

Basel II Pillar 3 Disclosures for the period ended 30 June 2016

- **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
CIMBIG	: CIMB Investment Bank Berhad, CIMB Futures SdnBhd and non-financial subsidiaries
CIMBISLG	: CIMB Islamic Bank Berhad, CIMB Islamic Nominees (Asing) SdnBhd and CIMB Islamic Nominees (Tempatan) SdnBhd
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, CIMBIG 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

Table of Contents

OVERVIEW	2
CAPITAL MANAGEMENT.....	2
CREDIT RISK	9
SECURITISATION	32
MARKET RISK.....	36
OPERATIONAL RISK.....	36
EQUITY EXPOSURES IN BANKING BOOK.....	36
RATE OF RETURN RISK IN THE BANKING BOOK.....	37

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 2016.

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

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

The risk weighted assets of the CIMB Islamic 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 2015 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

(RM'000)	CIMB Islamic	
	30 June 2016	30 June 2015
Common Equity Tier 1 capital		
Ordinary shares	1,000,000	1,000,000
Other reserves	2,676,921	2,197,123
Common Equity Tier 1 capital before regulatory adjustments	3,676,921	3,197,123
<u>Less: Regulatory adjustments</u>		
Goodwill	(136,000)	(136,000)
Intangible assets	(77,482)	(85,627)
Deferred tax assets	(23,116)	(15,957)
Shortfall of eligible provisions to expected losses	(64,949)	-
Others	(133,972)	(155,636)
Common Equity Tier 1 capital after regulatory adjustments	3,241,402	2,803,903
Additional Tier 1 capital		
Perpetual preference shares	192,000	199,000
Additional Tier 1 capital before regulatory adjustments	192,000	199,000
<u>Less: Regulatory adjustments</u>		
Additional Tier 1 capital after regulatory adjustments	192,000	199,000
Total Tier 1 capital	3,433,402	3,002,903
Tier 2 capital		
Subordinated notes	510,000	595,000
Portfolio impairment allowance and regulatory reserves	58,048	60,225
Tier 2 capital before regulatory adjustments	568,048	655,225
<u>Less: Regulatory adjustments</u>	-	-
Total Tier 2 Capital	568,048	655,225
Total Capital	4,001,450	3,658,128

CAPITAL MANAGEMENT (CONTINUED)

Capital Structure and Adequacy (continued)

Table 1: Capital Position (continued)

(RM'000)	CIMB Islamic	
	30 June 2016	30 June 2015
RWA		
Credit risk	21,232,539	21,685,265
Market risk	478,033	600,688
Operational risk	2,133,932	2,055,659
Total RWA	23,844,504	24,341,612
Capital Adequacy Ratios		
Before deducting proposed dividend		
Common Equity Tier 1 Ratio	13.594%	11.519%
Tier 1 ratio	14.399%	12.337%
Total capital ratio	16.781%	15.028%
After deducting proposed dividend		
Common Equity Tier 1 Ratio	13.594%	11.519%
Tier 1 ratio	14.399%	12.337%
Total capital ratio	16.781%	15.028%

The Total Capital Ratio increased in June 2016 compared to June 2015 due to the recognition of 2H2015 and 1H2016 profits and lower deduction from lower shortfall of eligible provision to expected loss, offset by lower AT1 and T2 capital due to the additional 10% phase-out treatment in 2016. The credit RWA decreased mainly due to the reclassification of Regulatory Retail to Mortgage (IRB Approach) for IMBT (Islamic Home Financing) product. The market RWA decreased mostly contributed by decreased Profit Risk RWA in line with lower net profit rate exposures following reduction in sukuk, negotiable instrument of deposit and G.I.I. (government investment issues), coupled with the decrease in FX RWA mainly due to lower exposure to USD

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 2016	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	18,070,904	18,070,904	4,575	4,575	366
Public Sector Entities	-	-	-	-	-
Banks, DFIs & MDBs	573,405	573,405	262,519	262,519	21,002
Takaful Operators, Securities Firms & Fund Managers	799	289	289	289	23
Corporate	4,642,147	1,758,594	1,695,234	1,695,234	135,619
Regulatory Retail	3,169,357	3,143,824	2,684,652	2,684,652	214,772
RRE Financing	-	-	-	-	-
Higher Risk Assets	575	575	863	863	69
Other Assets	49,250	49,250	37,658	37,658	3,013
Securitisation	51,337	51,337	10,267	10,267	821
Total for SA	26,557,773	23,648,177	4,696,057	4,696,057	375,685
Exposures under the IRB Approach					
Sovereign/Central Banks	-	-	-	-	-
Public Sector Entities	-	-	-	-	-
Banks, DFIs & MDBs	2,217,274	2,217,274	428,802	428,802	34,304
Takaful Operators, Securities Firms & Fund Managers	-	-	-	-	-
Corporate	15,796,023	15,796,023	9,614,421	7,701,736	616,139
RRE Financing	10,568,125	10,568,125	3,439,563	3,439,563	275,165
Qualifying Revolving Retail	218,038	218,038	163,447	163,447	13,076
Hire Purchase	3,945,800	3,945,800	2,458,244	2,458,244	196,660
Other Retail	3,950,464	3,950,464	1,408,662	1,408,662	112,693
Securitisation	-	-	-	-	-
Total for IRB Approach	36,695,724	36,695,724	17,513,140	15,600,455	1,248,036

