

Basel II Pillar 3 Disclosures for the period ended 30 June 2015

- **CIMB Investment Bank Berhad**

Abbreviations

A-IRB Approach	: Advanced Internal Ratings Based Approach
BIA	: Basic Indicator Approach
CAF	: Capital Adequacy Framework and, in some instances referred to as the Risk-Weighted Capital Adequacy Framework
CAFIB	: Capital Adequacy Framework for Islamic Banks
CAR	: Capital Adequacy Ratio and, in some instances referred to as the Risk-Weighted Capital Ratio
CIMBBG	: CIMB Bank, CIMB Islamic Bank Berhad, CIMBTH, CIMB Bank PLC (Cambodia), CIMB Factor Lease Berhad and non-financial subsidiaries
CIMBIBG	: CIMB Investment Bank Berhad, CIMB Futures SdnBhd and non-financial subsidiaries
CIMBISLG	: CIMB Islamic Bank Berhad, CIMB Islamic Nominees (Asing) 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 CAFIB (Capital Components) to include its wholly owned offshore banking subsidiary company)
CIMB Group or the Group	: Collectively CIMBBG, CIMBIBG and CIMB Islamic as described within this Report
CIMB IB	: CIMB Investment Bank Berhad
CIMB Islamic	: CIMB Islamic Bank Berhad
CRM	: Credit Risk Mitigants
DFIs	: Development Financial Institutions
EAD	: Exposure at Default
EaR	: Earnings-at-Risk
ECAIs	: External Credit Assessment Institutions
EVE	: Economic Value of Equity
HPE	: Hire Purchase Exposures
IRB Approach	: Internal Ratings Based Approach
IRRBB	: Interest Rate Risk in the Banking Book
MDBs	: Multilateral Development Bank
OTC	: Over the Counter
PSEs	: Non-Federal Government Public Sector Entities
PSIA	: Profit Sharing Investment Accounts
QRRE	: Qualifying Revolving Retail Exposures
RWA	: Risk-Weighted Assets
SA	: Standardised Approach

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OVERVIEW

The information herein is disclosed pursuant to the requirements of Bank Negara Malaysia's RWCAF – Disclosure Requirements (Pillar 3) and is published for the period ended 30 June 2015.

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

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

CAPITAL MANAGEMENT

Capital Structure and Adequacy

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

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

The comparative capital adequacy ratios as at 30 June 2014 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 IB:

Table 1: Capital Position

(RM'000)	CIMB IB	
	30 June 2015	30 June 2014
Common Equity Tier 1 capital		
Ordinary shares	100,000	100,000
Other reserves	491,637	462,865
Common Equity Tier 1 capital before regulatory adjustments	591,637	562,865
<u>Less: Regulatory adjustments</u>		
Goodwill	-	-
Deferred Tax Assets	(42,124)	(49,849)
Deductions in excess of Tier 2 capital	(3,888)	(6,221)
Investments in capital instruments of unconsolidated financial and insurance takaful entities	(3,898)	(1,949)
Others	-	-
Common equity tier 1 capital after regulatory adjustments / Total Tier 1 capital	541,727	504,846
Tier 2 Capital		
Redeemable Preference Shares	7	8
Portfolio impairment allowance and regulatory reserves	2,973	2,402
Tier 2 capital before regulatory adjustments	2,980	2,410
<u>Less: Regulatory adjustments</u>		
Investments in capital instruments of unconsolidated financial and insurance/takaful entities	(6,868)	(8,632)
Total Tier 2 Capital	-	-
Total Capital	541,727	504,846
RWA		
Credit risk	1,018,900	1,014,700
Market risk	85,036	1,236,744
Operational risk	645,588	699,466
Total RWA	1,749,524	2,950,910

CAPITAL MANAGEMENT (CONTINUED)

Capital Structure and Adequacy (continued)

