

BASEL II PILLAR 3 DISCLOSURES FOR 30 JUNE 2022

Basel II Pillar 3 Disclosure for the period ended 30 June 2022

- **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 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 2022.

There were also no capital deficiencies in any subsidiaries that are not included in the consolidation for regulatory purposes.

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 2022	30 June 2021
Common Equity Tier 1 capital		
Ordinary share capital	1,000,000	1,000,000
Other reserves	6,681,367	5,966,905
Common Equity Tier 1 capital before regulatory adjustments	7,681,367	6,966,905
<u>Less: Regulatory adjustments</u>		
Goodwill	(136,000)	(136,000)
Intangible assets	(892)	(37,016)
Deferred tax assets	(229,912)	(150,152)
Regulatory reserve	(619)	(7,650)
Others	10	-
Common Equity Tier 1 capital after regulatory adjustments	7,313,954	6,636,087
Additional Tier 1 capital		
Perpetual preference shares	350,000	357,000
Additional Tier 1 capital before regulatory adjustments	350,000	357,000
Less: Regulatory adjustments	-	-
Additional Tier 1 capital after regulatory adjustments	350,000	357,000
Total Tier 1 capital	7,663,954	6,993,087
Tier 2 capital		
Subordinated Sukuk	1,100,000	1,110,000
Surplus eligible provision over expected loss	151,402	17,686
General provisions	79,597	70,193
Total Tier 2 capital	1,330,999	1,197,879
Total capital	8,994,953	8,190,966

CAPITAL MANAGEMENT (continued)

Capital Structure and Adequacy (continued)

Table 1: Capital Position for CIMB Islamic

(RM'000)	CIMB Islamic	
	30 June 2022	30 June 2021
RWA		
Credit risk	47,224,179	43,386,922
Market risk	484,651	806,027
Operational risk	4,464,054	3,928,286
Total RWA	52,172,884	48,121,235
Capital Adequacy Ratios		
Common Equity Tier 1 ratio	14.019%	13.790%
Tier 1 ratio	14.690%	14.532%
Total Capital ratio	17.241%	17.022%

Total Capital ratio increased in 2022 compared to 2021 mainly due to (i) higher retained earnings, (ii) higher surplus of EP over EL; offset by (iii) lower FVOCI reserve, (iv) higher deferred tax assets deduction, and (v) higher RWA. The increase in RWA is mainly due to higher Credit RWA and higher Operational 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 2022	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	21,891,135	21,891,135	-	-	-
Public Sector Entities	2,372,257	2,372,257	59,862	59,862	4,789
Banks, DFIs & MDBs	15	15	3	3	0
Takaful Operators, Securities Firms & Fund Managers	-	-	-	-	-
Corporate	2,180,011	2,150,495	1,353,735	1,305,039	104,403
Regulatory Retail	8,801,339	8,078,230	4,758,010	4,623,632	369,891
RRE Financing	345,201	345,201	170,536	154,213	12,337
Higher Risk Assets	-	-	-	-	-
Other Assets	277,892	277,892	225,008	225,008	18,001
Securitisation	-	-	-	-	-
Total for SA	35,867,851	35,115,226	6,567,153	6,367,757	509,421
Exposures under the IRB Approach					
Sovereign/Central Banks	-	-	-	-	-
Public Sector Entities	-	-	-	-	-
Banks, DFIs & MDBs	1,231,734	1,231,734	275,046	275,046	22,004
Takaful Operators, Securities Firms & Fund Managers	-	-	-	-	-
Corporate	26,166,645	26,166,645	17,119,523	14,962,784	1,197,023
RRE Financing	32,834,574	32,834,574	9,877,289	9,469,048	757,524
Qualifying Revolving Retail	281,138	281,138	167,712	167,712	13,417
Hire Purchase	14,393,513	14,393,513	10,782,742	7,028,364	562,269
Other Retail	29,862,704	29,862,704	6,649,020	6,640,840	531,267
Securitisation	-	-	-	-	-
Total for IRB Approach	104,770,308	104,770,308	44,871,332	38,543,794	3,083,504

