

**BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2020**

Overview

The Pillar 3 Disclosure for the financial half-year as at 30 June 2020 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	30.06.2020		31.12.2019	
	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	44,151,951	3,532,156	42,551,894	3,404,152
Less: Credit Risk absorbed by IA	(8,256,193)	(660,495)	(7,628,353)	(610,268)
Market Risk	583,645	46,692	580,444	46,436
Operational Risk	3,612,755	289,020	3,551,083	284,087
Total	40,092,159	3,207,373	39,055,068	3,124,407

BANK	30.06.2020		31.12.2019	
	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	44,138,414	3,531,073	42,536,846	3,402,948
Less: Credit Risk absorbed by IA	(8,256,193)	(660,495)	(7,628,353)	(610,268)
Market Risk	583,645	46,692	580,444	46,436
Operational Risk	3,571,527	285,722	3,514,162	281,133
Total	40,037,393	3,202,992	39,003,099	3,120,249

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.

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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

Effective 1 February 2020, total capital and capital adequacy ratios of the Group have been computed based on the updated BNM's CAFIB - Capital Components issued on 5 February 2020. The minimum regulatory capital adequacy ratios requirement for Common Equity Tier 1 ("CET 1") capital ratio, Tier 1 capital ratio and total capital ratio are 7.00%, 8.50% and 10.50% respectively.

Due to COVID-19 pandemic outbreak which has negatively impacted the economy, BNM through its Memo titled "Additional Measures to Assist Borrowers / Customers Affected by the COVID-19 Outbreak" dated 24 Mar 2020 allows banking institutions to withdraw the Capital Conservation Buffer (CCB) of 2.5% until 31 Dec 2020. With the withdrawal, the minimum regulatory capital adequacy ratios requirement for Common Equity Tier 1 ("CET 1") capital ratio, Tier 1 capital ratio and total capital ratio for year 2020 are 4.50%, 6.00% and 8.00% respectively.

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

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

Before effect of IA	GROUP		BANK	
	30.06.2020	31.12.2019	30.06.2020	31.12.2019
<u>Before deducting proposed dividends</u>				
CET 1 Capital Ratio	12.09%	11.89%	12.06%	11.86%
Tier 1 Capital Ratio	12.09%	11.89%	12.06%	11.86%
Total Capital Ratio	16.12%	15.82%	16.10%	15.79%
<u>After deducting proposed dividends</u>				
CET 1 Capital Ratio	11.79%	11.57%	11.76%	11.54%
Tier 1 Capital Ratio	11.79%	11.57%	11.76%	11.54%
Total Capital Ratio	15.83%	15.49%	15.80%	15.47%
After effect of IA				
<u>Before deducting proposed dividends</u>				
CET 1 Capital Ratio	14.57%	14.21%	14.54%	14.19%
Tier 1 Capital Ratio	14.57%	14.21%	14.54%	14.19%
Total Capital Ratio	19.19%	18.66%	19.16%	18.64%
<u>After deducting proposed dividends</u>				
CET 1 Capital Ratio	14.22%	13.83%	14.19%	13.80%
Tier 1 Capital Ratio	14.22%	13.83%	14.19%	13.80%
Total Capital Ratio	18.83%	18.27%	18.81%	18.25%

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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:

	30.06.2020	
	Group	Bank
	RM'000	RM'000
<u>Tier I Capital</u>		
Paid-up share capital	3,164,221	3,164,221
Share Premium	-	-
Retained earnings	2,753,461	2,747,198
Other reserves	78,493	78,586
Less: Deferred tax assets	(41,035)	(39,524)
Less: 55% of fair value	(111,990)	(111,990)
Less: Regulatory Reserve attributable to financing	-	-
Less: Investment in subsidiaries	-	(15,525)
Total Common Equity Tier I Capital	5,843,150	5,822,966
Total Additional Tier I Capital	-	-
Total Tier I Capital	5,843,150	5,822,966
Subordinated sukuk	1,400,000	1,400,000
Collective assessment allowance [^]	448,696	448,528
Total Tier II Capital	1,848,696	1,848,528
Total Capital	7,691,846	7,671,494

[^] 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):

	31.12.2019	
	GROUP	BANK
	RM'000	RM'000
<u>Tier I Capital</u>		
Paid-up share capital	3,012,368	3,012,368
Share Premium	-	-
Retained earnings	2,594,820	2,589,798
Other reserves	107,265	107,398
Less: Deferred tax assets	(33,774)	(32,268)
Less: 55% of fair value	(104,062)	(104,062)
Less: Regulatory reserve attributable to financing	(25,000)	(25,000)
Less: Investment in subsidiaries	-	(15,525)
Total Common Equity Tier I Capital	5,551,617	5,532,709
Total Additional Tier I Capital	-	-
Total Tier I Capital	5,551,617	5,532,709
Subordinated Sukuk	1,300,000	1,300,000
Collective assessment allowance [^]	436,544	436,356
Total Tier II Capital	1,736,544	1,736,356
Total Capital	7,288,161	7,269,065

[^] 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 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	5,261,655	5,261,655	-	-
Public Sector Entities	1,841,594	1,829,349	367,192	29,375
Banks, Developments Financial Institutions ("DFIs") and Multilateral Development Banks ("MDBs")	103,281	103,281	21,716	1,737
Corporate	19,346,474	19,140,553	10,714,502	857,160
Regulatory Retail	18,085,365	17,983,875	17,463,002	1,397,040
Residential Mortgages	20,359,005	20,352,271	12,759,820	1,020,786
Higher Risk Assets	3,991	3,991	5,986	479
Other Assets	1,576,129	1,576,129	776,871	62,150
Defaulted Exposures	664,140	643,341	647,968	51,838
Total for On-Balance Sheet Exposures	67,241,634	66,894,445	42,757,057	3,420,565
Off-Balance Sheet Exposures				
Credit-related Exposures	1,425,358	1,413,832	1,290,743	103,259
Derivative Financial Instruments	98,811	98,811	77,681	6,214
Defaulted Exposures	17,919	17,919	26,470	2,118
Total for Off-Balance Sheet Exposures	1,542,088	1,530,562	1,394,894	111,592
Total On and Off-Balance Sheet Exposures	68,783,722	68,425,007	44,151,951	3,532,156
Less: Credit Risk absorbed by IA			(8,256,193)	(660,495)
Market Risk				
	Long Position	Short Position		
Benchmark Rate Risk	6,319,416	(5,002,791)	1,316,624	171,440
Foreign Exchange Risk	35,273	(412,205)	(376,932)	412,205
Inventory Risk			-	-
Total Market Risk	6,354,689	(5,414,996)	939,692	583,645
Operational Risk			3,612,755	289,020
Total RWA and Capital Requirements			40,092,158	3,207,372

