

**BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2021**

Overview

The Pillar 3 Disclosure for the financial half-year as at 30 June 2021 for Bank Islam Malaysia Berhad (“the Bank”) and its subsidiaries (“the Group”) is governed by Bank Negara Malaysia’s (“BNM”) “Capital Adequacy Framework for Islamic Banks (CAFIB) – Disclosure Requirements (Pillar 3)”.

The Group adopts the following approaches in determining the capital requirements of Pillar 1 in accordance to BNM’s Guidelines on CAFIB (Basel II – Risk Weighted Assets) since January 2008:

- Credit and Market Risk – the Standardised Approach (“SA”); and
- Operational Risk – the Basic Indicator Approach (“BIA”).

Under the Standardised Approach, standard risk weights are used to assess the capital requirements whilst under the Basic Indicator Approach, the capital requirements are computed based on a fixed percentage over the Group’s average gross income for a fixed number of quarterly periods.

Medium and Location of Disclosure

The Group’s Pillar 3 Disclosure is made available at www.bankislam.com.

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Minimum Regulatory Capital Requirements

The following tables show the minimum regulatory capital requirement to support the Group's and the Bank's risk weighted assets.

GROUP	30.06.2021		31.12.2020	
	RISK-WEIGHTED ASSETS	MINIMUM CAPITAL REQUIREMENT AT 8%	RISK-WEIGHTED ASSETS	MINIMUM CAPITAL REQUIREMENT AT 8%
	RM'000	RM'000	RM'000	RM'000
Credit Risk	47,575,926	3,806,074	46,862,577	3,749,006
Less: Credit Risk absorbed by IA	(8,902,735)	(712,219)	(9,082,114)	(726,569)
Market Risk	562,920	45,034	638,925	51,114
Operational Risk	3,801,255	304,100	3,719,636	297,571
Total	43,037,366	3,442,989	42,139,024	3,371,122

BANK	30.06.2021		31.12.2020	
	RISK-WEIGHTED ASSETS	MINIMUM CAPITAL REQUIREMENT AT 8%	RISK-WEIGHTED ASSETS	MINIMUM CAPITAL REQUIREMENT AT 8%
	RM'000	RM'000	RM'000	RM'000
Credit Risk	47,558,886	3,804,711	46,842,825	3,747,426
Less: Credit Risk absorbed by IA	(8,903,038)	(712,243)	(9,082,416)	(726,593)
Market Risk	562,920	45,034	638,925	51,114
Operational Risk	3,754,625	300,370	3,675,867	294,069
Total	42,973,393	3,437,872	42,075,201	3,366,016

The Group does not have any capital requirement for Large Exposure Risk as there is no amount in excess of the lowest threshold arising from equity holdings as specified in BNM's CAFIB (Risk-Weighted Assets (RWA)) Guideline.

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1. Scope of Application

The Pillar 3 Disclosure is prepared on a consolidated basis and comprises information on the Bank (including the offshore banking operations in the Federal Territory of Labuan) and its subsidiaries.

There are no significant restrictions or impediments on the transfer of funds or regulatory capital within the Group. There were no capital deficiencies in any of the subsidiary companies of the Group as at the financial half-year.

2. Capital Adequacy Ratios

Total capital and capital adequacy ratios of the Group have been computed based on the updated BNM's CAFIB - Capital Components issued on 9 December 2020 and BNM's CAFIB – RWA Guideline issued on 3 May 2019. The minimum regulatory capital adequacy ratios requirement for Common Equity Tier 1 ("CET 1") capital ratio, Tier 1 capital ratio and Total capital ratio (TCR) including capital buffers i.e. Capital Conservation Buffers (CCB) of 2.50% are 7.00%, 8.50% and 10.50% respectively.

The CCB is intended to encourage the build-up of capital buffers by individual Islamic banking institutions during normal times that can be drawn down during stress periods.

The capital adequacy ratios of the Group and of the Bank are set out as below:

(a) The capital adequacy ratios¹ of the Group and of the Bank:

Before effect of IA	GROUP		BANK	
	30.06.2021	31.12.2020	30.06.2021	31.12.2020
<u>Before deducting proposed dividends</u>				
CET 1 Capital Ratio	11.43%	12.07%	11.41%	12.04%
Tier 1 Capital Ratio	11.43%	12.07%	11.41%	12.04%
Total Capital Ratio	15.85%	16.53%	15.83%	16.51%
<u>After deducting proposed dividends</u>				
CET 1 Capital Ratio	11.43%	11.79%	11.41%	11.77%
Tier 1 Capital Ratio	11.43%	11.79%	11.41%	11.77%
Total Capital Ratio	15.85%	16.26%	15.83%	16.24%
After effect of IA	GROUP		BANK	
	30.06.2021	31.12.2020	30.06.2021	31.12.2020
<u>Before deducting proposed dividends</u>				
CET 1 Capital Ratio	13.80%	14.67%	13.77%	14.64%
Tier 1 Capital Ratio	13.80%	14.67%	13.77%	14.64%
Total Capital Ratio	18.87%	19.82%	18.85%	19.80%
<u>After deducting proposed dividends</u>				
CET 1 Capital Ratio	13.80%	14.34%	13.77%	14.31%
Tier 1 Capital Ratio	13.80%	14.34%	13.77%	14.31%
Total Capital Ratio	18.87%	19.49%	18.85%	19.47%

¹ In conjunction with the Group's restructuring exercise, Bank Islam will be performing limited review for period ended 30 September 2021 instead of 30 June 2021 and subsequently declare the interim dividend.

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2. Capital Adequacy Ratios (continued)

(b) CET 1, Tier I, and Tier II capital components of the Group and of the Bank:

	30.06.2021	
	Group	Bank
	RM'000	RM'000
<u>Tier I Capital</u>		
Paid-up share capital	3,445,757	3,445,757
Share Premium	-	-
Retained earnings	2,751,384	2,745,121
Other reserves	(116,992)	(116,873)
Less: Deferred tax assets	(142,782)	(141,351)
Less: 55% of fair value	-	-
Less: Regulatory Reserve attributable to financing	-	-
Less: Investment in subsidiaries	-	(15,525)
Total Common Equity Tier I Capital	5,937,367	5,917,129
Total Additional Tier I Capital	-	-
Total Tier I Capital	5,937,367	5,917,129
Subordinated sukuk	1,700,000	1,700,000
Collective assessment allowance [^]	483,414	483,198
Total Tier II Capital	2,183,414	2,183,198
Total Capital	8,120,781	8,100,327

[^] Collective assessment allowance on non-impaired financing and regulatory reserve, subject to maximum of 1.25% of total credit risk-weighted assets after deducting IA as Risk Absorbent.

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2. Capital Adequacy Ratios (continued)

(b) CET 1, Tier I and Tier II capital components of the Group and of the Bank (continued):

	31.12.2020	
	GROUP RM'000	BANK RM'000
<u>Tier I Capital</u>		
Paid-up share capital	3,306,118	3,306,118
Share Premium	-	-
Retained earnings	2,891,023	2,884,760
Other reserves	88,558	88,707
Less: Deferred tax assets	(1,511)	-
Less: 55% of fair value	(103,564)	(103,564)
Less: Regulatory reserve attributable to financing	-	-
Less: Investment in subsidiaries	-	(15,525)
Total Common Equity Tier I Capital	6,180,624	6,160,496
Total Additional Tier I Capital	-	-
Total Tier I Capital	6,180,624	6,160,496
Subordinated Sukuk	1,700,000	1,700,000
Collective assessment allowance [^]	472,256	472,005
Total Tier II Capital	2,172,256	2,172,005
Total Capital	8,352,880	8,332,501

[^] Collective assessment allowance on non-impaired financing and regulatory reserve, subject to maximum of 1.25% of total credit risk-weighted assets after deducting IA as Risk Absorbent.

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2. Capital Adequacy Ratios (continued)

(c) The breakdown of risk-weighted assets by exposures in each major risk category is as follows:

(i) Group

30 JUNE 2021 EXPOSURE CLASS	GROSS EXPOSURE RM'000	NET EXPOSURE RM'000	RISK- WEIGHTED ASSET RM'000	MINIMUM CAPITAL REQUIREMENT AT 8% RM'000
Credit Risk				
On-Balance Sheet Exposures				
Sovereign/Central Banks	6,100,020	6,100,020	-	-
Public Sector Entities	1,570,878	1,560,642	451,813	36,145
Banks, Developments Financial Institutions ("DFIs") and Multilateral Development Banks ("MDBs")	1,430,754	1,430,754	287,061	22,965
Corporate	18,344,938	17,971,146	10,305,180	824,414
Regulatory Retail	19,464,428	19,427,765	18,875,524	1,510,042
Residential Mortgages	22,345,211	22,339,202	14,353,260	1,148,261
Higher Risk Assets	3,345	3,345	5,018	401
Other Assets	1,718,271	1,718,271	892,101	71,368
Defaulted Exposures	1,079,528	1,050,468	957,960	76,637
Total for On-Balance Sheet Exposures	72,057,373	71,601,613	46,127,917	3,690,233
Off-Balance Sheet Exposures				
Credit-related Exposures	1,428,152	1,427,258	1,300,938	104,075
Derivative Financial Instruments	152,432	152,433	109,824	8,786
Defaulted Exposures	32,318	32,298	37,247	2,980
Total for Off-Balance Sheet Exposures	1,612,902	1,611,989	1,448,009	115,841
Total On and Off-Balance Sheet Exposures	73,670,275	73,213,602	47,575,926	3,806,074
Less: Credit Risk absorbed by IA			(8,902,735)	(712,219)
Market Risk				
	Long Position	Short Position		
Benchmark Rate Risk	8,617,438	(7,291,113)	1,326,326	235,786
Foreign Exchange Risk	20,445	(327,134)	(306,689)	327,134
Inventory Risk			-	-
Total Market Risk	8,637,883	(7,618,247)	1,019,637	562,920
Operational Risk			3,801,255	304,100
Total RWA and Capital Requirements			43,037,366	3,442,989

Note: As at 30 June 2021, the Group did not have any exposures under securitisation.

