

BASEL II PILLAR 3 DISCLOSURES FOR 30 JUNE 2021

Basel II Pillar 3 Disclosure for the period ended 30 June 2021

- **CIMB Investment Bank Berhad**

Contents

ABBREVIATIONS.....	1
OVERVIEW	3
CAPITAL MANAGEMENT.....	3
CREDIT RISK	8
SECURITISATION	23
MARKET RISK	23
OPERATIONAL RISK.....	23
EQUITY EXPOSURES IN BANKING BOOK.....	23
INTEREST RATE RISK IN THE BANKING BOOK	24

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 FactorleaseBerhad, CIMB Bank (Vietnam) Limited and other non-financial subsidiaries
CIMBISLG	: CIMB Islamic BankBerhad, CIMB Islamic Nominees (Asing) SdnBhd and CIMB Islamic Nominees (Tempatan) SdnBhd
CIMBIBG	: CIMB Investment Bank Berhad, CIMB Futures SdnBhd and other non-financial subsidiaries
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
IRRBB	: Interest Rate Risk in the Banking Book
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
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 RWCAF (Basel II) – Disclosure Requirements (Pillar 3). The disclosures published are for the year ended 31 December 2020.

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 Investment Bank are computed in accordance with the Standardised approach (SA approach) for Credit Risk and Market Risk and the Basic Indicator Approach for Operational Risk based on the Capital Adequacy Framework (Basel II - Risk-Weighted Assets), of which the latest revision was issued on 3 May 2019. The components of eligible regulatory capital are based on the Capital Adequacy Framework (Capital Components).

CAPITAL MANAGEMENT (continued)

Capital Structure and Adequacy (continued)

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

Table 1: Capital Position for CIMB Investment

(RM'000)	CIMB IB	
	30 June 2021	30 June 2020
Common Equity Tier 1 capital		
Ordinary shares	100,000	100,000
Other reserves	482,870	480,619
Proposed dividends	-	-
Common Equity Tier 1 capital before regulatory adjustments	582,870	580,619
<u>Less: Regulatory adjustments</u>		
Deferred tax assets	(9,183)	(11,326)
Deductions in excess of Tier 2 capital	-	(2,098)
Intangible assets	(25,991)	-
Regulatory reserves	(42)	-
Common equity Tier 1 capital after regulatory adjustments / total Tier 1 capital	547,654	567,195
Tier 2 Capital		
Redeemable preference shares	1	2
Regulatory reserves	42	-
Tier 2 capital before regulatory adjustments	43	2
<u>Less: Regulatory adjustments</u>		
Investments in capital instruments of unconsolidated financial and insurance/takaful entities	-	(2,100)
Total Tier II Capital	43	-
Total Capital	547,697	567,195
RWA		
Credit risk	144,417	1,295,604
Market risk	29,957	24,267
Operational risk	446,549	519,384
Total RWA	620,923	1,839,255

CAPITAL MANAGEMENT (continued)

Capital Structure and Adequacy (continued)

(RM'000)	CIMB IB	
	30 June 2021	30 June 2020
Capital Adequacy Ratios		
Common Equity Tier 1 Ratio	88.200%	30.838%
Tier 1 ratio	88.200%	30.838%
Total capital ratio	88.200%	30.838%

Total capital ratio increased in 2021 compared to 2020 mainly due to lower RWA. RWA decreased mainly due to lower Credit RWA.

BASEL II PILLAR 3 DISCLOSURES FOR 30 JUNE 2021
CAPITAL MANAGEMENT (continued)
Capital Structure and Adequacy (continued)

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

Table 2: Disclosure on Total RWA and Minimum Capital Requirement

30 June 2021	CIMB IB				
(RM'000) Exposure Class	Gross Exposure before CRM (SA)	Net Exposure after CRM (SA)	RWA	Total RWA after effects of PSIA	Minimum capital requirement at 8%
Credit Risk (SA)					
Sovereign/Central Banks	311,468	311,468	-	-	-
Public Sector Entities	-	-	-	-	-
Banks, DFIs & MDBs	362,996	321,503	71,616	71,616	5,729
Insurance Cos, Securities Firms & Fund Managers	-	-	-	-	-
Corporate	4,968	4,968	5,543	5,543	443
Regulatory Retail	-	-	-	-	-
Residential Mortgages	-	-	-	-	-
Higher Risk Assets	-	-	-	-	-
Other Assets	67,266	67,266	67,258	67,258	5,381
Securitisation	-	-	-	-	-
Total Credit Risk	746,698	705,205	144,417	144,417	11,553
Large Exposure Risk Requirement	-	-	-	-	-
Market Risk (SA)					
Interest Rate Risk			1,854	1,854	148
Foreign Currency Risk			28,103	28,103	2,248
Equity Risk			-	-	-
Commodity Risk			-	-	-
Options Risk			-	-	-
Total Market Risk			29,957	29,957	2,397
Operational Risk (BIA)			446,549	446,549	35,724
Total RWA and Capital Requirement			620,923	620,923	49,674