Note: As at 30 June 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):

(i) Group (continued)

31 DECEMBER 2019 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	5,678,926	5,678,926	-	-
Public Sector Entities	1,436,018	1,428,892	356,962	28,557
Banks, Developments Financial Institutions ("DFIs") and Multilateral Development Banks ("MDBs")	303,271	303,271	61,878	4,950
Corporate	19,213,079	19,025,569	10,062,497	805,000
Regulatory Retail	17,344,379	17,237,822	16,700,409	1,336,033
Residential Mortgages	19,642,414	19,635,350	12,359,824	988,786
Higher Risk Assets	4,246	4,246	6,368	509
Other Assets	2,824,066	2,824,065	889,734	71,179
Defaulted Exposures	656,364	638,020	661,036	52,883
Total for On-Balance Sheet Exposures	67,102,763	66,776,161	41,098,708	3,287,897
Off-Balance Sheet Exposures				
Credit-related Exposures	1,571,531	1,559,891	1,389,598	111,168
Derivative Financial Instruments	79,772	79,772	42,897	3,432
Defaulted Exposures	14,687	14,687	20,691	1,655
Total for Off-Balance Sheet Exposures	1,665,990	1,654,350	1,453,186	116,255
Total On and Off-Balance Sheet Exposures	68,768,753	68,430,511	42,551,894	3,404,152
Less: Credit Risk absorbed by IA			(7,628,353)	(610,268)
Market Risk				
	Long Position	Short Position		
Benchmark Rate Risk	6,679,457	(6,255,630)	423,828	15,531
Foreign Exchange Risk	20,882	(386,308)	(365,426)	30,905
Inventory Risk			-	-
Total Market Risk	6,700,339	(6,641,938)	58,402	46,436
Operational Risk			3,551,083	284,087
Total RWA and Capital Requirements			39,055,068	3,124,406

Note: As at 31 December 2019, 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 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	5,261,655	5,261,655	-	-
Public Sector Entities	1,841,594	1,829,349	367,192	29,375
Banks, Developments Financial Institutions ("DFIs") and Multilateral Development Banks ("MDBs")	101,992	101,992	21,458	1,717
Corporate	19,346,474	19,140,553	10,714,502	857,160
Regulatory Retail	18,085,365	17,983,875	17,463,002	1,397,040
Residential Mortgages	20,359,005	20,352,271	12,759,820	1,020,786
Higher Risk Assets	3,991	3,991	5,986	479
Other Assets	1,566,728	1,566,728	763,592	61,087
Defaulted Exposures	664,140	643,341	647,969	51,838
Total for On-Balance Sheet Exposures	67,230,944	66,883,754	42,743,520	3,419,482
Off-Balance Sheet Exposures				
Credit-related Exposures	1,425,358	1,413,832	1,290,743	103,259
Derivative Financial Instruments	98,811	98,811	77,681	6,214
Defaulted Exposures	17,919	17,919	26,470	2,118
Total for Off-Balance Sheet Exposures	1,542,088	1,530,562	1,394,894	111,591
Total On and Off-Balance Sheet Exposures	68,773,032	68,414,316	44,138,414	3,531,073
Less: Credit Risk absorbed by IA			(8,256,193)	(660,495)
Market Risk				
	Long Position	Short Position		
Benchmark Rate Risk	6,319,416	(5,002,791)	1,316,624	13,715
Foreign Exchange Risk	35,273	(412,205)	(376,932)	32,976
Inventory Risk	-	-	-	-
Total Market Risk	6,354,689	(5,414,996)	939,692	46,691
Operational Risk			3,571,527	285,722
Total RWA and Capital Requirements			40,037,393	3,202,991

Note: As at 30 June 2020, 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 2019 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	5,678,926	5,678,926	-	-
Public Sector Entities	1,436,018	1,428,892	356,962	28,557
Banks, Developments Financial Institutions ("DFIs") and Multilateral Development Banks ("MDBs")	302,847	302,847	61,703	4,936
Corporate	19,213,079	19,025,569	10,062,497	805,000
Regulatory Retail	17,344,379	17,237,822	16,700,409	1,336,033
Residential Mortgages	19,642,414	19,635,350	12,359,824	988,786
Higher Risk Assets	4,246	4,246	6,368	509
Other Assets	2,813,575	2,813,575	874,862	69,989
Defaulted Exposures	656,364	638,020	661,036	52,883
Total for On-Balance Sheet Exposures	67,091,849	66,765,246	41,083,660	3,286,693
Off-Balance Sheet Exposures				
Credit-related Exposures	1,571,531	1,559,891	1,389,598	111,168
Derivative Financial Instruments	79,772	79,772	42,897	3,432
Defaulted Exposures	14,687	14,687	20,691	1,655
Total for Off-Balance Sheet Exposures	1,665,990	1,654,350	1,453,186	116,255
Total On and Off-Balance Sheet Exposures	68,757,839	68,419,596	42,536,846	3,402,948
Less: Credit Risk absorbed by IA			(7,628,353)	(610,268)
Market Risk				
	Long Position	Short Position		
Benchmark Rate Risk	6,679,457	(6,255,630)	423,828	15,531
Foreign Exchange Risk	20,882	(386,308)	(365,426)	30,905
Inventory Risk	-	-	-	-
Total Market Risk	6,700,339	(6,641,938)	58,402	46,436
Operational Risk			3,514,162	281,133
Total RWA and Capital Requirements			39,003,099	3,120,248

Note: As at 31 December 2019, 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	
	30.06.2020	31.12.2019
	RM'000	RM'000
Neither past due nor impaired	51,896,196	49,231,998
Past due but not impaired	604,411	558,970
Impaired	371,527	433,001
	52,872,134	50,223,969
Gross Impaired Financing as a percentage of Gross Financing and Advances	0.70%	0.86%

