

**Basel II Pillar 3 Disclosures for the period ended 30 June 2014**

- **CIMB Investment Bank Berhad**

## Abbreviations

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

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**OVERVIEW**

The information herein is disclosed pursuant to the requirements of Bank Negara Malaysia's RWCAF – Disclosure Requirements (Pillar 3) and is published for the period ended 30 June 2014.

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

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

**CAPITAL MANAGEMENT**

*Capital Structure and Adequacy*

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

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

The comparative capital adequacy ratios as at 30 June 2013 were based on BNM's Capital Adequacy Framework (CAF).

**CAPITAL MANAGEMENT (CONTINUED)**

***Capital Structure and Adequacy (continued)***

The minimum regulatory capital adequacy requirement for the total capital ratio is 8%. The tables below present the Capital Position of CIMB IB:

**Table 1: Capital Position**

(RM'000)	CIMB IB	
	30 June 2014	30 June 2013
<b>Common Equity Tier 1 capital</b>		
Ordinary shares	100,000	100,000
Other reserves	462,865	398,812
Common Equity Tier 1 capital before regulatory adjustments	<b>562,865</b>	<b>498,812</b>
<u>Less: Regulatory adjustments</u>		
Goodwill	-	-
Deferred Tax Assets	(49,849)	(39,742)
Deductions in excess of Tier 2 capital	(6,221)	(9,984)
Investments in capital instruments of unconsolidated financial and insurance takaful entities	(1,949)	-
Others	-	-
<b>Common equity tier 1 capital after regulatory adjustments / Total Tier 1 capital</b>	<b>504,846</b>	<b>449,086</b>
<b>Tier 2 Capital</b>		
Redeemable Preference Shares	8	9
Portfolio impairment allowance and regulatory reserves	2,402	1,503
Tier 2 capital before regulatory adjustments	<b>2,410</b>	<b>1,512</b>
<u>Less: Regulatory adjustments</u>		
Investments in capital instruments of unconsolidated financial and insurance/takaful entities	(10,581)	(11,496)
<b>Total Tier 2 Capital</b>	<b>-</b>	<b>-</b>
<b>Total Capital</b>	<b>504,846</b>	<b>449,086</b>
<b>RWA</b>		
Credit risk	1,014,700	1,181,060
Market risk	1,236,744	156,070
Operational risk	699,466	816,119
<b>Total RWA</b>	<b>2,950,910</b>	<b>2,153,249</b>

**CAPITAL MANAGEMENT (CONTINUED)**

*Capital Structure and Adequacy (continued)*

**Table 1: Capital Position**

(RM'000)	CIMB IB	
	30 June 2014	30 June 2013
<b>Capital Adequacy Ratios</b>		
Common Equity Tier 1 Ratio	17.11%	20.86%
Tier 1 ratio	17.11%	20.86%
Total capital ratio	17.11%	20.86%
<b>After deducting proposed dividend</b>		
Common Equity Tier 1 Ratio	17.11%	20.86%
Tier 1 ratio	17.11%	20.86%
Total capital ratio	17.11%	20.86%

The decrease in Credit RWA of around RM166 million between June 2013 and June 2014 was mainly due to the drop in interbank transactions.

There was an increase in Market RWA by RM 1.08 billion between June 2013 and June 2014 mainly due to an increase in Option risk following an increase in equity underwritings.