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2. Capital Adequacy Ratios (continued)

(c) The breakdown of risk-weighted assets by exposures in each major risk category is as follows (continued):

(i) Group (continued)

31 DECEMBER 2020 EXPOSURE CLASS	GROSS EXPOSURE RM'000	NET EXPOSURE RM'000	RISK- WEIGHTED ASSET RM'000	MINIMUM CAPITAL REQUIREMENT AT 8% RM'000
Credit Risk				
On-Balance Sheet Exposures				
Sovereign/Central Banks	8,165,933	8,165,933	-	-
Public Sector Entities	1,600,640	1,587,966	430,688	34,455
Banks, Developments Financial Institutions ("DFIs") and Multilateral Development Banks ("MDBs")	510,976	510,976	103,179	8,254
Corporate	19,584,934	19,226,882	10,505,419	840,434
Regulatory Retail	19,456,154	19,416,328	18,879,252	1,510,340
Residential Mortgages	21,610,415	21,604,144	13,735,734	1,098,859
Higher Risk Assets	3,783	3,783	5,674	454
Other Assets	1,802,897	1,802,897	939,663	75,173
Defaulted Exposures	895,404	860,147	839,948	67,196
Total for On-Balance Sheet Exposures	73,631,136	73,179,056	45,439,557	3,635,165
Off-Balance Sheet Exposures				
Credit-related Exposures	1,461,127	1,454,525	1,329,221	106,338
Derivative Financial Instruments	148,631	148,632	64,632	5,171
Defaulted Exposures	25,822	25,822	29,167	2,333
Total for Off-Balance Sheet Exposures	1,635,580	1,628,979	1,423,020	113,842
Total On and Off-Balance Sheet Exposures	75,266,716	74,808,035	46,862,577	3,749,006
Less: Credit Risk absorbed by IA			(9,082,114)	(726,569)
Market Risk				
	Long Position	Short Position		
Benchmark Rate Risk	9,461,133	(8,518,693)	942,439	313,417
Foreign Exchange Risk	23,673	(325,509)	(301,836)	325,509
Inventory Risk			-	-
Total Market Risk	9,484,806	(8,844,202)	640,603	638,926
Operational Risk			3,719,636	297,571
Total RWA and Capital Requirements			42,139,024	3,371,122

Note: As at 31 December 2020, the Group did not have any exposures under securitisation.

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2. Capital Adequacy Ratios (continued)

(c) The breakdown of risk-weighted assets by exposures in each major risk category is as follows (continued):

(ii) Bank

30 JUNE 2021 EXPOSURE CLASS	GROSS EXPOSURE RM'000	NET EXPOSURE RM'000	RISK- WEIGHTED ASSET RM'000	MINIMUM CAPITAL REQUIREMENT AT 8% RM'000
Credit Risk				
On-Balance Sheet Exposures				
Sovereign/Central Banks	6,100,020	6,100,020	-	-
Public Sector Entities	1,570,878	1,560,642	451,813	36,145
Banks, Developments Financial Institutions (“DFIs”) and Multilateral Development Banks (“MDBs”)	1,428,771	1,428,771	286,665	22,933
Corporate	18,344,938	17,971,146	10,305,180	824,414
Regulatory Retail	19,464,428	19,427,765	18,875,524	1,510,042
Residential Mortgages	22,345,211	22,339,202	14,353,260	1,148,261
Higher Risk Assets	3,345	3,345	5,018	401
Other Assets	1,705,220	1,705,220	875,458	70,037
Defaulted Exposures	1,079,528	1,050,468	957,960	76,637
Total for On-Balance Sheet Exposures	72,042,339	71,586,580	46,110,878	3,688,870
Off-Balance Sheet Exposures				
Credit-related Exposures	1,428,152	1,427,258	1,300,937	104,075
Derivative Financial Instruments	152,432	152,432	109,824	8,786
Defaulted Exposures	32,318	32,298	37,247	2,980
Total for Off-Balance Sheet Exposures	1,612,902	1,611,988	1,448,008	115,841
Total On and Off-Balance Sheet Exposures	73,655,241	73,198,568	47,558,886	3,804,711
Less: Credit Risk absorbed by IA			(8,903,038)	(712,243)
Market Risk				
	Long Position	Short Position		
Benchmark Rate Risk	8,617,438	(7,291,113)	1,326,326	235,786
Foreign Exchange Risk	20,445	(327,134)	(306,689)	327,134
Inventory Risk	-	-	-	-
Total Market Risk	8,637,883	(7,618,247)	1,019,637	562,920
Operational Risk			3,754,625	300,370
Total RWA and Capital Requirements			42,973,393	3,437,872

Note: As at 30 June 2021, the Bank did not have any exposures under securitisation.

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2. Capital Adequacy (continued)

(c) The breakdown of risk-weighted assets by exposures in each major risk category is as follows (continued):

(ii) Bank (continued)

31 DECEMBER 2020 EXPOSURE CLASS	GROSS EXPOSURE RM'000	NET EXPOSURE RM'000	RISK- WEIGHTED ASSET RM'000	MINIMUM CAPITAL REQUIREMENT AT 8% RM'000
Credit Risk				
On-Balance Sheet Exposures				
Sovereign/Central Banks	8,165,933	8,165,933	-	-
Public Sector Entities	1,600,640	1,587,966	430,688	34,455
Banks, Developments Financial Institutions ("DFIs") and Multilateral Development Banks ("MDBs")	510,893	510,893	103,163	8,253
Corporate	19,584,934	19,226,882	10,505,419	840,434
Regulatory Retail	19,456,154	19,416,328	18,879,252	1,510,340
Residential Mortgages	21,610,415	21,604,144	13,735,734	1,098,859
Higher Risk Assets	3,783	3,783	5,674	454
Other Assets	1,786,255	1,786,255	919,927	73,594
Defaulted Exposures	895,404	860,147	839,948	67,196
Total for On-Balance Sheet Exposures	73,614,411	73,162,332	45,419,804	3,633,584
Off-Balance Sheet Exposures				
Credit-related Exposures	1,461,127	1,454,525	1,329,221	106,338
Derivative Financial Instruments	148,631	148,632	64,632	5,171
Defaulted Exposures	25,822	25,822	29,167	2,333
Total for Off-Balance Sheet Exposures	1,635,580	1,628,979	1,423,020	113,842
Total On and Off-Balance Sheet Exposures	75,249,991	74,791,311	46,842,824	3,747,426
Less: Credit Risk absorbed by IA			(9,082,416)	(726,593)
Market Risk				
	Long Position	Short Position		
Benchmark Rate Risk	9,461,133	(8,518,693)	942,439	313,417
Foreign Exchange Risk	23,673	(325,509)	(301,836)	325,509
Inventory Risk	-	-	-	-
Total Market Risk	9,484,806	(8,844,202)	640,603	638,926
Operational Risk			3,675,867	294,069
Total RWA and Capital Requirements			42,075,201	3,366,016

Note: As at 31 December 2020, the Bank did not have any exposures under securitisation.

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3. Credit Risk

3.1 Credit Quality of Gross Financing and Advances

The table below presents the Group's and the Bank's gross financing and advances analysed by credit quality:

	GROUP AND BANK	
	30.06.2021	31.12.2020
	RM'000	RM'000
Neither past due nor impaired	55,079,480	54,596,595
Past due but not impaired	691,036	628,767
Impaired	407,176	373,234
	56,177,692	55,598,596
Gross Impaired Financing as a percentage of Gross Financing and Advances	0.72%	0.67%

(a) Neither Past Due Nor Impaired

Financings classified as neither past due nor impaired are financings of which the customers have not missed a contractual payment (profit or principal) when contractually due and are not impaired as there is no objective evidence of impairment of the financings.

The credit quality of gross financing and advances which are neither past due nor impaired is as follows:

	GROUP AND BANK	
	30.06.2021	31.12.2020
	RM'000	RM'000
Excellent to Good	47,730,452	47,226,265
Satisfactory	7,090,777	6,995,181
Fair	258,251	375,149
	55,079,480	54,596,595

Internal rating definition: -

- **Excellent to Good:** Sound financial position of the obligor with no difficulty in meeting its obligations.
- **Satisfactory:** Adequate safety of the obligor meeting its current obligations but more time is required to meet the entire obligations in full.
- **Fair:** High risks on payment obligations. Financial performance may continue to deteriorate.

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3. Credit Risk (continued)

3.1 Credit Quality of Gross Financing and Advances (continued)

(b) Past Due But Not Impaired

Financings classified as past due but not impaired are financings of which its contractual profit or principal payments are past due, but the Group and the Bank believe that impairment is not appropriate on the basis of the level of collateral available and/or the stage of collection amounts owed to the Group and the Bank.

