119	3,995,119	319,610
Regulatory Retail	21,512,343	9,844,968	8,155,226	8,155,226	652,418
Residential Mortgages	450,946	450,946	247,860	247,860	19,829
Higher Risk Assets	1,166,686	1,166,686	1,750,029	1,750,029	140,002
Other Assets	4,386,315	4,386,315	2,202,354	2,202,354	176,188
Securitisation	726,965	726,965	145,393	145,393	11,631
<b>Total for SA</b>	<b>61,400,382</b>	<b>47,771,130</b>	<b>17,807,445</b>	<b>17,807,445</b>	<b>1,424,596</b>
<b>Exposures under the IRB Approach</b>					
Sovereign/Central Banks	-	-	-	-	-
Public Sector Entities	-	-	-	-	-
Banks, DFIs & MDBs	33,406,083	33,406,083	7,796,662	7,796,662	623,733
Insurance Cos, Securities Firms & Fund Managers	-	-	-	-	-
Corporate	81,912,153	81,912,153	50,680,863	50,680,863	4,054,469
Residential Mortgages	43,241,995	43,241,995	14,539,959	14,539,959	1,163,197
Qualifying Revolving Retail	11,825,448	11,825,448	7,619,196	7,619,196	609,536
Hire Purchase	7,953,888	7,953,888	5,456,359	5,456,359	436,509
Other Retail	18,514,232	18,514,232	6,261,264	6,261,264	500,901
Securitisation	-	-	-	-	-
<b>Total for IRB Approach</b>	<b>196,853,799</b>	<b>196,853,799</b>	<b>92,354,303</b>	<b>92,354,303</b>	<b>7,388,344</b>

**CAPITAL MANAGEMENT (CONTINUED)**

*Capital Structure and Adequacy (continued)*

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

30 June 2014	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%
<b>Total Credit Risk (Exempted Exposures and Exposures under the IRB Approach After Scaling Factor)</b>	<b>258,254,180</b>	<b>244,624,928</b>	<b>115,703,006</b>	<b>115,703,006</b>	<b>9,256,240</b>
<b>Large Exposure Risk Requirement</b>	<b>515,568</b>	<b>515,568</b>	<b>515,568</b>	<b>515,568</b>	<b>41,245</b>
<b>Market Risk (SA)</b>					
Interest Rate Risk			11,387,479	11,387,479	910,998
Foreign Currency Risk			560,781	560,781	44,862
Equity Risk			327,104	327,104	26,168
Commodity Risk			-	-	-
Options Risk			1,260,772	1,260,772	100,862
<b>Total Market Risk</b>			<b>13,536,136</b>	<b>13,536,136</b>	<b>1,082,891</b>
<b>Operational Risk (BIA)</b>			<b>11,519,572</b>	<b>11,519,572</b>	<b>921,566</b>
<b>Total RWA and Capital Requirement</b>			<b>141,274,282</b>	<b>141,274,282</b>	<b>11,301,943</b>



**CAPITAL MANAGEMENT (CONTINUED)**

*Capital Structure and Adequacy (continued)*

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

30 June 2013	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%
<b>Credit Risk</b>					
<b>Exposures under the SA</b>					
Sovereign/Central Banks	25,846,502	25,846,502	12,018	12,018	961
Public Sector Entities	1,477	1,477	295	295	24
Banks, DFIs & MDBs	146,186	146,186	35,088	35,088	2,807
Insurance Cos, Securities Firms & Fund Managers	1,095,112	1,082,033	626,863	626,863	50,149
Corporate	8,411,256	2,693,029	3,997,095	3,997,095	319,768
Regulatory Retail	19,375,455	10,780,473	8,663,122	8,663,122	693,050
Residential Mortgages	3,280,843	3,280,181	1,202,443	1,202,443	96,195
Higher Risk Assets	1,237,076	1,237,076	1,855,614	1,855,614	148,449
Other Assets	3,699,065	3,699,065	1,669,614	1,669,614	133,569
Securitisation	768,200	768,200	612,104	612,104	48,968
<b>Total for SA</b>	<b>63,861,174</b>	<b>49,534,223</b>	<b>18,674,257</b>	<b>18,674,257</b>	<b>1,493,941</b>
<b>Exposures under the IRB Approach</b>					
Sovereign/Central Banks	1,778,596	1,778,596	205,702	205,702	16,456
Public Sector Entities	-	-	-	-	-
Banks, DFIs & MDBs	34,406,450	34,406,450	7,038,312	7,038,312	563,065
Insurance Cos, Securities Firms & Fund Managers	-	-	-	-	-
Corporate	72,375,131	72,375,131	40,427,862	40,427,862	3,234,229
Residential Mortgages	34,745,309	34,745,309	12,726,887	12,726,887	1,018,151
Qualifying Revolving Retail	8,379,206	8,379,206	5,671,256	5,671,256	453,700
Hire Purchase	5,691,577	5,691,577	4,008,774	4,008,774	320,702
Other Retail	14,533,801	14,533,801	6,253,371	6,253,371	500,270
Securitisation	-	-	-	-	-
<b>Total for IRB Approach</b>	<b>171,910,071</b>	<b>171,910,071</b>	<b>76,332,164</b>	<b>76,332,164</b>	<b>6,106,573</b>
<b>Total Credit Risk (Exempted Exposures and Exposures under the IRB Approach After Scaling Factor)</b>	<b>235,771,244</b>	<b>221,444,293</b>	<b>99,586,351</b>	<b>99,586,351</b>	<b>7,966,908</b>
<b>Large Exposure Risk Requirement</b>	<b>420,477</b>	<b>420,477</b>	<b>420,477</b>	<b>420,477</b>	<b>33,638</b>