(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	
	30.06.2020	31.12.2019
	RM'000	RM'000
Excellent to Good	45,204,918	43,148,587
Satisfactory	6,424,110	5,827,662
Fair	267,168	255,749
	51,896,196	49,231,998

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	
	30.06.2020	31.12.2019
By ageing	RM'000	RM'000
Month-in-arrears 1	405,882	360,615
Month-in-arrears 2	198,528	198,355
	604,411	558,970

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

	GROUP AND BANK	
	30.06.2020	31.12.2019
	RM'000	RM'000
Primary agriculture	8,477	21,081
Mining and quarrying	2,104	-
Manufacturing (including agro-based)	420	953
Electricity, gas and water	-	-
Wholesale & retail trade, and hotels & restaurants	26,658	2,809
Construction	5,185	9,729
Real estate	5,632	-
Transport, storage and communications	34,480	40,995
Finance, insurance and business activities	3,006	3,120
Education, health and others	6,084	0
Household sectors	512,364	480,283
Other sectors	-	-
	604,411	558,970

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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	
	30.06.2020 RM'000	31.12.2019 RM'000
Individually Assessed	225,542	242,430
<i>of which:</i>		
<i>Month-in-Arrears 0</i>	39,807	35,467
<i>Month-in-Arrears 1</i>	4,559	9,582
<i>Month-in-Arrears 2</i>	404	3,647
<i>Month-in-Arrears 3 and above</i>	180,772	193,734
Collectively Assessed	145,985	190,571
	371,527	433,001

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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 2020 RM '000	IMPAIRED FINANCING AT 30.06.2020	INDIVIDUAL ASSESSMENT ALLOWANCE				INDIVIDUAL ASSESSMENT AS AT 30.06.2020	COLLECTIVE ASSESSMENT ALLOWANCE AT 30.06.2020	TOTAL IMPAIRMENT ALLOWANCES FOR FINANCING AT 30.06.2020
		INDIVIDUAL ASSESSMENT AS AT 01.01.2020	NET CHARGE FOR THE FINANCIAL YEAR	AMOUNTS WRITTEN OFF/OTHER MOVEMENTS				
Primary Agriculture	3	-	-	-	-	25,520	25,520	
Mining and Quarrying	-	-	-	-	-	3,670	3,670	
Manufacturing (including Agro-based)	30,547	25,798	(10)	(15,468)	10,319	26,293	36,613	
Electricity, Gas and Water	-	-	-	-	-	55,704	55,704	
Wholesale & Retail Trade and Restaurants & Hotels	93,801	23,494	223	(3,064)	20,654	28,123	48,777	
Construction	31,812	11,133	5,230	(2,059)	14,304	94,700	109,004	
Real Estate	-	-	-	-	-	-	-	
Transport, Storage and Communication	17,718	4,349	(49)	-	4,300	29,027	33,327	
Finance, Insurance and Business Services	7,930	-	-	-	-	77,161	77,161	
Education, Health and Others	7,422	3,676	(423)	-	3,253	12,908	16,161	
Household Sectors	182,294	19,598	(1,724)	(559)	17,314	339,281	356,596	
Other Sectors	-	-	-	-	-	-	-	
Total	371,527	88,047	3,248	(21,151)	70,144	692,388	762,532	

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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 2019 RM '000	IMPAIRED FINANCING AT 31.12.2019	INDIVIDUAL ASSESSMENT ALLOWANCE				INDIVIDUAL ASSESSMENT AS AT 31.12.2019	COLLECTIVE ASSESSMENT ALLOWANCE AT 31.12.2019	TOTAL IMPAIRMENT ALLOWANCES FOR FINANCING AT 31.12.2019
		INDIVIDUAL ASSESSMENT AS AT 01.01.2019	NET CHARGE FOR THE FINANCIAL YEAR	AMOUNTS WRITTEN OFF/OTHER MOVEMENTS				
Primary Agriculture	-	-	-	-	-	31,276	31,276	
Mining and Quarrying	-	-	-	-	-	38,292	38,292	
Manufacturing (including Agro-based)	45,715	5,438	20,360	-	25,798	36,007	61,805	
Electricity, Gas and Water	-	-	-	-	-	45,386	45,386	
Wholesale & Retail Trade and Restaurants & Hotels	97,043	28,202	(4,708)	-	23,494	22,793	46,287	
Construction	29,361	106,338	7,641	(102,846)	11,133	74,552	85,685	
Real Estate	-	-	-	-	-	-	-	
Transport, Storage and Communication	10,217	3,434	915	-	4,349	28,924	33,273	
Finance, Insurance and Business Services	8,125	762	2,295	(3,058)	-	61,503	61,503	
Education, Health and Others	8,179	1,776	1,900	-	3,676	9,922	13,598	
Household Sectors	234,361	10,740	9,188	(330)	19,598	293,270	312,868	
Other Sectors	-	-	-	-	-	21,475	21,475	
Total	433,001	156,691	37,590	(106,234)	88,047	663,400	751,447	

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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 2020 RM '000	GROSS FINANCING	OF WHICH:			
		PAST DUE BUT NOT IMPAIRED FINANCING	IMPAIRED FINANCING	INDIVIDUAL ALLOWANCES	COLLECTIVE ALLOWANCES
Central Region	25,012,563	300,339	160,830	45,188	421,890
Eastern Region	8,137,260	95,780	91,865	18,189	73,850
Northern Region	6,988,441	86,064	76,186	1,171	66,050
Southern Region	8,956,302	83,356	25,219	3,907	90,513
East Malaysia Region	3,777,567	38,872	17,427	1,690	40,084
Grand Total	52,872,134	604,411	371,527	70,144	692,388

31 DECEMBER 2019 RM '000	GROSS FINANCING	OF WHICH:			
		PAST DUE BUT NOT IMPAIRED FINANCING	IMPAIRED FINANCING	INDIVIDUAL ALLOWANCES	COLLECTIVE ALLOWANCES
Central Region	23,794,695	280,243	181,730	42,199	384,653
Eastern Region	7,861,683	96,802	101,743	23,890	78,839
Northern Region	6,673,024	69,345	79,976	1,754	66,724
Southern Region	8,278,422	76,877	47,527	18,479	90,860
East Malaysia Region	3,616,145	35,703	22,025	1,725	42,325
Grand Total	50,223,969	558,970	433,001	88,047	663,400