CAPITAL MANAGEMENT (continued)

Capital Structure and Adequacy (continued)

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

30 June 2020	CIMB IB				
(RM'000) Exposure Class	Gross Exposure before CRM (SA)	Net Exposure after CRM (SA)	RWA	Total RWA after effects of PSIA	Minimum capital requirement at 8%
Credit Risk (SA)					
Sovereign/Central Banks	250,445	250,445	-	-	-
Public Sector Entities	-	-	-	-	-
Banks, DFIs & MDBs	360,481	309,862	91,898	91,898	7,352
Insurance Cos, Securities Firms & Fund Managers	-	-	-	-	-
Corporate	1,108,167	1,108,167	1,108,742	1,108,742	88,699
Regulatory Retail	-	-	-	-	-
Residential Mortgages	-	-	-	-	-
Higher Risk Assets	-	-	-	-	-
Other Assets	94,982	94,982	94,964	94,964	7,597
Securitisation	-	-	-	-	-
Total Credit Risk	1,814,076	1,763,456	1,295,604	1,295,604	103,648
Large Exposure Risk Requirement	-	-	-	-	-
Market Risk (SA)					
Interest Rate Risk			2,674	2,674	214
Foreign Currency Risk			21,592	21,592	1,727
Equity Risk			-	-	-
Commodity Risk			-	-	-
Options Risk			-	-	-
Total Market Risk			24,267	24,267	1,941
Operational Risk (BIA)			519,384	519,384	41,551
Total RWA and Capital Requirement			1,839,255	1,839,255	147,140

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 IB's credit exposures by geographic region:

Table 3: Geographic Distribution of Credit Exposures

30 June 2021	CIMB IB				
(RM'000) Exposure Class	Malaysia	Singapore	Thailand	Other Countries	Total
Sovereign	311,468	-	-	-	311,468
PSE	-	-	-	-	-
Bank	362,996	-	-	-	362,996
Corporate	4,968	-	-	-	4,968
Mortgage	-	-	-	-	-
HPE	-	-	-	-	-
QRRE	-	-	-	-	-
Other Retail	-	-	-	-	-
Other Exposures	67,266	-	-	-	67,266
Total Gross Credit Exposure	746,698	-	-	-	746,698

30 June 2020	CIMB IB				
(RM'000) Exposure Class	Malaysia	Singapore	Thailand	Other Countries	Total
Sovereign	250,445	-	-	-	250,445
PSE	-	-	-	-	-
Bank	360,481	-	-	-	360,481
Corporate	1,108,167	-	-	-	1,108,167
Mortgage	-	-	-	-	-
HPE	-	-	-	-	-
QRRE	-	-	-	-	-
Other Retail	-	-	-	-	-
Other Exposures	94,982	-	-	-	94,982
Total Gross Credit Exposure	1,814,076	-	-	-	1,814,076

CREDIT RISK (continued)

Summary of Credit Exposures (continued)

ii) Gross Credit Exposures by Sector

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

Table 4: Distribution of Credit Exposures by Sector

30 June 2021	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	-	-	-	-	-	-	-	311,468	-	-	-	311,468
PSE	-	-	-	-	-	-	-	-	-	-	-	-
Bank	-	-	-	-	-	-	-	362,623	-	-	374	362,996
Corporate	-	-	-	-	-	-	-	4,823	-	-	145	4,968
Mortgage	-	-	-	-	-	-	-	-	-	-	-	-
HPE	-	-	-	-	-	-	-	-	-	-	-	-
QRRE	-	-	-	-	-	-	-	-	-	-	-	-
Other Retail	-	-	-	-	-	-	-	-	-	-	-	-
Other Exposures	-	-	-	-	-	-	-	-	-	-	67,266	67,266
Total Gross Credit Exposure	-	-	-	-	-	-	-	678,913	-	-	67,785	746,698

