

BASEL II PILLAR 3 DISCLOSURES FOR 30 JUNE 2021

Basel II Pillar 3 Disclosure for period ended 30 June 2021

- **CIMB Islamic Bank Berhad**

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ABBREVIATIONS

A-IRB Approach	: Advanced Internal Ratings Based Approach
ALM COE	: Asset Liability Management Centre of Excellence
ASB	: Amanah Saham Bumiputra
BI	: Banking Institutions
BIA	: Basic Indicator Approach
BNM	: Bank Negara Malaysia
BRCC	: Board Risk & Compliance Committee
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
CBSM	: Capital and Balance Sheet Management
CCR	: Counterparty Credit Risk
CIMBBG	: CIMB Bank, CIMBISLG, CIMBTH, CIMB Bank PLC (Cambodia), CIMB Factorlease Berhad, CIMB Bank (Vietnam) Limited and non-financial subsidiaries
CIMBIBG	: CIMB Investment Bank Berhad, CIMB Futures Sdn Bhd and non-financial subsidiaries
CIMBISLG	: CIMB Islamic Bank Berhad, CIMB Islamic Nominees (Asing) Sdn Bhd and CIMB Islamic Nominees (Tempatan) Sdn Bhd
CIMBGH Group	: Group of Companies under CIMB Group Holdings Berhad
CIMBTH	: CIMB Thai Bank Public Company Ltd and its subsidiaries
CIMB Bank	: CIMB Bank Berhad and CIMB Bank (L) Ltd (as determined under the CAF (Capital Components) and CAFIB (Capital Components) to include its wholly owned offshore banking subsidiary company)
CIMB Group or the Group	: Collectively CIMBBG, CIMBIBG and CIMBISLG as described within this disclosure
CIMB IB	: CIMB Investment Bank Berhad
CIMB Islamic	: CIMB Islamic Bank Berhad
CRM	: Credit Risk Mitigants
CRO	: Chief Risk Officer
CSA	: Credit Support Annexes, International Swaps and Derivatives Association Agreement
DFIs	: Development Financial Institutions
EAD	: Exposure At Default
EAR	: Earnings-at-Risk
ECAIs	: External Credit Assessment Institutions
EL	: Expected Loss
EP	: Eligible Provision
EVE	: Economic Value of Equity
EWRM	: Enterprise Wide Risk Management
Group EXCO	: Group Executive Committee
GSOC	: Group Strategic Oversight Committee
F-IRB Approach	: Foundation Internal Ratings Based Approach

ABBREVIATIONS (continued)

Fitch	: Fitch Ratings
GALCO	: Group Asset Liability Management Committee
GCC	: Group Credit Committee
GIB	: Group Islamic Banking
GMRC	: Group Market Risk Committee
GRCC	: Group Risk & Compliance Committee
GRD	: Group Risk Division
GUC	: Group Underwriting Committee
HPE	: Hire Purchase Exposures
IRB Approach	: Internal Ratings Based Approach
KRI	: Key Risk Indicators
LGD	: Loss Given Default
MARC	: Malaysian Rating Corporation Berhad
MDBs	: Multilateral Development Banks
Moody's	: Moody's Investors Service
MRMWG	: Model Risk Management Working Group
MTM	: Mark-to-Market and/or Mark-to-Model
ORM	: Operational Risk Management
ORMF	: Operational Risk Management Framework
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
R&I	: Rating and Investment Information, Inc
RAM	: RAM Rating Services Berhad
RAROC	: Risk Adjusted Return on Capital
RORBB	: Rate of Return Risk in the Banking Book
RRE	: Residential Real Estate
RWA	: Risk-Weighted Assets
RWCAF	: Risk-Weighted Capital Adequacy Framework and, in some instances referred to as the Capital Adequacy Framework
S&P	: Standard & Poor's
SA	: Standardised Approach
SMEs	: Small and Medium Enterprises
SNC	: Shariah Non Compliance
SRM	: Shariah Risk Management
VaR	: Value-at-Risk

OVERVIEW

The disclosures herein are formulated in accordance with the requirements of BNM's guidelines on CAFIB – Disclosure Requirements (Pillar 3). These disclosures published are for the period ended 30 June 2021.

Any discrepancies between the totals and sum of the components in the tables contained in the disclosures are due to actual summation method and then rounded up to the nearest thousands.

These disclosures have been reviewed and verified by internal auditors and approved by the Board Risk Committee of CIMB Group, as delegated by the Board of Directors of CIMBGH Group.

CAPITAL MANAGEMENT

Capital Structure and Adequacy

The capital adequacy framework applicable to the Malaysian banking entities is based on the Bank Negara Malaysia ("BNM") Capital Adequacy Framework (Capital Components)/Capital Adequacy Framework for Islamic Banks (Capital Components), of which the latest revisions were issued on 9 December 2020. The revised guidelines took effect on 9 December 2020 for all banking institutions and financial holding companies and sets out the regulatory capital requirements concerning capital adequacy ratios and components of eligible regulatory capital in compliance with Basel III.

The risk-weighted assets of CIMB Islamic Bank are computed in accordance with the Capital Adequacy Framework for Islamic Banks (Basel II - Risk-Weighted Assets), of which the latest revision was issued on 3 May 2019. The IRB Approach is applied for the major credit exposures. It prescribes two approaches, the F-IRB Approach and A-IRB Approach. The remaining credit exposures and Market Risk are on the Standardised Approach while Operational Risk is based on the Basic Indicator Approach. The components of eligible regulatory capital are based on the Capital Adequacy Framework for Islamic Banks (Capital Components).

CAPITAL MANAGEMENT (continued)

Capital Structure and Adequacy (continued)

The table below presents the Capital Position of CIMB Islamic Bank Berhad.