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

3.2 Gross Credit Exposures

(a) Geographic Distribution of Credit Exposures

(i) Group

30 JUNE 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	5,261,655	-	-	-	-	5,261,655
Public Sector Entities	1,343,182	145,362	4,323	345,219	4,516	1,842,602
Banks, Developments Financial Institutions and Multilateral Development Banks	102,853	335	-	93	-	103,281
Corporate	16,101,449	881,488	718,601	1,608,043	553,709	19,863,290
Regulatory Retail	7,224,446	3,363,329	2,788,527	2,844,197	1,938,352	18,158,851
Residential Mortgages	7,828,367	3,716,330	3,461,933	4,152,217	1,272,988	20,431,835
Higher Risk Assets	2,147	685	182	122	855	3,991
Other Assets	1,574,150	-	-	-	1,979	1,576,129
Total for On-Balance Sheet Exposures	39,438,249	8,107,529	6,973,566	8,949,891	3,772,399	67,241,634
Off-Balance Sheet Exposures						
Credit-related Exposures	1,163,712	59,412	35,181	145,886	39,086	1,443,277
Derivative Financial Instruments	98,811	-	-	-	-	98,811
Total for Off-Balance Sheet Exposures	1,262,523	59,412	35,181	145,886	39,086	1,542,088
Total On and Off-Balance Sheet Exposures	40,700,772	8,166,941	7,008,747	9,095,777	3,811,485	68,783,722

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2020

3. Credit Risk (continued)

3.2 Gross Credit Exposures (continued)

(a) Geographic Distribution of Credit Exposures (continued)

(i) Group (continued)

31 DECEMBER 2019 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
Credit Risk						
On-Balance Sheet Exposures						
Sovereign/Central Banks	5,678,926	-	-	-	-	5,678,926
Public Sector Entities	953,476	146,026	3,577	334,694	-	1,437,773
Banks, Developments Financial Institutions and Multilateral Development Banks	302,838	338	-	95	-	303,271
Corporate	16,403,066	878,478	617,583	1,282,629	535,135	19,716,891
Regulatory Retail	7,001,650	3,222,611	2,663,992	2,688,577	1,841,294	17,418,124
Residential Mortgages	7,579,007	3,584,070	3,373,791	3,950,039	1,232,560	19,719,467
Higher Risk Assets	2,170	790	257	126	903	4,246
Other Assets	2,823,984	-	-	-	82	2,824,066
Total for On-Balance Sheet Exposures	40,745,117	7,832,313	6,659,200	8,256,160	3,609,974	67,102,764
Off-Balance Sheet Exposures						
Credit-related Exposures	1,243,006	73,472	32,178	193,668	43,894	1,586,218
Derivative Financial Instruments	79,772	-	-	-	-	79,772
Total for Off-Balance Sheet Exposures	1,322,778	73,472	32,178	193,668	43,894	1,665,990
Total On and Off-Balance Sheet Exposures	42,067,895	7,905,785	6,691,378	8,449,828	3,653,868	68,768,754

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2020

3. Credit Risk (continued)

3.2 Gross Credit Exposures (continued)

(a) Geographic Distribution of Credit Exposures (continued)

(ii) Bank

30 JUNE 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	5,261,655	-	-	-	-	5,261,655
Public Sector Entities	1,343,182	145,362	4,323	345,219	4,516	1,842,602
Banks, Developments Financial Institutions and Multilateral Development Banks	101,564	335	-	93	-	101,992
Corporate	16,101,449	881,488	718,601	1,608,043	553,709	19,863,290
Regulatory Retail	7,224,446	3,363,329	2,788,527	2,844,197	1,938,352	18,158,851
Residential Mortgages	7,828,367	3,716,330	3,461,933	4,152,217	1,272,988	20,431,835
Higher Risk Assets	2,147	685	182	122	855	3,991
Other Assets	1,564,748	-	-	-	1,980	1,566,728
Total for On-Balance Sheet Exposures	39,427,558	8,107,529	6,973,566	8,949,891	3,772,400	67,230,944
Off-Balance Sheet Exposures						
Credit-related Exposures	1,163,712	59,412	35,181	145,886	39,086	1,443,277
Derivative Financial Instruments	98,811	-	-	-	-	98,811
Total for Off-Balance Sheet Exposures	1,262,523	59,412	35,181	145,886	39,086	1,542,088
Total On and Off-Balance Sheet Exposures	40,690,081	8,166,941	7,008,747	9,095,777	3,811,486	68,773,032

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2020

3. Credit Risk (continued)

3.2 Gross Credit Exposures (continued)

(a) Geographic Distribution of Credit Exposures (continued)

(ii) Bank (continued)

31 DECEMBER 2019 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
Credit Risk						
On-Balance Sheet Exposures						
Sovereign/Central Banks	5,678,926	-	-	-	-	5,678,926
Public Sector Entities	953,476	146,026	3,577	334,694	-	1,437,773
Banks, Developments Financial Institutions and Multilateral Development Banks	302,414	338	-	95	-	302,847
Corporate	16,403,066	878,478	617,583	1,282,629	535,135	19,716,891
Regulatory Retail	7,001,650	3,222,611	2,663,992	2,688,577	1,841,294	17,418,124
Residential Mortgages	7,579,007	3,584,070	3,373,791	3,950,039	1,232,560	19,719,467
Higher Risk Assets	2,170	790	257	126	903	4,246
Other Assets	2,813,493	-	-	-	82	2,813,575
Total for On-Balance Sheet Exposures	40,734,202	7,832,313	6,659,200	8,256,160	3,609,974	67,091,849
Off-Balance Sheet Exposures						
Credit-related Exposures	1,243,006	73,472	32,178	193,668	43,894	1,586,218
Derivative Financial Instruments	79,772	-	-	-	-	79,772
Total for Off-Balance Sheet Exposures	1,322,778	73,472	32,178	193,668	43,894	1,665,990
Total On and Off-Balance Sheet Exposures	42,056,980	7,905,785	6,691,378	8,449,828	3,653,868	68,757,839