CAPITAL MANAGEMENT (CONTINUED)

Capital Structure and Adequacy (continued)

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

30 June 2016	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)	63,253,497	60,343,901	23,259,985	21,232,539	1,698,603
Large Exposure Risk Requirement	-	-	-	-	-
Market Risk (SA)					
Benchmark Rate Risk			370,993	370,993	29,679
Foreign Currency Risk			107,040	107,040	8,563
Equity Risk			-	-	-
Commodity Risk			-	-	-
Options Risk			-	-	-
Total Market Risk			478,033	478,033	38,243
Operational Risk (BIA)			2,133,932	2,133,932	170,715
Total RWA and Capital Requirement			25,871,951	23,844,504	1,907,560

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

30 June 2015	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	15,023,258	15,023,258	4,251	4,251	340
Public Sector Entities	-	-	-	-	-
Banks, DFIs & MDBs	288,360	288,360	144,180	144,180	11,534
Insurance Cos/Takaful Operators, Securities Firms & Fund Managers	1,043	523	523	523	42
Corporate	2,073,991	1,020,000	937,254	937,254	74,980
Regulatory Retail	4,799,932	4,774,086	3,660,258	3,660,258	292,821
RRE Financing	-	-	-	-	-
Higher Risk Assets	575	575	863	863	69
Other Assets	59,735	59,735	59,735	59,735	4,779
Securitisation	54,837	54,837	10,967	10,967	877
Total for SA	22,301,731	21,221,375	4,818,033	4,818,033	385,443
Exposures under the IRB Approach					
Sovereign/Central Banks	-	-	-	-	-
Public Sector Entities	-	-	-	-	-
Banks, DFIs & MDBs	2,419,319	2,419,319	492,831	492,831	39,427
Insurance Cos/Takaful Operators, Securities Firms & Fund Managers	-	-	-	-	-
Corporate	14,687,146	14,687,146	10,025,913	7,856,845	628,548
RRE Financing	8,573,538	8,573,538	2,752,435	2,752,435	220,195
Qualifying Revolving Retail	205,528	205,528	156,295	156,295	12,504
Hire Purchase	4,799,569	4,799,569	3,246,797	3,246,797	259,744
Other Retail	3,732,259	3,732,259	1,407,279	1,407,279	112,582
Securitisation	-	-	-	-	-
Total for IRB Approach	34,417,360	34,417,360	18,081,551	15,912,483	1,272,999
Total Credit Risk (Exempted Exposures and Exposures under the IRB Approach After Scaling Factor)	56,719,092	55,638,736	23,984,476	21,685,265	1,734,821
Large Exposure Risk Requirement	-	-	-	-	-

CAPITAL MANAGEMENT (CONTINUED)

Capital Structure and Adequacy (continued)

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

30 June 2015	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			457,243	457,243	36,579
Foreign Currency Risk			143,446	143,446	11,476
Equity Risk			-	-	-
Commodity Risk			-	-	-
Options Risk			-	-	-
Total Market Risk			600,688	600,688	48,055
Operational Risk (BIA)			2,055,659	2,055,659	164,453
Total RWA and Capital Requirement			26,640,824	24,341,612	1,947,329

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 2016	CIMB Islamic				
(RM'000) Exposure Class	Malaysia	Singapore	Thailand	Other Countries	Total
Sovereign	18,070,904	-	-	-	18,070,904
Bank	2,790,679	-	-	-	2,790,679
Corporate	20,438,968	-	-	-	20,438,968
RRE Financing	10,568,125	-	-	-	10,568,125
HPE	3,945,800	-	-	-	3,945,800
QRRE	218,038	-	-	-	218,038
Other Retail	7,119,821	-	-	-	7,119,821
Other Exposures	101,162	-	-	-	101,162
Total Gross Credit Exposure	63,253,496	-	-	-	63,253,496