Table 1: Capital Position

(RM'000)	CIMB IB	
	30 June 2015	30 June 2014
Capital Adequacy Ratios		
Before deducting proposed dividend		
Common Equity Tier 1 Ratio	30.96%	17.11%
Tier 1 ratio	30.96%	17.11%
Total capital ratio	30.96%	17.11%
After deducting proposed dividend		
Common Equity Tier 1 Ratio	30.96%	17.11%
Tier 1 ratio	30.96%	17.11%
Total capital ratio	30.96%	17.11%

The increase in credit risk RWA was mainly due to the increase in interbank lending. The decrease in market risk RWA was mainly due to the reduction of option risk 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 2015	CIMB IB				
(RM'000) Exposure Class	Gross Exposure before CRM (SA)	Net Exposure after CRM (SA)	RWA	Total RWA after effects of PSIA	Minimum capital requirement at 8%
Credit Risk (SA)					
Sovereign/Central Banks	904,400	904,400	-	-	-
Public Sector Entities	-	-	-	-	-
Banks, DFIs & MDBs	1,124,447	1,124,447	433,817	433,817	34,705
Insurance Cos, Securities Firms & Fund Managers	17,323	17,323	17,323	17,323	1,386
Corporate	93,711	93,711	94,286	94,286	7,543
Regulatory Retail	22,774	22,774	22,243	22,243	1,779
Residential Mortgages	150,901	150,901	93,975	93,975	7,518
Higher Risk Assets	-	-	-	-	-
Other Assets	357,294	357,294	357,257	357,257	28,581
Securitisation	-	-	-	-	-
Total Credit Risk	2,670,850	2,670,850	1,018,900	1,018,900	81,512
Large Exposure Risk Requirement	-	-	-	-	-
Market Risk (SA)					
Interest Rate Risk			15,203	15,203	1,216
Foreign Currency Risk			61,874	61,874	4,950
Equity Risk			7,960	7,960	637
Commodity Risk			-	-	-
Options Risk			-	-	-
Total Market Risk			85,036	85,036	6,803
Operational Risk (BIA)			645,588	645,588	51,647
Total RWA and Capital Requirement			1,749,525	1,749,525	139,962

CAPITAL MANAGEMENT (CONTINUED)

Capital Structure and Adequacy (continued)

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

30 June 2014	CIMB IB				
(RM'000) Exposure Class	Gross Exposure before CRM (SA)	Net Exposure after CRM (SA)	RWA	Total RWA after effects of PSIA	Minimum capital requirement at 8%
Credit Risk (SA)					
Sovereign/Central Banks	1,117,205	1,117,205	-	-	-
Public Sector Entities	-	-	-	-	-
Banks, DFIs & MDBs	816,589	816,589	352,447	352,447	28,196
Insurance Cos, Securities Firms & Fund Managers	19,385	19,385	19,385	19,385	1,551
Corporate	35,506	35,506	36,081	36,081	2,886
Regulatory Retail	78,360	78,360	77,623	77,623	6,210
Residential Mortgages	61,453	61,453	36,800	36,800	2,944
Higher Risk Assets	-	-	-	-	-
Other Assets	492,403	492,403	492,364	492,364	39,389
Securitisation	-	-	-	-	-
Total Credit Risk	2,620,901	2,620,901	1,014,700	1,014,700	81,176
Large Exposure Risk Requirement	-	-	-	-	-
Market Risk (SA)					
Interest Rate Risk			50,143	50,143	4,011
Foreign Currency Risk			18,313	18,313	1,465
Equity Risk			149	149	12
Commodity Risk			-	-	-
Options Risk			1,168,138	1,168,138	93,451
Total Market Risk			1,236,744	1,236,744	98,940
Operational Risk (BIA)			699,466	699,466	55,957
Total RWA and Capital Requirement			2,950,910	2,950,910	236,073

CREDITRISK

Summary of Credit Exposures

i) *Gross Credit Exposures by Geographic Distribution*

The geographic distribution is based on the country in which the portfolio is geographically managed. The tables show the credit exposures by geographic region:

Table 3: Geographic Distribution of Credit Exposures

30 June 2015		CIMB IB			
(RM'000) Exposure Class	Malaysia	Singapore	Thailand	Other Countries	Total
Sovereign	904,400	-	-	-	904,400
Bank	1,124,447	-	-	-	1,124,447
Corporate	111,033	-	-	-	111,033
Mortgage	150,901	-	-	-	150,901
HPE	-	-	-	-	-
QRRE	-	-	-	-	-
Other Retail	22,774	-	-	-	22,774
Other Exposures	357,294	-	-	-	357,294
Total Gross Credit Exposure	2,670,850	-	-	-	2,670,850

30 June 2014		CIMB IB			
(RM'000) Exposure Class	Malaysia	Singapore	Thailand	Other Countries	Total
Sovereign	1,117,205	-	-	-	1,117,205
Bank	816,589	-	-	-	816,589
Corporate	54,891	-	-	-	54,891
Mortgage	61,453	-	-	-	61,453
HPE	-	-	-	-	-
QRRE	-	-	-	-	-
Other Retail	78,360	-	-	-	78,360
Other Exposures	492,403	-	-	-	492,403
Total Gross Credit Exposure	2,620,901	-	-	-	2,620,901

BASEL II PILLAR 3 DISCLOSURES FOR 30 JUNE 2015

CREDIT RISK (CONTINUED)

Summary of Credit Exposures

ii) Gross Credit Exposures by Sector

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

Table 4: Distribution of Credit Exposures by Sector

(RM'000) Exposure Class	30 June 2015										Total		
	Primary Agriculture	Mining and Quarrying	Manufacturing	Electricity, Gas and Water Supply	Construction	Wholesale and Retail Trade, and Restaurants and Hotels	Transport, Storage and Communication	Finance, Insurance, Real Estate and Business Activities	Education, Health and Others	Household		Others*	
Sovereign	-	-	-	-	-	-	-	904,298	103	-	-	-	904,400
Bank	-	-	-	-	-	-	-	1,124,447	-	-	-	-	1,124,447
Corporate	-	-	-	-	-	-	-	5,513	211	45,890	59,419	-	111,033
Mortgage	-	-	-	-	-	-	-	-	-	150,901	-	-	150,901
HPE	-	-	-	-	-	-	-	-	-	-	-	-	-
QRRE	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Retail	-	-	-	-	-	-	-	-	-	22,774	-	-	22,774
Other Exposures	-	-	-	-	-	-	-	-	-	-	357,294	-	357,294
Total Gross Credit Exposure	-	-	-	-	-	-	-	2,034,258	314	219,565	416,713	-	2,670,850

*Others are exposures which are not elsewhere classified.

BASEL II PILLAR 3 DISCLOSURES FOR 30 JUNE 2015

CREDIT RISK (CONTINUED)

ii) Gross Credit Exposures by Sector (continued)

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

	30 June 2014											CIMB IB
(RM'000) Exposure Class	Primary Agriculture	Mining and Quarrying	Manufacturing	Electricity, Gas and Water Supply	Construction	Wholesale and Retail Trade, and Restaurants and Hotels	Transport, Storage and Communication	Finance, Insurance, Real Estate and Business Activities	Education, Health and Others	Household	Others*	Total
Sovereign	-	-	-	-	-	-	-	-	1,117,205	-	-	1,117,205
Bank	-	-	-	-	-	-	-	816,589	-	-	-	816,589
Corporate	-	-	-	-	-	-	-	1,469	198	31,603	21,621	54,891
Mortgage	-	-	-	-	-	-	-	-	-	61,453	-	61,453
HPE	-	-	-	-	-	-	-	-	-	-	-	-
QRRE	-	-	-	-	-	-	-	-	-	-	-	-
Other Retail	-	-	-	-	-	-	-	-	-	78,360	-	78,360
Other Exposures	-	-	-	-	-	-	-	-	-	-	492,403	492,403
Total Gross Credit Exposure	-	-	-	-	-	-	-	818,059	1,117,402	171,416	514,025	2,620,901

*Others are exposures which are not elsewhere classified.

