

BASEL II PILLAR 3 DISCLOSURES FOR 30 JUNE 2023

Basel II Pillar 3 Disclosure for the period ended 30 June 2023

- **CIMB Islamic Bank Berhad**

Contents

ABBREVIATIONS.....	1
OVERVIEW	3
CAPITAL MANAGEMENT.....	3
CREDIT RISK	10
SECURITISATION	37
MARKET RISK	42
OPERATIONAL RISK.....	42
EQUITY EXPOSURES IN BANKING BOOK.....	42
RATE OF RETURN RISK IN THE BANKING BOOK.....	43

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

ABBREVIATIONS (continued)

GSGC	: Group Sustainability and Governance Committee
F-IRB Approach	: Foundation Internal Ratings Based Approach
Fitch	: Fitch Ratings
GALCO	: Group Asset Liability Management Committee
GCC	: Group Credit Committee
GIB	: Group Islamic Banking
GMCRC	: Group Market and Conduct Risks 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 2023.

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 2023	30 June 2022
Common Equity Tier 1 capital		
Ordinary share capital	1,000,000	1,000,000
Other reserves	7,787,434	6,681,367
Common Equity Tier 1 capital before regulatory adjustments	8,787,434	7,681,367
<u>Less: Regulatory adjustments</u>		
Goodwill	(136,000)	(136,000)
Intangible assets	(2,623)	(892)
Deferred tax assets	(261,896)	(229,912)
Regulatory reserve	(254,073)	(619)
Others	644	10
Common Equity Tier 1 capital after regulatory adjustments	8,133,486	7,313,954
Additional Tier 1 capital		
Perpetual preference shares	350,000	350,000
Total Tier 1 capital	8,483,486	7,663,954
Tier 2 capital		
Subordinated Sukuk	1,100,000	1,100,000
Surplus of eligible provision over expected loss	194,208	151,402
General provisions	86,461	79,597
Total Tier 2 capital	1,380,669	1,330,999
Total capital	9,864,155	8,994,953

CAPITAL MANAGEMENT (continued)

Capital Structure and Adequacy (continued)

Table 1: Capital Position for CIMB Islamic

(RM'000)	CIMB Islamic	
	30 June 2023	30 June 2022
RWA		
Credit risk	55,472,305	47,224,179
Market risk	684,961	484,651
Operational risk	5,126,617	4,464,054
Total RWA	61,283,883	52,172,884
Capital Adequacy Ratios		
Common Equity Tier 1 ratio	13.272%	14.019%
Tier 1 ratio	13.843%	14.690%
Total Capital ratio	16.096%	17.241%

Total Capital ratio decreased in 2023 compared to 2022 mainly due to (i) increase in Credit RWA and Operational RWA, (ii) lower audited profits for first half of FY2023 and (iii) higher deferred tax assets; offset by (iv) higher retained earnings and (v) higher surplus eligible provision over expected loss.

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 2023	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	26,763,095	26,763,095	-	-	-
Public Sector Entities	3,499,859	3,499,859	211,944	211,944	16,956
Banks, DFIs & MDBs	8	8	2	2	0
Takaful Operators, Securities Firms & Fund Managers	-	-	-	-	-
Corporate	3,382,585	3,331,363	1,974,396	1,896,947	151,756
Regulatory Retail	8,410,200	7,845,939	4,390,124	4,254,758	340,381
RRE Financing	419,675	419,675	209,400	151,119	12,090
Higher Risk Assets	-	-	-	-	-
Other Assets	403,037	403,037	402,081	402,081	32,166
Securitisation	-	-	-	-	-
Total for SA	42,878,457	42,262,975	7,187,946	6,916,851	553,348
Exposures under the IRB Approach					
Sovereign/Central Banks	-	-	-	-	-
Public Sector Entities	-	-	-	-	-
Banks, DFIs & MDBs	3,913,091	3,913,091	1,047,614	1,047,614	83,809
Takaful Operators, Securities Firms & Fund Managers	-	-	-	-	-
Corporate	32,371,928	32,371,928	21,014,204	18,577,989	1,486,239
RRE Financing	39,541,032	39,541,032	12,137,772	11,360,578	908,846
Qualifying Revolving Retail	396,681	396,681	250,459	250,459	20,037
Hire Purchase	16,548,658	16,548,658	12,618,637	7,452,348	596,188
Other Retail	31,766,246	31,766,246	7,129,144	7,118,045	569,444
Securitisation	-	-	-	-	-
Total for IRB Approach	124,537,636	124,537,636	54,197,830	45,807,032	3,664,563