Table 1: Capital Position for CIMB Islamic

(RM'000)	CIMB Islamic	
	30 June 2021	30 June 2020
Common Equity Tier 1 capital		
Ordinary shares	1,000,000	1,000,000
Other reserves	5,966,905	5,332,156
Common Equity Tier 1 capital before regulatory adjustments	6,966,905	6,332,156
<u>Less: Regulatory adjustments</u>		
Goodwill	(136,000)	(136,000)
Intangible assets	(37,016)	(59,197)
Deferred tax assets	(150,152)	(41,886)
Regulatory reserve	(7,650)	-
Shortfall eligible provisions over expected loss		(263,661)
Others	-	(20,134)
Common equity Tier 1 capital after regulatory adjustments	6,636,087	5,811,278
Additional Tier 1 capital		
Perpetual preference shares	357,000	364,000
Total Tier 1 capital	6,993,087	6,175,278
Tier 2 Capital		
Subordinated Sukuk	1,110,000	1,110,000
Surplus of eligible provision over expected loss	17,686	-
General provisions	70,193	56,900
Total Tier 2 Capital	1,197,879	1,166,900
Total Capital	8,190,966	7,342,178

CAPITAL MANAGEMENT (continued)

Capital Structure and Adequacy (continued)

Table 1: Capital Position for CIMB Islamic

(RM'000)	CIMB Islamic	
	30 June 2021	30 June 2020
RWA		
Credit risk	43,386,922	39,129,344
Market risk	806,027	914,254
Operational risk	3,928,286	3,362,472
Total RWA	48,121,235	43,406,070
Capital Adequacy Ratios		
Common Equity Tier 1 Ratio	13.790%	13.388%
Tier 1 ratio	14.532%	14.227%
Total capital ratio	17.022%	16.915%

Total capital ratio increased in 2021 compared to 2020 mainly due to (i) higher retained earnings, (ii) lower shortfall of EP to EL; offset by (iii) higher deferred tax assets deduction and (iv) higher RWA. The increase in RWA is mainly due to higher Credit RWA.

CAPITAL MANAGEMENT (continued)

Capital Structure and Adequacy (continued)

The tables below show the RWA under various exposure classes under the relevant approach and applying the minimum regulatory capital requirement at 8% to establish the minimum capital required for each of the exposure classes:

Table 2: Disclosure on Total RWA and Minimum Capital Requirement

30 June 2021	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	22,342,149	22,342,149	-	-	-
Public Sector Entities	883,256	883,256	46,392	46,392	3,711
Banks, DFIs & MDBs	0	0	0	0	0
Takaful Operators, Securities Firms & Fund Managers	5,182	5,182	1,037	1,037	83
Corporate	1,831,514	1,788,462	1,131,376	1,100,024	88,002
Regulatory Retail	7,779,756	6,998,739	4,370,955	4,179,461	334,357
RRE Financing	264,255	264,255	130,646	105,819	8,465
Higher Risk Assets	-	-	-	-	-
Other Assets	225,465	225,465	182,706	182,706	14,617
Securitisation	-	-	-	-	-
Total for SA	33,331,578	32,507,509	5,863,113	5,615,439	449,235
Exposures under the IRB Approach					
Sovereign/Central Banks	-	-	-	-	-
Public Sector Entities	-	-	-	-	-
Banks, DFIs & MDBs	962,194	962,194	231,165	231,165	18,493
Takaful Operators, Securities Firms & Fund Managers	-	-	-	-	-
Corporate	25,427,279	25,427,279	15,955,468	14,402,144	1,152,172
RRE Financing	27,114,720	27,114,720	7,095,286	6,673,093	533,847
Qualifying Revolving Retail	250,407	250,407	159,821	159,821	12,786
Hire Purchase	12,408,182	12,408,182	9,441,870	8,901,739	712,139
Other Retail	26,508,768	26,508,768	5,269,852	5,265,512	421,241
Securitisation	-	-	-	-	-
Total for IRB Approach	92,671,548	92,671,548	38,153,461	35,633,474	2,850,678

CAPITAL MANAGEMENT *(continued)*

Capital Structure and Adequacy *(continued)*

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

30 June 2021	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)	126,003,126	125,179,058	46,305,781	43,386,922	3,470,954
Large Exposure Risk Requirement	-	-	-	-	-
Market Risk (SA)					
Profit Rate Risk			716,104	716,104	57,288
Foreign Currency Risk			89,922	89,922	7,194
Equity Risk			-	-	-
Commodity Risk			-	-	-
Options Risk			-	-	-
Total Market Risk			806,027	806,027	64,482
Operational Risk (BIA)			3,928,287	3,928,287	314,263
Total RWA and Capital Requirement			51,040,095	48,121,235	3,849,699

BASEL II PILLAR 3 DISCLOSURES FOR 30 JUNE 2021

CAPITAL MANAGEMENT (continued)

Capital Structure and Adequacy (continued)

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

30 June 2020	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	21,024,915	21,024,915	-	-	-
Public Sector Entities	4,243,834	4,243,834	148,767	148,767	11,901
Banks, DFIs & MDBs	5,104	5,104	2,552	2,552	204
Takaful Operators, Securities Firms & Fund Managers	15,555	15,555	3,111	3,111	249
Corporate	1,682,990	1,652,523	1,031,578	991,967	79,357
Regulatory Retail	6,818,009	6,507,147	4,156,146	3,979,350	318,348
RRE Financing	89,842	89,842	44,452	40,827	3,266
Higher Risk Assets	-	-	-	-	-
Other Assets	220,347	220,347	179,858	179,858	14,389
Securitisation	20,209	20,209	4,042	4,042	323
Total for SA	34,120,805	33,779,475	5,570,506	5,350,473	428,038
Exposures under the IRB Approach					
Sovereign/Central Banks	-	-	-	-	-
Public Sector Entities	-	-	-	-	-
Banks, DFIs & MDBs	1,380,300	1,380,300	289,497	289,497	23,160
Takaful Operators, Securities Firms & Fund Managers	-	-	-	-	-
Corporate	26,509,817	26,509,817	16,670,013	15,172,762	1,213,821
RRE Financing	22,500,181	22,500,181	6,530,337	6,289,507	503,161
Qualifying Revolving Retail	267,222	267,222	190,466	190,466	15,237
Hire Purchase	9,898,620	9,898,620	5,785,477	5,343,824	427,506
Other Retail	23,214,737	23,214,737	4,586,057	4,580,803	366,464
Securitisation	-	-	-	-	-
Total for IRB Approach	83,770,876	83,770,876	34,051,848	31,866,859	2,549,349

CAPITAL MANAGEMENT *(continued)*

Capital Structure and Adequacy *(continued)*

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

30 June 2020	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)	117,891,681	117,550,351	41,665,464	39,129,344	3,130,348
Large Exposure Risk Requirement	-	-	-	-	-
Market Risk (SA)					
Profit Rate Risk			847,940	847,940	67,835
Foreign Currency Risk			66,314	66,314	5,305
Equity Risk			-	-	-
Commodity Risk			-	-	-
Options Risk			-	-	-
Total Market Risk			914,254	914,254	73,140
Operational Risk (BIA)			3,362,472	3,362,472	268,998
Total RWA and Capital Requirement			45,942,191	43,406,070	3,472,486

CREDIT RISK

CREDIT RISK (continued)

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 following tables represent CIMB Islamic 'credit exposures by geographic region:

Table 3: Geographic Distribution of Credit Exposures

30 June 2021		CIMB Islamic			
(RM'000) Exposure Class	Malaysia	Singapore	Thailand	Other Countries	Total
Sovereign	22,342,149	-	-	-	22,342,149
PSE	883,256	-	-	-	883,256
Bank	962,194	-	-	-	962,194
Corporate	27,263,975	-	-	-	27,263,975
RRE Financing	27,378,975	-	-	-	27,378,975
HPE	12,408,182	-	-	-	12,408,182
QRRE	250,407	-	-	-	250,407
Other Retail	34,288,524	-	-	-	34,288,524
Other Exposures	225,465	-	-	-	225,465
Total Gross Credit Exposure	126,003,126	-	-	-	126,003,126

30 June 2020		CIMB Islamic			
(RM'000) Exposure Class	Malaysia	Singapore	Thailand	Other Countries	Total
Sovereign	21,024,915	-	-	-	21,024,915
PSE	4,243,834	-	-	-	4,243,834
Bank	1,385,404	-	-	-	1,385,404
Corporate	28,208,361	-	-	-	28,208,361
RRE Financing	22,590,023	-	-	-	22,590,023
HPE	9,898,620	-	-	-	9,898,620
QRRE	267,222	-	-	-	267,222
Other Retail	30,032,746	-	-	-	30,032,746
Other Exposures	240,555	-	-	-	240,555
Total Gross Credit Exposure	117,891,681	-	-	-	117,891,681

BASEL II PILLAR 3 DISCLOSURES FOR 30 JUNE 2021
CREDIT RISK (continued)
Summary of Credit Exposures (continued)

ii) Gross Credit Exposures by Sector

The following tables represent CIMB Islamic's credit exposure analysed by sector:

Table 4: Distribution of Credit Exposures by Sector

30 June 2021	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, Takaful, Real Estate and Business Activities	Education, Health and Others	Household	Others*	Total
Sovereign	9,951	-	-	298,678	1,987,096	-	1,093,138	12,478,128	4,737,383	-	1,737,776	22,342,149
PSE	-	-	-	-	-	-	-	231,962	651,294	-	-	883,256
Bank	-	-	-	-	-	-	-	962,194	-	-	-	962,194
Corporate	3,469,819	1,035,587	2,719,185	667,841	3,637,189	2,515,783	3,266,213	9,087,513	812,671	16,535	35,639	27,263,975
RRE	-	-	-	-	-	-	-	-	-	-	-	-
Financing	-	-	-	-	-	-	-	-	-	27,378,975	-	27,378,975
HPE	-	-	-	-	-	-	-	-	-	12,408,182	-	12,408,182
QRRE	-	-	-	-	-	-	-	-	-	250,407	-	250,407
Other Retail	119,766	15,168	759,207	22,040	433,987	1,522,313	160,004	1,197,981	235,479	29,771,310	51,268	34,288,524
Other Exposures	-	-	-	-	-	-	-	-	-	-	225,465	225,465
Total Gross Credit Exposure	3,599,537	1,050,756	3,478,391	988,558	6,058,272	4,038,096	4,519,354	23,957,778	6,436,827	69,825,409	2,050,148	126,003,126

Note: All sectors above are Shariah compliant.
**Others are exposures which are not elsewhere classified.*

BASEL II PILLAR 3 DISCLOSURES FOR 30 JUNE 2021
CREDIT RISK (continued)
Summary of Credit Exposures (continued)

ii) Gross Credit Exposures by Sector (continued)

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

30 June 2020	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, Takaful, Real Estate and Business Activities	Education, Health and Others	Household	Others*	Total
Sovereign	9,883	-	-	418,573	1,755,561	-	1,016,310	12,198,048	4,274,634	-	1,351,906	21,024,915
PSE	-	-	-	-	-	-	-	228,353	4,015,481	-	-	4,243,834
Bank	-	-	-	-	-	-	-	1,385,404	-	-	-	1,385,404
Corporate	3,657,171	1,455,562	2,695,239	609,504	3,578,179	2,433,629	3,871,452	8,687,285	1,168,644	15,432	36,266	28,208,361
RRE	-	-	-	-	-	-	-	-	-	22,590,023	-	22,590,023
Financing	-	-	-	-	-	-	-	-	-	9,898,620	-	9,898,620
HPE	-	-	-	-	-	-	-	-	-	267,222	-	267,222
QRRE	-	-	-	-	-	-	-	-	-	25,977,899	46,655	30,032,746
Other Retail	124,295	12,342	698,188	17,475	418,543	1,322,164	147,817	1,072,733	194,634	25,977,899	46,655	30,032,746
Other Exposures	-	-	-	-	-	-	-	-	20,209	-	220,347	240,555
Total Gross Credit Exposure	3,791,349	1,467,904	3,393,427	1,045,552	5,752,283	3,755,793	5,035,578	23,571,823	9,673,601	58,749,195	1,655,175	117,891,681

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 following tables represent CIMB Islamic's credit exposure analysed by residual contractual maturity:

Table 5: Distribution of Credit Exposures by Residual Contractual Maturity

30 June 2021	CIMB Islamic			
(RM'000) Exposure Class	Less than 1 year	1 to 5 years	More than 5 years	Total
Sovereign	13,337,815	3,897,171	5,107,163	22,342,149
PSE	350,000	533,256	0	883,256
Bank	546,694	249,486	166,014	962,194
Corporate	9,364,629	5,184,373	12,714,974	27,263,975
RRE Financing	6,603	96,089	27,276,284	27,378,975
HPE	62,199	1,708,796	10,637,187	12,408,182
QRRE	250,407	-	-	250,407
Other Retail	130,734	920,499	33,237,291	34,288,524
Other Exposures	-	-	225,465	225,465
Total Gross Credit Exposure	24,049,080	12,589,669	89,364,377	126,003,126

30 June 2020	CIMB Islamic			
(RM'000) Exposure Class	Less than 1 year	1 to 5 years	More than 5 years	Total
Sovereign	12,412,654	4,254,542	4,357,720	21,024,915
PSE	3,084,062	1,047,007	112,766	4,243,834
Bank	928,996	150,464	305,944	1,385,404
Corporate	8,521,934	6,910,368	12,776,059	28,208,361
RRE Financing	4,941	78,081	22,507,001	22,590,023
HPE	28,376	1,358,452	8,511,791	9,898,620
QRRE	267,222	-	-	267,222
Other Retail	77,611	744,006	29,211,129	30,032,746
Other Exposures	20,209	-	220,347	240,555
Total Gross Credit Exposure	25,346,005	14,542,921	78,002,756	117,891,681

CREDIT RISK (continued)

Credit Quality of Loans, Advances & Financing

i) Past Due But Not Impaired

The following tables provide an analysis of the outstanding balances as at 30 June 2021 and 31 December 2020 which were past due but not impaired by sector and geographical respectively:

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

(RM'000)	CIMB Islamic	
	30 June 2021	31 December 2020
Primary Agriculture	2,656	470
Mining and Quarrying	651	315
Manufacturing	12,995	8,786
Electricity, Gas and Water Supply	3,813	1,155
Construction	44,279	42,027
Wholesale and Retail Trade, and Restaurants and Hotels	37,817	45,774
Transport, Storage and Communication	2,853	3,515
Finance, Takaful, Real Estate and Business Activities	81,386	100,258
Education, Health and Others	2,146	32,547
Household	4,032,504	3,251,319
Others*	146	244
Total	4,221,246	3,486,410

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

(RM'000)	CIMB Islamic	
	30 June 2021	31 December 2020
Malaysia	4,221,246	3,486,410
Total	4,221,246	3,486,410

CREDIT RISK (continued)

Credit Quality of Loans, Advances and Financing (continued)

ii) Credit Impaired Loans/Financings

The following tables provide an analysis of the outstanding balances as at 30 June 2021 and 31 December 2020 which were credit impaired by sector and geographical respectively:

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

(RM'000)	CIMB Islamic	
	30 June 2021	31 December 2020
Primary Agriculture	20,321	19,370
Mining and Quarrying	1	1,340
Manufacturing	642,199	694,217
Electricity, Gas and Water Supply	-	1
Construction	17,036	16,505
Wholesale and Retail Trade, and Restaurants and Hotels	84,400	92,310
Transport, Storage and Communication	2,527	3,796
Finance, Takaful, Real Estate and Business Activities	41,873	39,048
Education, Health and Others	6,036	3,567
Household	423,827	627,086
Others*	4	2
Total	1,238,224	1,497,242

Note: All sectors above are Shariah compliant.

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

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

(RM'000)	CIMB Islamic	
	30 June 2021	31 December 2020
Malaysia	1,238,224	1,497,242
Total	1,238,224	1,497,242

CREDIT RISK (continued)

Credit Quality of Loans, Advances and Financing (continued)

ii) Expected Credit Losses

Table 10: Expected credit losses (Stage 1, 2 and 3) by Sector

(RM'000)	CIMB Islamic			
	30 June 2021			
	12-month expected credit losses (Stage 1)	Lifetime expected credit losses – not credit impaired (Stage 2)	Lifetime expected credit losses – credit impaired (Stage 3)	Total
Primary Agriculture	1,430	5,237	1,244	7,911
Mining and Quarrying	340	2,342	-	2,682
Manufacturing	4,060	2,871	25,703	32,634
Electricity, Gas and Water Supply	478	290	1	769
Construction	1,749	1,278	4,776	7,803
Wholesale and Retail Trade, and Restaurants and Hotels	6,607	12,213	30,833	49,653
Transport, Storage and Communications	4,282	2,475	1,041	7,798
Finance, Takaful, Real Estate and Business Activities	7,478	12,322	4,676	24,476
Education, Health and Others	1,023	2,419	907	4,349
Household	253,477	522,525	196,884	972,886
Others*	117	102	3	222
Total	281,041	564,074	266,068	1,111,183

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)

iii) Expected Credit Losses (continued)

Table 10: Expected credit losses (Stage 1, 2 and 3) by Sector (continued)

(RM'000)	CIMB Islamic			
	31 December 2020			
	12-month expected credit losses (Stage 1)	Lifetime expected credit losses – not credit impaired (Stage 2)	Lifetime expected credit losses – credit impaired (Stage 3)	Total
Primary Agriculture	956	7,368	1,168	9,492
Mining and Quarrying	235	4,308	5	4,548
Manufacturing	3,117	989	40,537	44,643
Electricity, Gas and Water Supply	887	224	-	1,111
Construction	1,245	485	7,795	9,525
Wholesale and Retail Trade, and Restaurants and Hotels	4,000	5,498	36,954	46,452
Transport, Storage and Communications	2,046	1,283	3,641	6,970
Finance, Takaful, Real Estate and Business Activities	3,908	1,782	4,719	10,409
Education, Health and Others	537	480	471	1,488
Household	237,400	359,371	243,862	840,633
Others*	73	58	1	132
Total	254,404	381,846	339,153	975,403

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)

iii) Expected Credit Losses (continued)

Table 11: Expected credit losses (Stage 1, 2 and 3) by Geographic Distribution

(RM'000)	CIMB Islamic			
	30 June 2021			
	12-month expected credit losses (Stage 1)	Lifetime expected credit losses – not credit impaired (Stage 2)	Lifetime expected credit losses – credit impaired (Stage 3)	Total
Malaysia	281,041	564,074	266,068	1,111,183
Total	281,041	564,074	266,068	1,111,183

(RM'000)	CIMB Islamic			
	31 December 2020			
	12-month expected credit losses (Stage 1)	Lifetime expected credit losses – not credit impaired (Stage 2)	Lifetime expected credit losses – credit impaired (Stage 3)	Total
Malaysia	254,404	381,846	339,153	975,403
Total	254,404	381,846	339,153	975,403

CREDIT RISK (continued)

Credit Quality of Loans, Advances and Financing (continued)

iii) Expected Credit Losses (continued)

Table 12: Expected credit losses charges/(write back) and write-off for Stage 3

(RM'000)	CIMB Islamic	
	30 June 2021	
	Charges/(write back)	Write-off
	Lifetime expected credit losses - Credit impaired (Stage 3)	Lifetime expected credit losses - Credit impaired (Stage 3)
Primary Agriculture	234	204
Mining and Quarrying	(2)	-
Manufacturing	(9,224)	6881
Electricity, Gas and Water Supply	1	-
Construction	3,787	5,843
Wholesale and Retail Trade, and Restaurants and Hotels	5,078	11,912
Transport, Storage and Communications	181	2,973
Finance, Takaful, Real Estate and Business Activities	2,884	1,598
Education, Health and Others	218	24
Household	63,654	51,039
Others*	11	-
Total	66,822	80,474

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)

iii) Expected Credit Losses *(continued)*

Table 12: Expected credit losses charges/(write back) and write-off for Stage 3 (continued)

(RM'000)	CIMB Islamic	
	30 June 2020	
	Charges/(write back)	Write-off
	Lifetime expected credit losses - Credit impaired (Stage 3)	Lifetime expected credit losses - Credit impaired (Stage 3)
Primary Agriculture	(420)	-
Mining and Quarrying	-	-
Manufacturing	2,071	66
Electricity, Gas and Water Supply	-	-
Construction	1,326	6
Wholesale and Retail Trade, and Restaurants and Hotels	12,216	11
Transport, Storage and Communications	1,010	9
Finance, Takaful, Real Estate and Business Activities	857	94
Education, Health and Others	273	-
Household	58,905	54,610
Others*	-	-
Total	76,238	54,796