**CAPITAL MANAGEMENT (CONTINUED)**

*Capital Structure and Adequacy (continued)*

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

30 June 2013	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%
<b>Market Risk (SA)</b>					
Interest Rate Risk			11,592,766	11,592,766	927,421
Foreign Currency Risk			238,287	238,287	19,063
Equity Risk			562,186	562,186	44,975
Commodity Risk			-	-	-
Options Risk			739,599	739,599	59,168
<b>Total Market Risk</b>			<b>13,132,839</b>	<b>13,132,839</b>	<b>1,050,627</b>
<b>Operational Risk (BIA)</b>			<b>10,811,391</b>	<b>10,811,391</b>	<b>864,911</b>
<b>Total RWA and Capital Requirement</b>			<b>123,951,059</b>	<b>123,951,059</b>	<b>9,916,085</b>

**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 2014		CIMB Bank			
(RM'000) Exposure Class	Malaysia	Singapore	Thailand	Other Countries	Total
Sovereign	24,095,495	2,095,397	-	8,283	26,199,175
Bank	22,865,453	8,278,512	-	2,535,408	33,679,372
Corporate	69,762,151	18,081,057	-	753,607	88,596,815
Mortgage	40,135,894	3,557,047	-	-	43,692,941
HPE	7,953,888	-	-	-	7,953,888
QRRE	9,246,945	2,578,503	-	-	11,825,448
Other Retail	38,081,430	1,898,807	-	46,339	40,026,576
Other Exposures	5,917,765	336,864	-	25,337	6,279,966
<b>Total Gross Credit Exposure</b>	<b>218,059,020</b>	<b>36,826,186</b>	<b>-</b>	<b>3,368,975</b>	<b>258,254,180</b>

30 June 2013		CIMB Bank			
(RM'000) Exposure Class	Malaysia	Singapore	Thailand	Other Countries	Total
Sovereign	25,991,111	1,633,987	-	-	27,625,099
Bank	25,252,918	7,145,967	-	2,155,229	34,554,113
Corporate	68,253,718	12,778,492	-	849,289	81,881,500
Mortgage	35,078,980	2,947,173	-	-	38,026,152
HPE	5,691,577	-	-	-	5,691,577
QRRE	8,379,206	-	-	-	8,379,206
Other Retail	30,318,218	3,570,284	-	20,753	33,909,255
Other Exposures	5,388,838	275,996	-	39,507	5,704,342
<b>Total Gross Credit Exposure</b>	<b>204,354,567</b>	<b>28,351,899</b>	<b>-</b>	<b>3,064,779</b>	<b>235,771,244</b>

**CREDIT RISK (CONTINUED)**

**Summary of Credit Exposures (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 2014	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, Real Estate and Business Activities	Education, Health and Others	Household	Others*	Total
Sovereign	291,030	-	-	780,316	656,939	-	1,871,736	-	22,599,154	-	-	26,199,175
Bank	112	-	-	-	-	-	-	33,677,309	1,952	-	-	33,679,372
Corporate	3,373,668	5,285,846	8,155,073	3,784,440	7,394,917	10,343,684	10,263,604	26,406,828	4,343,811	2,242,822	7,002,123	88,596,815
Mortgage	-	-	-	-	-	-	-	-	-	43,692,941	-	43,692,941
HPE	-	-	-	-	-	-	-	-	-	7,953,888	-	7,953,888
QRRE	-	-	-	-	-	-	-	-	-	11,825,448	-	11,825,448
Other Retail	96,449	15,319	529,941	18,801	463,251	927,394	131,237	1,054,871	404,011	36,385,301	-	40,026,576
Other Exposures	18,057	-	-	-	-	-	-	1,160,289	407,023	-	4,694,597	6,279,966
<b>Total Gross Credit Exposure</b>	<b>3,779,316</b>	<b>5,301,164</b>	<b>8,685,014</b>	<b>4,583,557</b>	<b>8,515,107</b>	<b>11,271,078</b>	<b>12,266,577</b>	<b>62,299,297</b>	<b>27,755,952</b>	<b>102,100,398</b>	<b>11,696,720</b>	<b>258,254,180</b>

\*Others are exposures which are not elsewhere classified.

**CREDIT RISK (CONTINUED)**  
**Summary of Credit Exposures (continued)**  
 ii) *Gross Credit Exposures by Sector*  
**Table 4: Distribution of Credit Exposures by Sector (continued)**

30 June 2013	CIMB Bank											
(RM'000) Exposure Class	Primary Agriculture	Mining and Quarrying	Manufacturing	Electricity, Gas and Water Supply	Construction	Wholesale and Retail Trade, Restaurants and Hotels	Transport, Storage and Communication	Finance, Insurance, Real Estate and Business Activities	Education, Health and Others	Household	Others*	Total
Sovereign	-	-	-	576,831	-	-	941,835	4,594,291	21,512,142	-	-	27,625,099
Bank	-	-	-	-	-	-	-	34,552,545	1,569	-	-	34,554,114
Corporate	3,128,064	2,764,897	7,095,784	3,586,197	7,386,266	8,826,759	10,547,527	21,124,786	4,266,254	1,385,278	11,769,687	81,881,499
Mortgage	-	-	-	-	-	-	-	-	-	38,026,152	-	38,026,152
HPE	-	-	-	-	-	-	-	-	-	5,691,577	-	5,691,577
QRRE	-	-	-	-	-	-	-	-	-	8,379,206	-	8,379,206
Other Retail	85,937	11,092	366,887	11,620	319,826	795,770	85,793	763,495	250,673	31,218,161	-	33,909,255
Other Exposures	-	-	-	-	-	-	-	854,699	-	-	4,849,643	5,704,342
<b>Total Gross Credit Exposure</b>	<b>3,214,000</b>	<b>2,775,989</b>	<b>7,462,672</b>	<b>4,174,648</b>	<b>7,706,092</b>	<b>9,622,529</b>	<b>11,575,155</b>	<b>61,889,816</b>	<b>26,030,638</b>	<b>84,700,375</b>	<b>16,619,330</b>	<b>235,771,244</b>