*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 2020	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	-	-	-	-	-	-	-	250,445	-	-	-	250,445
PSE	-	-	-	-	-	-	-	-	-	-	-	-
Bank	-	-	-	-	-	-	-	360,481	-	-	-	360,481
Corporate	-	-	-	-	-	-	-	2,771	-	-	1,105,396	1,108,167
Mortgage	-	-	-	-	-	-	-	-	-	-	-	-
HPE	-	-	-	-	-	-	-	-	-	-	-	-
QRRE	-	-	-	-	-	-	-	-	-	-	-	-
Other Retail	-	-	-	-	-	-	-	-	-	-	-	-
Other Exposures	-	-	-	-	-	-	-	-	-	-	94,982	94,982
Total Gross Credit Exposure	-	-	-	-	-	-	-	613,698	-	-	1,200,378	1,814,076

CREDIT RISK (continued)

Summary of Credit Exposures (continued)

iii) Gross Credit Exposures by Residual Contractual Maturity

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

Table 5: Distribution of Credit Exposures by Residual Contractual Maturity

30 June 2021		CIMB IB		
(RM'000) Exposure Class	Less than 1 year	1 to 5 years	More than 5 years	Total
Sovereign	311,305	-	163	311,468
PSE	-	-	-	-
Bank	343,351	-	19,645	362,996
Corporate	-	-	4,968	4,968
Mortgage	-	-	-	-
HPE	-	-	-	-
QRRE	-	-	-	-
Other Retail	-	-	-	-
Other Exposures	-	-	67,266	67,266
Total Gross Credit Exposure	654,655	-	92,042	746,698

30 June 2020		CIMB IB		
(RM'000) Exposure Class	Less than 1 year	1 to 5 years	More than 5 years	Total
Sovereign	250,088	-	358	250,445
PSE	-	-	-	-
Bank	345,272	-	15,209	360,481
Corporate	1,099,826	-	8,341	1,108,167
Mortgage	-	-	-	-
HPE	-	-	-	-
QRRE	-	-	-	-
Other Retail	-	-	-	-
Other Exposures	-	-	94,982	94,982
Total Gross Credit Exposure	1,695,186	-	118,889	1,814,076

CREDIT RISK (continued)

Credit Quality of Loans, Advances & Financing

- i) Past Due But Not Impaired

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

There are no loans, advances and financing exposures in CIMB IB for 30 June 2021 and 30 June 2020.

- ii) Credit Impaired Loans/Financings

Table 7: Credit Impaired Loans, Advances and Financing by Sector

There are no loans, advances and financing exposures in CIMB IB for 30 June 2021 and 30 June 2020.

- ii) Expected Credit Losses

Table 8: Expected credit losses (Stage 1, 2 and 3) by Sector

There are no expected credit losses as at 30 June 2021 and 30 June 2020.

Table 9: Expected credit losses charges/(write back) and write-off for Stage 3

There are no expected credit losses charges/(write back) and write-off for stages 3 as at 30 June 2021 and 30 June 2020.

Table 10: Analysis of Movement in the Expected Credit Losses for Loans, Advances and Financing

There are no expected credit losses as at 30 June 2021 and 30 June 2020.

Capital Treatment for Credit Risk for Portfolios under the SA

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

BASEL II PILLAR 3 DISCLOSURES FOR 30 JUNE 2021

CREDIT RISK (continued)

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

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

Table 11: Disclosure by Risk Weight under SA

30 June 2021	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%	311,468	-	-	-	-	-	-	-	7	-	311,475	-
20%	-	-	297,119	-	-	-	-	-	-	-	297,119	59,424
35%	-	-	-	-	-	-	-	-	-	-	-	-
50%	-	-	24,384	-	-	-	-	-	-	-	24,384	12,192
75%	-	-	-	-	-	-	-	-	-	-	-	-
100%	-	-	-	-	4,918	-	-	-	67,258	-	72,176	72,176
100% < RW < 1250%	-	-	-	-	-	-	-	-	-	-	-	-
1250%	-	-	-	-	50	-	-	-	-	-	50	625
Total	311,468	-	321,503	-	4,968	-	-	-	67,266	-	705,205	144,417
Average Risk Weight	-	-	22%	-	112%	-	-	-	100%	-	20%	
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	-	-	

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

BASEL II PILLAR 3 DISCLOSURES FOR 30 JUNE 2021

CREDIT RISK (continued)