Analysis of the past due but not impaired financing and advances by aging analysis:

	GROUP AND BANK	
	30.06.2021	31.12.2020
By ageing	RM'000	RM'000
Month-in-arrears 1	408,832	429,323
Month-in-arrears 2	282,204	199,444
	691,036	628,767

Analysis of the past due but not impaired financing and advances by sector:

	GROUP AND BANK	
	30.06.2021	31.12.2020
	RM'000	RM'000
Primary agriculture	-	-
Mining and quarrying	-	3,615
Manufacturing (including agro-based)	9,177	761
Electricity, gas and water	-	-
Wholesale & retail trade, and hotels & restaurants	13,937	23,195
Construction	12,068	8,215
Real estate	-	136
Transport, storage and communications	23,271	38,370
Finance, insurance and business activities	2,564	8,228
Education, health and others	926	2,424
Household sectors	629,093	543,823
Other sectors	-	-
	691,036	628,767

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3. Credit Risk (continued)

3.1 Credit Quality of Gross Financing and Advances (continued)

(c) Impaired Financing and Advances

A financing is classified as impaired when the principal or profit or both are past due for three months or more, or where a financing is in arrears for less than three months, but the financing exhibits indications of significant credit weakness.

Impaired financing by assessment type:

	GROUP AND BANK	
	30.06.2021	31.12.2020
	RM'000	RM'000
Individually Assessed	207,831	219,160
<i>of which:</i>		
<i>Month-in-Arrears 0</i>	26,535	23,780
<i>Month-in-Arrears 1</i>	1,054	6,659
<i>Month-in-Arrears 2</i>	3,771	17,010
<i>Month-in-Arrears 3 and above</i>	176,471	171,711
Collectively Assessed	199,345	154,074
	407,176	373,234

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3. Credit Risk (continued)

3.1 Credit Quality of Gross Financing and Advances (continued)

(c) Impaired Financing and Advances (continued)

30 JUNE 2021 RM '000	IMPAIRED FINANCING AT 30.06.2021	INDIVIDUAL ASSESSMENT ALLOWANCE			INDIVIDUAL ASSESSMENT AS AT 30.06.2021	COLLECTIVE ASSESSMENT ALLOWANCE AT 30.06.2021	TOTAL IMPAIRMENT ALLOWANCES FOR FINANCING AT 30.06.2021
		INDIVIDUAL ASSESSMENT AS AT 01.01.2021	NET CHARGE FOR THE FINANCIAL YEAR	AMOUNTS WRITTEN OFF/OTHER MOVEMENTS			
Primary Agriculture	-	-	-	-	-	19,509	19,509
Mining and Quarrying	-	-	-	-	-	2,556	2,556
Manufacturing (including Agro-based)	22,254	6,775	(14)	(1,201)	5,560	37,546	43,106
Electricity, Gas and Water	-	-	-	-	-	62,153	62,153
Wholesale & Retail Trade and Restaurants & Hotels	94,477	23,765	3,857	(2,896)	24,726	33,045	57,771
Construction	34,362	14,432	576	(3,294)	11,714	93,587	105,301
Real Estate	-	-	-	-	-	-	-
Transport, Storage and Communication	16,174	4,567	385	(2,387)	2,565	34,162	36,727
Finance, Insurance and Business Services	7,253	258	15	-	273	106,230	106,503
Education, Health and Others	3,203	519	356	-	875	19,190	20,065
Household Sectors	229,453	14,879	762	-	15,641	489,426	505,067
Other Sectors	-	-	-	-	-	-	-
Total	407,176	65,195	5,937	(9,778)	61,354	897,404	958,758

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3. Credit Risk (continued)

3.1 Credit Quality of Gross Financing and Advances (continued)

(c) Impaired Financing and Advances (continued)

31 DECEMBER 2020 RM '000	IMPAIRED FINANCING AT 31.12.2020	INDIVIDUAL ASSESSMENT AS AT 01.01.2020	INDIVIDUAL ASSESSMENT ALLOWANCE			INDIVIDUAL ASSESSMENT AS AT 31.12.2020	COLLECTIVE ASSESSMENT ALLOWANCE AT 31.12.2020	TOTAL IMPAIRMENT ALLOWANCES FOR FINANCING AT 31.12.2020
			NET CHARGE FOR THE FINANCIAL YEAR	AMOUNTS WRITTEN OFF/OTHER MOVEMENTS				
Primary Agriculture	-	-	-	-	-	18,882	18,882	
Mining and Quarrying	-	-	-	-	-	2,411	2,411	
Manufacturing (including Agro-based)	28,329	25,797	(3,555)	(15,469)	6,775	32,316	39,091	
Electricity, Gas and Water	-	-	-	-	-	65,708	65,708	
Wholesale & Retail Trade and Restaurants & Hotels	89,812	23,494	3,335	(3,064)	23,765	29,556	53,321	
Construction	36,220	11,133	5,358	(2,059)	14,432	89,865	104,297	
Real Estate	-	-	-	-	-	-	-	
Transport, Storage and Communication	17,801	4,349	218	-	4,567	34,248	38,815	
Finance, Insurance and Business Services	6,140	-	258	-	258	106,156	106,414	
Education, Health and Others	3,969	3,676	(1,394)	(1,763)	519	15,631	16,150	
Household Sectors	190,963	19,598	(3,694)	(1,024)	14,879	467,993	482,872	
Other Sectors	-	-	-	-	-	-	-	
Total	373,234	88,047	526	(23,379)	65,195	862,766	927,961	

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3. Credit Risk (continued)

3.1 Credit Quality of Gross Financing and Advances (continued)

(d) Gross Financing and Advances – Exposures by Geographical Areas

30 JUNE 2021 RM '000	GROSS FINANCING	OF WHICH:			
		PAST DUE BUT NOT IMPAIRED FINANCING	IMPAIRED FINANCING	INDIVIDUAL ALLOWANCES	COLLECTIVE ALLOWANCES
Central Region	25,682,999	352,772	188,334	42,942	511,488
Eastern Region	8,848,380	98,011	92,219	15,676	105,725
Northern Region	7,559,989	88,801	81,219	-	93,457
Southern Region	9,688,452	110,322	28,633	2,736	120,935
East Malaysia Region	4,397,872	41,130	16,771	-	65,800
Grand Total	56,177,692	691,036	407,176	61,354	897,404

31 DECEMBER 2020 RM '000	GROSS FINANCING	OF WHICH:			
		PAST DUE BUT NOT IMPAIRED FINANCING	IMPAIRED FINANCING	INDIVIDUAL ALLOWANCES	COLLECTIVE ALLOWANCES
Central Region	25,745,132	326,811	174,617	47,606	496,983
Eastern Region	8,757,468	80,907	86,291	15,481	94,975
Northern Region	7,431,066	93,699	78,220	-	93,343
Southern Region	9,416,361	88,776	19,167	2,108	89,166
East Malaysia Region	4,248,569	38,574	14,939	-	88,299
Grand Total	55,598,596	628,767	373,234	65,195	862,766

BANK ISLAM MALAYSIA BERHAD
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3. Credit Risk (continued)

3.2 Gross Credit Exposures

(a) Geographic Distribution of Credit Exposures

(i) Group

30 JUNE 2021 EXPOSURE CLASS	CENTRAL REGION RM'000	EASTERN REGION RM'000	NORTHERN REGION RM'000	SOUTHERN REGION RM'000	EAST MALAYSIA REGION RM '000	TOTAL RM '000
<u>Credit Risk</u>						
On-Balance Sheet Exposures						
Sovereign/Central Banks	6,100,020	-	-	-	-	6,100,020
Public Sector Entities	1,022,639	135,193	57,687	333,260	22,099	1,570,878
Banks, Developments Institutions and Multilateral Development Banks	1,430,356	315	-	83	-	1,430,754
Corporate	15,228,974	1,038,848	661,103	1,480,059	852,571	19,261,555
Regulatory Retail	7,765,681	3,554,374	3,071,198	3,083,135	2,080,490	19,554,878
Residential Mortgages	8,372,895	4,087,115	3,724,603	4,794,182	1,438,877	22,417,672
Higher Risk Assets	1,900	472	138	108	727	3,345
Other Assets	1,717,821	-	-	-	450	1,718,271
Total for On-Balance Sheet Exposures	41,640,286	8,816,317	7,514,729	9,690,827	4,395,214	72,057,373
Off-Balance Sheet Exposures						
Credit-related Exposures	1,180,562	64,163	44,333	104,039	67,373	1,460,470
Derivative Financial Instruments	152,432	-	-	-	-	152,432
Total for Off-Balance Sheet Exposures	1,332,994	64,163	44,333	104,039	67,373	1,612,902
Total On and Off-Balance Sheet Exposures	42,973,280	8,880,480	7,559,062	9,794,866	4,462,587	73,670,275

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2021

3. Credit Risk (continued)

3.2 Gross Credit Exposures (continued)

(a) Geographic Distribution of Credit Exposures (continued)

(i) Group (continued)