CREDIT RISK (CONITNUED)

Summary of Credit Exposures

iii) Gross Credit Exposures by Residual Contractual Maturity

The tables below present the distribution of credit exposures by residual contractual maturity:

Table 5: Distribution of Credit Exposures by Residual Contractual Maturity

30 June 2015	CIMB IB			
(RM'000) Exposure Class	Less than 1 year	1 to 5 years	More than 5 years	Total
Sovereign	904,298	-	103	904,400
Bank	1,093,080	30,040	1,327	1,124,447
Corporate	40,288	406	70,340	111,033
Mortgage	79	1,516	149,307	150,901
HPE	-	-	-	-
QRRE	-	-	-	-
Other Retail	179	6,769	15,826	22,774
Other Exposures	232	-	357,062	357,294
Total Gross Credit Exposure	2,038,155	38,731	593,964	2,670,850

30 June 2014	CIMB IB			
(RM'000) Exposure Class	Less than 1 year	1 to 5 years	More than 5 years	Total
Sovereign	1,115,320	-	1,884	1,117,205
Bank	794,757	7,654	14,178	816,589
Corporate	1	1,167	53,723	54,891
Mortgage	4	1,383	60,066	61,453
HPE	-	-	-	-
QRRE	-	-	-	-
Other Retail	134	6,977	71,249	78,360
Other Exposures	360	-	492,043	492,403
Total Gross Credit Exposure	1,910,577	17,180	693,144	2,620,901

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 2015 and 31 December 2014 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

(RM'000)	CIMB IB	
	30 June 2015	31 December 2014
Primary Agriculture	-	-
Mining and Quarrying	-	-
Manufacturing	-	-
Electricity, Gas and Water Supply	-	-
Construction	-	-
Wholesale and Retail Trade, and Restaurants and Hotels	-	-
Transport, Storage and Communications	-	-
Finance, Insurance, Real Estate and Business Activities	-	-
Education, Health and Others	-	-
Household	-	-
Others*	-	-
Total	-	-

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

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

(RM'000)	CIMB IB	
	30 June 2015	31 December 2014
Malaysia	-	-
Singapore	-	-
Thailand	-	-
Other Countries	-	-
Total	-	-

CREDIT RISK (CONTINUED)

Credit Quality of Loans, Advances and Financing (continued)

ii) *Impaired Loans/Financings*

The following tables provide an analysis of the outstanding balances as at 30 June 2015 and 31 December 2014 which were impaired by sector and geographical respectively:

Table 8: Impaired Loans, Advances and Financing by Sector

(RM'000)	CIMB IB	
	30 June 2015	31 December 2014
Primary Agriculture	-	-
Mining and Quarrying	-	-
Manufacturing	-	-
Electricity, Gas and Water Supply	-	-
Construction	-	-
Wholesale and Retail Trade, and Restaurants and Hotels	-	-
Transport, Storage and Communications	-	-
Finance, Insurance, Real Estate and Business Activities	-	-
Education, Health and Others	-	-
Household	161	1,272
Others*	-	-
Total	161	1,272

*Others are exposures which are not elsewhere classified.