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)

iii) Expected Credit Losses (continued)

Table 13: Analysis of movement in the Expected Credit Losses for Loans, Advances and Financing

(RM'000)	CIMB Islamic			
	30 June 2021			
	12-month expected credit losses (Stage 1)	Lifetime expected credit losses - not credit impaired (Stage 2)	Lifetime expected credit losses - credit impaired (Stage 3)	Total
At 1 January 2021	254,404	381,846	339,153	975,403
Changes in expected credit losses due to transferred within stages	173,745	(108,587)	(65,158)	-
Transferred to Stage 1	231,714	(216,939)	(14,775)	-
Transferred to Stage 2	(57,849)	181,211	(123,362)	-
Transferred to Stage 3	(120)	(72,859)	72,979	-
Total charge to Income Statement	(147,129)	290,717	66,822	210,410
New financial assets originated	33,162	1,755	28,942	63,859
Financial assets that have been derecognised	(22,683)	(17,018)	-	(39,701)
Write back in respect of full recoveries	-	-	(39,534)	(39,534)
Change in credit risk	(157,608)	305,980	77,414	225,786
Write-offs	-	(4)	(80,474)	(80,478)
Exchange fluctuation	17	82	-	99
Other movements	4	20	5,725	5,749
Total	281,041	564,074	266,068	1,111,183

CREDIT RISK (continued)

Credit Quality of Loans, Advances and Financing (continued)

iii) Expected Credit Losses (continued)

Table 13: Analysis of movement in the Expected Credit Losses for Loans, Advances and Financing (continued)

(RM'000)	CIMB Islamic			
	30 June 2020			
	12-month expected credit losses (Stage 1)	Lifetime expected credit losses - not credit impaired (Stage 2)	Lifetime expected credit losses - credit impaired (Stage 3)	Total
At 1 January 2020	134,567	132,054	168,027	434,648
Changes in expected credit losses due to transferred within stages	33,600	(21,679)	(11,921)	-
Transferred to Stage 1	48,956	(43,391)	(5,565)	-
Transferred to Stage 2	(15,126)	65,659	(50,533)	-
Transferred to Stage 3	(230)	(43,947)	44,177	-
Total charge to Income Statement	15,436	82,831	76,238	174,505
New financial assets originated	46,576	63	31,473	78,112
Financial assets that have been derecognised	(26,126)	(6,377)	-	(32,503)
Write back in respect of full recoveries	-	-	(29,544)	(29,544)
Change in credit risk	(5,014)	89,145	74,309	158,440
Write-offs	-	-	(54,796)	(54,796)
Exchange fluctuation	115	(4)	-	111
Other movements	-	-	2,582	2,582
Total	183,718	193,202	180,130	557,050

Capital Treatment for Credit Risk

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

BASEL II PILLAR 3 DISCLOSURES FOR 30 JUNE 2021
CREDIT RISK (continued)
Credit Risk – Disclosure for Portfolios under the SA (continued)

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

Table 14: Disclosure by Risk Weight under SA

30 June 2021	CIMB Islamic											
(RM'000) Risk Weights	Sovereign/ Central Banks	PSEs	Banks, MDBs and DFIs	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%	22,342,149	651,294	-	-	-	2,780	-	-	42,758	-	23,038,983	-
20%	-	231,962	0	5,182	4,382	494,865	-	-	-	-	736,391	147,278
35%	-	-	-	-	-	-	9,880	-	-	-	9,880	3,458
50%	-	-	-	-	1,311,014	3,798,407	254,375	-	-	-	5,363,796	2,681,898
75%	-	-	-	-	-	1,330,476	-	-	-	-	1,330,476	997,857
100%	-	-	-	0	469,454	1,366,788	-	-	182,706	-	2,018,948	2,018,948
100% < RW < 1250%	-	-	-	0	3,601	5,423	-	-	-	-	9,023	13,535
1250%	-	-	-	-	11	-	-	-	-	-	11	138
Total	22,342,149	883,256	0	5,182	1,788,462	6,998,739	264,255	-	225,465	-	32,507,509	5,863,112
Average Risk Weight	-	5%	20%	20%	63%	62%	49%	-	81%	-	18%	
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	-	-	

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

BASEL II PILLAR 3 DISCLOSURES FOR 30 JUNE 2021

CREDIT RISK (continued)

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

Table 14: Disclosure by Risk Weight under SA (continued)

30 June 2020	CIMB Islamic											
(RM'000) Risk Weights	Sovereign/ Central Banks	PSEs	Banks, MDBs and DFIs	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%	21,024,915	3,500,000	-	-	-	23	-	-	40,488	-	24,565,426	-
20%	-	743,834	-	15,555	2,042	361,352	-	-	-	20,209	1,142,991	228,598
35%	-	-	-	-	-	-	3,797	-	-	-	3,797	1,329
50%	-	-	5,104	-	1,238,875	3,611,488	85,844	-	-	-	4,941,311	2,470,655
75%	-	-	-	-	-	1,030,692	-	-	-	-	1,030,692	773,019
100%	-	-	-	-	411,595	1,500,555	201	-	179,858	-	2,092,209	2,092,209
100% < RW < 1250%	-	-	-	-	0	3,039	-	-	-	-	3,039	4,558
1250%	-	-	-	-	11	-	-	-	-	-	11	138
Total	21,024,915	4,243,834	5,104	15,555	1,652,523	6,507,147	89,842	-	220,347	20,209	33,779,475	5,570,506
Average Risk Weight	-	4%	50%	20%	62%	64%	49%	-	82%	20%	16%	
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	-	-	

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

CREDIT RISK (continued)

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

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

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

30 June 2021		CIMB Islamic		
(RM '000) Exposure Class	Investment Grade	Non-Investment Grade	No Rating	Total
On and Off-Balance-Sheet Exposures				
Public Sector Entities	-	-	883,256	883,256
Takaful Operators, Securities Firms & Fund Managers	5,182	-	0	5,182
Corporate	106	46	1,831,361	1,831,514
Sovereign/Central Banks	21,865,385	-	476,764	22,342,149
Banks, MDBs and DFIs	0	-	-	0
Total	21,870,674	46	3,191,382	25,062,102

30 June 2020		CIMB Islamic		
(RM '000) Exposure Class	Investment Grade	Non-Investment Grade	No Rating	Total
On and Off-Balance-Sheet Exposures				
Public Sector Entities	-	-	4,243,834	4,243,834
Takaful Operators, Securities Firms & Fund Managers	15,555	-	-	15,555
Corporate	-	-	1,682,990	1,682,990
Sovereign/Central Banks	8,591,780	-	12,433,135	21,024,915
Banks, MDBs and DFIs	5,104	-	-	5,104
Total	8,612,440	-	18,359,958	26,972,398

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

30 June 2021		CIMB Islamic		
(RM '000) Exposure Class	Investment Grade	Non-Investment Grade	No Rating	Total
On and Off-Balance-Sheet Exposures				
Securitisation	-	-	-	-

30 June 2020		CIMB Islamic		
(RM '000) Exposure Class	Investment Grade	Non-Investment Grade	No Rating	Total
On and Off-Balance-Sheet Exposures				
Securitisation	20,209	-	-	20,209

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, Xpress Cash, residential mortgages, business premises loans/financing and ASB financing.