BASEL II PILLAR 3 DISCLOSURES FOR 30 JUNE 2023

CAPITAL MANAGEMENT (continued)

Capital Structure and Adequacy (continued)

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

30 June 2023	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)	167,416,094	166,800,611	64,637,646	55,472,305	4,437,784
Large Exposure Risk Requirement	-	-	-	-	-
Market Risk (SA)					
Profit Rate Risk			630,020	630,020	50,402
Foreign Currency Risk			54,941	54,941	4,395
Equity Risk			-	-	-
Commodity Risk			-	-	-
Options Risk			-	-	-
Total Market Risk			684,961	684,961	54,797
Operational Risk (BIA)			5,126,617	5,126,617	410,129
Total RWA and Capital Requirement			70,449,224	61,283,883	4,902,711

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%
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

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

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 2023		CIMB Islamic			
(RM'000) Exposure Class	Malaysia	Singapore	Thailand	Other Countries	Total
Sovereign	26,763,095	-	-	-	26,763,095
PSE	3,499,859	-	-	-	3,499,859
Bank	3,913,098	-	-	-	3,913,098
Corporate	35,754,513	-	-	-	35,754,513
RRE Financing	39,960,707	-	-	-	39,960,707
HPE	16,548,658	-	-	-	16,548,658
QRRE	396,681	-	-	-	396,681
Other Retail	40,176,445	-	-	-	40,176,445
Other Exposures	403,037	-	-	-	403,037
Total Gross Credit Exposure	167,416,094	-	-	-	167,416,094

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

BASEL II PILLAR 3 DISCLOSURES FOR 30 JUNE 2023
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 2023	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	-	-	-	553,689	2,681,839	-	1,875,972	12,122,058	8,504,152		1,025,385	26,763,095
PSE	-	-	-	-	-	-	-	388,192	3,111,667		-	3,499,859
Bank	-	-	-	-	-	-	-	3,913,098				3,913,098
Corporate	3,502,090	1,642,334	3,720,805	1,488,551	5,054,578	3,918,244	5,000,301	10,647,060	753,096	10,126	17,328	35,754,513
RRE Financing										39,960,707		39,960,707
HPE										16,548,658		16,548,658
QRRE	-	-	-	-	-	-	-	-	-	396,681		396,681
Other Retail	98,757	14,439	950,585	25,197	478,574	2,792,733	265,935	1,592,755	331,535	33,615,438	10,497	40,176,445
Other Exposures	-	-	-	-	-	-	-	-	-	-	403,037	403,037
Total Gross Credit Exposure	3,600,847	1,656,773	4,671,391	2,067,437	8,214,991	6,710,977	7,142,208	28,663,164	12,700,450	90,531,610	1,456,246	167,416,094

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 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	-	-	-	-	-	-	-	-	-	-	-	-
HPE	-	-	-	-	-	-	-	-	-	14,393,513	-	14,393,513
QRRE	-	-	-	-	-	-	-	-	-	281,138	-	281,138
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)

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 2023	CIMB Islamic			
(RM'000) Exposure Class	Less than 1 year	1 to 5 years	More than 5 years	Total
Sovereign	11,169,198	4,347,582	11,246,314	26,763,095
PSE	388,192	1,394,911	1,716,756	3,499,859
Bank	3,294,791	504,795	113,512	3,913,098
Corporate	8,087,538	10,843,545	16,823,431	35,754,513
RRE Financing	2,624	104,224	39,853,858	39,960,707
HPE	38,416	3,724,200	12,786,043	16,548,658
QRRE	396,681	-	-	396,681
Other Retail	77,999	1,383,193	38,715,254	40,176,445
Other Exposures	-	-	403,037	403,037
Total Gross Credit Exposure	23,455,440	22,302,450	121,658,204	167,416,094

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

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 2023 and 31 December 2022 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 2023	31 December 2022
Primary Agriculture	3,708	4,663
Mining and Quarrying	87	-
Manufacturing	37,107	25,398
Electricity, Gas and Water Supply	8,637	231
Construction	53,929	46,118
Wholesale and Retail Trade, and Restaurants and Hotels	52,614	47,980
Transport, Storage and Communication	11,000	6,021
Finance, Takaful, Real Estate and Business Activities	137,621	109,199
Education, Health and Others	20,192	23,719
Household	6,477,579	5,883,362
Others*	39	53
Total	6,802,513	6,146,744

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 2023	31 December 2022
Malaysia	6,802,513	6,146,744
Total	6,802,513	6,146,744