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

**CAPITAL MANAGEMENT (CONTINUED)**

*Capital Structure and Adequacy (continued)*

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

30 June 2013	CIMB IB				
(RM'000) Exposure Class	Gross Exposure before CRM (SA)	Net Exposure after CRM (SA)	RWA	Total RWA after effects of PSIA	Minimum capital requirement at 8%
<b>Credit Risk (SA)</b>					
Sovereign/Central Banks	354,828	354,828	-	-	-
Public Sector Entities	-	-	-	-	-
Banks, DFIs & MDBs	2,066,710	2,066,710	592,282	592,282	47,383
Insurance Cos, Securities Firms & Fund Managers	-	-	-	-	-
Corporate	85,003	85,003	85,578	85,578	6,846
Regulatory Retail	20,975	20,975	19,889	19,889	1,591
Residential Mortgages	56,772	56,772	32,926	32,926	2,634
Higher Risk Assets	746	746	1,118	1,118	89
Other Assets	449,316	449,316	449,267	449,267	35,941
Securitisation	-	-	-	-	-
<b>Total Credit Risk</b>	<b>3,034,349</b>	<b>3,034,349</b>	<b>1,181,060</b>	<b>1,181,060</b>	<b>94,485</b>
<b>Large Exposure Risk Requirement</b>	-	-	-	-	-
<b>Market Risk (SA)</b>					
Interest Rate Risk			31,446	31,446	2,516
Foreign Currency Risk			33,221	33,221	2,658
Equity Risk			556	556	44
Commodity Risk			-	-	-
Options Risk			90,848	90,848	7,268
<b>Total Market Risk</b>			<b>156,070</b>	<b>156,070</b>	<b>12,486</b>
<b>Operational Risk (BIA)</b>			<b>816,119</b>	<b>816,119</b>	<b>65,290</b>
<b>Total RWA and Capital Requirement</b>			<b>2,153,249</b>	<b>2,153,249</b>	<b>172,260</b>



**CREDITRISK**

**Summary of Credit Exposures**

i) *Gross Credit Exposures by Geographic Distribution*

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

**Table 3: Geographic Distribution of Credit Exposures**

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

30 June 2013		CIMB IB			
(RM'000) Exposure Class	Malaysia	Singapore	Thailand	Other Countries	Total
Sovereign	354,828	-	-	-	354,828
Bank	2,066,710	-	-	-	2,066,710
Corporate	85,003	-	-	-	85,003
Mortgage	56,772	-	-	-	56,772
HPE	-	-	-	-	-
QRRE	-	-	-	-	-
Other Retail	20,975	-	-	-	20,975
Other Exposures	450,062	-	-	-	450,062
<b>Total Gross Credit Exposure</b>	<b>3,034,349</b>	-	-	-	<b>3,034,349</b>

**BASEL II PILLAR 3 DISCLOSURES FOR 30 JUNE 2014**

**CREDIT RISK (CONTINUED)**

**Summary of Credit Exposures**

ii) *Gross Credit Exposures by Sector*

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

**Table 4: Distribution of Credit Exposures by Sector**

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

\*Others are exposures which are not elsewhere classified.

BASEL II PILLAR 3 DISCLOSURES FOR 30 JUNE 2014

CREDIT RISK (CONTINUED)

ii) Gross Credit Exposures by Sector (continued)

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

	30 June 2013											CIMB IB
(RM'000) Exposure Class	Primary Agriculture	Mining and Quarrying	Manufacturing	Electricity, Gas and Water Supply	Construction	Wholesale and Retail Trade, and Restaurants and Hotels	Transport, Storage and Communication	Finance, Insurance, Real Estate and Business Activities	Education, Health and Others	Household	Others*	Total
Sovereign	-	-	-	-	-	-	-	4,492	350,335	-	-	354,828
Bank	-	-	-	-	-	-	-	2,066,710	-	-	-	2,066,710
Corporate	-	-	-	-	-	-	-	1,171	-	30,001	53,831	85,003
Mortgage	-	-	-	-	-	-	-	-	-	56,772	-	56,772
HPE	-	-	-	-	-	-	-	-	-	-	-	-
QRRE	-	-	-	-	-	-	-	-	-	-	-	-
Other Retail	-	-	-	-	-	-	-	-	-	20,975	-	20,975
Other Exposures	-	-	-	-	-	-	-	-	-	-	450,062	450,062
<b>Total Gross Credit Exposure</b>	-	-	-	-	-	-	-	<b>2,072,373</b>	<b>350,335</b>	<b>107,747</b>	<b>503,893</b>	<b>3,034,349</b>

\* Others are exposures which are not elsewhere classified.