30 June 2015	CIMB Islamic				
(RM'000) Exposure Class	Malaysia	Singapore	Thailand	Other Countries	Total
Sovereign	15,023,258	-	-	-	15,023,258
Bank	2,707,679	-	-	-	2,707,679
Corporate	16,762,180	-	-	-	16,762,180
RRE Financing	8,573,538	-	-	-	8,573,538
HPE	4,799,569	-	-	-	4,799,569
QRRE	205,528	-	-	-	205,528
Other Retail	8,532,191	-	-	-	8,532,191
Other Exposures	115,148	-	-	-	115,148
Total Gross Credit Exposure	56,719,092	-	-	-	56,719,092

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 2016	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	54,356	-	-	276,309	439,848	-	114,597	9,186,311	7,999,482	-	-	18,070,904
Bank	-	-	-	-	-	-	-	2,790,679	-	-	-	2,790,679
Corporate	1,416,492	905,998	1,331,268	404,419	2,662,950	1,053,518	2,287,780	5,263,275	858,564	4,092,255	162,450	20,438,968
RRE	-	-	-	-	-	-	-	-	-	10,568,125	-	10,568,125
Financing	-	-	-	-	-	-	-	-	-	3,945,800	-	3,945,800
HPE	-	-	-	-	-	-	-	-	-	218,038	-	218,038
QRRE	-	-	-	-	-	-	-	-	-	-	-	-
Other Retail	12,297	8,919	53,065	2,053	68,223	157,893	5,213	207,257	37,115	6,529,076	38,711	7,119,821
Other Exposures	-	-	-	-	-	-	-	575	51,337	-	49,250	101,162
Total Gross Credit Exposure	1,483,145	914,917	1,384,332	682,781	3,171,021	1,211,411	2,407,589	17,448,097	8,946,498	25,353,293	250,411	63,253,496

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 2015	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	54,545	-	-	161,138	195,370	-	81,612	5,709,865	8,820,729	-	-	15,023,258
Bank	-	-	-	-	-	-	-	2,707,679	-	-	-	2,707,679
Corporate	1,112,402	846,243	1,301,543	235,289	3,033,113	816,712	2,346,757	4,281,571	1,037,706	1,579,995	170,848	16,762,180
RRE Financing	-	-	-	-	-	-	-	-	-	8,573,538	-	8,573,538
HPE	-	-	-	-	-	-	-	-	-	4,799,569	-	4,799,569
QRRE	-	-	-	-	-	-	-	-	-	205,528	-	205,528
Other Retail	17,599	6,996	54,218	2,026	77,366	154,287	7,215	223,500	39,945	7,906,989	42,050	8,532,191
Other Exposures	-	-	-	-	-	-	-	575	54,837	-	59,735	115,148
Total Gross Credit Exposure	1,184,546	853,239	1,355,761	398,453	3,305,849	970,998	2,435,584	12,923,190	9,953,218	23,065,620	272,634	56,719,092

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 2016	CIMB Islamic			
(RM'000) Exposure Class	Less than 1 year	1 to 5 years	More than 5 years	Total
Sovereign	8,397,098	5,498,146	4,175,660	18,070,904
Bank	1,401,451	380,139	1,009,089	2,790,679
Corporate	3,751,910	3,294,730	13,392,329	20,438,968
RRE Financing	2,509	82,883	10,482,732	10,568,125
HPE	54,879	1,858,481	2,032,441	3,945,800
QRRE	218,038	-	-	218,038
Other Retail	48,949	330,254	6,740,618	7,119,821
Other Exposures	-	46,362	54,800	101,162
Total Gross Credit Exposure	13,874,833	11,490,994	37,887,669	63,253,496

30 June 2015	CIMB Islamic			
(RM'000) Exposure Class	Less than 1 year	1 to 5 years	More than 5 years	Total
Sovereign	5,694,511	6,976,998	2,351,749	15,023,258
Bank	1,822,577	285,948	599,154	2,707,679
Corporate	3,706,848	4,662,810	8,392,522	16,762,180
RRE Financing	2,105	78,297	8,493,136	8,573,538
HPE	42,889	1,966,654	2,790,027	4,799,569
QRRE	205,528	-	-	205,528
Other Retail	73,534	404,213	8,054,444	8,532,191
Other Exposures	-	49,854	65,294	115,148
Total Gross Credit Exposure	11,547,993	14,424,772	30,746,326	56,719,092