The following tables summarise the retail credit exposures measured under A-IRB Approach as at 30 June 2021 and 30 June 2020:

Table 17: Retail Exposures under the IRB Approach by PD Band

30 June 2021	CIMB Islamic			
(RM'000) PD Range of Retail Exposures	0% ≤ PD < 2%	2% ≤ PD < 100%	100% Or Default	Total
Total Retail Exposure	42,540,062	22,788,543	953,471	66,282,076
RRE Financing	23,299,449	3,149,379	665,891	27,114,720
QRRE	166,278	83,036	1,093	250,407
Hire Purchase	8,468,778	3,779,373	160,031	12,408,182
Other Retail	10,605,557	15,776,753	126,457	26,508,768
Exposure Weighted Average LGD				
RRE Financing	23%	26%	30%	
QRRE	90%	90%	90%	
Hire Purchase	53%	64%	58%	
Other Retail	25%	11%	37%	
Exposure Weighted Average Risk Weight				
RRE Financing	13%	81%	226%	
QRRE	33%	120%	444%	
Hire Purchase	56%	108%	408%	
Other Retail	22%	17%	179%	

CREDIT RISK (continued)

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

Retail Exposures (continued)

Table 17: Retail Exposures under the IRB Approach by PD Band (continued)

30 June 2020	CIMB Islamic			
(RM'000) PD Range of Retail Exposures	0% ≤ PD < 2%	2% ≤ PD < 100%	100% Or Default	Total
Total Retail Exposure	35,743,880	19,472,702	664,177	55,880,759
RRE Financing	19,023,096	2,954,610	522,474	22,500,181
QRRE	162,206	103,343	1,673	267,222
Hire Purchase	8,614,661	1,235,858	48,101	9,898,620
Other Retail	7,943,917	15,178,892	91,928	23,214,737
Exposure Weighted Average LGD				
RRE Financing	22%	25%	29%	
QRRE	90%	90%	90%	
Hire Purchase	53%	54%	57%	
Other Retail	27%	10%	40%	
Exposure Weighted Average Risk Weight				
RRE Financing	14%	90%	234%	
QRRE	34%	125%	361%	
Hire Purchase	54%	86%	195%	
Other Retail	24%	16%	224%	

CREDIT RISK (continued)

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

Retail Exposures (continued)

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

30 June 2021	CIMB Islamic			
(RM'000) EL Range of Retail Exposures	EL ≤ 1%	1% < EL < 100%	EL = 100%	Total
Total Retail Exposure	56,267,634	9,968,365	46,077	66,282,076
RRE Financing	25,583,326	1,504,627	26,766	27,114,720
QRRE	129,031	121,375	0	250,407
Hire Purchase	7,861,468	4,544,405	2,309	12,408,182
Other Retail	22,693,808	3,797,957	17,002	26,508,768
Exposure Weighted Average LGD				
RRE Financing	23%	32%	39%	
QRRE	90%	90%	90%	
Hire Purchase	52%	64%	45%	
Other Retail	15%	23%	53%	

30 June 2020	CIMB Islamic			
(RM'000) EL Range of Retail Exposures	EL ≤ 1%	1% < EL < 100%	EL = 100%	Total
Total Retail Exposure	49,570,786	6,273,209	36,763	55,880,759
RRE Financing	20,701,434	1,776,740	22,007	22,500,181
QRRE	123,689	143,527	5	267,222
Hire Purchase	8,622,395	1,274,742	1,483	9,898,620
Other Retail	20,123,268	3,078,201	13,269	23,214,737
Exposure Weighted Average LGD				
RRE Financing	22%	30%	40%	
QRRE	90%	90%	90%	
Hire Purchase	53%	55%	54%	
Other Retail	15%	25%	55%	

CREDIT RISK (continued)

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

Non-retail Exposures

The following tables summarise CIMB Islamic’s non-retail credit exposures measured under F-IRB Approach as at 30 June 2021 and 30 June 2020:

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

30 June 2021						CIMB Islamic
(RM'000) Supervisory Categories	Strong	Good	Satisfactory	Weak	Default	Total
Project Finance	-	370,769	-	357	-	371,126
Object Finance	-	-	-	-	-	-
Commodities Finance	-	-	-	-	-	-
Income Producing Real Estate	146,116	957,926	69,244	293,887	0	1,467,173
RWA	73,058	972,233	79,630	735,610	-	1,860,532

30 June 2020						CIMB Islamic
(RM'000) Supervisory Categories	Strong	Good	Satisfactory	Weak	Default	Total
Project Finance	73,712	246,117	-	-	-	319,830
Object Finance	-	-	-	-	-	-
Commodities Finance	-	-	-	-	-	-
Income Producing Real Estate	108,071	1,099,415	78,320	102,248	-	1,388,054
RWA	90,892	926,748	90,068	255,621	-	1,363,329

BASEL II PILLAR 3 DISCLOSURES FOR 30 JUNE 2021
CREDIT RISK (continued)
Credit Risk – Disclosure for Portfolios under the IRB Approach (continued)
Non-retail Exposures (continued)

CIMB Islamic have no exposure to High Volatility Commercial Real Estate and Equities under the Supervisory Slotting Criteria.

