

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2023

Overview

The Pillar 3 Disclosure for the financial half-year as at 30 June 2023 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	30.06.2023		31.12.2022	
	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	54,234,700	4,338,776	53,650,821	4,292,066
Less: Credit Risk absorbed by IA	(10,861,492)	(868,919)	(10,620,157)	(849,613)
Market Risk	415,199	33,216	84,876	6,790
Operational Risk	4,141,125	331,290	3,971,313	317,705
Total	47,929,532	3,834,363	47,086,853	3,766,948

BANK	30.06.2023		31.12.2022	
	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	54,123,015	4,329,841	53,513,221	4,281,058
Less: Credit Risk absorbed by IA	(10,866,891)	(869,351)	(10,705,652)	(856,452)
Market Risk	415,199	33,216	84,876	6,790
Operational Risk	4,073,001	325,840	3,909,361	312,749
Total	47,744,324	3,819,546	46,801,806	3,744,145

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	
	30.06.2023	31.12.2022	30.06.2023	31.12.2022
<u>Before deducting proposed dividends</u>				
CET 1 Capital Ratio	11.35%	11.08%	11.04%	10.77%
Tier 1 Capital Ratio	12.20%	11.95%	11.89%	11.64%
Total Capital Ratio	16.25%	16.05%	15.94%	15.76%
<u>After deducting proposed dividends</u>				
CET 1 Capital Ratio	11.35%	10.73%	11.04%	10.41%
Tier 1 Capital Ratio	12.20%	11.60%	11.89%	11.28%
Total Capital Ratio	16.25%	15.70%	15.94%	15.40%
After effect of IA	GROUP		BANK	
	30.06.2023	31.12.2022	30.06.2023	31.12.2022
<u>Before deducting proposed dividends</u>				
CET 1 Capital Ratio	13.93%	13.58%	13.55%	13.23%
Tier 1 Capital Ratio	14.97%	14.64%	14.60%	14.30%
Total Capital Ratio	19.65%	19.39%	19.29%	19.07%
<u>After deducting proposed dividends</u>				
CET 1 Capital Ratio	13.93%	13.15%	13.55%	12.80%
Tier 1 Capital Ratio	14.97%	14.21%	14.60%	13.86%
Total Capital Ratio	19.65%	18.96%	19.29%	18.64%

¹Bank Islam will declare interim dividend after performing its limited review for the period ending 30 September 2023.

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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:

	30.06.2023	
	Group	Bank
	RM'000	RM'000
<u>Tier I Capital</u>		
Paid-up share capital	3,888,725	3,888,725
Share Premium	-	-
Retained earnings	2,991,308	3,000,616
Other reserves	179,437	68,402
Less: Deferred tax assets	(170,133)	(169,161)
Less: 55% of fair value	-	-
Less: Regulatory Reserve attributable to financing	(165,000)	(165,000)
Less: Investment in subsidiaries	-	(105,905)
Less: Intangible Assets	(49,122)	(49,122)
Total Common Equity Tier I Capital	6,675,215	6,468,555
Total Additional Tier I Capital	500,000	500,000
Total Tier I Capital	7,175,215	6,968,555
Subordinated sukuk	1,700,000	1,700,000
Collective assessment allowance [^]	542,165	540,702
Total Tier II Capital	2,242,165	2,240,702
Total Capital	9,417,380	9,209,257

[^] 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):

	31.12.2022	
	GROUP	BANK
	RM'000	RM'000
<u>Tier I Capital</u>		
Paid-up share capital	3,645,043	3,645,043
Share Premium	-	-
Retained earnings	3,096,604	3,105,912
Other reserves	54,596	(56,368)
Less: Deferred tax assets	(212,349)	(211,377)
Less: 55% of fair value	-	-
Less: Regulatory reserve attributable to financing	(136,000)	(136,000)
Less: Investment in subsidiaries	-	(100,905)
Less: Intangible Assets	(54,578)	(54,578)
Total Common Equity Tier I Capital	6,393,316	6,191,727
Total Additional Tier I Capital	500,000	500,000
Total Tier I Capital	6,893,316	6,691,727
Subordinated Sukuk	1,700,000	1,700,000
Collective assessment allowance [^]	537,883	535,095
Total Tier II Capital	2,237,883	2,235,095
Total Capital	9,131,199	8,926,822