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 2016 and 31 December 2015 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 2016	31 December 2015
Primary Agriculture	6,352	39,555
Mining and Quarrying	46	49
Manufacturing	6,062	1,883
Electricity, Gas and Water Supply	8	-
Construction	11,850	24,700
Wholesale and Retail Trade, and Restaurants and Hotels	8,928	15,357
Transport, Storage and Communications	5,039	3,241
Islamic Finance, takaful, Real Estate and Business Activities	36,358	27,669
Education, Health and Others	4,220	16,712
Household	2,447,384	2,241,064
Others*	17	32
Total	2,526,264	2,370,262

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 2016	31 December 2015
Malaysia	2,526,264	2,370,262
Singapore	-	-
Thailand	-	-
Other Countries	-	-
Total	2,526,264	2,370,262

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 2016 and 31 December 2015 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 2016	31 December 2015
Primary Agriculture	43,489	6,860
Mining and Quarrying	310	307
Manufacturing	24,657	22,166
Electricity, Gas and Water Supply	-	365
Construction	75,860	43,504
Wholesale and Retail Trade, and Restaurants and Hotels	11,213	13,211
Transport, Storage and Communications	68,960	75,752
Islamic Finance, Takaful, Real Estate and Business Activities	32,895	7,161
Education, Health and Others	28,853	14,274
Household	232,357	240,508
Others*	251	277
Total	518,845	424,385

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 2016	31 December 2015
Malaysia	518,845	424,385
Singapore	-	-
Thailand	-	-
Other Countries	-	-
Total	518,845	424,385

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 2016 and 31 December 2015

(RM'000)	CIMB Islamic			
	30 June 2016		31 December 2015	
	Individual Impairment Allowance	Portfolio Impairment Allowance	Individual Impairment Allowance	Portfolio Impairment Allowance
Primary Agriculture	7,491	4,287	32	10,595
Mining and Quarrying	-	507	-	285
Manufacturing	768	3,633	-	4,923
Electricity, Gas and Water Supply	-	198	-	640
Construction	12,376	5,301	11,509	8,582
Wholesale and Retail Trade, and Restaurants and Hotels	2,724	4,876	2,667	7,719
Transport, Storage and Communications	23,414	2,015	28,602	2,372
Islamic Finance, Insurance/Takaful, Real Estate and Business Activities	2,677	10,406	1,890	12,582
Education, Health and Others	2,665	2,611	1,468	2,417
Household	-	225,015	-	263,595
Others*	-	2	-	344
Total	52,115	258,851	46,168	314,054

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 2016 and 31 December 2015

(RM'000)	CIMB Islamic			
	30 June 2016		31 December 2015	
	Individual Impairment Allowance	Portfolio Impairment Allowance	Individual Impairment Allowance	Portfolio Impairment Allowance
Malaysia	52,115	258,851	46,168	314,054
Singapore	-	-	-	-
Thailand	-	-	-	-
Other Countries	-	-	-	-
Total	52,115	258,851	46,168	314,054

Table 12: Charges for Individual Impairment Provision and Write Offs During the Period for CIMB Islamic for the period ended 30 June 2016 and 30 June 2015

(RM'000)	CIMB Islamic			
	30 June 2016		30 June 2015	
	Charges/ (Writeback)	Write-off	Charges/ (Writeback)	Write-off
Primary Agriculture	7,457	-	(5)	-
Mining and Quarrying	-	-	-	-
Manufacturing	777	-	666	-
Electricity, Gas and Water Supply	-	-	-	-
Construction	843	-	1,569	687
Wholesale and Retail Trade, and Restaurants and Hotels	57	-	110	-
Transport, Storage and Communications	(5,222)	-	10,840	-
Islamic Finance, Insurance/Takaful, Real Estate and Business Activities	790	-	(247)	-
Education, Health and Others	1,246	-	(234)	609
Household	-	-	-	-
Others*	-	-	-	-
Total	5,948	-	12,699	1,296

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 2016 and 30 June 2015 for CIMB Islamic

(RM'000)	CIMB Islamic			
	30 June 2016		30 June 2015	
	Individual Impairment Allowance	Portfolio Impairment Allowance	Individual Impairment Allowance	Portfolio Impairment Allowance
Balance as at 1 January	46,167	314,054	39,713	346,429
Allowance (write back)/ made during the financial period	5,948	11,322	12,699	55,895
Amount transferred to portfolio impairment allowance	-	-	-	-
Allowance made and charged to deferred assets	-	-	-	-
Allowance made in relation to jointly controlled entity	-	-	-	-
Amount written off	-	(66,525)	(1,296)	(77,928)
Transfer (to)/from intercompany	-	-	-	-
Disposal of subsidiary	-	-	-	-
Unwinding income	-	-	-	-
Exchange fluctuation	-	-	-	-
Total	52,115	258,851	51,116	324,396

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 follow.