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 2023 and 31 December 2022 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 2023	31 December 2022
Primary Agriculture	19,063	16,917
Mining and Quarrying	1	-
Manufacturing	19,918	11,923
Electricity, Gas and Water Supply	1	-
Construction	35,392	25,478
Wholesale and Retail Trade, and Restaurants and Hotels	197,562	132,338
Transport, Storage and Communication	7,893	5,935
Finance, Takaful, Real Estate and Business Activities	69,352	55,889
Education, Health and Others	17,593	62,074
Household	1,546,781	1,098,782
Others*	1	1
Total	1,913,557	1,409,337

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 2023	31 December 2022
Malaysia	1,913,557	1,409,337
Total	1,913,557	1,409,337

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 2023			
	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	1,882	1,761	4,264	7,907
Mining and Quarrying	243	998	-	1,241
Manufacturing	8,077	6,893	10,608	25,578
Electricity, Gas and Water Supply	977	4	1	982
Construction	3,112	1,803	22,395	27,310
Wholesale and Retail Trade, and Restaurants and Hotels	16,886	5,095	108,031	130,012
Transport, Storage and Communications	3,317	2,732	6,944	12,993
Finance, Takaful, Real Estate and Business Activities	10,612	5,639	19,488	35,739
Education, Health and Others	2,460	2,936	10,231	15,627
Household	631,369	302,529	377,872	1,311,770
Others*	22	3	1	26
Total	678,957	330,393	559,835	1,569,185

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 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	1,811	2,864	4,398	9,073
Mining and Quarrying	133	1,360	-	1,493
Manufacturing	7,654	16,151	6,747	30,552
Electricity, Gas and Water Supply	1,642	442	-	2,084
Construction	2,333	4,224	20,572	27,129
Wholesale and Retail Trade, and Restaurants and Hotels	14,952	18,423	69,854	103,229
Transport, Storage and Communications	4,938	2,029	6,333	13,300
Finance, Takaful, Real Estate and Business Activities	10,943	20,688	16,337	47,968
Education, Health and Others	2,509	4,665	1,851	9,025
Household	116,312	821,949	305,512	1,243,773
Others*	22	4	1	27
Total	163,249	892,799	431,605	1,487,653

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 2023			
	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	678,957	330,393	559,835	1,569,185
Total	678,957	330,393	559,835	1,569,185

(RM'000)	CIMB Islamic			
	31 December 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	163,249	892,799	431,605	1,487,653
Total	163,249	892,799	431,605	1,487,653

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 2023	
	Charges/(write back)	Write-off
	Lifetime expected credit losses - Credit impaired (Stage 3)	Lifetime expected credit losses - Credit impaired (Stage 3)
Primary Agriculture	(207)	-
Mining and Quarrying	-	-
Manufacturing	2,957	258
Electricity, Gas and Water Supply	-	-
Construction	1,029	219
Wholesale and Retail Trade, and Restaurants and Hotels	33,383	378
Transport, Storage and Communications	479	183
Finance, Takaful, Real Estate and Business Activities	3,906	26
Education, Health and Others	8,580	-
Household	172,391	119,358
Others*	277	-
Total	222,795	120,422

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

(RM'000)	CIMB Islamic			
	30 June 2023			
	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 2023	163,249	892,799	431,605	1,487,653
Changes in expected credit losses due to transferred within stages	561,107	(575,690)	14,583	-
Transferred to Stage 1	626,537	(615,662)	(10,875)	-
Transferred to Stage 2	(62,034)	220,254	(158,220)	-
Transferred to Stage 3	(3,396)	(180,282)	183,678	-
Total charge to Income Statement	(45,455)	13,368	222,795	190,708
New financial assets originated	40,414	360	7,774	48,548
Financial assets that have been derecognised	(22,980)	(15,675)	-	(38,655)
Write back in respect of full recoveries	-	-	(10,715)	(10,715)
Change in credit risk	(62,889)	28,683	225,736	191,530
Write-offs	-	-	(120,422)	(120,422)
Exchange fluctuation	38	16	-	54
Other movements	18	(100)	11,274	11,192
Total	678,957	330,393	559,835	1,569,185

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 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

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 2023

CREDIT RISK (continued)

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

Table 14: Disclosure by Risk Weight under SA

30 June 2023	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%	26,763,095	2,533,002	-	-	-	68	-	-	956	-	29,297,122	-
20%	-	904,947	8	-	66,098	1,279,284	-	-	-	-	2,250,337	450,067
35%	-	-	-	-	-	-	22,287	-	-	-	22,287	7,800
50%	-	61,909	-	-	2,613,427	4,228,205	391,576	-	-	-	7,295,117	3,647,558
75%	-	-	-	-	-	1,276,704	-	-	-	-	1,276,704	957,528
100%	-	-	-	-	646,829	1,059,763	5,812	-	402,081	-	2,114,485	2,114,485
100% < RW < 1250%	-	-	-	-	4,998	1,916	-	-	-	-	6,913	10,370
1250%	-	-	-	-	11	-	-	-	-	-	11	138
Total	26,763,095	3,499,859	8	-	3,331,363	7,845,939	419,675	-	403,037	-	42,262,975	7,187,946
Average Risk Weight	-	6%	20%	-	59%	56%	50%	-	100%	-	17%	
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 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)