BASEL II PILLAR 3 DISCLOSURES FOR 30 JUNE 2022

CAPITAL MANAGEMENT *(continued)*

Capital Structure and Adequacy *(continued)*

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

30 June 2022	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)	140,638,159	139,885,534	54,130,766	47,224,179	3,777,934
Large Exposure Risk Requirement	-	-	-	-	-
Market Risk (SA)					
Profit Rate Risk			399,387	399,387	31,951
Foreign Currency Risk			85,265	85,265	6,821
Equity Risk			-	-	-
Commodity Risk			-	-	-
Options Risk			-	-	-
Total Market Risk			484,651	484,651	38,772
Operational Risk (BIA)			4,464,054	4,464,054	357,124
Total RWA and Capital Requirement			59,079,471	52,172,884	4,173,831

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%
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 2022

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

Table 3: Geographic Distribution of Credit Exposures

30 June 2022		CIMB Islamic			
(RM'000) Exposure Class	Malaysia	Singapore	Thailand	Other Countries	Total
Sovereign	21,891,135	-	-	-	21,891,135
PSE	2,372,257	-	-	-	2,372,257
Bank	1,231,750	-	-	-	1,231,750
Corporate	28,346,655	-	-	-	28,346,655
RRE Financing	33,179,775	-	-	-	33,179,775
HPE	14,393,513	-	-	-	14,393,513
QRRE	281,138	-	-	-	281,138
Other Retail	38,664,043	-	-	-	38,664,043
Other Exposures	277,892	-	-	-	277,892
Total Gross Credit Exposure	140,638,159	-	-	-	140,638,159

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

BASEL II PILLAR 3 DISCLOSURES FOR 30 JUNE 2022
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 2022	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	-	-	-	297,611	2,047,830	-	1,284,645	11,812,110	5,321,046	-	1,127,893	21,891,135
PSE	-	-	-	-	-	-	-	289,146	2,083,111	-	-	2,372,257
Bank	-	-	-	-	-	-	-	1,231,750	-	-	-	1,231,750
Corporate	3,244,772	1,579,910	3,037,972	832,288	3,942,386	2,643,352	3,004,506	9,266,293	747,351	21,211	26,615	28,346,655
RRE	-	-	-	-	-	-	-	-	-	33,179,775	-	33,179,775
Financing	-	-	-	-	-	-	-	-	-	14,393,513	-	14,393,513
HPE	-	-	-	-	-	-	-	-	-	281,138	-	281,138
QRRE	-	-	-	-	-	-	-	-	-	-	-	-
Other Retail	107,798	12,028	907,641	26,434	437,771	2,296,857	210,004	1,468,459	328,540	32,831,275	37,238	38,664,043
Other Exposures	-	-	-	-	-	-	-	-	-	-	277,892	277,892
Total Gross Credit Exposure	3,352,570	1,591,938	3,945,613	1,156,332	6,427,987	4,940,209	4,499,155	24,067,756	8,480,049	80,706,913	1,469,638	140,638,159

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 (continued)

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	-	-	-	-	-	-	-	-	-	27,378,975	-	27,378,975
Financing	-	-	-	-	-	-	-	-	-	-	-	-
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.*

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 2022	CIMB Islamic			
(RM'000) Exposure Class	Less than 1 year	1 to 5 years	More than 5 years	Total
Sovereign	12,514,161	4,198,392	5,178,582	21,891,135
PSE	839,593	322,502	1,210,162	2,372,257
Bank	641,098	436,789	153,863	1,231,750
Corporate	9,164,707	6,066,918	13,115,030	28,346,655
RRE Financing	3,013	108,580	33,068,183	33,179,775
HPE	41,941	2,587,426	11,764,146	14,393,513
QRRE	281,138	-	-	281,138
Other Retail	49,316	1,167,193	37,447,534	38,664,043
Other Exposures	-	-	277,892	277,892
Total Gross Credit Exposure	23,534,965	14,887,801	102,215,393	140,638,159

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

CREDIT RISK (continued)

Credit Quality of Advances & Financing

i) Past Due But Not Impaired

The following tables provide an analysis of the outstanding balances as at 30 June 2022 and 31 December 2021 which were past due but not impaired by sector and geographical respectively:

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

(RM'000)	CIMB Islamic	
	30 June 2022	31 December 2021
Primary Agriculture	1,933	341
Mining and Quarrying	-	227
Manufacturing	29,430	4,256
Electricity, Gas and Water Supply	182	1
Construction	77,368	5,752
Wholesale and Retail Trade, and Restaurants and Hotels	57,019	7,430
Transport, Storage and Communication	13,977	3,209
Finance, Takaful, Real Estate and Business Activities	78,646	11,162
Education, Health and Others	6,015	935
Household	4,994,335	2,037,653
Others*	78	236
Total	5,258,983	2,071,202

Note: All sectors above are Shariah compliant.

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

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

(RM'000)	CIMB Islamic	
	30 June 2022	31 December 2021
Malaysia	5,258,983	2,071,202
Total	5,258,983	2,071,202

CREDIT RISK (continued)

Credit Quality of Advances and Financing (continued)

ii) Credit Impaired Financings

CREDIT RISK (continued)

Credit Quality of, Advances and Financing (continued)

ii) Credit Impaired Financings (continued)

The following tables provide an analysis of the outstanding balances as at 30 June 2022 and 31 December 2021 which were credit impaired by sector and geographical respectively:

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

(RM'000)	CIMB Islamic	
	30 June 2022	31 December 2021
Primary Agriculture	20,087	20,844
Mining and Quarrying	-	-
Manufacturing	22,333	28,132
Electricity, Gas and Water Supply	1	-
Construction	55,547	20,267
Wholesale and Retail Trade, and Restaurants and Hotels	105,168	83,351
Transport, Storage and Communication	8,384	1,877
Finance, Takaful, Real Estate and Business Activities	50,004	51,161
Education, Health and Others	7,551	6,268
Household	617,797	427,598
Others*	2	1
Total	886,874	639,499

Note: All sectors above are Shariah compliant.

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

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

(RM'000)	CIMB Islamic	
	30 June 2022	31 December 2021
Malaysia	886,874	639,499
Total	886,874	639,499

CREDIT RISK (continued)

Credit Quality of Advances and Financing (continued)

iii) Expected Credit Losses

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

(RM'000)	CIMB Islamic			
	30 June 2022			
	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	1,748	2,922	2,791	7,461
Mining and Quarrying	134	1,778	-	1,912
Manufacturing	5,820	11,229	13,026	30,075
Electricity, Gas and Water Supply	655	422	-	1,077
Construction	1,251	3,508	21,609	26,368
Wholesale and Retail Trade, and Restaurants and Hotels	15,864	26,238	41,052	83,154
Transport, Storage and Communications	3,674	5,714	5,750	15,138
Finance, Takaful, Real Estate and Business Activities	12,959	13,995	6,617	33,571
Education, Health and Others	2,942	3,742	4,158	10,842
Household	225,417	727,390	208,596	1,161,403
Others*	76	3	1	80
Total	270,540	796,941	303,600	1,371,081

Note: All sectors above are Shariah compliant.

*Others are exposures which are not elsewhere classified.

CREDIT RISK (continued)

Credit Quality of 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 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	957	4,985	2,646	8,588
Mining and Quarrying	431	3,183	-	3,614
Manufacturing	4,889	11,917	14,730	31,536
Electricity, Gas and Water Supply	923	886	-	1,809
Construction	1,782	4,376	5,764	11,922
Wholesale and Retail Trade, and Restaurants and Hotels	10,657	35,501	37,970	84,128
Transport, Storage and Communications	3,136	3,242	780	7,158
Finance, Takaful, Real Estate and Business Activities	11,962	14,694	6,679	33,335
Education, Health and Others	1,302	4,358	1,952	7,612
Household	212,538	644,225	160,572	1,017,335
Others*	124	34	1	159
Total	248,701	727,401	231,094	1,207,196

Note: All sectors above are Shariah compliant.