Table 20: Non Retail Exposures under IRB Approach by Risk Grades

30 June 2021	CIMB Islamic				
(RM'000) Internal Risk Grading	1 - 3	4 - 9	10 - 13	Default	Total
Total Non-Retail Exposure	7,562,278	9,959,188	6,210,340	819,368	24,551,173
Bank	642,711	319,406	77	-	962,194
Corporate (excluding Specialised Financing)	6,919,567	9,639,782	6,210,263	819,368	23,588,979
Exposure Weighted Average LGD					
Bank	45%	42%	45%	-	
Corporate (excluding Specialised Financing)	44%	40%	38%	40%	
Exposure Weighted Average Risk Weight					
Bank	18%	35%	206%	-	
Corporate (excluding Specialised Financing)	11%	71%	105%	-	

30 June 2020	CIMB Islamic				
(RM'000) Internal Risk Grading	1 - 3	4 - 9	10 - 13	Default	Total
Total Non-Retail Exposure	8,417,043	10,906,118	5,878,804	980,268	26,182,233
Bank	1,209,235	170,979	86	-	1,380,300
Corporate (excluding Specialised Financing)	7,207,808	10,735,139	5,878,718	980,268	24,801,933
Exposure Weighted Average LGD					
Bank	45%	40%	45%	-	
Corporate (excluding Specialised Financing)	44%	41%	37%	41%	
Exposure Weighted Average Risk Weight					
Bank	19%	36%	191%	-	
Corporate (excluding Specialised Financing)	10%	78%	105%	0%	

CREDIT RISK (continued)

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

Expected Losses versus Actual Losses by Portfolio Types

The following tables summarise the expected losses versus actual losses by portfolio type:

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

CIMB Islamic				
(RM'000) Exposure Class	30 June 2021		30 June 2020	
	Regulatory Expected Losses as at 30 June 2020	Actual Losses for the year ended 30 June 2021	Regulatory Expected Losses as at 30 June 2019	Actual Losses for the year ended 30 June 2020
Sovereign	-	-	-	-
Bank	390	0	519	-
Corporate	189,387	32,372	161,691	17,329
RRE Financing	92,355	51,661	76,191	18,046
HPE	90,694	85,429	75,269	76,407
QRRE	9,071	1,343	8,748	3,578
Other Retail	153,213	33,402	161,430	21,268
Total	535,110	204,207	483,847	136,628

Actual loss refers to impairment provisions and direct write-offs, if any during the year.

On the other hand, EL measures the loss expected from non-defaulted exposures at the start of the year. 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 (CCR)

In the event of a one-notch downgrade of rating, based on the terms of the existing CSA and exposure as at 30 June 2021 and 30 June 2020 there was no requirement for additional collateral to be posted.

The following tables disclose the Off-Balance Sheet exposures and CCR as at 30 June 2021 and 30 June 2020:

Table 22: Disclosure on Off-Balance Sheet Exposures and CCR

30 June 2021	CIMB Islamic			
(RM'000) Description	Principal Amount	Positive Fair Value of Derivative Contracts	Credit Equivalent Amount	Risk- Weighted Assets
Direct Credit Substitutes	289,796		289,796	203,770
Transaction Related Contingent Items	704,232		352,116	216,036
Short Term Self Liquidating Trade Related Contingencies	15,801		3,160	2,465
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	-		-	-
Foreign Exchange Related Contracts				
One year or less	1,431,709	10,482	26,342	28,331
Over one year to five years	-	-	-	-
Over five years	-	-	-	-
Profit Rate Related Contracts				
One year or less	61,322	107	882	668
Over one year to five years	201,266	5,548	9,522	594
Over five years	16,472	90	1,175	920
Commodity contracts				
One year or less	8,745	3,903	4,777	5,805
Over one year to five years	-	-	-	-
Over five years	-	-	-	-
OTC derivative transactions and credit derivative contracts subject to valid bilateral netting agreements	22,528,540	163,571	530,499	167,039
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	13,647,553		11,970,136	3,830,902
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	8,746,313		-	-
Unutilised credit card lines	385,728		122,071	57,363
Off-balance sheet items for securitisation exposures	-		-	-
Total	48,037,477	183,700	13,310,476	4,513,893

CREDIT RISK (continued)

Off-Balance Sheet Exposures and CCR (continued)

Table 22: Disclosure on Off-Balance Sheet Exposures and CCR (continued)

30 June 2020	CIMB Islamic			
(RM'000) Description	Principal Amount	Positive Fair Value of Derivative Contracts	Credit Equivalent Amount	Risk-Weighted Assets
Direct Credit Substitutes	273,977		273,977	185,344
Transaction Related Contingent Items	802,770		401,385	267,003
Short Term Self Liquidating Trade Related Contingencies	34,645		6,929	5,821
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	-		-	-
Foreign Exchange Related Contracts				
One year or less	3,759,132	35,160	85,065	31,289
Over one year to five years	-	-	-	-
Over five years	-	-	-	-
Profit Rate Related Contracts				
One year or less	252,992	1,644	8,729	1,901
Over one year to five years	443,190	35,023	62,662	10,443
Over five years	493,102	52,526	141,007	41,162
OTC derivative transactions and credit derivative contracts subject to valid bilateral netting agreements	17,202,000	94,150	285,443	90,935
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	10,324,817		9,111,014	3,027,779
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	7,769,690		-	-
Unutilised credit card lines	442,088		137,190	73,315
Off-balance sheet items for securitisation exposures	-		-	-
Total	41,798,403	218,502	10,513,401	3,734,993

CREDIT RISK (continued)

Off-Balance Sheet Exposures and CCR (continued)

The tables below show the credit derivative transactions that create exposures to CCR (notional value) segregated between own use and client intermediation activities:

Table 23: Disclosure on Credit Derivative Transactions

(RM'000)	CIMB Islamic			
	30 June 2021		30 June 2020	
	Notional of Credit Derivatives			
	Protection Bought	Protection Sold	Protection Bought	Protection Sold
Own Credit Portfolio	-	-	-	-
Client Intermediation Activities	-	20,500	-	20,750
Total	-	20,500	-	20,750
Credit Default Swaps	-	-	-	-
Total Return Swaps	-	20,500	-	20,750
Total	-	20,500	-	20,750

CREDIT RISK (continued)

Credit Risk Mitigation

The following tables summarise the extent of which exposures are covered by eligible credit risk mitigants as at 30 June 2021 and 30 June 2020:

Table 24: Disclosure on Credit Risk Mitigation

30 June 2021	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
Performing Exposures				
Sovereign/Central Banks	22,342,149	-	-	-
Public Sector Entities	883,256	651,294	-	-
Banks, DFIs & MDBs	962,194	-	19,578	-
Takaful Operators, Securities Firms & Fund Managers	5,182	-	-	-
Corporate	26,414,047	2,657,718	630,840	7,557,663
RRE Financing	27,059,249	-	-	-
Qualifying Revolving Retail	249,340	-	-	-
Hire Purchase	12,287,154	-	-	-
Other Retail	34,167,731	496,294	778,681	-
Securitisation	-	-	-	-
Higher Risk Assets	-	-	-	-
Other Assets	225,465	-	-	-
Defaulted Exposures	1,042,001	1,351	737	395,827
Total Exposures	125,637,767	3,806,657	1,429,836	7,953,490

The type of collateral recognised in each asset class is in accordance to the approach adopted in computing the RWA. The CRM shown is computed after taking into account the haircut as prescribed by the guidelines. For assets under SA, only financial collateral and guarantee are recognised. For assets under F-IRB Approach, guarantee, financial collateral and other eligible collateral are recognised. For assets under A-IRB Approach, the collateral has been taken into consideration in the computation of LGD, hence, excluded from the CRM disclosure.