\*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**

30 June 2014	CIMB Bank			
(RM'000) Exposure Class	Less than 1 year	1 to 5 years	More than 5 years	Total
Sovereign	6,462,962	5,008,139	14,728,075	26,199,175
Bank	26,097,185	6,165,133	1,417,054	33,679,372
Corporate	25,920,065	33,854,942	28,821,808	88,596,815
Mortgage	32,979	897,050	42,762,912	43,692,941
HPE	125,000	1,764,171	6,064,717	7,953,888
QRRE	11,825,448	-	-	11,825,448
Other Retail	2,366,770	1,526,670	36,133,135	40,026,576
Other Exposures	130,847	523,172	5,625,947	6,279,966
<b>Total Gross Credit Exposure</b>	<b>72,961,256</b>	<b>49,739,277</b>	<b>135,553,648</b>	<b>258,254,180</b>

30 June 2013	CIMB Bank			
(RM'000) Exposure Class	Less than 1 year	1 to 5 years	More than 5 years	Total
Sovereign	13,637,186	2,471,703	11,516,210	27,625,099
Bank	27,167,091	6,518,309	868,714	34,554,114
Corporate	27,459,809	32,048,490	22,373,201	81,881,499
Mortgage	19,073	434,557	37,572,523	38,026,152
HPE	119,650	1,935,051	3,636,876	5,691,577
QRRE	8,379,206	-	-	8,379,206
Other Retail	3,899,153	3,252,543	26,757,559	33,909,255
Other Exposures	6,356	630,553	5,067,433	5,704,342
<b>Total Gross Credit Exposure</b>	<b>80,687,523</b>	<b>47,291,205</b>	<b>107,792,516</b>	<b>235,771,244</b>

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

(RM'000)	CIMB Bank	
	30 June 2014	31 December 2013
Primary Agriculture	13,170	15,159
Mining and Quarrying	130	2,488
Manufacturing	82,489	86,311
Electricity, Gas and Water Supply	1,667	4,057
Construction	49,490	99,755
Wholesale and Retail Trade, and Restaurants and Hotels	104,787	102,126
Transport, Storage and Communications	13,892	17,856
Finance, Insurance, Real Estate and Business Activities	104,745	103,507
Education, Health and Others	27,456	49,103
Household	5,851,146	9,803,261
Others*	34,420	23,710
<b>Total</b>	<b>6,283,392</b>	<b>10,307,333</b>

*\*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 Bank	
	30 June 2014	31 December 2013
Malaysia	6,254,261	10,263,505
Singapore	29,131	43,828
Thailand	-	-
Other Countries	-	-
<b>Total</b>	<b>6,283,392</b>	<b>10,307,333</b>

**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 2014 and 31 December 2013 which were impaired by sector and geographical respectively:

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

(RM'000)	CIMB Bank	
	30 June 2014	31 December 2013
Primary Agriculture	64,825	65,857
Mining and Quarrying	29,635	33,364
Manufacturing	366,356	445,999
Electricity, Gas and Water Supply	385	258
Construction	170,327	199,935
Wholesale and Retail Trade, and Restaurants and Hotels	197,455	270,950
Transport, Storage and Communications	973,981	976,108
Finance, Insurance, Real Estate and Business Activities	161,600	164,839
Education, Health and Others	16,345	20,232
Household	1,116,713	1,024,429
Others*	30,980	132,444
<b>Total</b>	<b>3,128,602</b>	<b>3,334,415</b>

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

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

(RM'000)	CIMB Bank	
	30 June 2014	31 December 2013
Malaysia	3,099,536	3,298,388
Singapore	29,066	36,027
Thailand	-	-
Other Countries	-	-
<b>Total</b>	<b>3,128,602</b>	<b>3,334,415</b>



**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 2014 and 31 December 2013**

(RM'000)	CIMB Bank			
	30 June 2014		31 December 2013	
	Individual Impairment Allowance	Portfolio Impairment Allowance	Individual Impairment Allowance	Portfolio Impairment Allowance
Primary Agriculture	25,178	12,401	17,570	12,765
Mining and Quarrying	24,952	6,751	28,601	5,475
Manufacturing	220,490	66,364	319,861	66,419
Electricity, Gas and Water Supply	-	2,173	-	972
Construction	96,328	53,369	123,752	58,385
Wholesale and Retail Trade, and Restaurants and Hotels	80,242	117,357	126,769	140,848
Transport, Storage and Communication	729,966	25,464	718,043	24,936
Finance, Insurance, Real Estate and Business Activities	121,344	64,392	37,880	72,660
Education, Health and Others	3,160	17,489	6,607	19,889
Household	7,281	872,221	17,495	831,276
Others*	30,980	10,784	132,636	11,833
<b>Total</b>	<b>1,339,921</b>	<b>1,248,765</b>	<b>1,529,214</b>	<b>1,245,458</b>

\*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 2014 and 31 December 2013**

(RM'000)	CIMB Bank			
	30 June 2014		31 December 2013	
	Individual Impairment Allowance	Portfolio Impairment Allowance	Individual Impairment Allowance	Portfolio Impairment Allowance
Malaysia	1,332,987	1,217,480	1,515,474	1,212,653
Singapore	6,934	30,680	13,740	32,350
Thailand	-	-	-	-
Other Countries	-	605	-	455
<b>Total</b>	<b>1,339,921</b>	<b>1,248,765</b>	<b>1,529,214</b>	<b>1,245,458</b>

**CREDIT RISK (CONTINUED)**

***Credit Quality of Loans, Advances and Financings (continued)***

*ii) Impaired Loans/Financings (continued)*

**Table 10: Charges for Individual Impairment Provision and Write Offs During the Period 30 June 2014 and 30 June 2013**

(RM'000)	CIMB Bank			
	30 June 2014		30 June 2013	
	Charges/Write Back	Write-Off	Charges/Write Back	Write-Off
Primary Agriculture	(14,658)	-	3,367	-
Mining and Quarrying	43	3,277	(389)	-
Manufacturing	(535)	74,407	348	13,991
Electricity, Gas and Water Supply	-	-	-	-
Construction	(13,309)	16,816	623	16,337
Wholesale and Retail Trade, and Restaurants and Hotels	(592)	43,668	1,978	6,028
Transport, Storage and Communication	32,762	20,420	8,675	-
Finance, Insurance, Real Estate and Business Activities	(5,316)	9,206	6,981	1,478
Education, Health and Others	(3,527)	-	305	3,898
Household	(5,243)	2,717	938	894
Others*	2	631	(1,476)	-
<b>Total</b>	<b>(10,373)</b>	<b>171,142</b>	<b>21,350</b>	<b>42,626</b>