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2020

3. Credit Risk (continued)

3.2 Gross Credit Exposures (continued)

(b) Distribution of Credit Exposures by Sector

(i) Group

30 JUNE 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	-	-	-	-	-	-	-	-	2,700,102	-	-	2,561,553	5,261,655
Public Sector Entities	989	-	112,069	-	-	4,516	-	-	185,550	1,539,322	156	-	1,842,602
Banks, Developments Institutions and Multilateral Development Banks	-	-	-	-	-	-	-	-	48,880	-	428	53,973	103,281
Corporate	1,100,528	51,942	993,965	3,720,804	725,835	3,554,223	1,849,355	1,893,995	3,751,683	490,029	67,248	1,663,683	19,863,290
Regulatory Retail	6,435	1,873	32,388	1,013	58,090	53,530	39,267	18,904	74,916	40,939	17,828,737	2,759	18,158,851
Residential Mortgages	-	350	220	-	-	-	-	-	-	-	20,431,265	-	20,431,835
Higher Risk Assets	-	-	-	-	-	-	-	-	-	-	3,991	-	3,991
Other Assets	-	-	-	-	-	-	-	-	-	-	-	1,576,129	1,576,129
Total for On-Balance Sheet Exposures	1,107,952	54,165	1,138,642	3,721,817	783,925	3,612,269	1,888,622	1,912,899	6,761,131	2,070,290	38,331,825	5,858,097	67,241,634
Off-Balance Sheet Exposures													
Credit-related Exposures	33,192	15,874	105,856	188,223	72,466	317,869	76,404	64,643	98,936	157,810	236,258	75,746	1,443,277
Derivative Financial Instruments	-	-	1,903	-	20,682	1	-	-	4,604	64,650	-	6,971	98,811
Total for Off-Balance Sheet Exposures	33,192	15,874	107,759	188,223	93,148	317,870	76,404	64,643	103,540	222,460	236,258	82,717	1,542,088
Total On and Off-Balance Sheet Exposures	1,141,144	70,039	1,246,401	3,910,040	877,073	3,930,139	1,965,026	1,977,542	6,864,671	2,292,750	38,568,083	5,940,814	68,783,722

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2020

3. Credit Risk (continued)

3.2 Gross Credit Exposures (continued)

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

(i) Group (continued)

31 DECEMBER 2019 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	-	-	-	-	-	-	-	-	3,425,537	-	-	2,253,389	5,678,926
Public Sector Entities	-	-	-	-	-	-	-	-	188,573	1,236,325	159	12,716	1,437,773
Banks, Developments Institutions and Multilateral Development Banks	-	-	-	-	-	-	-	-	246,446	-	434	56,391	303,271
Corporate	1,046,970	37,782	807,501	3,420,837	613,618	2,620,144	1,559,804	2,388,599	3,528,760	293,857	73,024	3,325,995	19,716,891
Regulatory Retail	7,420	1,259	22,955	720	44,372	61,132	34,532	11,791	49,621	39,844	17,086,334	58,144	17,418,124
Residential Mortgages	-	662	31	-	-	-	-	-	-	-	19,718,774	-	19,719,467
Higher Risk Assets	-	-	-	-	-	-	-	-	-	-	4,246	-	4,246
Other Assets	-	-	-	-	-	-	-	-	-	-	-	2,824,066	2,824,066
Total for On-Balance Sheet Exposures	1,054,390	39,703	830,487	3,421,557	657,990	2,681,276	1,594,336	2,400,390	7,438,937	1,570,026	36,882,971	8,530,701	67,102,764
Off-Balance Sheet Exposures													
Credit-related Exposures	54,341	15,585	99,009	66,521	74,841	330,468	94,380	59,039	92,655	176,097	238,421	284,861	1,586,218
Derivative Financial Instruments	-	-	383	-	32,110	-	-	3	12,889	27,955	-	6,432	79,772
Total for Off-Balance Sheet Exposures	54,341	15,585	99,392	66,521	106,951	330,468	94,380	59,042	105,544	204,052	238,421	291,293	1,665,990
Total On and Off-Balance Sheet Exposures	1,108,731	55,288	929,879	3,488,078	764,941	3,011,744	1,688,716	2,459,432	7,544,481	1,774,078	37,121,392	8,821,994	68,768,754

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 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	-	-	-	-	-	-	-	-	2,700,102	-	-	2,561,553	5,261,655
Public Sector Entities	989	-	112,069	-	-	4,516	-	-	185,550	1,539,322	156	-	1,842,602
Banks, Developments Institutions and Multilateral Development Banks	-	-	-	-	-	-	-	-	48,880	-	428	52,684	101,992
Corporate	1,100,528	51,942	993,965	3,720,804	725,835	3,554,223	1,849,355	1,893,995	3,751,683	490,029	67,248	1,663,683	19,863,290
Regulatory Retail	6,435	1,873	32,388	1,013	58,090	53,530	39,267	18,904	74,916	40,939	17,828,737	2,759	18,158,851
Residential Mortgages	-	350	220	-	-	-	-	-	-	-	20,431,265	-	20,431,835
Higher Risk Assets	-	-	-	-	-	-	-	-	-	-	3,991	-	3,991
Other Assets	-	-	-	-	-	-	-	-	-	-	-	1,566,728	1,566,728
Total for On-Balance Sheet Exposures	1,107,952	54,165	1,138,642	3,721,817	783,925	3,612,269	1,888,622	1,912,899	6,761,131	2,070,290	38,331,825	5,847,407	67,230,944
Off-Balance Sheet Exposures													
Credit-related Exposures	33,193	15,874	105,856	188,223	72,466	317,869	76,404	64,643	98,936	157,810	236,258	75,745	1,443,277
Derivative Financial Instruments	-	-	1,903	-	20,682	-	-	-	4,604	64,650	-	6,972	98,811
Total for Off-Balance Sheet Exposures	33,193	15,874	107,759	188,223	93,148	317,869	76,404	64,643	103,540	222,460	236,258	82,717	1,542,088
Total On and Off-Balance Sheet Exposures	1,141,145	70,039	1,246,401	3,910,040	877,073	3,930,138	1,965,026	1,977,542	6,864,671	2,292,750	38,568,083	5,930,124	68,773,032

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 (continued)