31 DECEMBER 2020 EXPOSURE CLASS	CENTRAL REGION RM'000	EASTERN REGION RM'000	NORTHERN REGION RM'000	SOUTHERN REGION RM'000	EAST MALAYSIA REGION RM '000	TOTAL RM '000
<u>Credit Risk</u>						
On-Balance Sheet Exposures						
Sovereign/Central Banks	8,165,933	-	-	-	-	8,165,933
Public Sector Entities	1,060,099	143,574	46,935	344,404	5,628	1,600,640
Banks, Developments Institutions and Multilateral Development Banks	510,556	330	-	90	-	510,976
Corporate	16,313,849	1,058,669	703,735	1,469,709	789,298	20,335,260
Regulatory Retail	7,778,636	3,565,676	3,034,206	3,072,934	2,082,322	19,533,774
Residential Mortgages	8,184,067	3,965,812	3,627,072	4,534,191	1,366,731	21,677,873
Higher Risk Assets	2,083	620	141	118	821	3,783
Other Assets	1,800,176	-	-	-	2,721	1,802,897
Total for On-Balance Sheet Exposures	43,815,399	8,734,681	7,412,089	9,421,446	4,247,521	73,631,136
Off-Balance Sheet Exposures						
Credit-related Exposures	1,217,355	60,569	40,546	120,305	48,174	1,486,949
Derivative Financial Instruments	148,631	-	-	-	-	148,631
Total for Off-Balance Sheet Exposures	1,365,986	60,569	40,546	120,305	48,174	1,635,580
Total On and Off-Balance Sheet Exposures	45,181,385	8,795,250	7,452,635	9,541,751	4,295,695	75,266,716

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
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3. Credit Risk (continued)

3.2 Gross Credit Exposures (continued)

(a) Geographic Distribution of Credit Exposures (continued)

(ii) Bank

30 JUNE 2021 EXPOSURE CLASS	CENTRAL REGION RM'000	EASTERN REGION RM'000	NORTHERN REGION RM'000	SOUTHERN REGION RM'000	EAST MALAYSIA REGION RM '000	TOTAL RM '000
<u>Credit Risk</u>						
On-Balance Sheet Exposures						
Sovereign/Central Banks	6,100,020	-	-	-	-	6,100,020
Public Sector Entities	1,022,639	135,193	57,687	333,260	22,099	1,570,878
Banks, Developments Financial Institutions and Multilateral Development Banks	1,428,373	315	-	83	-	1,428,771
Corporate	15,228,974	1,038,848	661,103	1,480,059	852,571	19,261,555
Regulatory Retail	7,765,681	3,554,374	3,071,198	3,083,135	2,080,490	19,554,878
Residential Mortgages	8,372,895	4,087,115	3,724,603	4,794,182	1,438,877	22,417,672
Higher Risk Assets	1,900	472	138	108	727	3,345
Other Assets	1,704,770	-	-	-	450	1,705,220
Total for On-Balance Sheet Exposures	41,625,252	8,816,317	7,514,729	9,690,827	4,395,214	72,042,339
Off-Balance Sheet Exposures						
Credit-related Exposures	1,180,562	64,163	44,333	104,039	67,373	1,460,470
Derivative Financial Instruments	152,432	-	-	-	-	152,432
Total for Off-Balance Sheet Exposures	1,332,994	64,163	44,333	104,039	67,373	1,612,902
Total On and Off-Balance Sheet Exposures	42,958,246	8,880,480	7,559,062	9,794,866	4,462,587	73,655,241

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
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3. Credit Risk (continued)

3.2 Gross Credit Exposures (continued)

(a) Geographic Distribution of Credit Exposures (continued)

(ii) Bank (continued)

31 DECEMBER 2020 Exposure Class	CENTRAL REGION RM'000	EASTERN REGION RM'000	NORTHERN REGION RM'000	SOUTHERN REGION RM'000	EAST MALAYSIA REGION RM '000	TOTAL RM '000
<u>Credit Risk</u>						
On-Balance Sheet Exposures						
Sovereign/Central Banks	8,165,933	-	-	-	-	8,165,933
Public Sector Entities	1,060,099	143,574	46,935	344,404	5,628	1,600,640
Banks, Developments Institutions and Multilateral Development Banks	510,473	330	-	90	-	510,893
Corporate	16,313,849	1,058,669	703,735	1,469,709	789,298	20,335,260
Regulatory Retail	7,778,636	3,565,676	3,034,206	3,072,934	2,082,322	19,533,774
Residential Mortgages	8,184,067	3,965,812	3,627,072	4,534,191	1,366,731	21,677,873
Higher Risk Assets	2,083	620	141	118	821	3,783
Other Assets	1,783,533	-	-	-	2,722	1,786,255
Total for On-Balance Sheet Exposures	43,798,673	8,734,681	7,412,089	9,421,446	4,247,522	73,614,411
Off-Balance Sheet Exposures						
Credit-related Exposures	1,217,355	60,569	40,546	120,305	48,174	1,486,949
Derivative Financial Instruments	148,631	-	-	-	-	148,631
Total for Off-Balance Sheet Exposures	1,365,986	60,569	40,546	120,305	48,174	1,635,580
Total On and Off-Balance Sheet Exposures	45,164,659	8,795,250	7,452,635	9,541,751	4,295,696	75,249,991

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
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3. Credit Risk (continued)

3.2 Gross Credit Exposures (continued)

(b) Distribution of Credit Exposures by Sector

(i) Group

30 JUNE 2021 EXPOSURE CLASS	PRIMARY AGRICULTURE	MINING AND QUARRYING	MANUFACTURING	ELECTRICITY, GAS AND WATER	WHOLESALE & RETAIL TRADE AND RESTAURANT & HOTELS	CONSTRUCTION	REAL ESTATE	TRANSPORT, STORAGE & COMMUNICATION	FINANCE, INSURANCE AND BUSINESS SERVICES	EDUCATION, HEALTH AND OTHERS	HOUSEHOLD SECTOR	OTHER SECTORS	TOTAL
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
Credit Risk													
On-Balance Sheet Exposures													
Sovereign/Central Banks	-	-	-	-	-	-	-	-	1,994,106	-	-	4,105,914	6,100,020
Public Sector Entities	1,200	-	-	-	-	46,980	-	-	132,931	1,389,486	281	-	1,570,878
Banks, Developments Institutions and Multilateral Development Banks	-	-	-	-	-	-	-	-	768,206	-	398	662,150	1,430,754
Corporate	1,044,822	72,909	1,082,079	3,021,389	673,964	3,708,080	1,974,521	1,748,439	3,742,540	570,318	179,559	1,442,935	19,261,555
Regulatory Retail	9,288	3,885	40,778	727	68,194	64,140	44,689	21,789	71,703	42,019	19,183,568	4,098	19,554,878
Residential Mortgages	-	-	387	-	-	-	-	-	-	-	22,417,285	-	22,417,672
Higher Risk Assets	-	-	-	-	-	-	-	-	-	-	3,345	-	3,345
Other Assets	-	-	-	-	-	-	-	-	-	-	-	1,718,271	1,718,271
Total for On-Balance Sheet Exposures	1,055,310	76,794	1,123,244	3,022,116	742,158	3,819,200	2,019,210	1,770,228	6,709,486	2,001,823	41,784,436	7,933,368	72,057,373
Off-Balance Sheet Exposures													
Credit-related Exposures	20,517	9,917	111,656	56,737	93,448	366,964	15,894	61,028	89,447	156,143	307,593	171,125	1,460,470
Derivative Financial Instruments	-	-	95	-	30,711	-	-	-	16,651	93,216	-	11,760	152,432
Total for Off-Balance Sheet Exposures	20,517	9,917	111,751	56,737	124,159	366,964	15,894	61,028	106,098	249,359	307,593	182,885	1,612,902
Total On and Off-Balance Sheet Exposures	1,075,827	86,711	1,234,995	3,078,853	866,317	4,186,164	2,035,104	1,831,256	6,815,584	2,251,182	42,092,029	8,116,253	73,670,275

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
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3. Credit Risk (continued)

3.2 Gross Credit Exposures (continued)

(b) Distribution of Credit Exposures by Sector (continued)

(i) Group (continued)