\*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 2014 and 30 June 2013**

(RM'000)	CIMB Bank			
	30 June 2014		30 June 2013	
	Individual Impairment Allowance	Portfolio Impairment Allowance	Individual Impairment Allowance	Portfolio Impairment Allowance
At 1 January	1,529,214	1,245,458	1,665,736	1,255,788
Allowance (written back)/made during the financial period/year	(10,373)	169,437	21,350	121,652
Amount transferred to portfolio impairment allowance	-	-	-	-
Amount written back in respect of recoveries	-	-	-	-
Allowance made and charged to deferred assets	(2,769)	106	(867)	(60)
Allowance made in relation to jointly controlled entity	-	-	-	-
Amount written off	(171,142)	(165,844)	(42,626)	(170,537)
Transfer(to)/from intercompany	-	-	1,673	4,229
Disposal of subsidiary	-	-	-	-
Unwinding income	-	-	-	-
Exchange fluctuation	(5,009)	(392)	11,082	298
<b>Total</b>	<b>1,339,921</b>	<b>1,248,765</b>	<b>1,656,348</b>	<b>1,211,370</b>

***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 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 12: Disclosure by Risk Weight under SA**

30 June 2014											CIMB Bank	
(RM'000) Risk Weights	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%	25,932,024	-	-	321,605	-	-	-	-	2,101,258	-	28,354,886	-
20%	48,003	2,107	27	205,683	-	-	-	-	103,378	726,965	1,086,163	217,233
35%	-	-	-	-	-	-	256,881	-	-	-	256,881	89,908
50%	127,629	-	271,156	1,031,480	17,592	45,070	67,069	-	-	-	1,559,995	779,998
75%	-	-	-	-	-	6,697,216	10,315	-	-	-	6,707,532	5,030,649
100%	91,520	-	-	453,647	2,546,086	3,088,486	116,680	-	2,181,679	-	8,478,098	8,478,098
150%	-	-	-	-	35,766	14,195	-	1,166,686	-	-	1,216,648	1,824,971
150% < RW <1250%	-	-	-	-	-	-	-	-	-	-	-	-
>1250%	-	-	-	-	110,927	-	-	-	-	-	110,927	1,386,588
<b>Total</b>	<b>26,199,175</b>	<b>2,107</b>	<b>271,182</b>	<b>2,012,415</b>	<b>2,710,371</b>	<b>9,844,968</b>	<b>450,946</b>	<b>1,166,686</b>	<b>4,386,315</b>	<b>726,965</b>	<b>47,771,130</b>	<b>17,807,445</b>
<b>Average Risk Weight</b>	<b>1%</b>	<b>20%</b>	<b>50%</b>	<b>50%</b>	<b>147%</b>	<b>83%</b>	<b>55%</b>	<b>150%</b>	<b>50%</b>	<b>20%</b>	<b>37%</b>	
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 2013											CIMB Bank	
(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%	25,786,412	-	-	-	-	-	-	-	1,913,246	-	27,699,658	-
20%	60,090	1,477	126,683	224,632	-	84	-	-	145,257	729,147	1,287,370	257,474
35%	-	-	-	-	-	-	3,145,803	-	-	-	3,145,803	1,101,031
50%	-	-	19,504	599,780	29,028	40,041	58,167	-	-	-	746,520	373,260
75%	-	-	-	-	-	8,431,925	15,527	-	-	-	8,447,452	6,335,589
100%	-	-	-	208,767	2,506,816	2,286,987	60,684	-	1,640,562	-	6,703,816	6,703,816
150%	-	-	-	48,853	44,460	21,436	-	1,237,076	-	-	1,351,825	2,027,737
150%<RW< 1250%	-	-	-	-	-	-	-	-	-	2,525	2,525	9,672
1250%	-	-	-	-	112,726	-	-	-	-	36,528	149,254	1,865,678
<b>Total</b>	<b>25,846,502</b>	<b>1,477</b>	<b>146,186</b>	<b>1,082,033</b>	<b>2,693,029</b>	<b>10,780,473</b>	<b>3,280,181</b>	<b>1,237,076</b>	<b>3,699,065</b>	<b>768,200</b>	<b>49,534,223</b>	<b>18,674,257</b>
<b>Average Risk Weight</b>	<b>0%</b>	<b>20%</b>	<b>24%</b>	<b>58%</b>	<b>148%</b>	<b>80%</b>	<b>37%</b>	<b>150%</b>	<b>45%</b>	<b>80%</b>	<b>38%</b>	
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 13: Disclosures of Rated and Unrated Non-Retail Exposures under SA according to Ratings by ECAIs**

30 June 2014		CIMB Bank		
(RM '000) Exposure Class	Investment Grade	Non- Investment Grade	No Rating	Total
<b>On and Off-Balance-Sheet Exposures</b>				
Public Sector Entities	-	-	2,107	2,107
Insurance Cos, Securities Firms & Fund Managers	1,234,163	-	1,001,655	2,235,818
Corporate	5,093	39,670	4,404,081	4,448,844
Sovereign/Central Banks	13,368,175	83,237	12,747,763	26,199,175
Banks, MDBs and DFIs	271,182	-	-	271,182
<b>Total</b>	<b>14,878,613</b>	<b>122,907</b>	<b>18,155,607</b>	<b>33,157,127</b>

30 June 2013		CIMB Bank		
(RM '000) Exposure Class	Investment Grade	Non- Investment Grade	No Rating	Total
<b>On and Off-Balance-Sheet Exposures</b>				
Public Sector Entities	-	-	1,477	1,477
Insurance Cos, Securities Firms & Fund Managers	821,413	48,853	224,846	1,095,112
Corporate	14	169,222	8,242,021	8,411,256
Sovereign/Central Banks	3,479,103	-	22,367,400	25,846,502
Banks, MDBs and DFIs	146,186	-	-	146,186
<b>Total</b>	<b>4,446,716</b>	<b>218,074</b>	<b>30,835,744</b>	<b>35,500,534</b>