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 2023		CIMB Islamic		
(RM '000) Exposure Class	Investment Grade	Non-Investment Grade	No Rating	Total
On and Off-Balance-Sheet Exposures				
Public Sector Entities	-	-	3,499,859	3,499,859
Takaful Operators, Securities Firms & Fund Managers	-	-	-	-
Corporate	1	-	3,382,584	3,382,585
Sovereign/Central Banks	23,525,151	-	3,237,944	26,763,095
Banks, MDBs and DFIs	8	-	-	8
Total	23,525,159	-	10,120,387	33,645,546

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

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

30 June 2023		CIMB Islamic		
(RM '000) Exposure Class	Investment Grade	Non-Investment Grade	No Rating	Total
On and Off-Balance-Sheet Exposures				
Securitisation	-	-	-	-

30 June 2022		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 2023 and 30 June 2022:

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

30 June 2023	CIMB Islamic			
(RM'000) PD Range of Retail Exposures	0% ≤ PD < 2%	2% ≤ PD < 100%	100% Or Default	Total
Total Retail Exposure	60,189,102	26,327,476	1,736,039	88,252,617
RRE Financing	33,349,254	4,914,868	1,276,910	39,541,032
QRRE	231,367	161,075	4,238	396,681
Hire Purchase	11,061,154	5,269,242	218,262	16,548,658
Other Retail	15,547,327	15,982,291	236,628	31,766,246
Exposure Weighted Average LGD				
RRE Financing	23%	27%	37%	
QRRE	90%	90%	90%	
Hire Purchase	51%	64%	56%	
Other Retail	25%	12%	38%	
Exposure Weighted Average Risk Weight				
RRE Financing	13%	99%	228%	
QRRE	20%	113%	527%	
Hire Purchase	55%	110%	366%	
Other Retail	23%	19%	194%	

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

30 June 2023	CIMB Islamic			
(RM'000) EL Range of Retail Exposures	EL ≤ 1%	1% < EL < 100%	EL = 100%	Total
Total Retail Exposure	73,227,493	15,009,086	16,039	88,252,617
RRE Financing	35,757,707	3,781,551	1,774	39,541,032
QRRE	217,422	179,259	-	396,681
Hire Purchase	10,049,057	6,491,491	8,111	16,548,658
Other Retail	27,203,307	4,556,785	6,153	31,766,246
Exposure Weighted Average LGD				
RRE Financing	23%	33%	40%	
QRRE	90%	90%	90%	
Hire Purchase	50%	64%	56%	
Other Retail	18%	25%	63%	

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%	

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 2023 and 30 June 2022:

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

30 June 2023						CIMB Islamic
(RM'000) Supervisory Categories	Strong	Good	Satisfactory	Weak	Default	Total
Project Finance	164,674	413,065	118,542	464	-	696,744
Object Finance	-	-	-	-	-	-
Commodities Finance	-	-	-	-	-	-
Income Producing Real Estate	471,584	1,673,475	128,950	164,668	0	2,438,678
RWA	351,064	1,604,497	284,616	412,830	-	2,653,006

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

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 2023	CIMB Islamic				
(RM'000) Internal Risk Grading	1 - 7	8 - 15	16 - 25	Default	Total
Total Non-Retail Exposure	9,384,831	14,908,655	7,985,844	870,267	33,149,597
Bank	2,822,963	1,090,095	33	-	3,913,091
Corporate (excluding Specialised Financing)	6,561,868	13,818,561	7,985,810	870,267	29,236,506
Exposure Weighted Average LGD					
Bank	45%	45%	45%	-	
Corporate (excluding Specialised Financing)	45%	41%	38%	43%	
Exposure Weighted Average Risk Weight					
Bank	23%	36%	244%	0%	
Corporate (excluding Specialised Financing)	11%	67%	104%	0%	