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

(RM'000)	CIMB IB	
	30 June 2015	31 December 2014
Malaysia	161	1,272
Singapore	-	-
Thailand	-	-
Other Countries	-	-
Total	161	1,272

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 the period ended 30 June 2015 and 31 December 2014

(RM'000)	CIMB IB			
	30 June 2015		31 December 2014	
	Individual Impairment Allowance	Portfolio Impairment Allowance	Individual Impairment Allowance	Portfolio Impairment Allowance
Primary Agriculture	-	-	-	-
Mining and Quarrying	-	-	-	-
Manufacturing	-	-	-	-
Electricity, Gas and Water Supply	-	-	-	-
Construction	-	-	-	-
Wholesale and Retail Trade, and Restaurants and Hotels	-	-	-	-
Transport, Storage and Communication	-	-	-	-
Finance, Insurance, Real Estate and Business Activities	-	-	-	-
Education, Health and Others	-	-	-	-
Household	161	2,973	1,272	2,729
Others*	-	-	-	-
Total	161	2,973	1,272	2,729

*Others are exposures which are not elsewhere classified.

Table 11: Individual Impairment and Portfolio Impairment Allowances by Geographic Distribution for the period ended 30 June 2015 and 31 December 2014

(RM'000)	CIMB IB			
	30 June 2015		31 December 2014	
	Individual Impairment Allowance	Portfolio Impairment Allowance	Individual Impairment Allowance	Portfolio Impairment Allowance
Malaysia	161	2,973	1,272	2,729
Singapore	-	-	-	-
Thailand	-	-	-	-
Other Countries	-	-	-	-
Total	161	2,973	1,272	2,729

CREDIT RISK (CONTINUED)

Credit Quality of Loans, Advances and Financing (continued)

ii) Impaired Loans/Financings (continued)

Table 12: Charges for Individual Impairment Provision and Write Offs during the period ended 30 June 2015 and 30 June 2014

(RM'000)	CIMB IB			
	30 June 2015		30 June 2014	
	Charges/Write Back	Write-Off	Charges/Write Back	Write-Off
Primary Agriculture	-	-	-	-
Mining and Quarrying	-	-	-	-
Manufacturing	-	-	-	-
Electricity, Gas and Water Supply	-	-	-	-
Construction	-	-	-	-
Wholesale and Retail Trade, and Restaurants and Hotels	-	-	-	-
Transport, Storage and Communication	-	-	-	-
Finance, Insurance, Real Estate and Business Activities	-	-	-	-
Education, Health and Others	-	-	-	-
Household	(1,110)	-	323	-
Others*	-	-	-	-
Total	(1,110)	-	323	-

*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 Loan/Financing Impairment Allowances for the Period Ended 30 June 2015 and 30 June 2014

(RM'000)	CIMB IB			
	30 June 2015		30 June 2014	
	Individual Impairment Allowance	Portfolio Impairment Allowance	Individual Impairment Allowance	Portfolio Impairment Allowance
At 1 January	1,271	2,729	883	1,996
Allowance (written back)/made during the financial period/year	10	244	103	406
Amount transferred to portfolio impairment allowance	-	-	-	-
Amount written back in respect of recoveries	(1,120)	-	(426)	-
Allowance made and charged to deferred assets	-	-	-	-
Allowance made in relation to jointly controlled entity	-	-	-	-
Amount written off	-	-	-	-
Transfer(to)/from intercompany	-	-	-	-
Disposal of subsidiary	-	-	-	-
Unwinding income	-	-	-	-
Exchange fluctuation	-	-	-	-
Total	161	2,973	560	2,402