CREDIT RISK (CONTINUED)

Credit Risk – Disclosure for Portfolios under the SA

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

Table 14: Disclosure by Risk Weight under SA for CIMB Islamic

30 June 2016	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%	18,048,028	-	48,360	-	-	-	-	-	11,592	-	18,107,979	-
20%	22,876	-	11	-	-	-	-	-	-	51,337	74,224	14,845
35%	-	-	-	-	-	-	-	-	-	-	-	-
50%	-	-	525,033	-	135,386	677,891	-	-	-	-	1,338,310	669,155
75%	-	-	-	-	-	482,002	-	-	-	-	482,002	361,502
100%	-	-	-	289	1,614,786	1,983,382	-	-	37,658	-	3,636,115	3,636,115
100% < RW <1250%	-	-	-	-	8,412	549	-	575	-	-	9,535	14,303
>1250%	-	-	-	-	11	-	-	-	-	-	11	138
Total	18,070,904		573,405	289	1,758,594	3,143,824	-	575	49,250	51,337	23,648,177	4,696,057
Average Risk Weight	0%	-	46%	100%	96%	85%	-	150%	76%	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 2015	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%	15,002,001	-	-	-	-	-	-	-	-	-	15,002,001	-
20%	21,257	-	-	-	-	-	-	-	-	54,837	76,094	15,219
35%	-	-	-	-	-	-	-	-	-	-	-	-
50%	-	-	288,360	-	166,257	1,937,228	-	-	-	-	2,391,845	1,195,923
75%	-	-	-	-	-	582,882	-	-	-	-	582,882	437,162
100%	-	-	-	523	853,219	2,252,961	-	-	59,735	-	3,166,439	3,166,439
100% < RW <1250%	-	-	-	-	513	1,014	-	575	-	-	2,102	3,153
>1250%	-	-	-	-	11	-	-	-	-	-	11	138
Total	15,023,258	-	288,360	523	1,020,000	4,774,086	-	575	59,735	54,837	21,221,375	4,818,033
Average Risk Weight	0%	-	50%	100%	92%	77%	-	150%	100%	20%	23%	
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	-	-	

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

CREDIT RISK (CONTINUED)

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

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

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

30 June 2016	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	-	-	799	799
Corporate	-	-	4,642,147	4,642,147
Sovereign/Central Banks	1,411,954	-	16,658,950	18,070,904
Banks, MDBs and DFIs	525,045	-	48,360	573,405
Total	1,936,999	-	21,350,255	23,287,254

30 June 2015	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	-	-	1,043	1,043
Corporate	-	-	2,073,991	2,073,991
Sovereign/Central Banks	1,418,340	-	13,604,917	15,023,258
Banks, MDBs and DFIs	288,360	-	-	288,360
Total	1,706,700	-	15,679,951	17,386,652

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

30 June 2016	CIMB Islamic			
(RM '000) Exposure Class	Investment Grade	Non- Investment Grade	No Rating	Total
On and Off-Balance-Sheet Exposures				
Securitisation	51,337	-	-	51,337

CREDIT RISK (CONTINUED)

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

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

30 June 2015	CIMB Islamic			
(RM '000) Exposure Class	Investment Grade	Non- Investment Grade	No Rating	Total
On and Off-Balance-Sheet Exposures				
Securitisation	54,837	-	-	54,837

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 2016	CIMB Islamic			
(RM'000) PD Range of Retail Exposures	0% ≤ PD < 2%	2% ≤ PD < 100%	100% Or Default	Total
Total Retail Exposure	16,689,654	1,761,730	231,042	18,682,427
RRE Financing	10,077,455	406,780	83,889	10,568,125
QRRE	116,680	98,962	2,396	218,038
Hire Purchase	3,260,620	578,955	106,225	3,945,800
Other Retail	3,234,900	677,032	38,532	3,950,464
Exposure Weighted Average LGD				
RRE Financing	24%	24%	28%	
QRRE	90%	90%	90%	
Hire Purchase	53%	55%	59%	
Other Retail	29%	38%	54%	
Exposure Weighted Average Risk Weight				
RRE Financing	30%	86%	78%	
QRRE	33%	126%	0%	
Hire Purchase	53%	95%	172%	
Other Retail	29%	61%	135%	