[^] 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 2023 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	8,705,820	8,705,820	-	-
Public Sector Entities	3,022,520	3,000,409	631,088	50,487
Banks, Developments Financial Institutions (“DFIs”) and Multilateral Development Banks (“MDBs”)	579,116	579,117	115,824	9,266
Corporate	18,530,959	18,060,034	8,941,545	715,324
Regulatory Retail	23,046,130	22,911,274	22,113,077	1,769,046
Residential Mortgages	26,594,834	26,588,793	17,249,577	1,379,966
Higher Risk Assets	3,358	3,358	5,036	403
Other Assets	2,742,493	2,742,493	1,002,592	80,207
Defaulted Exposures	2,392,637	2,312,304	2,114,728	169,178
Total for On-Balance Sheet Exposures	85,617,867	84,903,602	52,173,467	4,173,877
Off-Balance Sheet Exposures				
Credit-related Exposures	1,633,831	1,632,001	1,502,555	120,204
Derivative Financial Instruments	272,042	272,042	237,675	19,014
Defaulted Exposures	216,026	216,026	321,003	25,680
Total for Off-Balance Sheet Exposures	2,121,899	2,120,069	2,061,233	164,899
Total On and Off-Balance Sheet Exposures	87,739,766	87,023,671	54,234,700	4,338,776
Less: Credit Risk absorbed by IA			(10,861,492)	(868,919)
	Long Position	Short Position		
Market Risk				
Benchmark Rate Risk	10,210,830	(8,775,239)	1,435,591	375,002
Foreign Exchange Risk	40,197	(861)	39,336	40,197
Inventory Risk			-	-
Total Market Risk	10,251,027	(8,776,100)	1,474,927	415,199
Operational Risk			4,141,125	331,290
Total RWA and Capital Requirements			47,929,532	3,834,363

Note: As at 30 June 2023, 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 2022 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	12,113,373	12,113,373	-	-
Public Sector Entities	2,958,245	2,936,320	591,451	47,316
Banks, Developments Financial Institutions ("DFIs") and Multilateral Development Banks ("MDBs")	1,694,857	1,694,857	338,972	27,118
Corporate	19,498,516	19,032,779	9,608,732	768,699
Regulatory Retail	22,618,237	22,581,227	21,781,936	1,742,555
Residential Mortgages	25,971,590	25,965,665	16,961,580	1,356,926
Higher Risk Assets	2,538	2,538	3,807	305
Other Assets	2,947,702	2,947,702	1,248,192	99,855
Defaulted Exposures	1,601,818	1,541,551	1,319,732	105,579
Total for On-Balance Sheet Exposures	89,406,876	88,816,012	51,854,402	4,148,352
Off-Balance Sheet Exposures				
Credit-related Exposures	1,646,533	1,645,018	1,484,364	118,749
Derivative Financial Instruments	213,080	213,080	78,989	6,319
Defaulted Exposures	157,484	157,343	233,066	18,645
Total for Off-Balance Sheet Exposures	2,017,097	2,015,441	1,796,419	143,714
Total On and Off-Balance Sheet Exposures	91,423,973	90,831,453	53,650,821	4,292,066
Less: Credit Risk absorbed by IA			(10,620,157)	(849,613)
Market Risk				
	Long Position	Short Position		
Benchmark Rate Risk	7,768,278	(7,713,549)	54,729	55,377
Foreign Exchange Risk	29,500	(272)	29,228	29,500
Inventory Risk	-	-	-	-
Total Market Risk	7,797,778	(7,713,821)	83,957	84,877
Operational Risk			3,971,313	317,705
Total RWA and Capital Requirements			47,086,854	3,766,948