Capital Treatment for Credit Risk

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

BASEL II PILLAR 3 DISCLOSURES FOR 30 JUNE 2015

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

30 June 2015	CIMB IB											
(RM'000) Risk Weights	Sovereign/ Central Banks	PSEs	Banks, MDBs and DFIs	Insurance Cos, Securities Firms & Fund Managers	Corporate	Regulatory Retail	Residential Mortgages	Higher Risk Assets	Other Assets	Securitisation*	Total Exposures after Netting and Credit Risk Mitigation*	Total Risk- Weighted Assets
0%	904,400	-	-	-	-	-	-	-	37	-	904,437	-
20%	-	-	428,022	-	-	-	-	-	-	-	428,022	85,604
35%	-	-	-	-	-	-	56,396	-	-	-	56,396	19,738
50%	-	-	696,425	-	-	-	40,376	-	-	-	736,801	368,401
75%	-	-	-	-	-	2,124	324	-	-	-	2,448	1,836
100%	-	-	-	17,323	93,661	20,650	53,805	-	357,257	-	542,696	542,696
100%<RW<125	-	-	-	-	-	-	-	-	-	-	-	-
0%	-	-	-	-	-	-	-	-	-	-	-	-
>1250%	-	-	-	-	50	-	-	-	-	-	50	625
Total	904,400	-	1,124,447	17,323	93,711	22,774	150,901	-	357,294	-	2,670,850	1,018,900
Average Risk Weight	-	-	39%	100%	101%	98%	62%	-	100%	-	38%	-
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 2015

CREDIT RISK (CONTINUED)

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

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

30 June 2014	CIMB IB											
(RM'000) Risk Weights	Sovereign/ Central Banks	PSEs	Banks, MDBs and DFIs	Insurance Cos, Securities Firms & Fund Managers	Corporate	Regulatory Retail	Residential Mortgages	Higher Risk Assets	Other Assets	Securitisation*	Total Exposures after Netting and Credit Risk Mitigation*	Total Risk- Weighted Assets
-%	1,117,205	-	-	-	-	-	-	-	39	-	1,117,244	-
20%	-	-	186,158	-	-	-	-	-	-	-	186,158	37,232
35%	-	-	-	-	-	-	28,360	-	-	-	28,360	9,926
50%	-	-	630,431	-	-	-	12,256	-	-	-	642,687	321,343
75%	-	-	-	-	-	2,949	365	-	-	-	3,314	2,485
100%	-	-	-	19,385	35,456	75,411	20,473	-	492,364	-	643,089	643,089
100%<RW<125	-	-	-	-	-	-	-	-	-	-	-	-
0%	-	-	-	-	-	-	-	-	-	-	-	-
1250%	-	-	-	-	50	-	-	-	-	-	50	625
Total	1,117,205	-	816,589	19,385	35,506	78,360	61,453	-	492,403	-	2,620,901	1,014,700
Average Risk Weight	0%	-	43%	100%	102%	99%	60%	-	100%	-	39%	-
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	-	-	-

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

CREDIT RISK (CONTINUED)

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

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 2015		CIMB IB		
(RM '000) Exposure Class	Investment Grade	Non-Investment Grade	No Rating	Total
On and Off-Balance-Sheet Exposures				
Public Sector Entities	-	-	-	-
Insurance Cos, Securities Firms & Fund Managers	-	-	17,323	17,323
Corporate	-	-	93,711	93,711
Sovereign/Central Banks	-	-	904,400	904,400
Banks, MDBs and DFIs	1,123,784	-	664	1,124,447
Total	1,123,784	-	1,016,097	2,139,881

30 June 2014		CIMB IB		
(RM '000) Exposure Class	Investment Grade	Non-Investment Grade	No Rating	Total
On and Off-Balance-Sheet Exposures				
Public Sector Entities	-	-	-	-
Insurance Cos, Securities Firms & Fund Managers	-	-	-	-
Corporate	-	-	54,891	54,891
Sovereign/Central Banks	-	-	1,117,205	1,117,205
Banks, MDBs and DFIs	816,492	-	97	816,589
Total	816,492	-	1,172,193	1,988,685

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

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 2015 and 30 June 2014, there was no requirement for additional collateral to be posted. The following tables disclose the Off-Balance Sheet exposures and Counterparty Credit Risk:

CREDIT RISK (CONTINUED)