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 2015	CIMB Islamic			
(RM'000)				
PD Range of Retail Exposures	0% ≤ PD < 2%	2% ≤ PD < 100%	100% Or Default	Total
Total Retail Exposure	15,379,830	1,684,482	246,582	17,310,895
RRE Financing	8,179,913	314,872	78,754	8,573,538
QRRE	109,254	94,156	2,118	205,528
Hire Purchase	4,020,136	654,905	124,527	4,799,569
Other Retail	3,070,528	620,549	41,183	3,732,259
Exposure Weighted Average LGD				
RRE Financing	23%	24%	31%	
QRRE	90%	90%	90%	
Hire Purchase	54%	56%	59%	
Other Retail	29%	41%	59%	
Exposure Weighted Average Risk Weight				
RRE Financing	30%	88%	25%	
QRRE	34%	126%	-	
Hire Purchase	55%	99%	314%	
Other Retail	30%	66%	148%	

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 2016	CIMB Islamic			
(RM'000) Expected Loss Range of Retail Exposures	EL ≤ 1%	1% < EL < 100%	EL = 100%	Total
Total Retail Exposure (EAD)	17,330,789	1,350,643	996	18,682,427
RRE Financing	10,251,699	316,403	22	10,568,125
QRRE	79,325	138,713	-	218,038
Hire Purchase	3,261,962	683,312	527	3,945,800
Other Retail	3,601,486	348,532	446	3,950,464
Exposure Weighted Average LGD (%)				
RRE Financing	24%	26%	15%	
QRRE	90%	90%	-	
Hire Purchase	53%	56%	61%	
Other Retail	29%	53%	94%	

30 June 2015	CIMB Islamic			
(RM'000) Expected Loss Range of Retail Exposures	EL ≤ 1%	1% < EL < 100%	EL = 100%	Total
Total Retail Exposure (EAD)	15,803,267	1,506,777	851	17,310,895
RRE Financing	8,309,588	263,928	22	8,573,538
QRRE	64,989	140,540	-	205,528
Hire Purchase	4,019,046	780,174	349	4,799,569
Other Retail	3,409,645	322,135	480	3,732,259
Exposure Weighted Average LGD (%)				
RRE Financing	23%	26%	15%	
QRRE	90%	90%	-	
Hire Purchase	54%	57%	58%	
Other Retail	29%	60%	93%	

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 2016	CIMB Islamic					
(RM '000) Supervisory Categories	Strong	Good	Satisfactory	Weak	Default	Total
Project Finance	114,319	-	-	-	-	114,319
Object Finance	215,935	-	16,009	-	-	231,944
Commodities Finance	-	-	-	-	-	-
Income Producing Real Estate	389,678	1,032,083	32,864	-	13,047	1,467,672
RWA	403,153	781,005	56,204	-	-	1,240,361

30 June 2015	CIMB Islamic					
(RM '000) Supervisory Categories	Strong	Good	Satisfactory	Weak	Default	Total
Project Finance	124,346	-	-	-	-	124,346
Object Finance	225,532	-	52,524	-	-	278,056
Commodities Finance	-	-	-	-	-	-
Income Producing Real Estate	364,270	649,543	30,718	15,778	-	1,060,309
RWA	497,693	541,070	95,728	39,446	-	1,173,938

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 2016	CIMB Islamic				
(RM'000) Internal Risk Grading	1 - 3	4 - 9	10 - 13	Default	Total
Total Non-Retail Exposure	6,639,536	6,063,296	3,239,557	256,973	16,199,362
Bank	2,171,482	44,225	1,567	-	2,217,274
Corporate (excluding Specialised Financing)	4,468,054	6,019,071	3,237,990	256,973	13,982,088
Exposure Weighted Average LGD					
Bank	45%	45%	45%	-	
Corporate (excluding Specialised Financing)	45%	41%	37%	41%	
Exposure Weighted Average Risk Weight					
Bank	19%	44%	123%	-	
Corporate (excluding Specialised Financing)	15%	73%	102%	-	

30 June 2015	CIMB Islamic				
(RM'000) Internal Risk Grading	1 - 3	4 - 9	10 - 13	Default	Total
Total Non-Retail Exposure	5,135,084	7,776,508	2,540,282	191,879	15,643,754
Bank	2,318,113	99,629	1,577	-	2,419,319
Corporate (excluding Specialised Financing)	2,816,971	7,676,878	2,538,706	191,879	13,224,435
Exposure Weighted Average LGD					
Bank	45%	45%	45%	-	
Corporate (excluding Specialised Financing)	45%	43%	39%	40%	
Exposure Weighted Average Risk Weight					
Bank	19%	46%	125%	-	
Corporate (excluding Specialised Financing)	13%	74%	110%	-	