Note: As at 31 December 2022, 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 2023 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	8,705,820	8,705,820	-	-
Public Sector Entities	3,022,519	3,000,409	631,088	50,487
Banks, Developments Financial Institutions (“DFIs”) and Multilateral Development Banks (“MDBs”)	563,281	563,282	112,656	9,012
Corporate	18,530,959	18,060,033	8,941,545	715,324
Regulatory Retail	23,046,130	22,911,274	22,113,077	1,769,046
Residential Mortgages	26,594,834	26,588,793	17,249,577	1,379,966
Higher Risk Assets	3,358	3,358	5,037	403
Other Assets	2,639,449	2,639,449	894,075	71,526
Defaulted Exposures	2,392,637	2,312,304	2,114,728	169,178
Total for On-Balance Sheet Exposures	85,498,987	84,784,722	52,061,783	4,164,943
Off-Balance Sheet Exposures				
Credit-related Exposures	1,633,831	1,632,001	1,502,555	120,204
Derivative Financial Instruments	272,042	272,042	237,675	19,014
Defaulted Exposures	216,026	216,026	321,003	25,680
Total for Off-Balance Sheet Exposures	2,121,899	2,120,069	2,061,233	164,899
Total On and Off-Balance Sheet Exposures	87,620,886	86,904,791	54,123,016	4,329,841
Less: Credit Risk absorbed by IA			(10,866,891)	(869,351)
Market Risk				
	Long Position	Short Position		
Benchmark Rate Risk	10,210,830	(8,775,239)	1,435,591	375,002
Foreign Exchange Risk	40,197	(861)	39,336	40,197
Inventory Risk	-	-	-	-
Total Market Risk	10,251,027	(8,776,100)	1,474,927	415,199
Operational Risk			4,073,001	325,840
Total RWA and Capital Requirements			47,744,325	3,819,546

Note: As at 30 June 2023, 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 2022 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	12,113,373	12,113,373	-	-
Public Sector Entities	2,958,245	2,936,320	591,451	47,316
Banks, Developments Financial Institutions ("DFIs") and Multilateral Development Banks ("MDBs")	1,677,905	1,677,905	335,581	26,846
Corporate	19,498,516	19,032,779	9,608,732	768,699
Regulatory Retail	22,618,237	22,581,227	21,781,936	1,742,555
Residential Mortgages	25,971,590	25,965,665	16,961,580	1,356,926
Higher Risk Assets	2,538	2,538	3,807	305
Other Assets	2,819,804	2,819,804	1,113,983	89,119
Defaulted Exposures	1,601,818	1,541,551	1,319,732	105,579
Total for On-Balance Sheet Exposures	89,262,025	88,671,160	51,716,802	4,137,344
Off-Balance Sheet Exposures				
Credit-related Exposures	1,646,533	1,645,018	1,484,364	118,749
Derivative Financial Instruments	213,080	213,080	78,989	6,319
Defaulted Exposures	157,484	157,343	233,066	18,645
Total for Off-Balance Sheet Exposures	2,017,097	2,015,441	1,796,419	143,714
Total On and Off-Balance Sheet Exposures	91,279,122	90,686,601	53,513,221	4,281,058
Less: Credit Risk absorbed by IA			(10,705,652)	(856,452)
Market Risk				
	Long Position	Short Position		
Benchmark Rate Risk	7,768,278	(7,713,549)	54,729	55,377
Foreign Exchange Risk	29,500	(272)	29,228	29,500
Inventory Risk	-	-	-	-
Total Market Risk	7,797,778	(7,713,821)	83,957	84,877
Operational Risk			3,909,361	312,749
Total RWA and Capital Requirements			46,801,807	3,744,144

Note: As at 31 December 2022, 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	
	30.06.2023	31.12.2022
	RM'000	RM'000
Neither past due nor impaired	64,947,830	64,437,823
Past due but not impaired	707,954	668,802
Impaired	681,610	835,232
	66,337,394	65,941,857
Gross Impaired Financing as a percentage of Gross Financing and Advances	1.03%	1.27%

(a) Neither Past Due Nor Impaired

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

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

	GROUP AND BANK	
	30.06.2023	31.12.2022
	RM'000	RM'000
Excellent to Good	58,505,408	57,611,552
Satisfactory	6,084,789	6,486,313
Fair	357,634	339,958
	64,947,831	64,437,823

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	
	30.06.2023	31.12.2022
By ageing	RM'000	RM'000
Month-in-arrears 1	479,048	452,425
Month-in-arrears 2	228,906	216,377
	707,954	668,802