**CREDIT RISK (CONITNUED)**

**Summary of Credit Exposures**

*iii) Gross Credit Exposures by Residual Contractual Maturity*

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

**Table 5: Distribution of Credit Exposures by Residual Contractual Maturity**

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

30 June 2013	CIMB IB			
(RM'000) Exposure Class	Less than 1 year	1 to 5 years	More than 5 years	Total
Sovereign	350,335	-	4,492	354,828
Bank	2,049,746	7,831	9,133	2,066,710
Corporate	20,692	1,788	62,522	85,003
Mortgage	17	629	56,126	56,772
HPE	-	-	-	-
QRRE	-	-	-	-
Other Retail	7,097	2,560	11,318	20,975
Other Exposures	292	-	449,770	450,062
<b>Total Gross Credit Exposure</b>	<b>2,428,179</b>	<b>12,808</b>	<b>593,362</b>	<b>3,034,349</b>

**CREDIT RISK(CONTINUED)**

***Credit Quality of Loans, Advances and Financing***

*i) Past Due But Not Impaired*

The following tables provide an analysis of the outstanding balances as at 30 June 2014 and 31 December 2013 which were past due but not impaired by sector and geographic respectively:

**Table 6(a): Past Due but Not Impaired Loans, Advances and Financing by Sector**

(RM'000)	CIMB IB	
	30 June 2014	31 December 2013
Primary Agriculture	-	-
Mining and Quarrying	-	-
Manufacturing	-	-
Electricity, Gas and Water Supply	-	-
Construction	-	-
Wholesale and Retail Trade, and Restaurants and Hotels	-	-
Transport, Storage and Communications	-	-
Finance, Insurance, Real Estate and Business Activities	-	-
Education, Health and Others	-	-
Household	-	-
Others*	-	-
<b>Total</b>	-	-

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

**Table 6(b): Past Due but Not Impaired Loans, Advances and Financing by Geographic Distribution**

(RM'000)	CIMB IB	
	30 June 2014	31 December 2013
Malaysia	-	-
Singapore	-	-
Thailand	-	-
Other Countries	-	-
<b>Total</b>	-	-

**CREDIT RISK(CONTINUED)**

***Credit Quality of Loans, Advances and Financing (continued)***

ii) *Impaired Loans/Financings*

The following tables provide an analysis of the outstanding balances as at 30 June 2014 and 31 December 2013 which were impaired by sector and geographical respectively:

**Table 7(a): Impaired Loans, Advances and Financing by Sector**

(RM'000)	CIMB IB	
	30 June 2014	31 December 2013
Primary Agriculture	-	-
Mining and Quarrying	-	-
Manufacturing	-	-
Electricity, Gas and Water Supply	-	-
Construction	-	-
Wholesale and Retail Trade, and Restaurants and Hotels	-	-
Transport, Storage and Communications	-	-
Finance, Insurance, Real Estate and Business Activities	-	-
Education, Health and Others	-	-
Household	560	623
Others*	-	-
<b>Total</b>	<b>560</b>	<b>623</b>

\*Others are exposures which are not elsewhere classified.

**Table 7(b): Impaired Loans, Advances and Financing by Geographic Distribution**

(RM'000)	CIMB IB	
	30 June 2014	31 December 2013
Malaysia	560	623
Singapore	-	-
Thailand	-	-
Other Countries	-	-
<b>Total</b>	<b>560</b>	<b>623</b>

**CREDIT RISK(CONTINUED)**

***Credit Quality of Loans, Advances and Financing (continued)***

*ii) Impaired Loans/Financings (continued)*

**Table 8: Individual Impairment and Portfolio Impairment Allowances by Sector for the period ended 30 June 2014 and 31 December 2013**

(RM'000)	CIMB IB			
	30 June 2014		31 December 2013	
	Individual Impairment Allowance	Portfolio Impairment Allowance	Individual Impairment Allowance	Portfolio Impairment Allowance
Primary Agriculture	-	-	-	-
Mining and Quarrying	-	-	-	-
Manufacturing	-	-	-	-
Electricity, Gas and Water Supply	-	-	-	-
Construction	-	-	-	-
Wholesale and Retail Trade, and Restaurants and Hotels	-	-	-	-
Transport, Storage and Communication	-	-	-	-
Finance, Insurance, Real Estate and Business Activities	-	-	-	-
Education, Health and Others	-	-	-	-
Household	560	2,402	883	1,996
Others*	-	-	-	-
<b>Total</b>	<b>560</b>	<b>2,402</b>	<b>883</b>	<b>1,996</b>

\*Others are exposures which are not elsewhere classified.