**Table 14: Disclosures of Securitisation under SA according to Ratings by ECAIs**

30 June 2014		CIMB Bank		
(RM '000) Exposure Class	Investment Grade	Non- Investment Grade	No Rating	Total
<b>On and Off-Balance-Sheet Exposures</b>				
Securitisation	726,965	-	-	726,965

30 June 2013		CIMB Bank		
(RM '000) Exposure Class	Investment Grade	Non- Investment Grade	No Rating	Total
<b>On and Off-Balance-Sheet Exposures</b>				
Securitisation	729,147	-	39,053	768,200

**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 and residential mortgages.

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

**Table 15: Retail Credit Exposures by PD Band**

30 June 2014	CIMB Bank			
(RM'000) PD Range of Retail Exposures	0% ≤ PD < 2%	2% ≤ PD < 100%	100% Or Default	Total
<b>Total Retail Exposure</b>	<b>69,494,785</b>	<b>10,261,854</b>	<b>1,778,923</b>	<b>81,535,562</b>
Residential Mortgage	39,921,174	2,466,065	854,756	43,241,995
QRRE	7,547,340	4,203,407	74,701	11,825,448
Hire Purchase	5,715,576	2,037,358	200,954	7,953,888
Other Retail	16,310,696	1,555,024	648,512	18,514,232
<b>Exposure Weighted Average LGD</b>				
Residential Mortgage	23%	24%	34%	
QRRE	89%	89%	89%	
Hire Purchase	52%	54%	59%	
Other Retail	26%	28%	66%	
<b>Exposure Weighted Average Risk Weight</b>				
Residential Mortgage	30%	84%	51%	
QRRE	30%	126%	47%	
Hire Purchase	53%	92%	288%	
Other Retail	27%	43%	181%	

**CREDIT RISK (CONTINUED)**

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

*Retail Exposures (continued)*

**Table 15: Retail Credit Exposures by PD Band (continued)**

30 June 2013	CIMB Bank			
(RM'000) PD Range of Retail Exposures	0% ≤ PD < 2%	2% ≤ PD < 100%	100% Or Default	Total
<b>Total Retail Exposure</b>	<b>52,115,391</b>	<b>9,410,667</b>	<b>1,823,835</b>	<b>63,349,893</b>
Residential Mortgage	30,881,453	2,859,816	1,004,040	34,745,309
QRRE	5,238,638	3,127,080	13,488	8,379,206
Hire Purchase	3,879,182	1,678,847	133,549	5,691,577
Other Retail	12,116,118	1,744,924	672,758	14,533,801
<b>Exposure Weighted Average LGD</b>				
Residential Mortgage	23%	25%	34%	
QRRE	90%	90%	90%	
Hire Purchase	52%	48%	59%	
Other Retail	29%	33%	62%	
<b>Exposure Weighted Average Risk Weight</b>				
Residential Mortgage	31%	89%	53%	
QRRE	32%	128%	0%	
Hire Purchase	52%	95%	282%	
Other Retail	30%	60%	239%	



**CREDIT RISK (CONTINUED)**

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

*Retail Exposures (continued)*

**Table 16: Retail Exposures under the IRB Approach by Expected Loss Range**

<b>30 June 2014</b>		<b>CIMB Bank</b>		
<b>(RM'000)</b>				
<b>Expected Loss Range of Retail Exposure</b>	<b>EL ≤ 1%</b>	<b>1% &lt; EL &lt; 100%</b>	<b>EL = 100%</b>	<b>Total</b>
<b>Total Retail Exposure</b>	<b>69,951,439</b>	<b>11,383,044</b>	<b>201,079</b>	<b>81,535,562</b>
Residential Mortgage	41,177,956	1,957,777	106,261	43,241,995
QRRE	5,803,026	6,022,422	-	11,825,448
Hire Purchase	5,670,416	2,283,327	145	7,953,888
Other Retail	17,300,041	1,119,519	94,673	18,514,232
<b>Exposure Weighted Average LGD</b>				
Residential Mortgage	23%	28%	40%	
QRRE	89%	89%	0%	
Hire Purchase	52%	54%	62%	
Other Retail	27%	47%	63%	

<b>30 June 2013</b>		<b>CIMB Bank</b>		
<b>(RM'000)</b>				
<b>Expected Loss Range of Retail Exposure</b>	<b>EL ≤ 1%</b>	<b>1% &lt; EL &lt; 100%</b>	<b>EL = 100%</b>	<b>Total</b>
<b>Total Retail Exposure</b>	<b>52,357,665</b>	<b>10,815,285</b>	<b>176,942</b>	<b>63,349,893</b>
Residential Mortgage	32,137,653	2,486,369	121,286	34,745,309
QRRE	3,841,624	4,537,582	-	8,379,206
Hire Purchase	3,748,779	1,939,032	3,767	5,691,577
Other Retail	12,629,608	1,852,303	51,889	14,533,801
<b>Exposure Weighted Average LGD</b>				
Residential Mortgage	23%	28%	40%	
QRRE	90%	90%	0%	
Hire Purchase	51%	54%	54%	
Other Retail	30%	42%	66%	

**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 17: Credit Exposures Subject to Supervisory Risk Weight under IRB Approach**

30 June 2014		CIMB Bank				
(RM '000) Supervisory Categories	Strong	Good	Satisfactory	Weak	Default	Total
Project Finance	-	747,704	152,145	119,160	1,183,085	2,202,094
Object Finance	8,402	44,261	109,381	8,750	-	170,794
Commodities Finance	-	-	-	-	-	-
Income Producing Real Estate	164,208	5,118,647	387,438	302,085	5,894	5,978,272
<b>RWA</b>	<b>93,300</b>	<b>4,955,081</b>	<b>746,308</b>	<b>1,074,986</b>	<b>-</b>	<b>6,869,675</b>