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

	GROUP AND BANK	
	30.06.2023	31.12.2022
	RM'000	RM'000
Primary agriculture	419	139
Mining and quarrying	-	-
Manufacturing (including agro-based)	785	4,229
Electricity, gas and water	135	-
Wholesale & retail trade, and hotels & restaurants	13,716	5,033
Construction	14,387	8,880
Real estate	1,201	19
Transport, storage and communications	1,317	1,102
Finance, insurance and business activities	23,293	798
Education, health and others	8,681	922
Household sectors	644,021	647,681
Other sectors	-	-
	707,955	668,802

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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	
	30.06.2023	31.12.2022
	RM'000	RM'000
Individually Assessed	254,935	516,711
<i>of which:</i>		
<i>Month-in-Arrears 0</i>	63,326	64,818
<i>Month-in-Arrears 1</i>	21,854	5,544
<i>Month-in-Arrears 2</i>	1,406	3,701
<i>Month-in-Arrears 3 and above</i>	168,349	442,648
Collectively Assessed	426,675	318,521
	681,610	835,232

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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 2023 RM '000	IMPAIRED FINANCING AT 30.06.2023	INDIVIDUAL ASSESSMENT ALLOWANCE			INDIVIDUAL ASSESSMENT AS AT 30.06.2023	COLLECTIVE ASSESSMENT ALLOWANCE AT 30.06.2023	TOTAL IMPAIRMENT ALLOWANCES FOR FINANCING AT 30.06.2023
		INDIVIDUAL ASSESSMENT AS AT 01.01.2023	NET CHARGE FOR THE FINANCIAL PERIOD	AMOUNTS WRITTEN OFF/OTHER MOVEMENTS			
Primary Agriculture	1,770	-	457	-	457	8,801	9,258
Mining and Quarrying	225	256,996	4,029	(261,025)	-	4,231	4,231
Manufacturing (including Agro-based)	37,314	3,727	498	-	4,225	14,835	19,060
Electricity, Gas and Water	2,458	-	1,166	-	1,166	46,071	47,237
Wholesale & Retail Trade and Restaurants & Hotels	79,018	2,019	(714)	(430)	875	54,485	55,360
Construction	38,040	3,903	1,165	(455)	4,613	50,900	55,513
Real Estate	-	-	-	-	-	-	-
Transport, Storage and Communication	20,086	6,352	211	(734)	5,829	27,834	33,663
Finance, Insurance and Business Activities	37,977	1,021	102	-	1,123	80,274	81,397
Education, Health and Others	3,784	-	-	-	-	19,313	19,313
Household Sectors	460,938	28,879	(460)	(4)	28,415	478,537	506,952
Other Sectors	-	-	-	-	-	-	-
Total	681,610	302,897	6,454	(262,648)	46,703	785,281	831,984

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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 2022 RM '000	IMPAIRED FINANCING AT 31.12.2022	INDIVIDUAL ASSESSMENT AS AT 01.01.2022	INDIVIDUAL ASSESSMENT ALLOWANCE		INDIVIDUAL ASSESSMENT AS AT 31.12.2022	COLLECTIVE ASSESSMENT ALLOWANCE AT 31.12.2022	TOTAL IMPAIRMENT ALLOWANCES FOR FINANCING AT 31.12.2022
			NET CHARGE FOR THE FINANCIAL YEAR	AMOUNTS WRITTEN OFF/OTHER MOVEMENTS			
Primary Agriculture	-	-	-	-	-	9,684	9,684
Mining and Quarrying	257,925	185,000	75,830	(3,834)	256,996	4,092	261,088
Manufacturing (including Agro-based)	37,452	1,914	130,568	(128,754)	3,728	16,315	20,043
Electricity, Gas and Water	467	-	-	-	-	46,082	46,082
Wholesale & Retail Trade and Restaurants & Hotels	75,788	6,831	2,016	(6,829)	2,018	47,677	49,695
Construction	32,449	11,344	(3,959)	(3,482)	3,903	49,382	53,285
Real Estate	-	-	-	-	-	-	-
Transport, Storage and Communication	20,222	888	5,464	-	6,352	29,379	35,731
Finance, Insurance and Business Activities	37,872	-	1,021	-	1,021	78,201	79,222
Education, Health and Others	2,158	361	(361)	-	-	14,534	14,534
Household Sectors	370,899	14,616	14,262	-	28,878	441,621	470,499
Other Sectors	-	-	-	-	-	-	-
Total	835,232	220,954	224,841	(142,899)	302,896	736,967	1,039,863