31 DECEMBER 2020 EXPOSURE CLASS	PRIMARY AGRICULTURE	MINING AND QUARRYING	MANUFACTURING	ELECTRICITY, GAS AND WATER	WHOLESALE & RETAIL TRADE AND RESTAURANT & HOTELS	CONSTRUCTION	REAL ESTATE	TRANSPORT, STORAGE & COMMUNICATION	FINANCE, INSURANCE AND BUSINESS SERVICES	EDUCATION, HEALTH AND OTHERS	HOUSEHOLD SECTOR	OTHER SECTORS	TOTAL
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
Credit Risk													
On-Balance Sheet Exposures													
Sovereign/Central Banks	-	-	-	-	-	-	-	-	5,246,069	-	-	2,919,864	8,165,933
Public Sector Entities	955	-	112,118	-	-	5,019	-	-	197,842	1,284,423	283	-	1,600,640
Banks, Developments Institutions and Multilateral Development Banks	-	-	-	-	-	-	-	-	358,688	100,010	421	51,857	510,976
Corporate	1,119,668	64,577	1,099,232	3,315,698	660,832	3,539,328	2,015,830	2,024,878	3,869,984	598,072	135,552	1,891,609	20,335,260
Regulatory Retail	1,348	3,086	32,791	866	63,850	62,219	35,318	19,599	72,750	44,918	19,193,791	3,238	19,533,774
Residential Mortgages	-	353	523	-	-	111	-	-	-	-	21,676,886	-	21,677,873
Higher Risk Assets	-	-	-	-	-	-	-	-	-	-	3,783	-	3,783
Other Assets	-	-	-	-	-	-	-	-	-	-	-	1,802,897	1,802,897
Total for On-Balance Sheet Exposures	1,121,971	68,016	1,244,664	3,316,564	724,682	3,606,677	2,051,148	2,044,477	9,745,333	2,027,423	41,010,716	6,669,465	73,631,136
Off-Balance Sheet Exposures													
Credit-related Exposures	25,804	12,986	99,159	58,429	81,990	383,333	64,459	64,311	89,116	177,241	259,166	170,955	1,486,949
Derivative Financial Instruments	-	-	72	-	64,886	600	-	-	15,854	37,795	-	29,424	148,631
Total for Off-Balance Sheet Exposures	25,804	12,986	99,231	58,429	146,876	383,933	64,459	64,311	104,970	215,036	259,166	200,379	1,635,580
Total On and Off-Balance Sheet Exposures	1,147,775	81,002	1,343,895	3,374,993	871,558	3,990,610	2,115,607	2,108,788	9,850,303	2,242,459	41,269,882	6,869,844	75,266,716

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
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3. Credit Risk (continued)

3.2 Gross Credit Exposures (continued)

(b) Distribution of Credit Exposures by Sector (continued)

(ii) Bank

30 JUNE 2021 EXPOSURE CLASS	PRIMARY AGRICULTURE	MINING AND QUARRYING	MANUFACTURING	ELECTRICITY, GAS AND WATER	WHOLESALE & RETAIL TRADE AND RESTAURANT & HOTELS	CONSTRUCTION	REAL ESTATE	TRANSPORT, STORAGE & COMMUNICATION	FINANCE, INSURANCE AND BUSINESS SERVICES	EDUCATION, HEALTH AND OTHERS	HOUSEHOLD SECTOR	OTHER SECTORS	TOTAL
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
Credit Risk													
On-Balance Sheet Exposures													
Sovereign/Central Banks	-	-	-	-	-	-	-	-	1,994,106	-	-	4,105,914	6,100,020
Public Sector Entities	1,200	-	-	-	-	46,980	-	-	132,931	1,389,486	281	-	1,570,878
Banks, Developments Institutions and Multilateral Development Banks	-	-	-	-	-	-	-	-	768,206	-	398	660,167	1,428,771
Corporate	1,044,822	72,909	1,082,079	3,021,389	673,964	3,708,080	1,974,521	1,748,439	3,742,540	570,318	179,559	1,442,935	19,261,555
Regulatory Retail	9,288	3,885	40,778	727	68,194	64,140	44,689	21,789	71,703	42,019	19,183,568	4,098	19,554,878
Residential Mortgages	-	-	387	-	-	-	-	-	-	-	22,417,285	-	22,417,672
Higher Risk Assets	-	-	-	-	-	-	-	-	-	-	3,345	-	3,345
Other Assets	-	-	-	-	-	-	-	-	-	-	-	1,705,220	1,705,220
Total for On-Balance Sheet Exposures	1,055,310	76,794	1,123,244	3,022,116	742,158	3,819,200	2,019,210	1,770,228	6,709,486	2,001,823	41,784,436	7,918,334	72,042,339
Off-Balance Sheet Exposures													
Credit-related Exposures	20,517	9,917	111,656	56,737	93,448	366,964	15,894	61,028	89,447	156,143	307,593	171,125	1,460,470
Derivative Financial Instruments	-	-	95	-	30,711	-	-	-	16,651	93,216	-	11,760	152,432
Total for Off-Balance Sheet Exposures	20,517	9,917	111,751	56,737	124,159	366,964	15,894	61,028	106,098	249,359	307,593	182,885	1,612,902
Total On and Off-Balance Sheet Exposures	1,075,827	86,711	1,234,995	3,078,853	866,317	4,186,164	2,035,104	1,831,256	6,815,584	2,251,182	42,092,029	8,101,219	73,655,241

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PILLAR 3 DISCLOSURE
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3. Credit Risk (continued)

3.2 Gross Credit Exposures (continued)

(b) Distribution of Credit Exposures by Sector (continued)

(ii) Bank (continued)

31 DECEMBER 2020 EXPOSURE CLASS	PRIMARY AGRICULTURE	MINING AND QUARRYING	MANUFACTURING	ELECTRICITY, GAS AND WATER	WHOLESALE & RETAIL TRADE AND RESTAURANT & HOTELS	CONSTRUCTION	REAL ESTATE	TRANSPORT, STORAGE & COMMUNICATION	FINANCE, INSURANCE AND BUSINESS SERVICES	EDUCATION, HEALTH AND OTHERS	HOUSEHOLD SECTOR	OTHER SECTORS	TOTAL
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
Credit Risk													
On-Balance Sheet Exposures													
Sovereign/Central Banks	-	-	-	-	-	-	-	-	5,246,069	-	-	2,919,864	8,165,933
Public Sector Entities	955	-	112,118	-	-	5,019	-	-	197,842	1,284,423	283	-	1,600,640
Banks, Developments Institutions and Multilateral Development Banks	-	-	-	-	-	-	-	-	358,688	100,010	421	51,774	510,893
Corporate	1,119,668	64,577	1,099,232	3,315,698	660,832	3,539,328	2,015,830	2,024,878	3,869,985	598,072	135,552	1,891,608	20,335,260
Regulatory Retail	1,348	3,086	32,791	866	63,850	62,219	35,318	19,599	72,750	44,918	19,193,791	3,238	19,533,774
Residential Mortgages	-	353	523	-	-	111	-	-	-	-	21,676,886	-	21,677,873
Higher Risk Assets	-	-	-	-	-	-	-	-	-	-	3,783	-	3,783
Other Assets	-	-	-	-	-	-	-	-	-	-	-	1,786,255	1,786,255
Total for On-Balance Sheet Exposures	1,121,971	68,016	1,244,664	3,316,564	724,682	3,606,677	2,051,148	2,044,477	9,745,334	2,027,423	41,010,716	6,652,739	73,614,411
Off-Balance Sheet Exposures													
Credit-related Exposures	25,805	12,986	99,159	58,429	81,990	383,333	64,458	64,311	89,116	177,241	259,166	170,955	1,486,949
Derivative Financial Instruments	-	-	72	-	64,886	600	-	-	15,854	37,795	-	29,424	148,631
Total for Off-Balance Sheet Exposures	25,805	12,986	99,231	58,429	146,876	383,933	64,458	64,311	104,970	215,036	259,166	200,379	1,635,580
Total On and Off-Balance Sheet Exposures	1,147,776	81,002	1,343,895	3,374,993	871,558	3,990,610	2,115,606	2,108,788	9,850,304	2,242,459	41,269,882	6,853,118	75,249,991

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
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3. Credit Risk (continued)

3.2 Gross Credit Exposures (continued)

(c) Residual Contractual Maturity Breakdown

(i) Group

30 JUNE 2021 EXPOSURE CLASS	UP TO 1 YEAR RM'000	> 1 – 5 YEARS RM'000	OVER 5 YEARS RM'000	TOTAL RM'000
<u>Credit Risk</u>				
On-Balance Sheet Exposures				
Sovereign/Central Banks	2,752,908	1,649,608	1,697,504	6,100,020
Public Sector Entities	179,622	622,410	768,846	1,570,878
Banks, Developments Financial Institutions and Multilateral Development Banks	1,427,833	433	2,488	1,430,754
Corporate	3,706,466	5,792,974	9,762,115	19,261,555
Regulatory Retail	42,407	3,050,798	16,461,673	19,554,878
Residential Mortgages	14,847	138,661	22,264,164	22,417,672
Higher Risk Assets	-	19	3,326	3,345
Other Assets	282,067	-	1,436,204	1,718,271
Total for On-Balance Sheet Exposures	8,406,150	11,254,903	52,396,320	72,057,373
Off-Balance Sheet Exposures				
Credit-related Exposures	622,838	416,343	421,289	1,460,470
Derivative Financial Instruments	149,050	3,382	-	152,432
Total for Off-Balance Sheet Exposures	771,888	419,725	421,289	1,612,902
Total On and Off-Balance Sheet Exposures	9,178,038	11,674,628	52,817,609	73,670,275

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
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3. Credit Risk (continued)

3.2 Gross Credit Exposures (continued)

(c) Residual Contractual Maturity Breakdown (continued)

(i) Group (continued)

31 DECEMBER 2020 EXPOSURE CLASS	UP TO 1 YEAR RM'000	> 1 – 5 YEARS RM'000	OVER 5 YEARS RM'000	TOTAL RM'000
Credit Risk				
On-Balance Sheet Exposures				
Sovereign/Central Banks	5,025,763	1,307,472	1,832,698	8,165,933
Public Sector Entities	126,850	672,694	801,096	1,600,640
Banks, Developments Financial Institutions and Multilateral Development Banks	307,302	201,040	2,634	510,976
Corporate	3,418,150	6,616,986	10,300,124	20,335,260
Regulatory Retail	60,071	3,035,247	16,438,456	19,533,774
Residential Mortgages	10,535	136,323	21,531,015	21,677,873
Higher Risk Assets	-	14	3,769	3,783
Other Assets	351,256	-	1,451,641	1,802,897
Total for On-Balance Sheet Exposures	9,299,927	11,969,776	52,361,433	73,631,136
Off-Balance Sheet Exposures				
Credit-related Exposures	512,097	581,139	393,713	1,486,949
Derivative Financial Instruments	143,217	5,414	-	148,631
Total for Off-Balance Sheet Exposures	655,314	586,553	393,713	1,635,580
Total On and Off-Balance Sheet Exposures	9,955,241	12,556,329	52,755,146	75,266,716