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

CREDIT RISK (continued)

Credit Quality of 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 2022			
	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	270,540	796,941	303,600	1,371,081
Total	270,540	796,941	303,600	1,371,081

(RM'000)	CIMB Islamic			
	31 December 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	248,701	727,401	231,094	1,207,196
Total	248,701	727,401	231,094	1,207,196

CREDIT RISK (continued)

Credit Quality of 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 2022	
	Charges/(write back)	Write-off
	Lifetime expected credit losses - Credit impaired (Stage 3)	Lifetime expected credit losses - Credit impaired (Stage 3)
Primary Agriculture	137	-
Mining and Quarrying	-	-
Manufacturing	(2,136)	-
Electricity, Gas and Water Supply	-	-
Construction	15,183	141
Wholesale and Retail Trade, and Restaurants and Hotels	832	237
Transport, Storage and Communications	4,690	-
Finance, Takaful, Real Estate and Business Activities	(584)	-
Education, Health and Others	2,009	10
Household	88,680	50,529
Others*	9	-
Total	108,820	50,917

Note: All sectors above are Shariah compliant.

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

CREDIT RISK (CONTINUED)

Credit Quality of 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 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 Advances and Financing (continued)

iii) Expected Credit Losses (continued)

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

(RM'000)	CIMB Islamic			
	30 June 2022			
	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 2022	248,701	727,401	231,094	1,207,196
Changes in expected credit losses due to transferred within stages	85,641	(97,813)	12,172	-
Transferred to Stage 1	124,162	(114,131)	(10,031)	-
Transferred to Stage 2	(37,479)	92,621	(55,142)	-
Transferred to Stage 3	(1,042)	(76,303)	77,345	-
Total charge to Income Statement	(63,829)	167,291	108,820	212,282
New financial assets originated	40,730	104	7,190	48,024
Financial assets that have been derecognised	(19,227)	(13,730)	-	(32,957)
Write back in respect of full recoveries	-	-	(13,017)	(13,017)
Change in credit risk	(85,332)	180,917	114,647	210,232
Write-offs	-	(1)	(50,917)	(50,918)
Exchange fluctuation	11	62	-	73
Other movements	16	1	2,431	2,448
Total	270,540	796,941	303,600	1,371,081

CREDIT RISK (continued)

Credit Quality of Advances and Financing (continued)

iii) Expected Credit Losses (continued)

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

(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

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 2022

CREDIT RISK (continued)

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

Table 14: Disclosure by Risk Weight under SA

30 June 2022	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%	21,891,135	2,072,949	-	-	-	111	-	-	52,885	-	24,017,080	-
20%	-	299,308	15	-	12,956	898,755	-	-	-	-	1,211,034	242,207
35%	-	-	-	-	-	-	15,196	-	-	-	15,196	5,318
50%	-	-	-	-	1,573,802	4,460,501	329,577	-	-	-	6,363,880	3,181,940
75%	-	-	-	-	-	1,483,817	-	-	-	-	1,483,817	1,112,862
100%	-	-	-	-	562,965	1,234,849	429	-	225,008	-	2,023,251	2,023,251
100% < RW < 1250%	-	-	-	-	760	198	-	-	-	-	958	1,438
1250%	-	-	-	-	11	-	-	-	-	-	11	138
Total	21,891,135	2,372,257	15	-	2,150,495	8,078,230	345,201	-	277,892	-	35,115,226	6,567,153
Average Risk Weight	-	3%	20%	-	63%	59%	49%	-	81%	-	19%	
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	-	-	

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

CREDIT RISK (continued)

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

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

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

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 2022		CIMB Islamic		
(RM '000) Exposure Class	Investment Grade	Non-Investment Grade	No Rating	Total
On and Off-Balance-Sheet Exposures				
Public Sector Entities	-	-	2,372,257	2,372,257
Takaful Operators, Securities Firms & Fund Managers	-	-	-	-
Corporate	106	16	2,179,889	2,180,011
Sovereign/Central Banks	21,142,187	-	748,948	21,891,135
Banks, MDBs and DFIs	15	-	-	15
Total	21,142,308	16	5,301,094	26,443,418

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

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

30 June 2022		CIMB Islamic		
(RM '000) Exposure Class	Investment Grade	Non-Investment Grade	No Rating	Total
On and Off-Balance-Sheet Exposures				
Securitisation	-	-	-	-