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2023

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 2023 RM '000	GROSS FINANCING	OF WHICH:			
		PAST DUE BUT NOT IMPAIRED FINANCING	IMPAIRED FINANCING	INDIVIDUAL ALLOWANCES	COLLECTIVE ALLOWANCES
Central Region	30,954,217	347,169	301,176	34,408	456,993
Eastern Region	10,157,070	101,832	110,789	8,636	81,438
Northern Region	8,926,433	85,183	165,307	-	93,596
Southern Region	11,295,927	110,093	71,111	3,375	95,308
East Malaysia Region	5,003,748	63,678	33,227	284	57,946
Grand Total	66,337,395	707,955	681,610	46,703	785,281

31 DECEMBER 2022 RM '000	GROSS FINANCING	OF WHICH:			
		PAST DUE BUT NOT IMPAIRED FINANCING	IMPAIRED FINANCING	INDIVIDUAL ALLOWANCES	COLLECTIVE ALLOWANCES
Central Region	30,904,086	306,748	510,998	290,032	422,768
Eastern Region	9,980,174	93,516	95,756	8,580	77,717
Northern Region	8,825,148	90,902	146,491	-	88,023
Southern Region	11,281,525	118,043	55,567	4,005	96,403
East Malaysia Region	4,950,924	59,593	26,420	279	52,056
Grand Total	65,941,857	668,802	835,232	302,896	736,967

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2023

3. Credit Risk (continued)

3.2 Gross Credit Exposures

(a) Geographic Distribution of Credit Exposures

(i) Group

30 JUNE 2023 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	8,705,820	-	-	-	-	8,705,820
Public Sector Entities	2,427,261	130,504	46,139	401,897	21,738	3,027,539
Banks, Developments Institutions and Development Banks	578,868	249	-	-	-	579,117
Corporate	16,984,059	1,040,258	733,299	1,169,935	637,797	20,565,348
Regulatory Retail	9,164,972	4,093,014	3,700,512	3,660,413	2,606,659	23,225,570
Residential Mortgages	9,707,869	4,863,025	4,405,570	6,056,756	1,735,398	26,768,618
Higher Risk Assets	1,925	797	299	298	42	3,361
Other Assets	2,659,007	-	-	-	83,487	2,742,494
Total for On-Balance Sheet Exposures	50,229,781	10,127,847	8,885,819	11,289,299	5,085,121	85,617,867
Off-Balance Sheet Exposures						
Credit-related Exposures	1,521,456	53,264	93,842	114,482	66,735	1,849,779
Derivative Financial Instruments	272,120	-	-	-	-	272,120
Total for Off-Balance Sheet Exposures	1,793,576	53,264	93,842	114,482	66,735	2,121,899
Total On and Off-Balance Sheet Exposures	52,023,357	10,181,111	8,979,661	11,403,781	5,151,856	87,739,766

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2023

3. Credit Risk (continued)

3.2 Gross Credit Exposures (continued)

(a) Geographic Distribution of Credit Exposures (continued)

(i) Group (continued)

31 DECEMBER 2022 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	12,113,373	-	-	-	-	12,113,373
Public Sector Entities	2,391,846	125,988	55,417	360,841	27,466	2,961,558
Banks, Developments Institutions and Development Banks	1,694,858	-	-	-	-	1,694,858
Corporate	16,881,638	1,017,194	795,619	1,445,454	679,693	20,819,598
Regulatory Retail	8,900,694	4,070,123	3,642,169	3,606,221	2,544,262	22,763,469
Residential Mortgages	9,501,123	4,741,727	4,294,956	5,866,906	1,699,066	26,103,778
Higher Risk Assets	942	857	315	321	106	2,541
Other Assets	2,874,903	-	-	-	72,799	2,947,702
Total for On-Balance Sheet Exposures	54,359,377	9,955,889	8,788,476	11,279,743	5,023,392	89,406,877
Off-Balance Sheet Exposures						
Credit-related Exposures	1,389,368	64,284	115,307	84,268	150,789	1,804,016
Derivative Financial Instruments	213,080	-	-	-	-	213,080
Total for Off-Balance Sheet Exposures	1,602,448	64,284	115,307	84,268	150,789	2,017,096
Total On and Off-Balance Sheet Exposures	55,961,825	10,020,173	8,903,783	11,364,011	5,174,181	91,423,973