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%	

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 2023		30 June 2022	
	Regulatory Expected Losses as at 30 June 2022	Actual Losses for the period ended 30 June 2023	Regulatory Expected Losses as at 30 June 2021	Actual Losses for the period ended 30 June 2022
Sovereign	-	-	-	-
Bank	392	-	351	-
Corporate	186,147	81,330	188,669	41,214
RRE Financing	114,352	126,318	76,994	41,990
HPE	281,375	110,943	287,269	125,611
QRRE	7,661	3,422	7,023	1,141
Other Retail	209,709	45,630	173,504	9,823
Total	799,637	367,643	733,811	219,778

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 2023 and 30 June 2022 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 2023 and 30 June 2022:

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

30 June 2023	CIMB Islamic			
(RM'000) Description	Principal Amount	Positive Fair Value of Derivative Contracts	Credit Equivalent Amount	Risk-Weighted Assets
Direct Credit Substitutes	443,931		443,931	288,980
Transaction Related Contingent Items	1,046,413		523,206	305,014
Short Term Self Liquidating Trade Related Contingencies	77,466		15,493	13,049
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	73,333		73,333	13,047
Foreign Exchange Related Contracts				
One year or less	3,217,771	62,175	98,343	133,597
Over one year to five years	26,806	500	1,840	2,379
Over five years	-	-	-	-
Profit Rate Related Contracts				
One year or less	294,045	635	1,777	2,051
Over one year to five years	188,391	482	7,664	4,023
Over five years	10,924	-	546	516
Commodity 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	31,267,342	284,333	650,448	175,724
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	19,391,514		17,260,498	5,509,026
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	10,248		7,686	4,240
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	9,963,900		-	-
Unutilised credit card lines	428,325		182,904	64,113
Off-balance sheet items for securitisation exposures	-		-	-
Total	66,440,409	348,124	19,267,669	6,515,757

CREDIT RISK (continued)

Off-Balance Sheet Exposures and CCR (continued)

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

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)

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 2023		30 June 2022	
	Notional of Credit Derivatives			
	Protection Bought	Protection Sold	Protection Bought	Protection Sold
Own Credit Portfolio	-	-	-	-
Client Intermediation Activities	-	19,900	-	20,500
Total	-	19,900	-	20,500
Credit Default Swaps	-	-	-	-
Total Return Swaps	-	19,900	-	20,500
Total	-	19,900	-	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 2023 and 30 June 2022:

Table 24: Disclosure on Credit Risk Mitigation

30 June 2023	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	26,763,095	-	-	-
Public Sector Entities	3,499,859	2,533,002	-	-
Banks, DFIs & MDBs	3,913,098	-	45	-
Takaful Operators, Securities Firms & Fund Managers	-	-	-	-
Corporate	34,844,203	2,917,128	721,288	8,781,852
RRE Financing	38,673,466	-	-	-
Qualifying Revolving Retail	392,443	-	-	-
Hire Purchase	16,330,396	-	-	-
Other Retail	39,921,441	1,279,352	562,856	-
Securitisation	-	-	-	-
Higher Risk Assets	-	-	-	-
Other Assets	403,037	-	-	-
Defaulted Exposures	2,144,130	1,288	9,031	125,771
Total Exposures	166,885,168	6,730,770	1,293,220	8,907,623

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 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.

SECURITISATION

The following tables show the disclosure on Securitisation for Banking Book for 30 June 2023 and 31 December 2022:

Table 25: Disclosure on Securitisation for Banking Book

30 June 2023 (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 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	-	-	-	-

* Gains/(losses) recognised during the period represent gain/(losses) recognised during the 6 months period from 1 January 2023 to 30 June 2023 and 1 January 2022 to 30 June 2022.

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 2023		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 2023		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 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 under the SA for Trading Book Exposures subject to Market Risk Capital Charge

As at 30 June 2023 and 30 June 2022, 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 2023 and 30 June 2022, 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 2023 and 30 June 2022:

Table 27: Analysis of Equity Investments by Grouping and RWA

(RM'000)	CIMB Islamic			
	30 June 2023		30 June 2022	
	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 2023	30 June 2022
Currency	+100bps Increase/(Decline) in Economic Value (Value in RM Equivalent)	
Ringgit Malaysia	(1,041,130)	(848,010)
US Dollar	16,746	1,971
Thai Baht	-	-
Singapore Dollar	(6)	(2)
Others	(869)	(737)
Total	(1,025,259)	(846,778)

Table 29: RORBB – Impact on Earnings

(RM'000)	CIMB Islamic	
	30 June 2023	30 June 2022
Currency	+100bps Increase/(Decline) in Earnings (Value in RM Equivalent)	
Ringgit Malaysia	31,022	(2,604)
US Dollar	(40,845)	(16,636)
Thai Baht	8	7
Singapore Dollar	132	55
Others	124	(3,137)
Total	(9,559)	(22,315)

[END OF SECTION]