Off-Balance Sheet Exposures and Counterparty Credit Risk

Table 16: Disclosure on Off-Balance Sheet Exposures and Counterparty Credit Risk

30 June 2015	CIMB IB			
(RM '000) Description	Principal Amount	Positive Fair Value of Derivative Contracts	Credit Equivalent Amount	Risk-Weighted Assets
Direct Credit Substitutes	599,045		599,045	299,523
Transaction Related Contingent Items	-		-	-
Short Term Self Liquidating Trade Related Contingencies	-		-	-
Assets Sold With Recourse	-		-	-
Forward Asset Purchases	-		-	-
Obligations under an On-going Underwriting Agreement	80,573		40,286	40,286
Lending of banks' securities or the posting of securities as collateral by banks, including instances where these arise out of repo-style transactions (i.e. repurchase/reverse repurchase and securities lending/borrowing transactions)	-		-	-
Foreign Exchange Related Contracts				
One year or less	-		-	-
Over one year to five years	-		-	-
Over five years	-		-	-
Equity related contracts				
One year or less	-		-	-
Over one year to five years	-		-	-
Over five years	-		-	-
OTC derivative transactions and credit derivative contracts subject to valid bilateral netting agreements	328,283		47,363	32,343
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	37,175		18,587	18,552
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	-		-	-
Any commitments that are unconditionally cancellable at any time by the bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	-		-	-
Unutilised credit card lines	-		-	-
Off-balance sheet items for securitisation exposures	-		-	-
Off-balance sheet exposures due to early amortisation provisions	-		-	-
Total	1,045,076	-	705,282	390,704

CREDIT RISK (continued)

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

Table 16: Disclosure on Off-Balance Sheet Exposures and Counterparty Credit Risk (continued)

30 June 2014	CIMB IB			
(RM '000) Description	Principal Amount	Positive Fair Value of Derivative Contracts	Credit Equivalent Amount	Risk-Weighted Assets
Direct Credit Substitutes	533,167		533,167	266,584
Transaction Related Contingent Items	-		-	-
Short Term Self Liquidating Trade Related Contingencies	-		-	-
Assets Sold With Recourse	-		-	-
Forward Asset Purchases	-		-	-
Obligations under an On-going Underwriting Agreement	-		-	-
Lending of banks' securities or the posting of securities as collateral by banks, including instances where these arise out of repo-style transactions (i.e. repurchase/reverse repurchase and securities lending/borrowing transactions)	-		-	-
Foreign Exchange Related Contracts				
One year or less	-	-	-	-
Over one year to five years	-	-	-	-
Over five years	-	-	-	-
Equity related contracts				
One year or less	-	-	-	-
Over one year to five years	-	-	-	-
Over five years	-	-	-	-
OTC derivative transactions and credit derivative contracts subject to valid bilateral netting agreements	285,514	-	27,039	23,212
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	16,694		8,347	8,338
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	-		-	-
Any commitments that are unconditionally cancellable at any time by the bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	-		-	-
Unutilised credit card lines	-		-	-
Off-balance sheet items for securitisation exposures	-		-	-
Off-balance sheet exposures due to early amortisation provisions	-		-	-
Total	835,374	-	568,553	298,134

CREDIT RISK (continued)

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

The table below shows the credit derivative transactions that create exposures to Counterparty Credit Risk (notional value) segregated between own use and client intermediation activities:

Table 17: Disclosure on Credit Derivative Transactions

(RM'000)	CIMB IB			
	30 June 2015		30 June 2014	
	Notional of Credit Derivatives			
	Protection Bought	Protection Sold	Protection Bought	Protection Sold
Own Credit Portfolio	-	-	-	-
Client Intermediation Activities	-	146,350	-	157,950
Total	-	146,350	-	157,950
Credit Default Swaps	-	-	-	-
Total Return Swaps	-	146,350	-	157,950
Total	-	146,350	-	157,950

CREDIT RISK (continued)