30 June 2013		CIMB Bank				
(RM '000) Supervisory Categories	Strong	Good	Satisfactory	Weak	Default	Total
Project Finance	-	807,343	308,404	-	1,112,038	2,227,785
Object Finance	8,790	52,089	31,527	-	-	92,406
Commodities Finance	-	-	-	-	-	-
Income Producing Real Estate	2,903,229	831,648	774,905	135	39,503	4,549,420
<b>RWA</b>	<b>1,645,200</b>	<b>1,411,886</b>	<b>1,282,063</b>	<b>337</b>	<b>-</b>	<b>4,339,486</b>

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 18: Non-Retail Exposures under IRB Approach by Risk Grades**

30 June 2014	CIMB Bank				
(RM'000) Internal Risk Grading	1 - 3	4 - 9	10 - 13	Default	Total
<b>Total Non-Retail Exposure</b>	<b>46,142,369</b>	<b>44,471,556</b>	<b>14,448,301</b>	<b>1,904,851</b>	<b>106,967,077</b>
Sovereign/Central Banks	-	-	-	-	-
Bank	29,426,417	3,956,659	23,007	0	33,406,083
Corporate (excluding Specialised Lending)	16,715,952	40,514,898	14,425,294	1,904,850	73,560,994
<b>Exposure Weighted Average LGD</b>					
Sovereign/Central Banks					
Bank	44%	40%	45%	45%	
Corporate (excluding Specialised Lending)	45%	38%	35%	41%	
<b>Exposure Weighted Average Risk Weight</b>					
Sovereign/Central Banks					
Bank	20%	45%	171%	0%	
Corporate (excluding Specialised Lending)	18%	63%	104%	0%	

30 June 2013	CIMB Bank				
(RM'000) Internal Risk Grading	1 - 3	4 - 9	10 - 13	Default	Total
<b>Total Non-Retail Exposure</b>	<b>49,041,344</b>	<b>38,505,983</b>	<b>11,446,617</b>	<b>2,696,621</b>	<b>101,690,566</b>
Sovereign/Central Banks	1,633,987	144,609	-	-	1,778,596
Bank	31,093,017	3,212,580	661	100,192	34,406,450
Corporate (excluding Specialised Lending)	16,314,340	35,148,795	11,445,956	2,596,429	65,505,519
<b>Exposure Weighted Average LGD</b>					
Sovereign/Central Banks	25%	45%	-	-	
Bank	44%	42%	45%	45%	
Corporate (excluding Specialised Lending)	45%	38%	31%	40%	
<b>Exposure Weighted Average Risk Weight</b>					
Sovereign/Central Banks	6%	72%	-	-	
Bank	18%	46%	200%	0%	
Corporate (excluding Specialised Lending)	18%	63%	97%	0%	

**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 19: Analysis of Expected Loss versus Actual Losses by Portfolio Types**

CIMB Bank				
(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	417	-	473	-
Bank	10,209	(5,973)	25,213	27,600
Corporate	444,008	81,705	721,977	17,915
Mortgage	142,727	52,991	136,411	20,685
HPE	144,648	90,404	167,463	101,186
QRRE	304,487	131,717	305,577	146,794
Other Retail	112,839	54,819	21,340	(9,145)
Other Exposures	-	-	-	-
<b>Total</b>	<b>1,159,335</b>	<b>405,662</b>	<b>1,378,454</b>	<b>305,037</b>

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 as at 30 June 2014, the additional collateral to be posted was RM 4,815,000 while there was none as at 30 June 2013.

**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 20: Disclosure on Off-Balance Sheet Exposures and Counterparty Credit Risk**

30 June 2014	CIMB Bank			
(RM '000) Description	Principal Amount	Positive Fair Value of Derivative Contracts	Credit Equivalent Amount	Risk Weighted Assets
Direct Credit Substitutes	2,951,619		2,951,619	1,888,799
Transaction Related Contingent Items	2,913,266		1,456,633	900,226
Short Term Self Liquidating Trade Related Contingencies	4,172,802		834,560	347,158
Assets Sold With Recourse	-		-	-
Forward Asset Purchases	-		-	-
Obligations under an On-going Underwriting Agreement	215,000		107,500	53,750
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	396,682,994	1,260,872	7,619,959	3,216,814
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	27,872,769		23,344,393	11,682,695
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	1,451,627		940,355	570,851
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	31,022,758		-	-
Unutilised credit card lines	20,203,745		6,500,712	3,173,665
Off-balance sheet items for securitisation exposures	-		-	-
Off-balance sheet exposures due to early amortisation provisions	-		-	-
<b>Total</b>	<b>487,486,581</b>	<b>1,260,872</b>	<b>43,755,731</b>	<b>21,833,959</b>

**CREDIT RISK (continued)**

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

**Table 20: Disclosure on Off-Balance Sheet Exposures and Counterparty Credit Risk (continued)**

30 June 2013	CIMB Bank			
(RM '000) Description	Principal Amount	Positive Fair Value of Derivative Contracts	Credit Equivalent Amount	Risk Weighted Assets
Direct Credit Substitutes	2,150,985		2,150,985	1,169,216
Transaction Related Contingent Items	3,155,316		1,577,658	1,037,368
Short Term Self Liquidating Trade Related Contingencies	2,727,858		545,572	209,727
Assets Sold With Recourse	-		-	-
Forward Asset Purchases	-		-	-
Obligations under an On-going Underwriting Agreement	37,500		18,750	9,375
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	24,946	-	374	106
Over one year to five years	-	-	-	-
Over five years	-	-	-	-
OTC derivative transactions and credit derivative contracts subject to valid bilateral netting agreements	372,338,432	1,465,789	8,065,680	3,221,416
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	19,126,155		15,788,892	8,105,829
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	438,699		320,357	168,874
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	19,485,731		-	-
Unutilised credit card lines	17,868,201		5,972,618	3,330,235
Off-balance sheet items for securitisation exposures	5,050		2,525	9,672
Off-balance sheet exposures due to early amortisation provisions	-		-	-
<b>Total</b>	<b>437,358,873</b>	<b>1,465,789</b>	<b>34,443,411</b>	<b>17,261,818</b>