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2023

3. Credit Risk (continued)

3.2 Gross Credit Exposures (continued)

(a) Geographic Distribution of Credit Exposures (continued)

(ii) Bank

30 JUNE 2023 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	8,705,820	-	-	-	-	8,705,820
Public Sector Entities	2,427,261	130,504	46,139	401,897	21,738	3,027,539
Banks, Developments Institutions and Multilateral Development Banks	563,033	249	-	-	-	563,282
Corporate	16,984,059	1,040,258	733,299	1,169,935	637,797	20,565,348
Regulatory Retail	9,164,972	4,093,014	3,700,512	3,660,413	2,606,659	23,225,570
Residential Mortgages	9,707,869	4,863,025	4,405,570	6,056,756	1,735,398	26,768,618
Higher Risk Assets	1,925	797	299	298	42	3,361
Other Assets	2,555,962	-	-	-	83,487	2,639,449
Total for On-Balance Sheet Exposures	50,110,901	10,127,847	8,885,819	11,289,299	5,085,121	85,498,987
Off-Balance Sheet Exposures						
Credit-related Exposures	1,521,456	53,264	93,842	114,482	66,735	1,849,779
Derivative Financial Instruments	272,120	-	-	-	-	272,120
Total for Off-Balance Sheet Exposures	1,793,576	53,264	93,842	114,482	66,735	2,121,899
Total On and Off-Balance Sheet Exposures	51,904,477	10,181,111	8,979,661	11,403,781	5,151,856	87,620,886

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2023

3. Credit Risk (continued)

3.2 Gross Credit Exposures (continued)

(a) Geographic Distribution of Credit Exposures (continued)

(ii) Bank (continued)

31 DECEMBER 2022 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	12,113,373	-	-	-	-	12,113,373
Public Sector Entities	2,391,846	125,987	55,417	360,841	27,466	2,961,557
Banks, Developments Institutions and Development Banks	1,677,905	-	-	-	-	1,677,905
Corporate	16,881,638	1,017,194	795,619	1,445,454	679,693	20,819,598
Regulatory Retail	8,900,694	4,070,123	3,642,169	3,606,221	2,544,262	22,763,469
Residential Mortgages	9,501,123	4,741,727	4,294,956	5,866,906	1,699,066	26,103,778
Higher Risk Assets	942	857	315	321	106	2,541
Other Assets	2,747,005	-	-	-	72,799	2,819,804
Total for On-Balance Sheet Exposures	54,214,526	9,955,888	8,788,476	11,279,743	5,023,392	89,262,025
Off-Balance Sheet Exposures						
Credit-related Exposures	1,389,368	64,284	115,307	84,268	150,789	1,804,016
Derivative Financial Instruments	213,080	-	-	-	-	213,080
Total for Off-Balance Sheet Exposures	1,602,448	64,284	115,307	84,268	150,789	2,017,096
Total On and Off-Balance Sheet Exposures	55,816,974	10,020,172	8,903,783	11,364,011	5,174,181	91,279,121