Credit Risk Mitigation

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

Table 18: Disclosure on Credit Risk Mitigation

30 June 2015	CIMB IB			
(RM'000) Exposure Class	Exposures before CRM	Exposures Covered by Guarantees/Credit Derivatives	Exposures Covered by Eligible Financial Collateral	Exposures Covered by Other Eligible Collateral
Performing Exposures				
Sovereign/Central Banks	904,400	-	-	-
Public Sector Entities	-	-	-	-
Banks, DFIs & MDBs	1,124,447	-	-	-
Insurance Cos, Securities Firms & Fund Managers	17,323	-	-	-
Corporate	93,711	-	-	-
Residential Mortgages	150,901	-	-	-
Qualifying Revolving Retail	-	-	-	-
Hire Purchase	-	-	-	-
Other Retail	22,774	-	-	-
Securitisation	-	-	-	-
Higher Risk Assets	-	-	-	-
Other Assets	357,294	-	-	-
Defaulted Exposures	-	-	-	-
Total Exposures	2,670,850	-	-	-

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 18: Disclosure on Credit Risk Mitigation (continued)

30 June 2014	CIMB IB			
(RM'000) Exposure Class	Exposures before CRM	Exposures Covered by Guarantees/Credit Derivatives	Exposures Covered by Eligible Financial Collateral	Exposures Covered by Other Eligible Collateral
Performing Exposures				
Sovereign/Central Banks	1,117,205	-	-	-
Public Sector Entities	-	-	-	-
Banks, DFIs & MDBs	816,589	-	-	-
Insurance Cos, Securities Firms & Fund Managers	19,385	-	-	-
Corporate	35,506	-	-	-
Residential Mortgages	61,453	-	-	-
Qualifying Revolving Retail	-	-	-	-
Hire Purchase	-	-	-	-
Other Retail	78,360	-	-	-
Securitisation	-	-	-	-
Higher Risk Assets	-	-	-	-
Other Assets	492,403	-	-	-
Defaulted Exposures	-	-	-	-
Total Exposures	2,620,901	-	-	-

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

SECURITISATION

The Bank has no Securitisation exposure under the SA for Banking Book for Securitisation under the SA or for Trading Book Exposures subject to Market Risk capital charge for 30 June 2015 and 30 June 2014 respectively.

MARKET RISK

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

OPERATIONAL RISK

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

EQUITY EXPOSURES IN BANKING BOOK

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

Table 19: Analysis of Equity Investments by Grouping and RWA

In RM('000)	CIMB IB			
	30 June 2015		30 June 2014	
	Exposures subject to Risk-Weighting	RWA	Exposures subject to Risk-Weighting	RWA
Privately held	-	-	-	-
Publicly traded	-	-	-	-
Total	-	-	-	-

INTEREST RATE RISK IN THE BANKING BOOK

For the purpose of this disclosure, the impact under an instantaneous 100 bps parallel interest rate shock is applied. The treatments and assumptions applied are based on the contractual repricing maturity and remaining maturity of the products, whichever is earlier. Items with indefinite repricing maturity are treated based on the earliest possible repricing date. The actual dates may vary from the repricing profile allocated due to factors such as pre-mature withdrawals, prepayment and so forth.

The tables below illustrate CIMB IB IRRBB under a 100 bps parallel upward interest rate shock from economic value and earnings perspectives.

Table 20: IRRBB – Impact on Economic Value

(RM'000)	CIMB IB	
	30 June 2015	30 June 2014
Currency	+100bps Increase (Decline) in Economic Value (Value in RM Equivalent)	
Ringgit Malaysia	(2,243)	297
US Dollar	14	(2)
Thai Baht	-	-
Singapore Dollar	-	(3)
Others	-	-
Total	(2,229)	292

Table 21: IRRBB – Impact on Earnings

(RM'000)	CIMB IB	
	30 June 2015	30 June 2014
Currency	+100bps Increase (Decline) in Earnings (Value in RM Equivalent)	
Ringgit Malaysia	2,187	1,192
US Dollar	(318)	43
Thai Baht	-	-
Singapore Dollar	62	71
Others	(4)	(3)
Total	1,927	1,303

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

- [END OF SECTION] -