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3. Credit Risk (continued)

3.2 Gross Credit Exposures (continued)

(c) Residual Contractual Maturity Breakdown (continued)

(ii) Bank

30 JUNE 2021 EXPOSURE CLASS	UP TO 1 YEAR RM'000	> 1 – 5 YEARS RM'000	OVER 5 YEARS RM'000	TOTAL RM'000
<u>Credit Risk</u>				
On-Balance Sheet Exposures				
Sovereign/Central Banks	2,752,908	1,649,608	1,697,504	6,100,020
Public Sector Entities	179,622	622,410	768,846	1,570,878
Banks, Developments Financial Institutions and Multilateral Development Banks	1,425,850	433	2,488	1,428,771
Corporate	3,706,466	5,792,974	9,762,115	19,261,555
Regulatory Retail	42,407	3,050,798	16,461,673	19,554,878
Residential Mortgages	14,847	138,661	22,264,164	22,417,672
Higher Risk Assets	-	19	3,326	3,345
Other Assets	269,016	-	1,436,204	1,705,220
Total for On-Balance Sheet Exposures	8,391,116	11,254,903	52,396,320	72,042,339
Off-Balance Sheet Exposures				
Credit-related Exposures	622,838	416,343	421,289	1,460,470
Derivative Financial Instruments	149,050	3,382	-	152,432
Total for Off-Balance Sheet Exposures	771,888	419,725	421,289	1,612,902
Total On and Off-Balance Sheet Exposures	9,163,004	11,674,628	52,817,609	73,655,241

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PILLAR 3 DISCLOSURE
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3. Credit Risk (continued)

3.2 Gross Credit Exposures (continued)

(c) Residual Contractual Maturity Breakdown (continued)

(ii) Bank (continued)

31 DECEMBER 2020 EXPOSURE CLASS	UP TO 1 YEAR RM'000	> 1 – 5 YEARS RM'000	OVER 5 YEARS RM'000	TOTAL RM'000
Credit Risk				
On-Balance Sheet Exposures				
Sovereign/Central Banks	5,025,763	1,307,472	1,832,698	8,165,933
Public Sector Entities	126,850	672,694	801,096	1,600,640
Banks, Developments Financial Institutions and Multilateral Development Banks	307,219	201,040	2,634	510,893
Corporate	3,418,150	6,616,986	10,300,124	20,335,260
Regulatory Retail	60,071	3,035,247	16,438,456	19,533,774
Residential Mortgages	10,535	136,323	21,531,015	21,677,873
Higher Risk Assets	-	14	3,769	3,783
Other Assets	334,615	-	1,451,640	1,786,255
Total for On-Balance Sheet Exposures	9,283,203	11,969,776	52,361,432	73,614,411
Off-Balance Sheet Exposures				
Credit-related Exposures	512,097	581,139	393,713	1,486,949
Derivative Financial Instruments	143,217	5,414	-	148,631
Total for Off-Balance Sheet Exposures	655,314	586,553	393,713	1,635,580
Total On and Off-Balance Sheet Exposures	9,938,517	12,556,329	52,755,145	75,249,991

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PILLAR 3 DISCLOSURE
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3. Credit Risk (continued)

3.3 Assignment of Risk Weights for Portfolios Under the Standardised Approach

The following presents the credit exposures by risk weights after the effect of credit risk mitigation of the Group:

(i) As at 30 June 2021

EXPOSURES AFTER NETTING & CREDIT RISK MITIGATION (CRM)										
RISK WEIGHTS	SOVEREIGNS / CENTRAL BANKS RM'000	PUBLIC SECTOR ENTITIES RM'000	BANKS, DFIS & MDBS RM'000	CORPORATE RM'000	REGULATORY RETAIL RM'000	RESIDENTIAL MORTGAGES RM'000	HIGHER RISK ASSETS RM'000	OTHER ASSETS RM'000	TOTAL EXPOSURES AFTER NETTING & CRM RM'000	TOTAL RISK WEIGHTED ASSET RM'000
0%	6,100,021	664,552	-	2,856,387	102,973	-	-	826,170	10,550,103	-
20%	-	227,940	1,474,385	3,860,160	106	-	-	-	5,562,591	1,112,518
35%	-	-	-	24,417	-	6,142,986	-	-	6,167,403	2,158,591
50%	-	539,290	8,489	3,833,296	391,205	4,377,267	-	-	9,149,547	4,574,774
75%	-	-	-	497,599	1,108,520	7,504,258	-	-	9,110,377	6,832,782
100%	-	247,976	-	8,599,157	17,877,397	4,609,593	-	892,101	32,226,224	32,226,224
150%	-	-	-	332,334	40,681	62,424	11,918	-	447,357	671,037
Total Exposures	6,100,021	1,679,758	1,482,874	20,003,350	19,520,882	22,696,528	11,918	1,718,271	73,213,602	47,575,926
RWA by Exposures	-	563,209	299,122	12,168,083	18,965,432	14,670,101	17,877	892,101	47,575,926	
Average Risk Weight	0.0%	33.5%	20.2%	60.8%	97.2%	64.6%	150.0%	51.9%	65.0%	
Deduction from Capital Base										

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3. Credit Risk (continued)

3.3 Assignment of Risk Weights for Portfolios Under the Standardised Approach (continued)

The following presents the credit exposures by risk weights after the effect of credit risk mitigation of the Group (continued):

(ii) As at 31 December 2020

EXPOSURES AFTER NETTING & CREDIT RISK MITIGATION (CRM)										
RISK WEIGHTS	SOVEREIGNS / CENTRAL BANKS	PUBLIC SECTOR ENTITIES	BANKS, DFIS & MDBS	CORPORATE	REGULATORY RETAIL	RESIDENTIAL MORTGAGES	HIGHER RISK ASSETS	OTHER ASSETS	TOTAL EXPOSURES AFTER NETTING & CRM	TOTAL RISK WEIGHTED ASSET
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
0%	8,165,933	720,449	-	3,434,129	60,926	-	-	863,234	13,244,671	-
20%	-	204,553	609,193	4,392,176	231	-	-	-	5,206,153	1,041,231
35%	-	-	-	-	-	6,319,435	-	-	6,319,435	2,211,802
50%	-	561,814	5,761	3,860,407	403,363	4,555,665	-	-	9,387,010	4,693,505
75%	-	-	-	449,350	1,180,029	6,169,930	-	-	7,799,309	5,849,482
100%	-	167,431	-	8,693,848	17,817,354	4,802,963	-	939,663	32,421,259	32,421,259
150%	-	-	-	324,094	33,964	59,547	12,594	-	430,199	645,299
Total Exposures	8,165,933	1,654,247	614,954	21,154,004	19,495,867	21,907,540	12,594	1,802,897	74,808,036	46,862,578
RWA by Exposures	-	489,248	124,719	12,325,640	18,955,049	14,009,366	18,891	939,663	46,862,577	
Average Risk Weight	0.0%	29.6%	20.3%	58.3%	97.2%	63.9%	150.0%	52.1%	62.6%	
Deduction from Capital Base										

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3. Credit Risk (continued)

3.3 Assignment of Risk Weights for Portfolios Under the Standardised Approach (continued)

The following presents the credit exposures by risk weights after the effect of credit risk mitigation of the Bank:

(i) As at 30 June 2021

EXPOSURES AFTER NETTING & CREDIT RISK MITIGATION (CRM)										
RISK WEIGHTS	SOVEREIGNS / CENTRAL BANKS RM'000	PUBLIC SECTOR ENTITIES RM'000	BANKS, DFIS & MDBS RM'000	CORPORATE RM'000	REGULATORY RETAIL RM'000	RESIDENTIAL MORTGAGES RM'000	HIGHER RISK ASSETS RM'000	OTHER ASSETS RM'000	TOTAL EXPOSURES AFTER NETTING & CRM RM'000	TOTAL RISK WEIGHTED ASSET RM'000
0%	6,100,021	664,552	-	2,856,387	102,973	-	-	829,762	10,553,695	-
20%	-	227,940	1,472,402	3,860,160	106	-	-	-	5,560,608	1,112,121
35%	-	-	-	24,417	-	6,142,986	-	-	6,167,403	2,158,591
50%	-	539,290	8,489	3,833,296	391,205	4,377,267	-	-	9,149,547	4,574,774
75%	-	-	-	497,599	1,108,520	7,504,258	-	-	9,110,377	6,832,783
100%	-	247,976	-	8,599,157	17,877,397	4,609,593	-	875,458	32,209,581	32,209,581
150%	-	-	-	332,334	40,681	62,424	11,918	-	447,357	671,037
Total Exposures	6,100,021	1,679,758	1,480,891	20,003,350	19,520,882	22,696,528	11,918	1,705,220	73,198,568	47,558,886
RWA by Exposures	-	563,209	298,725	12,168,083	18,965,432	14,670,101	17,877	875,458	47,558,886	
Average Risk Weight	0.0%	33.5%	20.2%	60.8%	97.2%	64.6%	150.0%	51.3%	65.0%	
Deduction from Capital Base										