CREDIT RISK (continued)

Credit Risk Mitigation (continued)

Table 24: Disclosure on Credit Risk Mitigation (continued)

30 June 2020	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
Performing Exposures				
Sovereign/Central Banks	21,024,915	-	-	-
Public Sector Entities	4,243,834	3,500,000	-	-
Banks, DFIs & MDBs	1,385,404	-	18,750	-
Takaful Operators, Securities Firms & Fund Managers	15,555	-	-	-
Corporate	27,201,269	2,880,847	648,986	6,519,204
RRE Financing	22,330,074	-	-	-
Qualifying Revolving Retail	265,583	-	-	-
Hire Purchase	9,850,519	-	-	-
Other Retail	29,944,747	361,371	308,742	-
Securitisation	20,209	-	-	-
Higher Risk Assets	-	-	-	-
Other Assets	220,347	-	-	-
Defaulted Exposures	1,100,699	15	54,314	160,934
Total Exposures	117,603,154	6,742,232	1,030,792	6,680,138

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 Banking Book for 30 June 2021 and 31 December 2020:

Table 25: Disclosure on Securitisation for Banking Book

30 June 2021 (RM'000)	CIMB Islamic			
Underlying Asset	Total Exposures Securitised	Past Due	Credit Impaired	Gains/(Losses) Recognised during the period*
TRADITIONAL SECURITISATION (Banking Book) Originated by the Banking Institution				
Hire Purchase Exposure	75,021	8,721	3,941	(997)

31 December 2020 (RM'000)	CIMB Islamic			
Underlying Asset	Total Exposures Securitised	Past Due	Credit Impaired	Gains/(Losses) Recognised during the period*
TRADITIONAL SECURITISATION (Banking Book) Originated by the Banking Institution				
Hire Purchase Exposure	115,753	15,295	3,949	(1,176)

* Gains/(losses) recognised during the period represent gain/(losses) recognised during the 6 months period from 1 January 2021 to 30 June 2021 and 1 January 2020 to 30 June 2020.

SECURITISATION (continued)

Disclosure on Securitisation under the SA for Banking Book

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

Table 26: Disclosure on Securitisation under the SA for Banking Book Exposures

30 June 2021		CIMB Islamic										
(RM'000) Exposure Class	Net Exposure After CRM	Exposures subject to deduction	Distribution of Exposures after CRM according to Applicable Risk Weights									Risk-Weighted Assets
			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	-	-	-	-	-	-	-	-	-	-	-	-
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)

Securitisation under the SA for Banking Book (continued)

Table 26: Disclosure on Securitisation under the SA for Banking Book Exposures (continued)

30 June 2021		CIMB Islamic										
(RM'000) Exposure Class	Net Exposure After CRM	Exposures subject to deduction	Distribution of Exposures after CRM according to Applicable Risk Weights									Risk-Weighted Assets
			Rated Securitisation Exposures						Unrated (Look Through)			
			0%	10%	20%	50%	100%	350%	1250%	Weighted Average RW	Exposure Amount	
<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)	-	-	-	-	-	-	-	-	-	-	-	-
Total Exposures	-	-	-	-	-	-	-	-	-	-	-	-

SECURITISATION (continued)

Securitisation under the SA for Banking Book (continued)

Table 26: Disclosure on Securitisation under the SA for Banking Book Exposures (continued)

30 June 2020		CIMB Islamic										
(RM'000) Exposure Class	Net Exposure After CRM	Exposures subject to deduction	Distribution of Exposures after CRM according to Applicable Risk Weights									Risk-Weighted Assets
			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	20,209	-	-	-	20,209	-	-	-	-	-	-	4,042
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)

Securitisation under the SA for Banking Book (continued)

Table 26: Disclosure on Securitisation under the SA for Banking Book Exposures (continued)

30 June 2020		CIMB Islamic										
(RM'000) Exposure Class	Net Exposure After CRM	Exposures subject to deduction	Distribution of Exposures after CRM according to Applicable Risk Weights									Risk-Weighted Assets
			Rated Securitisation Exposures						Unrated (Look Through)			
			0%	10%	20%	50%	100%	350%	1250%	Weighted Average RW	Exposure Amount	
<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)	-	-	-	-	-	-	-	-	-	-	-	-
Total Exposures	20,209	-	-	-	20,209	-	-	-	-	-	-	4,042

Securitisation under the SA for Trading Book Exposures subject to Market Risk Capital Charge

As at 30 June 2021 and 30 June 2020, 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 in Table 2.

OPERATIONAL RISK

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

EQUITY EXPOSURES IN BANKING BOOK

As at 30 June 2021 and 30 June 2020, there were no realised and unrealised gains and losses recorded for equity holdings in Banking Book for CIMB Islamic Bank.

The following table shows an analysis of equity investments by appropriate equity groupings and risk weighted assets as at 30 June 2021 and 30 June 2020:

Table 27: Analysis of Equity Investments by Grouping and RWA

(RM'000)	CIMB Islamic			
	30 June 2021		30 June 2020	
	Exposures subject to Risk-Weighting	RWA	Exposures subject to Risk-Weighting	RWA
Privately held	-	-	-	-
Publicly traded	-	-	-	-
Total	-	-	-	-

RATE OF RETURN RISK IN THE BANKING BOOK

For the purpose of this disclosure, the impact under an instantaneous 100 bps parallel interest rate/ profit 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 table below illustrates CIMB Islamic's RORBB under a 100 bps parallel upward profit rate shock from economic value perspective:

Table 28: RORBB – Impact on Economic Value

(RM'000)	CIMB Islamic	
	30 June 2021	30 June 2020
Currency	+100bps Increase (Decline) in Economic Value (Value in RM Equivalent)	
Ringgit Malaysia	(730,671)	(614,199)
US Dollar	(6,065)	(3,765)
Thai Baht	(2)	-
Singapore Dollar	(1)	-
Others	8	362
Total	(736,731)	(617,602)

Table 29: RORBB – Impact on Earnings

(RM'000)	CIMB Islamic	
	30 June 2021	30 June 2020
Currency	+100bps Increase (Decline) in Earnings (Value in RM Equivalent)	
Ringgit Malaysia	(9,628)	(12,263)
US Dollar	(26,904)	(12,697)
Thai Baht	43	-
Singapore Dollar	14	3
Others	420	170
Total	(36,055)	(24,787)

[END OF SECTION]