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

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

The following tables summarise the retail credit exposures measured under A-IRB Approach as at 30 June 2022 and 30 June 2021:

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

30 June 2022	CIMB Islamic			
(RM'000) PD Range of Retail Exposures	0% ≤ PD < 2%	2% ≤ PD < 100%	100% Or Default	Total
Total Retail Exposure	50,889,667	25,146,950	1,335,312	77,371,929
RRE Financing	28,569,000	3,207,383	1,058,190	32,834,574
QRRE	166,131	113,218	1,789	281,138
Hire Purchase	10,058,198	4,216,288	119,027	14,393,513
Other Retail	12,096,338	17,610,060	156,306	29,862,704
Exposure Weighted Average LGD				
RRE Financing	24%	27%	33%	
QRRE	90%	90%	90%	
Hire Purchase	54%	66%	56%	
Other Retail	29%	11%	33%	
Exposure Weighted Average Risk Weight				
RRE Financing	14%	93%	285%	
QRRE	19%	111%	576%	
Hire Purchase	57%	110%	371%	
Other Retail	27%	18%	181%	

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

30 June 2022	CIMB Islamic			
(RM'000) EL Range of Retail Exposures	EL ≤ 1%	1% < EL < 100%	EL = 100%	Total
Total Retail Exposure	65,110,314	12,232,601	29,014	77,371,929
RRE Financing	30,875,962	1,942,308	16,304	32,834,574
QRRE	160,627	120,511	-	281,138
Hire Purchase	9,147,136	5,241,292	5,085	14,393,513
Other Retail	24,926,589	4,928,490	7,625	29,862,704
Exposure Weighted Average LGD				
RRE Financing	24%	33%	35%	
QRRE	90%	90%	90%	
Hire Purchase	53%	65%	51%	
Other Retail	18%	24%	54%	

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%	

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 2022 and 30 June 2021:

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

30 June 2022						CIMB Islamic
(RM'000) Supervisory Categories	Strong	Good	Satisfactory	Weak	Default	Total
Project Finance	-	118,404	120,339	311	-	239,054
Object Finance	-	-	-	-	-	-
Commodities Finance	-	-	-	-	-	-
Income Producing Real Estate	177,813	824,057	172,171	262,431	0	1,436,472
RWA	88,906	688,230	336,387	656,854	-	1,770,377

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

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 2022	CIMB Islamic				
(RM'000) Internal Risk Grading	1 - 7	8 - 15	16 - 25	Default	Total
Total Non-Retail Exposure	7,227,492	10,506,830	7,229,508	759,022	25,722,853
Bank	1,032,386	199,305	44	-	1,231,734
Corporate (excluding Specialised Financing)	6,195,107	10,307,525	7,229,465	759,022	24,491,118
Exposure Weighted Average LGD					
Bank	45%	45%	45%	-	
Corporate (excluding Specialised Financing)	45%	40%	37%	43%	
Exposure Weighted Average Risk Weight					
Bank	20%	35%	193%	0%	
Corporate (excluding Specialised Financing)	11%	71%	101%	0%	

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%	-	

- In September 2021, the rating label was changed. However, the 2022 rating buckets had been mapped to the 2021 rating buckets to make the disclosure sets comparable.

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 2022		30 June 2021	
	Regulatory Expected Losses as at 30 June 2021	Actual Losses for the period ended 30 June 2022	Regulatory Expected Losses as at 30 June 2020	Actual Losses for the period ended 30 June 2021
Sovereign	-	-	-	-
Bank	351	-	390	0
Corporate	188,669	41,214	189,387	32,372
RRE Financing	76,994	41,990	92,355	51,661
HPE	287,269	125,611	90,694	85,429
QRRE	7,023	1,141	9,071	1,343
Other Retail	173,504	9,823	153,213	33,402
Total	733,811	219,778	535,110	204,207

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 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 2022 and 30 June 2021 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 2022 and 30 June 2021:

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

30 June 2022	CIMB Islamic			
(RM'000) Description	Principal Amount	Positive Fair Value of Derivative Contracts	Credit Equivalent Amount	Risk-Weighted Assets
Direct Credit Substitutes	306,221		306,221	202,984
Transaction Related Contingent Items	725,268		362,634	214,111
Short Term Self Liquidating Trade Related Contingencies	47,381		9,476	7,009
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	72,159		72,159	9,673
Foreign Exchange Related Contracts				
One year or less	2,430,810	31,396	61,143	83,587
Over one year to five years	-	-	-	-
Over five years	-	-	-	-
Profit Rate Related Contracts				
One year or less	52,315	24	695	509
Over one year to five years	152,126	1,255	3,367	3,988
Over five years	16,081	19	940	885
Commodity contracts				
One year or less	1,944	822	1,017	1,113
Over one year to five years	-	-	-	-
Over five years	-	-	-	-
OTC derivative transactions and credit derivative contracts subject to valid bilateral netting agreements	25,737,422	192,772	519,796	133,243
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	15,277,103		13,495,736	5,026,068
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	8,507,791		-	-
Unutilised credit card lines	323,098		126,045	39,251
Off-balance sheet items for securitisation exposures	-		-	-
Total	53,649,718	226,288	14,959,227	5,722,421

CREDIT RISK (continued)

Off-Balance Sheet Exposures and CCR (continued)

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

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)

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 2022		30 June 2021	
	Notional of Credit Derivatives			
	Protection Bought	Protection Sold	Protection Bought	Protection Sold
Own Credit Portfolio	-	-	-	-
Client Intermediation Activities	-	20,500	-	20,500
Total	-	20,500	-	20,500
Credit Default Swaps	-	-	-	-
Total Return Swaps	-	20,500	-	20,500
Total	-	20,500	-	20,500

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 2022 and 30 June 2021:

Table 24: Disclosure on Credit Risk Mitigation

30 June 2022	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	21,891,135	-	-	-
Public Sector Entities	2,372,257	2,072,949	-	-
Banks, DFIs & MDBs	1,231,750	-	120	-
Takaful Operators, Securities Firms & Fund Managers	-	-	-	-
Corporate	27,568,806	2,660,456	631,347	8,071,611
RRE Financing	32,120,179	-	-	-
Qualifying Revolving Retail	279,349	-	-	-
Hire Purchase	14,274,486	-	-	-
Other Retail	38,480,253	898,866	721,957	-
Securitisation	-	-	-	-
Higher Risk Assets	-	-	-	-
Other Assets	277,892	-	-	-
Defaulted Exposures	1,863,127	271	6,467	136,904
Total Exposures	140,359,235	5,632,542	1,359,891	8,208,515

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 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.

SECURITISATION

The following tables show the disclosure on Securitisation for Banking Book for 30 June 2022 and 31 December 2021:

Table 25: Disclosure on Securitisation for Banking Book

30 June 2022 (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	-	-	-	-

31 December 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	46,438	5,422	3,758	(997)

* Gains/(losses) recognised during the period represent gain/(losses) recognised during the 6 months period from 1 January 2022 to 30 June 2022 and 1 January 2021 to 30 June 2021.

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 2022		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 2022		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 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 under the SA for Trading Book Exposures subject to Market Risk Capital Charge

As at 30 June 2022 and 30 June 2021, 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 2022 and 30 June 2021, 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 2022 and 30 June 2021:

Table 27: Analysis of Equity Investments by Grouping and RWA

(RM'000)	CIMB Islamic			
	30 June 2022		30 June 2021	
	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 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 2022	30 June 2021
Currency	+100bps Increase/(Decline) in Economic Value (Value in RM Equivalent)	
Ringgit Malaysia	(848,010)	(730,671)
US Dollar	1,971	(6,065)
Thai Baht	-	(2)
Singapore Dollar	(2)	(1)
Others	(737)	8
Total	(846,778)	(736,731)

Table 29: RORBB – Impact on Earnings

(RM'000)	CIMB Islamic	
	30 June 2022	30 June 2021
Currency	+100bps Increase/(Decline) in Earnings (Value in RM Equivalent)	
Ringgit Malaysia	(2,604)	(9,628)
US Dollar	(16,636)	(26,904)
Thai Baht	7	43
Singapore Dollar	55	14
Others	(3,137)	420
Total	(22,315)	(36,055)

[END OF SECTION]