BANK ISLAM MALAYSIA BERHAD
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AS AT 30 JUNE 2021

3. Credit Risk (continued)

3.3 Assignment of Risk Weights for Portfolios Under the Standardised Approach (continued)

The following presents the credit exposures by risk weights after the effect of credit risk mitigation of the Bank (continued):

(ii) As at 31 December 2020

EXPOSURES AFTER NETTING & CREDIT RISK MITIGATION (CRM)										
RISK WEIGHTS	SOVEREIGNS / CENTRAL BANKS RM'000	PUBLIC SECTOR ENTITIES RM'000	BANKS, DFIS & MDBS RM'000	CORPORATE RM'000	REGULATORY RETAIL RM'000	RESIDENTIAL MORTGAGES RM'000	HIGHER RISK ASSETS RM'000	OTHER ASSETS RM'000	TOTAL EXPOSURES AFTER NETTING & CRM RM'000	TOTAL RISK WEIGHTED ASSET RM'000
0%	8,165,934	720,449	-	3,434,128	60,926	-	-	866,328	13,247,765	-
20%	-	204,553	609,110	4,392,176	231	-	-	-	5,206,070	1,041,214
35%	-	-	-	-	-	6,319,435	-	-	6,319,435	2,211,802
50%	-	561,814	5,761	3,860,407	403,363	4,555,665	-	-	9,387,010	4,693,505
75%	-	-	-	449,350	1,180,029	6,169,930	-	-	7,799,309	5,849,482
100%	-	167,431	-	8,693,848	17,817,354	4,802,963	-	919,927	32,401,523	32,401,523
150%	-	-	-	324,094	33,964	59,547	12,594	-	430,199	645,299
Total Exposures	8,165,934	1,654,247	614,871	21,154,003	19,495,867	21,907,540	12,594	1,786,255	74,791,311	46,842,825
RWA by Exposures	-	489,249	124,703	12,325,640	18,955,049	14,009,366	18,891	919,927	46,842,825	
Average Risk Weight	0.0%	29.6%	20.3%	58.3%	97.2%	63.9%	150.0%	51.5%	62.6%	
Deduction from Capital Base										

BANK ISLAM MALAYSIA BERHAD
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3. Credit Risk (continued)

3.4 Disclosures of Rated and Unrated Exposures According to Ratings by ECAI

a) Ratings of Sovereigns and Central Banks by Approved ECAIs

30 JUNE 2021 Exposure Class	RATINGS OF SOVEREIGNS AND CENTRAL BANKS BY APPROVED ECAIs						
	Moody's	Aaa to Aa3	A1 to A3	Baa1 to Baa3	Ba1 to B3	Caa1 to C	Unrated
	S&P	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to D	Unrated
	Fitch	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to D	Unrated
<u>On and Off Balance-Sheet Credit Exposures</u>							
Sovereign and Central Banks*		-	6,100,021	-	-	-	-
Total		-	6,100,021	-	-	-	-

31 DECEMBER 2020 Exposure Class	RATINGS OF SOVEREIGNS AND CENTRAL BANKS BY APPROVED ECAIs						
	Moody's	Aaa to Aa3	A1 to A3	Baa1 to Baa3	Ba1 to B3	Caa1 to C	Unrated
	S&P	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to D	Unrated
	Fitch	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to D	Unrated
<u>On and Off Balance-Sheet Credit Exposures</u>							
Sovereign and Central Banks*		-	8,165,933	-	-	-	-
Total		-	8,165,933	-	-	-	-

* These exposures refer to exposures to Federal Government of Malaysia and Bank Negara Malaysia which are accorded a preferential sovereign risk weight of 0%.

b) Ratings of Corporate by Approved ECAIs

30 JUNE 2021 Exposure Class	RATINGS OF CORPORATE BY APPROVED ECAIs					
	Moody's	Aaa to Aa3	A1 to A3	Baa1 to Ba3	B+ to C	Unrated
	S&P	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
	Fitch	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
	RAMs	AAA to AA3	A to A3	BBB to BB	B to D	Unrated
	MARC	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
<u>On and Off Balance-Sheet Credit Exposures</u>						
Public Sector Entities Insurance Cos, Securities Firms & Fund Manager		227,940	-	-	-	1,451,818
Corporate		3,743,420	31,737	85,621	-	16,137,283
Total		3,971,360	31,737	85,621	-	17,589,101

31 DECEMBER 2020 Exposure Class	RATINGS OF CORPORATE BY APPROVED ECAIs					
	Moody's	Aaa to Aa3	A1 to A3	Baa1 to Ba3	B+ to C	Unrated
	S&P	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
	Fitch	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
	RAMs	AAA to AA3	A to A3	BBB to BB	B to D	Unrated
	MARC	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
<u>On and Off Balance-Sheet Credit Exposures</u>						
Public Sector Entities Insurance Cos, Securities Firms & Fund Manager		204,552	-	-	-	1,449,694
Corporate		4,069,429	27,707	83,259	-	16,968,321
Total		4,273,981	27,707	83,259	-	18,418,015

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3. Credit Risk (continued)

3.4 Disclosure of Rated and Unrated Exposures According to Ratings by ECAI (continued)

c) Ratings of Banking Institutions by Approved ECAIs

RATINGS OF BANKING INSTITUTIONS BY APPROVED ECAIS							
	Moody's	Aaa to Aa3	A1 to A3	Baa1 to Baa3	Ba1+ to B3	Caa1 to C	Unrated
	S&P	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to D	Unrated
30 JUNE 2021	Fitch	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to D	Unrated
Exposure Class	RAMs	AAA to AA3	A1 to A3	BBB1 to BBB3	BB1 to B3	C1 to D	Unrated
	MARC	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	C+ to D	Unrated
<u>On and Off Balance-Sheet</u>							
<u>Credit Exposures</u>							
	Banks, MDBs, and DFIs	1,168,807	5,662	-	-	-	308,405
Total		1,168,807	5,662	-	-	-	308,405

RATINGS OF BANKING INSTITUTIONS BY APPROVED ECAIS							
	Moody's	Aaa to Aa3	A1 to A3	Baa1 to Baa3	Ba1+ to B3	Caa1 to C	Unrated
	S&P	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to D	Unrated
31 DECEMBER 2020	Fitch	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to D	Unrated
Exposure Class	RAMs	AAA to AA3	A1 to A3	BBB1 to BBB3	BB1 to B3	C1 to D	Unrated
	MARC	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	C+ to D	Unrated
<u>On and Off Balance-Sheet</u>							
<u>Credit Exposures</u>							
	Banks, MDBs, and DFIs	450,463	5,526	-	-	-	158,965
Total		450,463	5,526	-	-	-	158,965

Note: There are no exposures under Short-term ratings for the period under review.

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3. Credit Risk (continued)

3.5 Credit Risk Mitigation (CRM)

Disclosure of Credit Risk Mitigation (CRM):

30 JUNE 2021 EXPOSURE CLASS	EXPOSURES BEFORE CRM RM'000	EXPOSURES COVERED BY GUARANTEES RM'000	EXPOSURES COVERED BY ELIGIBLE FINANCIAL AND NON-FINANCIAL COLLATERAL RM'000
On-Balance Sheet Exposures			
Sovereign/Central Banks	6,100,020	-	-
Public Sector Entities	1,570,878	-	22,546
Banks, DFIs and MDBs	1,428,771	-	-
Corporates	18,344,938	602,726	1,257,471
Regulatory Retail	19,464,428	104,392	115,467
Residential Mortgages	22,345,211	151	95,103
Higher Risk Assets	3,345	-	-
Other Assets	1,705,220	-	-
Defaulted Exposures	1,079,529	148,469	56,861
Total for On-Balance Sheet Exposures	72,042,339	855,738	1,547,448
Off-Balance Sheet Exposures			
Credit-related Exposures	1,428,152	9,492	8,429
Derivative Financial Instruments	152,432	-	-
Defaulted Exposures	32,317	1,397	39
Total for Off-Balance Sheet Exposures	1,612,902	10,889	8,468
Total On and Off-Balance Sheet Exposures	73,655,241	866,627	1,555,916

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3. Credit Risk (continued)

3.5 Credit Risk Mitigation (CRM) (continued)

Disclosure of Credit Risk Mitigation (CRM) (continued):

31 DECEMBER 2020 EXPOSURE CLASS	EXPOSURES BEFORE CRM RM'000	EXPOSURES COVERED BY GUARANTEES RM'000	EXPOSURES COVERED BY ELIGIBLE FINANCIAL AND NON-FINANCIAL COLLATERAL RM'000
On-Balance Sheet Exposures			
Sovereign/Central Banks	8,165,933	-	-
Public Sector Entities	1,600,640	-	26,565
Banks, DFIs and MDBs	510,893	-	-
Corporates	19,584,934	540,901	1,226,255
Regulatory Retail	19,456,153	56,341	100,260
Residential Mortgages	21,610,415	453	100,804
Higher Risk Assets	3,783	-	-
Other Assets	1,786,255	-	-
Defaulted Exposures	895,405	121,080	81,717
Total for On-Balance Sheet Exposures	73,614,411	718,775	1,535,601
Off-Balance Sheet Exposures			
Credit-related Exposures	1,461,127	13,733	10,523
Derivative Financial Instruments	148,631	-	-
Defaulted Exposures	25,822	-	-
Total for Off-Balance Sheet Exposures	1,635,580	13,733	10,523
Total On and Off-Balance Sheet Exposures	75,249,991	732,508	1,546,124