**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 21: Disclosure on Credit Derivative Transactions**

(RM'000)	CIMB Bank			
	30 June 2014		30 June 2013	
	Notional of Credit Derivatives			
	Protection Bought	Protection Sold	Protection Bought	Protection Sold
Own Credit Portfolio	1,747,632	2,388,730	1,573,337	2,347,754
Client Intermediation Activities	27,430	301,930	29,230	334,415
<b>Total</b>	<b>1,775,062</b>	<b>2,690,660</b>	<b>1,602,567</b>	<b>2,682,169</b>
Credit Default Swaps	1,747,632	2,388,730	1,573,337	2,347,754
Total Return Swaps	27,430	301,930	29,230	334,415
<b>Total</b>	<b>1,775,062</b>	<b>2,690,660</b>	<b>1,602,567</b>	<b>2,682,169</b>

**CREDIT RISK (continued)**

**Credit Risk Mitigation**

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

**Table 22: Disclosure on Credit Risk Mitigation**

30 June 2014	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
<b>Performing Exposures</b>				
Sovereign/Central Banks	26,199,175	-	-	-
Public Sector Entities	2,107	-	-	-
Banks, DFIs & MDBs	33,677,265	-	1,296,337	-
Insurance Cos, Securities Firms & Fund Managers	2,235,818	324,605	545,008	-
Corporate	83,177,438	3,102,183	9,368,723	9,483,350
Residential Mortgages	42,834,872	-	-	-
Qualifying Revolving Retail	11,757,201	-	-	-
Hire Purchase	7,752,934	-	-	-
Other Retail	39,333,260	-	11,654,134	-
Securitisation	726,965	-	-	-
Higher Risk Assets	1,166,686	-	-	-
Other Assets	4,386,315	-	-	-
<b>Defaulted Exposures</b>	<b>2,227,585</b>	<b>138</b>	<b>80,552</b>	<b>419,479</b>
<b>Total Exposures</b>	<b>255,477,622</b>	<b>3,426,926</b>	<b>22,944,755</b>	<b>9,902,829</b>

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

30 June 2013	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
<b>Performing Exposures</b>				
Sovereign/Central Banks	27,625,099	-	-	-
Public Sector Entities	1,477	-	-	-
Banks, DFIs & MDBs	34,452,445	-	1,407,368	-
Insurance Cos, Securities Firms & Fund Managers	1,095,112	3,000	13,079	-
Corporate	76,938,183	1,269,455	12,666,565	8,510,263
Residential Mortgages	37,017,587	-	663	-
Qualifying Revolving Retail	8,365,718	-	-	-
Hire Purchase	5,558,028	-	-	-
Other Retail	33,211,309	84	8,589,744	-
Securitisation	768,200	-	-	-
Higher Risk Assets	1,237,076	-	-	-
Other Assets	3,699,065	-	-	-
<b>Defaulted Exposures</b>	2,339,539	25,523	160,510	483,700
<b>Total Exposures</b>	<b>232,308,839</b>	<b>1,298,062</b>	<b>22,837,929</b>	<b>8,993,964</b>

*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 23: Disclosure on Securitisation for Trading and Banking Book**

30 June 2014		CIMB Bank		
(RM'000) Underlying Asset	Total Exposures Securitised	Past Due	Impaired	Gain/Losses Recognised during the period
TRADITIONAL SECURITISATION (Banking Book)				
<u>Non-originated by the Banking Institution</u>				
Hire Purchase Exposure	-	-	-	(243)
<u>Originated by the Banking Institution</u>				
Hire Purchase Exposure	127,898	32,560	8,081	(600)

31 December 2013		CIMB Bank		
(RM'000) Underlying Asset	Total Exposures Securitised	Past Due	Impaired	Gain/Losses Recognised during the period
TRADITIONAL SECURITISATION (Banking Book)				
<u>Non-originated by the Banking Institution</u>				
Hire Purchase Exposure	30,572	8,227	2,541	337
<u>Originated by the Banking Institution</u>				
Hire Purchase Exposure	197,429	32,560	6,054	1,125

\* Gains/losses recognised during the period represent gain/losses recognised during the 6 months period from 1 January 2013 to 30 June 2013 and 1 January 2014 to 30 June 2014.

**SECURITISATION (CONTINUED)**

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

**Table 24: Disclosure on Securitisation under the SA for Banking Book Exposures**

30 June 2014		Distribution of Exposures after CRM according to Applicable Risk Weights										CIMB Bank		
(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	Exposure Amount				
<b>Traditional Securitisation (Banking Book)</b>														
<i>Non-originating Banking Institution</i>														
<i>On-Balance Sheet</i>														
Most senior	719,628	-	-	719,628	-	-	-	-	-	-	-	-	-	143,926
Mezzanine	7,337	-	-	7,337	-	-	-	-	-	-	-	-	-	1,467
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 24: Disclosure on Securitisation under the SA for Banking Book Exposures (continued)

30 June 2014		Distribution of Exposures after CRM according to Applicable Risk Weights										Risk Weighted Assets	
(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	Exposure Amount			
<b>CIMB Bank</b>													
<u>Originating Banking Institution</u>													
<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)	-												
<b>Total Exposures</b>	<b>726,965</b>	-	-	<b>726,965</b>	-	-	-	-	-	-	-	-	<b>145,393</b>

SECURITISATION (CONTINUED)

Table 24: Disclosure on Securitisation under the SA for Banking Book Exposures (continued)

30 June 2013		Distribution of Exposures after CRM according to Applicable Risk Weights										Risk Weighted Assets
(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	Exposure Amount		
<b>CIMB Bank</b>												
<b>Traditional Securitisation (Banking Book)</b>												
<i>Non-originating Banking Institution</i>												
<i>On-Balance Sheet</i>												
Most senior	721,795	-	-	721,795	-	-	-	-	-	-	-	144,359
Mezzanine	7,352	-	-	7,352	-	-	-	-	-	-	-	1,470
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 24: Disclosure on Securitisation under the SA for Banking Book Exposures (continued)