**Table 9: Individual Impairment and Portfolio Impairment Allowances by Geographic Distribution for the period ended 30 June 2014 and 31 December 2013**

(RM'000)	CIMB IB			
	30 June 2014		31 December 2013	
	Individual Impairment Allowance	Portfolio Impairment Allowance	Individual Impairment Allowance	Portfolio Impairment Allowance
Malaysia	560	2,402	883	1,996
Singapore	-	-	-	-
Thailand	-	-	-	-
Other Countries	-	-	-	-
<b>Total</b>	<b>560</b>	<b>2,402</b>	<b>883</b>	<b>1,996</b>

**CREDIT RISK(CONTINUED)**

***Credit Quality of Loans, Advances and Financing (continued)***

*ii) Impaired Loans/Financings (continued)*

**Table 10: Charges for Individual Impairment Provision and Write Offs during the period ended 30 June 2014 and 30 June 2013**

(RM'000)	CIMB IB			
	30 June 2014		30 June 2013	
	Charges/Write Back	Write-Off	Charges/Write Back	Write-Off
Primary Agriculture	-	-	-	-
Mining and Quarrying	-	-	-	-
Manufacturing	-	-	-	-
Electricity, Gas and Water Supply	-	-	-	-
Construction	-	-	-	-
Wholesale and Retail Trade, and Restaurants and Hotels	-	-	-	-
Transport, Storage and Communication	-	-	-	-
Finance, Insurance, Real Estate and Business Activities	-	-	-	-
Education, Health and Others	-	-	-	-
Household	323	-	191	-
Others*	-	-	-	-
<b>Total</b>	<b>323</b>	<b>-</b>	<b>191</b>	<b>-</b>

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



**CREDIT RISK(CONTINUED)**

***Credit Quality of Loans, Advances and Financing (continued)***

*ii) Impaired Loans/Financings (continued)*

**Table 11: Analysis of movement for Loan/Financing Impairment Allowances for the Period Ended 30 June 2014 and 30 June 2013**

(RM'000)	CIMB IB			
	30 June 2014		30 June 2013	
	Individual Impairment Allowance	Portfolio Impairment Allowance	Individual Impairment Allowance	Portfolio Impairment Allowance
At 1 January	883	1,996	432	1,115
Allowance (written back)/made during the financial period/year	103	406	332	388
Amount transferred to portfolio impairment allowance	-	-	-	-
Amount written back in respect of recoveries	(426)	-	(141)	-
Allowance made and charged to deferred assets	-	-	-	-
Allowance made in relation to jointly controlled entity	-	-	-	-
Amount written off	-	-	-	-
Transfer(to)/from intercompany	-	-	-	-
Disposal of subsidiary	-	-	-	-
Unwinding income	-	-	-	-
Exchange fluctuation	-	-	-	-
<b>Total</b>	<b>560</b>	<b>2,402</b>	<b>623</b>	<b>1,503</b>

*Capital Treatment for Credit Risk*

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

BASEL II PILLAR 3 DISCLOSURES FOR 30 JUNE 2014

CREDIT RISK (CONTINUED)

*Credit Risk – Disclosure for Portfolios under the SA*

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

Table 12: Disclosure by Risk Weight under SA

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

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

BASEL II PILLAR 3 DISCLOSURES FOR 30 JUNE 2014

CREDIT RISK (CONTINUED)

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

Table 12: Disclosure by Risk Weight under SA (continued)