31 DECEMBER 2019 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	-	-	-	-	-	-	-	-	3,425,537	-	-	2,253,389	5,678,926
Public Sector Entities	-	-	-	-	-	-	-	-	188,573	1,236,325	159	12,716	1,437,773
Banks, Developments Institutions and Multilateral Development Banks	-	-	-	-	-	-	-	-	246,446	-	434	55,967	302,847
Corporate	1,046,970	37,782	807,501	3,420,837	613,618	2,620,144	1,559,804	2,388,599	3,528,760	293,857	73,024	3,325,995	19,716,891
Regulatory Retail	7,420	1,259	22,955	720	44,372	61,132	34,532	11,791	49,621	39,844	17,086,334	58,144	17,418,124
Residential Mortgages	-	662	31	-	-	-	-	-	-	-	19,718,774	-	19,719,467
Higher Risk Assets	-	-	-	-	-	-	-	-	-	-	4,246	-	4,246
Other Assets	-	-	-	-	-	-	-	-	-	-	-	2,813,575	2,813,575
Total for On-Balance Sheet Exposures	1,054,390	39,703	830,487	3,421,557	657,990	2,681,276	1,594,336	2,400,390	7,438,937	1,570,026	36,882,971	8,519,786	67,091,849
Off-Balance Sheet Exposures													
Credit-related Exposures	54,341	15,585	99,009	66,521	74,841	330,468	94,380	59,039	92,655	176,097	238,421	284,861	1,586,218
Derivative Financial Instruments	-	-	383	-	32,110	-	-	3	12,889	27,955	-	6,432	79,772
Total for Off-Balance Sheet Exposures	54,341	15,585	99,392	66,521	106,951	330,468	94,380	59,042	105,544	204,052	238,421	291,293	1,665,990
Total On and Off-Balance Sheet Exposures	1,108,731	55,288	929,879	3,488,078	764,941	3,011,744	1,688,716	2,459,432	7,544,481	1,774,078	37,121,392	8,811,079	68,757,839

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 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	2,129,251	1,627,709	1,504,695	5,261,655
Public Sector Entities	608,128	559,182	675,292	1,842,602
Banks, Developments Financial Institutions and Multilateral Development Banks	84,470	16,124	2,687	103,281
Corporate	4,759,087	5,542,480	9,561,723	19,863,290
Regulatory Retail	223,696	2,923,696	15,011,459	18,158,851
Residential Mortgages	8,370	124,035	20,299,430	20,431,835
Higher Risk Assets	-	-	3,991	3,991
Other Assets	809,257	-	766,871	1,576,129
Total for On-Balance Sheet Exposures	8,622,259	10,793,226	47,826,148	67,241,634
Off-Balance Sheet Exposures				
Credit-related Exposures	565,212	451,274	426,791	1,443,277
Derivative Financial Instruments	92,397	6,414	-	98,811
Total for Off-Balance Sheet Exposures	657,609	457,688	426,791	1,542,088
Total On and Off-Balance Sheet Exposures	9,279,868	11,250,914	48,252,939	68,783,722

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2020

3. Credit Risk (continued)

3.2 Gross Credit Exposures (continued)

(c) Residual Contractual Maturity Breakdown (continued)

(i) Group (continued)

31 DECEMBER 2019 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	2,872,565	1,195,014	1,611,347	5,678,926
Public Sector Entities	104,753	674,863	658,157	1,437,773
Banks, Developments Financial Institutions and Multilateral Development Banks	83,507	217,026	2,738	303,271
Corporate	5,063,213	5,571,781	9,081,897	19,716,891
Regulatory Retail	187,285	3,153,282	14,077,557	17,418,124
Residential Mortgages	10,085	136,605	19,572,777	19,719,467
Higher Risk Assets	-	21	4,225	4,246
Other Assets	1,941,202	-	882,864	2,824,066
Total for On-Balance Sheet Exposures	10,262,610	10,948,592	45,891,562	67,102,764
Off-Balance Sheet Exposures				
Credit-related Exposures	561,560	446,468	578,190	1,586,218
Derivative Financial Instruments	73,850	5,922	-	79,772
Total for Off-Balance Sheet Exposures	635,410	452,390	578,190	1,665,990
Total On and Off-Balance Sheet Exposures	10,898,020	11,400,982	46,469,752	68,768,754

BANK ISLAM MALAYSIA BERHAD
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3. Credit Risk (continued)

3.2 Gross Credit Exposures (continued)

(c) Residual Contractual Maturity Breakdown (continued)

(ii) Bank

30 JUNE 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	2,129,251	1,627,709	1,504,695	5,261,655
Public Sector Entities	608,128	559,182	675,292	1,842,602
Banks, Developments Financial Institutions and Multilateral Development Banks	83,181	16,124	2,687	101,992
Corporate	4,759,087	5,542,480	9,561,723	19,863,290
Regulatory Retail	223,696	2,923,696	15,011,459	18,158,851
Residential Mortgages	8,370	124,035	20,299,430	20,431,835
Higher Risk Assets	-	-	3,991	3,991
Other Assets	799,856	-	766,871	1,566,728
Total for On-Balance Sheet Exposures	8,611,569	10,793,226	47,826,148	67,230,944
Off-Balance Sheet Exposures				
Credit-related Exposures	565,212	451,274	426,791	1,443,277
Derivative Financial Instruments	92,397	6,414	-	98,811
Total for Off-Balance Sheet Exposures	657,609	457,688	426,791	1,542,088
Total On and Off-Balance Sheet Exposures	9,269,178	11,250,914	48,252,939	68,773,032

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PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2020

3. Credit Risk (continued)

3.2 Gross Credit Exposures (continued)

(c) Residual Contractual Maturity Breakdown (continued)

(ii) Bank (continued)

31 DECEMBER 2019 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	2,872,565	1,195,014	1,611,347	5,678,926
Public Sector Entities	104,753	674,863	658,157	1,437,773
Banks, Developments Financial Institutions and Multilateral Development Banks	83,083	217,026	2,738	302,847
Corporate	5,063,213	5,571,781	9,081,897	19,716,891
Regulatory Retail	187,285	3,153,282	14,077,557	17,418,124
Residential Mortgages	10,085	136,605	19,572,777	19,719,467
Higher Risk Assets	-	21	4,225	4,246
Other Assets	1,930,711	-	882,864	2,813,575
Total for On-Balance Sheet Exposures	10,251,695	10,948,592	45,891,562	67,091,849
Off-Balance Sheet Exposures				
Credit-related Exposures	561,560	446,468	578,190	1,586,218
Derivative Financial Instruments	73,850	5,922	-	79,772
Total for Off-Balance Sheet Exposures	635,410	452,390	578,190	1,665,990
Total On and Off-Balance Sheet Exposures	10,887,105	11,400,982	46,469,752	68,757,839