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 2016		30 June 2015	
	Regulatory Expected Losses as at 30 June 2015	Actual Losses for the period ended 30 June 2016	Regulatory Expected Losses as at 30 June 2014	Actual Losses for the period ended 30 June 2015
Sovereign	-	-	-	-
Bank	625	-	670	-
Corporate	97,780	(4,756)	96,113	(4,452)
RRE Financing	23,739	(4,785)	23,252	1,422
HPE	63,731	28,771	92,696	70,349
QRRE	8,879	4,851	8,310	4,139
Other Retail	34,139	3,308	30,461	7,666
Other Exposures	-	-	-	-
Total	228,893	27,389	251,501	79,124

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 2016 and 30 June 2015, 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 2016	CIMB Islamic			
(RM '000) Description	Principal Amount	Positive Fair Value of Derivative Contracts	Credit Equivalent Amount	Risk-Weighted Assets
Direct Credit Substitutes	159,713		159,713	85,086
Transaction Related Contingent Items	503,508		251,754	122,944
Short Term Self Liquidating Trade Related Contingencies	146,552		29,310	8,774
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	34,920,314	73,067	579,862	139,402
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	4,541,012		3,749,112	1,769,160
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	-		-	-
Any commitments that are unconditionally cancellable at any time by the bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a customer's creditworthiness	2,855,601		-	-
Unutilised credit card lines	243,045		104,212	60,934
Off-balance sheet items for securitisation exposures	-		-	-
Total	43,369,745	73,067	4,873,962	2,186,300

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 2015	CIMB Islamic			
(RM '000) Description	Principal Amount	Positive Fair Value of Derivative Contracts	Credit Equivalent Amount	Risk-Weighted Assets
Direct Credit Substitutes	139,701		139,701	113,155
Transaction Related Contingent Items	362,232		181,116	134,552
Short Term Self Liquidating Trade Related Contingencies	16,321		3,264	2,279
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	21,524,830	130,268	571,875	177,237
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	4,568,087		3,685,076	2,059,623
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	168,851		126,638	93,944
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	2,372,719		-	-
Unutilised credit card lines	219,264		93,475	55,983
Off-balance sheet items for securitisation exposures	-		-	-
Total	29,372,006	130,268	4,801,145	2,636,773

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 2016		30 June 2015	
	Notional of Credit Derivatives			
	Protection Bought	Protection Sold	Protection Bought	Protection Sold
Own Credit Portfolio	-	-	-	-
Client Intermediation Activities	-	41,575	-	53,320
Total	-	41,575	-	53,320
Total Return Swaps	-	-	-	53,320
Total	-	41,575	-	53,320

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 2016	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	18,070,904	-	-	-
Public Sector Entities	-	-	-	-
Banks, DFIs & MDBs	2,790,679	-	-	-
Insurance Cos/Takaful Operators, Securities Firms & Fund Managers	799	-	510	-
Corporate	20,148,897	784,186	3,334,220	3,310,771
RRE Financing	10,484,235	-	-	-
Qualifying Revolving Retail	215,642	-	-	-
Hire Purchase	3,839,575	-	-	-
Other Retail	7,076,103	-	25,360	-
Securitisation	51,337	-	-	-
Higher Risk Assets	575	-	-	-
Other Assets	49,250	-	-	-
<i>Defaulted Exposures</i>	367,767	-	6,980	67,782
Total Exposures	63,095,762	784,186	3,367,070	3,378,553

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 2015	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	15,023,258	-	-	-
Public Sector Entities	-	-	-	-
Banks, DFIs & MDBs	2,707,679	-	-	-
Insurance Cos/Takaful Operators, Securities Firms & Fund Managers	1,043	-	520	-
Corporate	16,566,917	682,484	1,228,340	2,262,681
RRE Financing	8,494,785	-	-	-
Qualifying Revolving Retail	203,410	-	-	-
Hire Purchase	4,675,042	-	-	-
Other Retail	8,488,412	-	25,471	-
Securitisation	54,837	-	-	-
Higher Risk Assets	575	-	-	-
Other Assets	59,735	-	-	-
<i>Defaulted Exposures</i>	277,381	-	7,602	58,657
Total Exposures	56,553,075	682,484	1,261,933	2,321,339

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 2016 and 30 June 2015 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