30 June 2013		Distribution of Exposures after CRM according to Applicable Risk Weights										CIMB Bank		
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	Exposure Amount				
<i>Originating Banking Institution</i>														
<i>On-Balance Sheet</i>														
Most senior	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mezzanine	-	-	-	-	-	-	-	-	-	-	-	-	-	-
First loss	36,528	-	-	-	-	-	-	36,528	-	-	-	-	-	456,603
<i>Off-Balance Sheet</i>														
Rated eligible liquidity facilities	-													-
Unrated eligible liquidity facilities (with original maturity > 1 year)	2,525												> 150%	9,672
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)	-													-
<b>Total Exposures</b>	<b>768,200</b>	-	-	<b>729,147</b>	-	-	-	<b>36,528</b>	-	-	-	-	<b>2,525</b>	<b>612,104</b>

**SECURITISATION (CONTINUED)**

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

**Table 25: Disclosure on Securitisation under the SA for Trading Book Exposures subject to Market Risk Capital Charge**

30 June 2014	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
<b>TRADITIONAL SECURITISATION</b>					
<b><u>Originated by Third Party</u></b>					
<i>On-Balance Sheet</i>	15,445	-	438	309	9,339
<i>Off-Balance Sheet</i>	-	-	-	-	-
<i>Sub-total</i>	<b>15,445</b>	<b>-</b>	<b>438</b>	<b>309</b>	<b>9,339</b>
<b><u>Originated by Banking Institution</u></b>					
<i>On-Balance Sheet</i>	-	-	-	-	-
<i>Off-Balance Sheet</i>	-	-	-	-	-
<i>Sub-total</i>	-	-	-	-	-
<b><u>Securitisation subject to Early Amortisation</u></b>					
<b><u>Seller's interest</u></b>					
<i>On-Balance Sheet</i>	-	-	-	-	-
<i>Off-Balance Sheet</i>	-	-	-	-	-
<b><u>Investor's interest</u></b>					
<i>On-Balance Sheet</i>	-	-	-	-	-
<i>Off-Balance Sheet</i>	-	-	-	-	-
<i>Sub-total</i>	-	-	-	-	-
<b>TOTAL (TRADITIONAL SECURITISATION)</b>	<b>15,445</b>	<b>-</b>	<b>438</b>	<b>309</b>	<b>9,339</b>

**SECURITISATION (CONTINUED)**

**Table 25: Disclosure on Securitisation under the SA for Trading Book Exposures subject to Market Risk Capital Charge (continued)**

30 June 2013	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
<b>TRADITIONAL SECURITISATION</b>					
<b><u>Originated by Third Party</u></b>					
<i>On-Balance Sheet</i>	16,053	-	556	321	10,966
<i>Off-Balance Sheet</i>	-	-	-	-	-
<i>Sub-total</i>	<b>16,053</b>	<b>-</b>	<b>556</b>	<b>321</b>	<b>10,966</b>
<b><u>Originated by Banking Institution</u></b>					
<i>On-Balance Sheet</i>	-	-	-	-	-
<i>Off-Balance Sheet</i>	-	-	-	-	-
<i>Sub-total</i>	-	-	-	-	-
<b><u>Securitisation subject to Early Amortisation</u></b>					
<b><u>Seller's interest</u></b>					
<i>On-Balance Sheet</i>	-	-	-	-	-
<i>Off-Balance Sheet</i>	-	-	-	-	-
<b><u>Investor's interest</u></b>					
<i>On-Balance Sheet</i>	-	-	-	-	-
<i>Off-Balance Sheet</i>	-	-	-	-	-
<i>Sub-total</i>	-	-	-	-	-
<b>TOTAL (TRADITIONAL SECURITISATION)</b>	<b>16,053</b>	<b>-</b>	<b>556</b>	<b>321</b>	<b>10,966</b>

**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 2014 and 30 June 2013 is as follows:

**Table 26: Realised Gains/Losses from Sales and Liquidations of Equities**

In RM('000)	CIMB Bank	
	30 June 2014	30 June 2013
<b>Realised gains</b>		
Shares, private equity funds and unit trusts	1,840	8,048
<b>Unrealised gains</b>		
Shares, private equity funds and unit trusts	(513,103)	434,464

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

**Table 27: Analysis of Equity Investments by Grouping and RWA**

In RM('000)	CIMB Bank			
	30 June 2014		30 June 2013	
	Exposures subject to Risk-Weighting	RWA	Exposures subject to Risk-Weighting	RWA
Privately held	1,166,686	1,750,029	1,237,076	1,855,614
Publicly traded	0	0	-	-
<b>Total</b>	<b>1,166,686</b>	<b>1,750,029</b>	<b>1,237,076</b>	<b>1,855,614</b>

**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 Bank IRRBB under a 100 bps parallel upward interest rate shock from economic value and earnings perspectives:

**Table 28: IRRBB – Impact on Economic Value**

(RM'000)	CIMB Bank	
	30 June 2014	30 June 2013
<b>Currency</b>	<b>+100bps Increase (Decline) in Economic Value (Value in RM Equivalent)</b>	
Ringgit Malaysia	(774,193)	(673,743)
US Dollar	(12,641)	(46,983)
Thai Baht	(4)	(11,512)
Singapore Dollar	(100,928)	(89,086)
Others	(31,249)	(2,701)
<b>Total</b>	<b>(919,015)</b>	<b>(824,025)</b>

**Table 29: IRRBB – Impact on Earnings**

(RM'000)	CIMB Bank	
	30 June 2014	30 June 2013
<b>Currency</b>	<b>+100bps Increase (Decline) in Earnings (Value in RM Equivalent)</b>	
Ringgit Malaysia	71,086	(74,183)
US Dollar	(38,187)	(843)
Thai Baht	83	46
Singapore Dollar	(61,526)	(46,151)
Others	16,234	2,714
<b>Total</b>	<b>(12,310)</b>	<b>(118,417)</b>

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] -