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PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2020

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 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%	5,261,699	1,100,779	-	3,411,743	43,360	-	-	799,258	10,616,839	-
20%	-	104,837	123,575	4,232,710	428	-	-	-	4,461,550	892,310
35%	-	-	-	-	-	6,360,505	-	-	6,360,505	2,226,177
50%	-	555,217	5,947	3,342,294	399,905	4,663,337	-	-	8,966,700	4,483,350
75%	-	-	-	651,739	1,182,734	4,719,214	-	-	6,553,687	4,915,265
100%	-	165,904	-	8,952,694	16,396,408	4,835,604	-	776,871	31,127,481	31,127,481
150%	-	467	-	229,949	35,512	59,498	12,819	-	338,245	507,368
Total Exposures	5,261,699	1,927,204	129,522	20,821,129	18,058,347	20,638,158	12,819	1,576,129	68,425,007	44,151,951
RWA by Exposures	-	465,180	27,689	12,304,111	17,536,765	13,022,107	19,229	776,871	44,151,951	
Average Risk Weight	0.0%	24.1%	21.4%	59.1%	97.1%	63.1%	150.0%	49.3%	64.5%	
Deduction from Capital Base										

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2020

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 2019

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%	5,679,746	716,516	-	4,065,891	44,621	-	-	1,934,331	12,441,105	-
20%	-	104,415	338,745	4,255,460	594	-	-	-	4,699,214	939,843
35%	-	-	-	-	-	6,211,609	-	-	6,211,609	2,174,063
50%	-	544,322	6,700	3,079,005	394,518	4,599,917	-	-	8,624,462	4,312,231
75%	-	-	-	800,878	1,248,186	3,969,536	-	-	6,018,600	4,513,950
100%	-	130,864	-	8,393,274	15,583,742	5,085,334	-	889,735	30,082,949	30,082,949
150%	-	1,754	-	233,323	42,958	61,406	13,131	-	352,572	528,858
Total Exposures	5,679,746	1,497,871	345,445	20,827,831	17,314,619	19,927,802	13,131	2,824,066	68,430,511	42,551,894
RWA by Exposures	-	426,539	71,099	11,734,512	16,781,696	12,628,617	19,697	889,735	42,551,894	
Average Risk Weight	0.0%	28.5%	20.6%	56.3%	96.9%	63.4%	150.0%	31.5%	62.2%	
Deduction from Capital Base										

BANK ISLAM MALAYSIA BERHAD
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AS AT 30 JUNE 2020

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 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%	5,261,699	1,100,778	-	3,411,743	43,360	-	-	803,136	10,620,716	-
20%	-	104,837	122,288	4,232,710	428	-	-	-	4,460,263	892,053
35%	-	-	-	-	-	6,360,505	-	-	6,360,505	2,226,177
50%	-	555,217	5,945	3,342,294	399,905	4,663,337	-	-	8,966,698	4,483,349
75%	-	-	-	651,739	1,182,734	4,719,214	-	-	6,553,687	4,915,265
100%	-	165,904	-	8,952,694	16,396,408	4,835,604	-	763,592	31,114,202	31,114,202
150%	-	467	-	229,949	35,512	59,498	12,819	-	338,245	507,368
Total Exposures	5,261,699	1,927,203	128,233	20,821,129	18,058,347	20,638,158	12,819	1,566,728	68,414,316	44,138,414
RWA by Exposures	-	465,180	27,430	12,304,111	17,536,765	13,022,107	19,229	763,592	44,138,414	
Average Risk Weight	0.0%	24.1%	21.4%	59.1%	97.1%	63.1%	150.0%	48.7%	64.5%	
Deduction from Capital Base										

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2020

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 2019

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%	5,679,746	716,516	-	4,065,891	44,621	-	-	1,938,713	12,445,487	-
20%	-	104,415	338,621	4,255,460	594	-	-	-	4,699,090	939,818
35%	-	-	-	-	-	6,211,609	-	-	6,211,609	2,174,063
50%	-	544,322	6,400	3,079,005	394,518	4,599,917	-	-	8,624,162	4,312,081
75%	-	-	-	800,878	1,248,186	3,969,536	-	-	6,018,600	4,513,950
100%	-	130,864	-	8,393,274	15,583,742	5,085,334	-	874,862	30,068,076	30,068,076
150%	-	1,754	-	233,323	42,958	61,406	13,131	-	352,572	528,858
Total Exposures	5,679,746	1,497,871	345,021	20,827,831	17,314,619	19,927,802	13,131	2,813,575	68,419,596	42,536,846
RWA by Exposures	-	426,539	70,924	11,734,512	16,781,696	12,628,617	19,697	874,862	42,536,846	
Average Risk Weight	0.0%	28.5%	20.6%	56.3%	96.9%	63.4%	150.0%	31.1%	62.2%	
Deduction from Capital Base										

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2020

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 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*		-	5,261,699	-	-	-	-
Total		-	5,261,699	-	-	-	-

31 DECEMBER 2019 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*		-	5,679,746	-	-	-	-
Total		-	5,679,746	-	-	-	-

* 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 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		104,837	-	-	-	1,822,366
Insurance Cos, Securities & Fund Manager	Firms		-	-	-	-
Corporate		3,963,121	34,619	133,829	-	16,689,560
Total		4,067,958	34,619	133,829	-	18,511,926

31 DECEMBER 2019 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		104,415	-	-	-	1,393,457
Insurance Cos, Securities & Fund Manager	Firms					
Corporate		3,972,160	36,311	91,708	-	16,727,652
Total		4,076,575	36,311	91,708	-	18,121,109

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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						
30 JUNE 2020	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	
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 Credit Exposures</u>								
	Banks, MDBs, and DFIs	65,860	3,413	-	-	-	60,249	
Total		65,860	3,413	-	-	-	60,249	