	30 June 2013											CIMB IB
(RM'000) Risk Weights	Sovereign/ Central Banks	PSEs	Banks, MDBs and DFIs	Insurance Cos, Securities Firms & Fund Managers	Corporate	Regulatory Retail	Residential Mortgages	Higher Risk Assets	Other Assets	Securitisation*	Total Exposures after Netting and Credit Risk Mitigation*	Total Risk- Weighted Assets
-%	354,828	-	-	-	-	-	-	-	49	-	354,877	-
20%	-	-	1,470,244	-	-	-	-	-	-	-	1,470,244	294,049
35%	-	-	-	-	-	-	30,856	-	-	-	30,856	10,800
50%	-	-	596,466	-	-	-	7,251	-	-	-	603,717	301,858
75%	-	-	-	-	-	4,344	654	-	-	-	4,998	3,749
100%	-	-	-	-	84,953	16,631	18,010	-	449,267	-	568,861	568,861
100%<RW<125 0%	-	-	-	-	-	-	-	746	-	-	746	1,118
1250%	-	-	-	-	50	-	-	-	-	-	50	625
<b>Total</b>	<b>354,828</b>	<b>-</b>	<b>2,066,710</b>	<b>-</b>	<b>85,003</b>	<b>20,975</b>	<b>56,772</b>	<b>746</b>	<b>449,316</b>	<b>-</b>	<b>3,034,349</b>	<b>1,181,060</b>
<b>Average Risk Weight</b>	0%	-	29%	-	101%	95%	58%	150%	100%	-	39%	-
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	-	-	-

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

**CREDIT RISK (CONTINUED)**

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

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

**Table 13: Disclosures of Rated and Unrated Non-Retail Exposures under SA according to Ratings by ECAIs**

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

30 June 2013		CIMB IB		
(RM '000) Exposure Class	Investment Grade	Non- Investment Grade	No Rating	Total
<b>On and Off-Balance-Sheet Exposures</b>				
Public Sector Entities	-	-	-	-
Insurance Cos, Securities Firms & Fund Managers	-	-	-	-
Corporate	-	-	85,003	85,003
Sovereign/Central Banks	-	-	354,828	354,828
Banks, MDBs and DFIs	2,065,737	-	973	2,066,710
<b>Total</b>	<b>2,065,737</b>	<b>-</b>	<b>440,803</b>	<b>2,506,540</b>

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

***Off-Balance Sheet Exposures and Counterparty Credit Risk***

In the event of a one-notch downgrade of rating, based on the terms of the existing Credit Support Annexes, International Swaps and Derivatives Association Agreement and exposure as at 30 June 2014 and 30 June 2013, there was no requirement for additional collateral to be posted. The following tables disclose the Off-Balance Sheet exposures and Counterparty Credit Risk:

**CREDIT RISK (CONTINUED)**

**Off-Balance Sheet Exposures and Counterparty Credit Risk**

**Table 14: Disclosure on Off-Balance Sheet Exposures and Counterparty Credit Risk**

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

**CREDIT RISK (continued)**

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

**Table 14: Disclosure on Off-Balance Sheet Exposures and Counterparty Credit Risk (continued)**

30 June 2013	CIMB IB			
(RM '000) Description	Principal Amount	Positive Fair Value of Derivative Contracts	Credit Equivalent Amount	Risk-Weighted Assets
Direct Credit Substitutes	484,284		484,284	242,142
Transaction Related Contingent Items	-		-	-
Short Term Self Liquidating Trade Related Contingencies	-		-	-
Assets Sold With Recourse	-		-	-
Forward Asset Purchases	-		-	-
Obligations under an On-going Underwriting Agreement	-		-	-
Lending of banks' securities or the posting of securities as collateral by banks, including instances where these arise out of repo-style transactions (i.e. repurchase/reverse repurchase and securities lending/borrowing transactions)	-		-	-
Foreign Exchange Related Contracts				
One year or less	-	-	-	-
Over one year to five years	-	-	-	-
Over five years	-	-	-	-
Equity related contracts				
One year or less	343,949	-	20,637	20,637
Over one year to five years	-	-	-	-
Over five years	-	-	-	-
OTC derivative transactions and credit derivative contracts subject to valid bilateral netting agreements	293,961	-	38,915	35,000
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	9,466		4,733	6,404
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	-		-	-
Any commitments that are unconditionally cancellable at any time by the bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	-		-	-
Unutilised credit card lines	-		-	-
Off-balance sheet items for securitisation exposures	-		-	-
Off-balance sheet exposures due to early amortisation provisions	-		-	-
<b>Total</b>	<b>1,131,660</b>	<b>-</b>	<b>548,569</b>	<b>304,182</b>