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2023

3. Credit Risk (continued)

3.2 Gross Credit Exposures (continued)

(b) Distribution of Credit Exposures by Sector

(i) Group

30 JUNE 2023 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 ACTIVITIES	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	-	-	-	-	-	-	-	-	1,567,262	7,138,558	-	-	8,705,820
Public Sector Entities	1,048	-	-	-	-	100,219	27,505	-	237,833	2,490,214	-	170,720	3,027,539
Banks, Developments Institutions and Multilateral Development Banks	-	-	-	-	-	-	-	-	500,984	-	-	78,133	579,117
Corporate	830,633	32,869	589,481	1,899,133	786,087	3,129,954	1,678,195	4,099,624	2,922,271	1,315,678	206,262	3,075,161	20,565,348
Regulatory Retail	11,318	4,143	54,658	2,859	250,542	150,469	22,540	21,022	90,842	51,434	22,398,593	167,150	23,225,570
Residential Mortgages	-	-	1,831	-	-	-	-	-	-	-	26,766,787	-	26,768,618
Higher Risk Assets	-	-	-	-	-	-	-	-	-	-	3,361	-	3,361
Other Assets	-	-	-	-	-	-	-	-	-	-	-	2,742,494	2,742,494
Total for On-Balance Sheet Exposures	842,999	37,012	645,970	1,901,992	1,036,629	3,380,642	1,728,240	4,120,646	5,319,192	10,995,884	49,375,003	6,233,658	85,617,867
Off-Balance Sheet Exposures													
Credit-related Exposures	2,582	4,816	70,064	94,308	84,265	315,859	11,965	78,728	117,101	160,312	374,427	535,352	1,849,779
Derivative Financial Instruments	-	-	3,242	-	3,981	88	-	1	31,823	221,746	-	11,239	272,120
Total for Off-Balance Sheet Exposures	2,582	4,816	73,306	94,308	88,246	315,947	11,965	78,729	148,924	382,058	374,427	546,591	2,121,899
Total On and Off-Balance Sheet Exposures	845,581	41,828	719,276	1,996,300	1,124,875	3,696,589	1,740,205	4,199,375	5,468,116	11,377,942	49,749,430	6,780,249	87,739,766

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2023

3. Credit Risk (continued)

3.2 Gross Credit Exposures (continued)

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

(i) Group (continued)

31 DECEMBER 2022 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 ACTIVITIES	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	-	-	-	-	-	-	-	-	5,066,974	-	-	7,046,399	12,113,373
Public Sector Entities	1,087	-	-	-	-	68,478	23,260	-	296,354	2,572,172	206	-	2,961,557
Banks, Developments Institutions and Multilateral Development Banks	-	-	-	-	-	-	-	-	1,616,853	-	-	78,005	1,694,858
Corporate	950,160	57,811	685,073	2,443,393	836,658	3,272,988	1,878,143	4,084,110	4,100,132	544,740	193,302	1,773,088	20,819,598
Regulatory Retail	5,755	5,193	59,533	2,878	301,287	140,808	43,218	36,356	123,176	65,852	21,973,514	5,899	22,763,469
Residential Mortgages	-	-	-	-	-	-	-	-	-	-	26,103,778	-	26,103,778
Higher Risk Assets	-	-	-	-	-	-	-	-	-	-	2,542	-	2,542
Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	2,947,702
Total for On-Balance Sheet Exposures	957,002	63,004	744,606	2,446,271	1,137,945	3,482,274	1,944,621	4,120,466	11,203,489	3,182,764	48,273,342	11,851,093	89,406,877
Off-Balance Sheet Exposures													
Credit-related Exposures	2,098	5,688	165,008	97,426	102,407	433,849	12,300	102,594	141,396	122,381	438,449	180,420	1,804,016
Derivative Financial Instruments	-	-	668	-	105	-	-	9	147,800	44,319	-	20,179	213,080
Total for Off-Balance Sheet Exposures	2,098	5,688	165,676	97,426	102,512	433,849	12,300	102,603	289,196	166,700	438,449	200,599	2,017,096
Total On and Off-Balance Sheet Exposures	959,100	68,692	910,282	2,543,697	1,240,457	3,916,123	1,956,921	4,223,069	11,492,685	3,349,464	48,711,791	12,051,692	91,423,973