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

Table 11: Disclosure by Risk Weight under SA(continued)

30 June 2020	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%	250,445	-	-	-	-	-	-	-	18	-	250,464	-
20%	-	-	210,108	-	-	-	-	-	-	-	210,108	42,022
35%	-	-	-	-	-	-	-	-	-	-	-	-
50%	-	-	99,753	-	-	-	-	-	-	-	99,753	49,877
75%	-	-	-	-	-	-	-	-	-	-	-	-
100%	-	-	-	-	1,108,117	-	-	-	94,964	-	1,203,081	1,203,081
100% < RW < 1250%	-	-	-	-	-	-	-	-	-	-	-	-
1250%	-	-	-	-	50	-	-	-	-	-	50	625
Total	250,445	-	309,862	-	1,108,167	-	-	-	94,982	-	1,763,456	1,295,604
Average Risk Weight	-	-	30%	-	100%	-	-	-	100%	-	73%	
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 12: Disclosures of Rated and Unrated Non-Retail Exposures under SA according to Ratings by ECAIs

30 June 2021	CIMB IB			
(RM '000) Exposure Class	Investment Grade	Non-Investment Grade	No Rating	Total
On and Off-Balance-Sheet Exposures				
Public Sector Entities	-	-	-	-
Insurance Cos, Securities Firms & Fund Managers	-	-	-	-
Corporate	-	-	4,968	4,968
Sovereign/Central Banks	311,305	-	163	311,468
Banks, MDBs and DFIs	49,585	-	313,412	362,996
Total	360,889	-	318,543	679,432

30 June 2020	CIMB IB			
(RM '000) Exposure Class	Investment Grade	Non-Investment Grade	No Rating	Total
On and Off-Balance-Sheet Exposures				
Public Sector Entities	-	-	-	-
Insurance Cos, Securities Firms & Fund Managers	-	-	-	-
Corporate	1,099,825	-	8,342	1,108,167
Sovereign/Central Banks	-	-	250,445	250,445
Banks, MDBs and DFIs	111,567	-	248,915	360,481
Total	1,211,392	-	507,702	1,719,093

As at 30 June 2021 and 30 June 2020, CIMB IB has no Securitisation exposure under SA according to ratings by ECAIs.

CREDIT RISK (continued)

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

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

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

Table 13: Disclosure on Off-Balance Sheet Exposures and CCR

30 June 2021	CIMB IB			
(RM'000) Description	Principal Amount	Positive Fair Value of Derivative Contracts	Credit Equivalent Amount	Risk-Weighted Assets
Direct Credit Substitutes	-		-	-
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	-	-	-	-
Commodity Contracts				
One year or less	-	-	-	-
Over one year to five years	-	-	-	-
Over five years	-	-	-	-
Credit Derivative 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	-	-	-	-
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	-		-	-
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	-		-	-

CREDIT RISK (continued)

Off-Balance Sheet Exposures and CCR (continued)

Table 13: Disclosure on Off-Balance Sheet Exposures and CCR (continued)

30 June 2021	CIMB IB			
(RM'000) Description	Principal Amount	Positive Fair Value of Derivative Contracts	Credit Equivalent Amount	Risk-Weighted Assets
Any commitments that are unconditionally cancellable at any time by the bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	-		-	-
Unutilised credit card lines	-		-	-
Off-balance sheet items for securitisation exposures	-		-	-
Off-balance sheet exposures due to early amortisation provisions	-		-	-
Total	-	-	-	-

CREDIT RISK (continued)

Off-Balance Sheet Exposures and CCR (continued)

Table 13: Disclosure on Off-Balance Sheet Exposures and CCR (continued)

30 June 2020	CIMB IB			
(RM'000) Description	Principal Amount	Positive Fair Value of Derivative Contracts	Credit Equivalent Amount	Risk-Weighted Assets
Direct Credit Substitutes	1,157,318		1,157,318	1,128,572
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	-	-	-	-
Commodity Contracts				
One year or less	-	-	-	-
Over one year to five years	-	-	-	-
Over five years	-	-	-	-
Credit Derivative 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	-	-	-	-
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	-		-	-
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	-		-	-

CREDIT RISK (continued)

Off-Balance Sheet Exposures and CCR (continued)

Table 13: Disclosure on Off-Balance Sheet Exposures and CCR (continued)