30 June 2016		CIMB Islamic										
(RM'000) Exposure Class	Net Exposure After CRM	Distribution of Exposures after CRM according to Applicable Risk Weights									Risk Weighted Assets	
		Rated Securitisation Exposures							Unrated (Look Through)			
		0%	10%	20%	50%	100%	350%	1250%	Weighted Average RW	Exposure Amount		
Traditional Securitisation (Banking Book)												
<i>Non-originating Banking Institution</i>												
<i>On-Balance Sheet</i>												
Most senior	51,337	-	-	51,337	-	-	-	-	-	-	-	10,267
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 2016		CIMB Islamic									
(RM'000) Exposure Class	Net Exposure After CRM	Distribution of Exposures after CRM according to Applicable Risk Weights									Risk Weighted Assets
		Rated Securitisation Exposures							Unrated (Look Through)		
		0%	10%	20%	50%	100%	350%	1250%	Weighted Average RW	Exposure Amount	
<i>Originating Banking Institution</i>											
<i>On-Balance Sheet</i>											
Most senior	-	-	-	-	-	-	-	-	-	-	-
Mezzanine	-	-	-	-	-	-	-	-	-	-	-
First loss	-	-	-	-	-	-	-	-	-	-	-
<i>Off-Balance Sheet</i>											
Rated eligible liquidity facilities	-	-	-	-	-	-	-	-	-	-	-
Unrated eligible liquidity facilities (with original maturity > 1 year)	-	-	-	-	-	-	-	-	-	-	-
Unrated eligible liquidity facilities (with original maturity < 1 year)	-	-	-	-	-	-	-	-	-	-	-
Eligible servicer cash advance facilities	-	-	-	-	-	-	-	-	-	-	-
Eligible underwriting facilities	-	-	-	-	-	-	-	-	-	-	-
Guarantees and credit derivatives	-	-	-	-	-	-	-	-	-	-	-
Other off-balance sheet securitisation exposures (excl. guarantees and credit derivatives)	-	-	-	-	-	-	-	-	-	-	-
Total Exposures	51,337			51,337							10,267

SECURITISATION (CONTINUED)

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

30 June 2015		CIMB Islamic									
(RM'000) Exposure Class	Net Exposure After CRM	Distribution of Exposures after CRM according to Applicable Risk Weights									Risk Weighted Assets
		Rated Securitisation Exposures							Unrated (Look Through)		
		0%	10%	20%	50%	100%	350%	1250%	Weighted Average RW	Exposure Amount	
Traditional Securitisation (Banking Book)											
<i>Non-originating Banking Institution</i>											
<i>On-Balance Sheet</i>											
Most senior	54,837	-	-	54,837	-	-	-	-	-	-	10,967
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 2015	CIMB Islamic										
(RM'000) Exposure Class	Net Exposure After CRM	Distribution of Exposures after CRM according to Applicable Risk Weights									Risk Weighted Assets
		Rated Securitisation Exposures							Unrated (Look Through)		
		0%	10%	20%	50%	100%	350%	1250%	Weighted Average RW	Exposure Amount	
<i>Originating Banking Institution</i>											
<i>On-Balance Sheet</i>											
Most senior	-	-	-	-	-	-	-	-	-	-	-
Mezzanine	-	-	-	-	-	-	-	-	-	-	-
First loss	-	-	-	-	-	-	-	-	-	-	-
<i>Off-Balance Sheet</i>											
Rated eligible liquidity facilities	-	-	-	-	-	-	-	-	-	-	-
Unrated eligible liquidity facilities (with original maturity > 1 year)	-	-	-	-	-	-	-	-	-	-	-
Unrated eligible liquidity facilities (with original maturity < 1 year)	-	-	-	-	-	-	-	-	-	-	-
Eligible servicer cash advance facilities	-	-	-	-	-	-	-	-	-	-	-
Eligible underwriting facilities	-	-	-	-	-	-	-	-	-	-	-
Guarantees and credit derivatives	-	-	-	-	-	-	-	-	-	-	-
Other off-balance sheet securitisation exposures (excl. guarantees and credit derivatives)	-	-	-	-	-	-	-	-	-	-	-
Total Exposures	54,837	-	-	54,837	-	-	-	-	-	-	10,967

SECURITISATION (CONTINUED)

As at 30 June 2016 and 30 June 2015, 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 2016		30 June 2015	
	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 2016	30 June 2015
Currency	+100bps Increase (Decline) in Economic Value (Value in RM Equivalent)	
Ringgit Malaysia	(640,302)	(599,635)
US Dollar	8,261	(2,511)
Thai Baht	(1)	-
Singapore Dollar	2	-
Others	(76)	(132)
Total	(632,116)	(602,278)

Table 28: RORBB – Impact on Earnings on CIMB Islamic

(RM'000)	CIMB Islamic	
	30 June 2016	30 June 2015
Currency	+100bps Increase (Decline) in Earnings (Value in RM Equivalent)	
Ringgit Malaysia	(76,152)	(113,033)
US Dollar	(6,247)	744
Thai Baht	19	9
Singapore Dollar	(54)	11
Others	1,774	1,337
Total	(80,660)	(110,932)

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] -