		Ratings of Banking Institutions by Approved ECAIs						
31 DECEMBER 2019	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	
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 Credit Exposures</u>								
	Banks, MDBs, and DFIs	282,848	1,249	-	-	-	60,923	
Total		282,848	1,249	-	-	-	60,923	

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 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	5,261,655	-	-
Public Sector Entities	1,841,594	-	12,245
Banks, DFIs and MDBs	101,991	-	-
Corporates	19,346,474	714,916	878,241
Regulatory Retail	18,085,364	39,753	150,971
Residential Mortgages	20,359,005	453	102,330
Higher Risk Assets	3,991	-	-
Other Assets	1,566,728	-	-
Defaulted Exposures	664,141	94,578	71,965
Total for On-Balance Sheet Exposures	67,230,943	849,700	1,215,752
Off-Balance Sheet Exposures			
Credit-related Exposures	1,425,360	28,966	14,430
Derivative Financial Instruments	98,810	-	-
Defaulted Exposures	17,919	-	-
Total for Off-Balance Sheet Exposures	1,542,089	28,966	14,430
Total On and Off-Balance Sheet Exposures	68,773,032	878,666	1,230,182

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3. Credit Risk (continued)

3.5 Credit Risk Mitigation (CRM) (continued)

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

31 DECEMBER 2019 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	5,678,926	-	-
Public Sector Entities	1,436,018	-	7,127
Banks, DFIs and MDBs	302,847	-	-
Corporates	19,213,079	859,456	874,834
Regulatory Retail	17,344,379	41,971	155,619
Residential Mortgages	19,642,414	455	102,143
Higher Risk Assets	4,246	-	-
Other Assets	2,813,575	-	-
Defaulted Exposures	656,364	97,715	71,738
Total for On-Balance Sheet Exposures	67,091,848	999,597	1,211,461
Off-Balance Sheet Exposures			
Credit-related Exposures	1,571,531	10,368	21,795
Derivative Financial Instruments	79,772	-	-
Defaulted Exposures	14,687	1,303	-
Total for Off-Balance Sheet Exposures	1,665,990	11,671	21,795
Total On and Off-Balance Sheet Exposures	68,757,838	1,011,268	1,233,256

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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 2020

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	388,844		388,844	385,786
Assets sold with recourse	-		-	-
Transaction related contingent items	884,158		442,080	423,586
Short term self-liquidating trade related contingencies	524,691		104,938	104,629
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:				
- not exceeding one year	-		-	-
- exceeding one year	1,014,831		507,415	403,210
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	8,152,753		-	-
	10,965,277		1,443,277	1,317,211
<i>Derivative Financial Instruments</i>				
Foreign exchange related contracts				
- less than one year	5,003,015	43,683	92,397	72,838
- one year to less than five years	-	-	-	-
Profit rate related contracts				
- less than one year	-	-	-	-
- one year to less than five years	130,803	2,692	6,414	4,845
- five years and above	-	-	-	-
	5,133,818	46,375	98,811	77,683
Total	16,099,095	46,375	1,542,088	1,394,894

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2020

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 2019

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	416,059		416,059	413,653
Assets sold with recourse	-		-	-
Transaction related contingent items	930,689		465,344	442,978
Short term self-liquidating trade related contingencies	603,739		120,748	120,588
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:				
- not exceeding one year	-		-	-
- exceeding one year	1,168,133		584,067	433,070
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	7,892,943		-	-
	11,011,563		1,586,218	1,410,289
<i>Derivative Financial Instruments</i>				
Foreign exchange related contracts				
- less than one year	6,255,520	31,626	72,532	38,011
- one year to less than five years	-	-	-	-
Profit rate related contracts				
- less than one year	-	-	-	-
- one year to less than five years	147,098	1,700	7,240	4,886
- five years and above	-	-	-	-
	6,402,618	33,326	79,772	42,897
Total	17,414,181	33,326	1,665,990	1,453,186

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 corresponds 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 Bank's profit rate sensitivity to a 100 basis points parallel shift as at reporting date.

Bank	30 June 2020		31 December 2019	
	(Decrease) / Increase		(Decrease) / Increase	
	-100bps RM million	+100bps RM million	-100bps RM million	+100bps RM million
Impact on EaR	(119.1)	119.1	(119.4)	119.4
Impact on EVE	227.4	(227.4)	225.5	(225.5)

b) Market Risk in the Trading Book Portfolio

Market risk in the trading book portfolio is monitored and managed by the Group 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 Group is based on historical simulation which derives plausible future scenarios from past series of recorded market rates and prices. The historical VaR model used by the Group incorporates the following features:

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

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

Bank	As at 30.6.2020	1.1.2020 to 30.6.2020		
	RM million	Average RM million	Maximum RM million	Minimum RM million
Profit Rate Risk	1.11	1.27	2.84	0.01
Foreign Exchange Risk	0.44	0.46	1.01	0.23
Overall	1.56	1.73	3.21	0.36
Bank	As at 31.12.2019	1.1.2019 to 31.12.2019		
	RM million	Average RM million	Maximum RM million	Minimum RM million
Profit Rate Risk	0.33	1.07	1.60	0.03
Foreign Exchange Risk	0.34	0.47	0.94	0.21
Overall	0.67	1.54	2.26	0.30

c) Foreign Exchange Risk

The Group 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 overall (trading and banking book portfolios) foreign exchange risk, the Group manages and controls it by limiting the net open exposure on an aggregate basis.

Sensitivity Analysis

The Bank has in place a sensitivity limit for managing the foreign exchange risk. 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 2020		31 December 2019	
	-1% Depreciation	+1% Appreciation	-1% Depreciation	+1% Appreciation
	RM'000	RM'000	RM'000	RM'000
Bank				
US Dollar	12,659	(12,659)	11,611	(11,611)
Euro	4,820	(4,820)	4,591	(4,591)
Others	(199)	199	(279)	279

4.1 Capital Treatment for Market Risk

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

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5. Shariah Non-Compliant Income

30 June 2020	31 December 2019
RM 26,181.99	RM 89,339.69

The main contributors of the SNC income were due to commissions from third party wealth management products (RM20,673.95) and fee arising from transactions made via Bank Islam Credit/ Debit card at mixed halal/ non-halal merchants (RM2,719.54). The income was channelled to charitable causes upon approval by Shariah Supervisory Council.

All SNC events and rectification plans were presented and approved by Board/ 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 2020 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