30 June 2020	CIMB IB			
(RM'000) Description	Principal Amount	Positive Fair Value of Derivative Contracts	Credit Equivalent Amount	Risk-Weighted Assets
Any commitments that are unconditionally cancellable at any time by the bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	-		-	-
Unutilised credit card lines	-		-	-
Off-balance sheet items for securitisation exposures	-		-	-
Off-balance sheet exposures due to early amortisation provisions	-		-	-
Total	1,157,318	-	1,157,318	1,128,572

CREDIT RISK (continued)

Off-Balance Sheet Exposures and CCR (continued)

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

Table 14: Disclosure on Credit Derivative Transactions

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

CREDIT RISK (continued)

Credit Risk Mitigation

CREDIT RISK (continued)

Credit Risk Mitigation (continued)

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

Table 15: Disclosure on Credit Risk Mitigation

30 June 2021	CIMB IB			
(RM'000) Exposure Class	Exposures before CRM	Exposures Covered by Guarantees/ Credit Derivatives	Exposures Covered by Eligible Financial Collateral	Exposures Covered by Other Eligible Collateral
Performing Exposures				
Sovereign/Central Banks	311,468	-	-	-
Public Sector Entities	-	-	-	-
Banks, DFIs & MDBs	362,996	-	41,493	-
Insurance Cos, Securities Firms & Fund Managers	-	-	-	-
Corporate	4,968	-	-	-
Residential Mortgages	-	-	-	-
Qualifying Revolving Retail	-	-	-	-
Hire Purchase	-	-	-	-
Other Retail	-	-	-	-
Securitisation	-	-	-	-
Higher Risk Assets	-	-	-	-
Other Assets	67,266	-	-	-
Defaulted Exposures	-	-	-	-
Total Exposures	746,698	-	41,493	-

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 15: Disclosure on Credit Risk Mitigation (continued)

30 June 2020	CIMB IB			
(RM'000) Exposure Class	Exposures before CRM	Exposures Covered by Guarantees/ Credit Derivatives	Exposures Covered by Eligible Financial Collateral	Exposures Covered by Other Eligible Collateral
Performing Exposures				
Sovereign/Central Banks	250,445	-	-	-
Public Sector Entities	-	-	-	-
Banks, DFIs & MDBs	360,481	-	50,620	-
Insurance Cos, Securities Firms & Fund Managers	-	-	-	-
Corporate	1,108,167	-	-	-
Residential Mortgages	-	-	-	-
Qualifying Revolving Retail	-	-	-	-
Hire Purchase	-	-	-	-
Other Retail	-	-	-	-
Securitisation	-	-	-	-
Higher Risk Assets	-	-	-	-
Other Assets	94,982	-	-	-
Defaulted Exposures	-	-	-	-
Total Exposures	1,814,076	-	50,620	-

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 Role CIMB Plays in the Securitisation Process

The Bank has no Securitisation exposure under the SA for Banking Book for Securitisation under the SA or for Trading Book Exposures subject to Market Risk capital charge for 30 June 2021 and 30 June 2020 respectively.

MARKET RISK

Details on RWA and capital requirements related to Market Risk are disclosed separately for CIMB IB 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

Table 16: Realised Gains/Losses from Sales and Liquidations, and Unrealised Gains of Equities

There are no equity exposures in banking book in CIMB IB for 30 June 2021 and 30 June 2020.

Table 17: Analysis of Equity Investments by Grouping and RWA

There are no equity exposures in banking book in CIMB IB for 30 June 2021 and 30 June 2020.

INTEREST RATE RISK IN THE BANKING BOOK

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

The table below illustrates CIMB IB's IRRBB under a 100 bps parallel upward interest rate shock from economic value perspective:

Table 18: IRRBB – Impact on Economic Value

(RM'000)	CIMB IB	
	30 June 2021	30 June 2020
Currency	+100bps Increase (Decline) in Economic Value (Value in RM Equivalent)	
Ringgit Malaysia	37	29
US Dollar	-	-
Thai Baht	-	-
Singapore Dollar	-	-
Others	-	-
Total	37	29

Table 19: IRRBB – Impact on Earnings

(RM'000)	CIMB IB	
	30 June 2021	30 June 2020
Currency	+100bps Increase (Decline) in Earnings (Value in RM Equivalent)	
Ringgit Malaysia	4,651	3,932
US Dollar	-	-
Thai Baht	-	-
Singapore Dollar	-	-
Others	(8)	(8)
Total	4,643	3,924

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]