**CREDIT RISK (continued)**

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

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

**Table 15: Disclosure on Credit Derivative Transactions**

(RM'000)	CIMB IB			
	30 June 2014		30 June 2013	
	Notional of Credit Derivatives			
	Protection Bought	Protection Sold	Protection Bought	Protection Sold
Own Credit Portfolio	-	-	-	-
Client Intermediation Activities	-	157,950	-	163,450
<b>Total</b>	-	<b>157,950</b>	-	<b>163,450</b>
Credit Default Swaps	-	-	-	-
Total Return Swaps	-	157,950	-	163,450
<b>Total</b>	-	<b>157,950</b>	-	<b>163,450</b>

**CREDIT RISK (continued)**

**Credit Risk Mitigation**

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

**Table 16: Disclosure on Credit Risk Mitigation**

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

*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 16: Disclosure on Credit Risk Mitigation (continued)

30 June 2013	CIMB IB			
(RM'000) Exposure Class	Exposures before CRM	Exposures Covered by Guarantees/Credit Derivatives	Exposures Covered by Eligible Financial Collateral	Exposures Covered by Other Eligible Collateral
<b>Performing Exposures</b>				
Sovereign/Central Banks	354,828	-	-	-
Public Sector Entities	-	-	-	-
Banks, DFIs & MDBs	2,066,710	-	-	-
Insurance Cos, Securities Firms & Fund Managers	-	-	-	-
Corporate	85,003	-	-	-
Residential Mortgages	56,772	-	-	-
Qualifying Revolving Retail	-	-	-	-
Hire Purchase	-	-	-	-
Other Retail	20,975	-	-	-
Securitisation	-	-	-	-
Higher Risk Assets	746	-	-	-
Other Assets	449,316	-	-	-
<b>Defaulted Exposures</b>	-	-	-	-
<b>Total Exposures</b>	<b>3,034,349</b>	-	-	-

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

**SECURITISATION**

The Bank has no Securitisation exposure under the SA for Banking Book for Securitisation under the SA for Trading Book Exposures subject to Market Risk capital charge for 30 June 2014 and 30 June 2013 respectively.

**MARKET RISK**

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

**OPERATIONAL RISK**

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

**EQUITY EXPOSURES IN BANKING BOOK**

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

**Table 17: Analysis of Equity Investments by Grouping and RWA**

In RM('000)	CIMB IB			
	30 June 2014		30 June 2013	
	Exposures subject to Risk-Weighting	RWA	Exposures subject to Risk-Weighting	RWA
Privately held	-	-	746	1,118
Publicly traded	-	-	-	-
<b>Total</b>	-	-	<b>746</b>	<b>1,118</b>

**INTEREST RATE RISK IN THE BANKING BOOK**

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

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

**Table 18: IRRBB – Impact on Economic Value**

(RM'000)	CIMB IB	
	30 June 2014	30 June 2013
<b>Currency</b>	<b>+100bps Increase (Decline) in Economic Value (Value in RM Equivalent)</b>	
Ringgit Malaysia	297	3,007
US Dollar	(2)	(11)
Thai Baht	-	-
Singapore Dollar	(3)	(5)
Others	(19)	(3)
<b>Total</b>	<b>273</b>	<b>2,988</b>

**Table 19: IRRBB – Impact on Earnings**

(RM'000)	CIMB IB	
	30 June 2014	30 June 2013
<b>Currency</b>	<b>+100bps Increase (Decline) in Earnings (Value in RM Equivalent)</b>	
Ringgit Malaysia	1,189	1,386
US Dollar	43	247
Thai Baht	-	-
Singapore Dollar	71	123
Others	448	59
<b>Total</b>	<b>1,751</b>	<b>1,815</b>

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

- [END OF SECTION] -