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3. Credit Risk (continued)

3.6 Off-Balance Sheet and Counterparties Credit Risk for the Group and the Bank

(i) As at 30 June 2021

NATURE OF ITEM	PRINCIPAL AMOUNT RM'000	POSITIVE FAIR VALUE OF DERIVATIVE CONTRACTS RM'000	CREDIT EQUIVALENT AMOUNT RM'000	RISK WEIGHTED ASSET RM'000
<i>Credit related Exposures</i>				
Direct credit substitutes	467,693		467,693	466,197
Assets sold with recourse	-		-	-
Transaction related contingent items	884,263		442,131	427,214
Short term self-liquidating trade related contingencies	485,853		97,171	95,871
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:				
- not exceeding one year	-		-	-
- exceeding one year	906,949		453,475	348,902
Unutilised credit card lines	-		-	-
Any commitments that are unconditionally cancelled at any time by the bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a customer's creditworthiness	8,662,354		-	-
	11,407,112		1,460,470	1,338,184
<i>Derivative Financial Instruments</i>				
Foreign exchange related contracts				
- less than one year	7,291,073	43,942	149,050	107,217
- one year to less than five years	-	-	-	-
Profit rate related contracts				
- less than one year	-	-	-	-
- one year to less than five years	96,844	1,590	3,382	2,608
- five years and above	-	-	-	-
	7,387,917	45,532	152,432	109,825
Total	18,795,029	45,532	1,612,902	1,448,009

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3. Credit Risk (continued)

3.6 Off-Balance Sheet and Counterparties Credit Risk for the Group and the Bank (continued)

(ii) As at 31 December 2020

NATURE OF ITEM	PRINCIPLE AMOUNT RM'000	POSITIVE FAIR VALUE OF DERIVATIVE CONTRACTS RM'000	CREDIT EQUIVALENT AMOUNT RM'000	RISK WEIGHTED ASSET RM'000
<i>Credit related Exposures</i>				
Direct credit substitutes	449,506		449,506	442,426
Assets sold with recourse	-		-	-
Transaction related contingent items	899,541		449,770	436,481
Short term self-liquidating trade related contingencies	592,744		118,549	117,165
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:				
- not exceeding one year	-		-	-
- exceeding one year	938,247		469,124	362,317
Unutilised credit card lines	-		-	-
Any commitments that are unconditionally cancelled at any time by the bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a customer's creditworthiness	8,676,980		-	-
	11,557,018		1,486,949	1,358,389
<i>Derivative Financial Instruments</i>				
Foreign exchange related contracts				
- less than one year	8,518,422	59,494	143,217	60,587
- one year to less than five years	-	-	-	-
- Five years and above	-	-	-	-
Profit rate related contracts				
- less than one year	-	-	-	-
- one year to less than five years	114,056	2,171	5,414	4,045
- five years and above	-	-	-	-
Equity related contracts				
- less than one year	-	-	-	-
- one year to less than five years	-	-	-	-
- Five years and above	-	-	-	-
	8,632,478	61,665	148,631	64,632
Total	20,189,496	61,665	1,635,580	1,423,021

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4. Market Risk

a) Profit Rate Risk in the Banking Book Portfolio

Profit rate risk in the banking book portfolio is managed and controlled using measurement tools known as Earnings-at-Risk (“EaR”) and Economic-Value-of-Equity (“EVE”). The Group monitors the sensitivity of EaR and EVE under varying profit rate scenarios (i.e. simulation modeling). The model is a combination of standard and non-standard scenarios relevant to the local market. The standard scenarios include the parallel fall or rise in the profit rate curve and historical simulation. These scenarios assume no management action. Hence, it does not incorporate actions that would be taken by Treasury to mitigate the impact of the profit rate risk. In reality, depending on the view on future market movements, Treasury would proactively manage and strategize to change the profit rate exposure profile to minimise losses and to optimise net revenues. The Group’s hedging and risk mitigation strategies correspond to the market instruments available. These strategies range from the use of derivative financial instruments, such as profit rate swaps, to more intricate hedging strategies to address inordinate profit rate risk exposures.

The table below shows the Group’s and the Bank’s profit rate sensitivity to a 150² basis points parallel shift as at reporting date.

Group	30 June 2021		31 December 2020	
	(Decrease) / Increase		(Decrease) / Increase	
	-150bps	+150bps	-100bps	+100bps
	RM million	RM million	RM million	RM million
Impact on EaR	(202.8)	202.8	(131.4)	131.4
Impact on EVE	342.6	(342.6)	241.0	(241.0)

Bank	30 June 2021		31 December 2020	
	(Decrease) / Increase		(Decrease) / Increase	
	-150bps	+150bps	-100bps	+100bps
	RM million	RM million	RM million	RM million
Impact on EaR	(202.6)	202.6	(131.4)	131.4
Impact on EVE	342.4	(342.4)	240.9	(240.9)

b) Market Risk in the Trading Book Portfolio

Market risk in the trading book portfolio is monitored and managed by the Bank using Value-at-Risk (“VaR”). It is a technique that estimates the potential losses that could occur in the trading book positions as a result of market rates movements over a specified time horizon and to a given level of confidence. The VaR model used by the Bank is based on historical simulation which derives plausible future scenarios from past series of recorded market rates and prices. The historical VaR model used incorporates the following features:

² On 30 June 2020, BNM issued the revised Rate of Return Risk in Banking Book (RORBB) reporting requirements (i.e. EVE/EaR) of which came into effect on 1 January 2021. Previously, the Bank’s EVE/EaR reporting was based on 100 basis point parallel shift.

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4. Market Risk (continued)

b) Market Risk in the Trading Book Portfolio (continued)

- Historical market movements are calculated with reference to foreign exchange rates and profit rates based on data from the past two years; and
- The VaR is calculated using a 99 per cent confidence level and for a one-day holding period.

A summary of the VaR position of the Bank's trading book portfolios as at reporting date is as follows:

Bank	As at 30.6.2021	1.1.2021 to 30.6.2021		
	Average RM million	RM million	Average RM million	RM million
Profit Rate Risk	1.17	1.22	2.39	0.83
Foreign Exchange Risk	0.57	0.66	1.00	0.34
Overall	1.74	1.89	2.78	1.62

Bank	As at 31.12.2020	1.1.2019 to 31.12.2020		
	RM million	Average RM million	Maximum RM million	Minimum RM million
Profit Rate Risk	2.76	1.88	3.32	0.01
Foreign Exchange Risk	0.42	0.47	1.02	0.23
Overall	3.18	2.36	3.89	0.36

c) Foreign Exchange Risk

The Bank manages and controls the trading book portfolio's foreign exchange risk by limiting the net open exposure to individual currencies and on an aggregate basis. For the Bank-wide (trading and banking book portfolios) foreign exchange risk, the Bank manages and controls it by limiting the net open exposure on an aggregate basis.

Sensitivity Analysis

The Bank has a sensitivity limit for managing the foreign exchange risk in place. The foreign currency revaluation sensitivity for the Bank as at reporting date is summarised as follows (only the net open positions for major currencies are shown in specific individual currencies in the table below. For other currencies, these exposures are grouped as "Others").

The table below shows the Bank's sensitivity analysis as at reporting date.

	30 June 2021		31 December 2020	
	-1% Depreciation RM'000	+1% Appreciation RM'000	-1% Depreciation RM'000	+1% Appreciation RM'000
Bank				
US Dollar	9,241	(9,241)	8,844	(8,844)
Euro	5,251	(5,251)	5,072	(5,072)
Others	(204)	204	(194)	194

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4. Market Risk (continued)

4.1 Capital Treatment for Market Risk

The Group adopts the Standardised Approach to compute the market risk capital requirement under BNM's CAFIB.

5. Shariah Non-Compliant (“SNC”) Income and Events

30 June 2021	31 December 2020
RM 28,697.12	RM 59,960.47

The main contributors of the SNC income were commissions from third party investment product offering (RM23,937.77) and commissions from SNC merchants of card business (RM4,759.35). The amount was disposed to charitable causes upon Shariah Supervisory Council (SSC)'s approval.

As at June 2021, there were 3 (three) incidences confirmed by the SSC as SNC events. All SNC events and rectification plans were presented and approved by the Board and SSC and reported to BNM in accordance with the prescribed reporting requirement by the regulator.

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Chief Executive Officer's Attestation

In accordance with Bank Negara Malaysia's Capital Adequacy Framework for Islamic Bank (CAFIB) Disclosure Requirements (Pillar 3), I hereby attest that to the best of my knowledge, the disclosures contained in Bank Islam Malaysia Berhad's Pillar 3 Disclosure report for the financial half-year as at 30 June 2021 are consistent with the manner in which the Group and the Bank assess and manage their risk, and are not misleading in any particular way.



Mohd Muazzam Mohamed

Chief Executive Officer, Bank Islam Malaysia Berhad