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2023

3. Credit Risk (continued)

3.2 Gross Credit Exposures (continued)

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

(ii) Bank

30 JUNE 2023 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 ACTIVITIES	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	-	-	-	-	-	-	-	-	1,567,262	7,138,558	-	-	8,705,820
Public Sector Entities	1,048	-	-	-	-	100,219	27,505	-	237,833	2,490,214	-	170,720	3,027,539
Banks, Developments Institutions and Multilateral Development Banks	-	-	-	-	-	-	-	-	500,984	-	-	62,298	563,282
Corporate	830,633	32,869	589,481	1,899,133	786,087	3,129,954	1,678,195	4,099,624	2,922,271	1,315,678	206,262	3,075,161	20,565,348
Regulatory Retail	11,318	4,143	54,658	2,860	250,541	150,469	22,540	21,022	90,842	51,434	22,398,593	167,150	23,225,570
Residential Mortgages	-	-	1,831	-	-	-	-	-	-	-	26,766,787	-	26,768,618
Higher Risk Assets	-	-	-	-	-	-	-	-	-	-	3,361	-	3,361
Other Assets	-	-	-	-	-	-	-	-	-	-	-	2,639,449	2,639,449
Total for On-Balance Sheet Exposures	842,999	37,012	645,970	1,901,993	1,036,628	3,380,642	1,728,240	4,120,646	5,319,192	10,995,884	49,375,003	6,114,778	85,498,987
Off-Balance Sheet Exposures													
Credit-related Exposures	2,582	4,816	70,064	94,308	84,265	315,859	11,965	78,728	117,101	160,312	374,427	535,352	1,849,779
Derivative Financial Instruments	-	-	3,242	-	3,981	88	-	1	31,823	221,746	-	11,239	272,120
Total for Off-Balance Sheet Exposures	2,582	4,816	73,306	94,308	88,246	315,947	11,965	78,729	148,924	382,058	374,427	546,591	2,121,899
Total On and Off-Balance Sheet Exposures	845,581	41,828	719,276	1,996,301	1,124,874	3,696,589	1,740,205	4,199,375	5,468,116	11,377,942	49,749,430	6,661,369	87,620,886

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2023

3. Credit Risk (continued)

3.2 Gross Credit Exposures (continued)

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

(ii) Bank (continued)

31 DECEMBER 2022 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 ACTIVITIES	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	-	-	-	-	-	-	-	-	5,066,974	-	-	7,046,399	12,113,373
Public Sector Entities	1,087	-	-	-	-	68,478	23,260	-	296,354	2,572,172	206	-	2,961,557
Banks, Developments Institutions and Development Banks	-	-	-	-	-	-	-	-	1,616,853	-	-	61,052	1,677,905
Corporate	950,160	57,811	685,073	2,443,393	836,658	3,272,988	1,878,143	4,084,110	4,100,132	544,740	193,302	1,773,088	20,819,598
Regulatory Retail	5,755	5,193	59,533	2,877	301,287	140,808	43,218	36,356	123,176	65,852	21,973,514	5,899	22,763,468
Residential Mortgages	-	-	-	-	-	-	-	-	-	-	26,103,778	-	26,103,778
Higher Risk Assets	-	-	-	-	-	-	-	-	-	-	2,542	-	2,542
Other Assets	-	-	-	-	-	-	-	-	-	-	-	2,819,804	2,819,804
Total for On-Balance Sheet Exposures	957,002	63,004	744,606	2,446,270	1,137,945	3,482,274	1,944,621	4,120,466	11,203,489	3,182,764	48,273,342	11,706,242	89,262,025
Off-Balance Sheet Exposures													
Credit-related Exposures	2,098	5,688	165,008	97,426	102,407	433,849	12,300	102,594	141,396	122,381	438,449	180,420	1,804,016
Derivative Financial Instruments	-	-	668	-	105	-	-	9	147,800	44,319	-	20,179	213,080
Total for Off-Balance Sheet Exposures	2,098	5,688	165,676	97,426	102,512	433,849	12,300	102,603	289,196	166,700	438,449	200,599	2,017,096
Total On and Off-Balance Sheet Exposures	959,100	68,692	910,282	2,543,696	1,240,457	3,916,123	1,956,921	4,223,069	11,492,685	3,349,464	48,711,791	11,906,841	91,279,121

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2023

3. Credit Risk (continued)

3.2 Gross Credit Exposures (continued)

(c) Residual Contractual Maturity Breakdown

(i) Group

30 JUNE 2023 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	3,035,947	2,762,932	2,906,941	8,705,820
Public Sector Entities	873,102	317,708	1,836,729	3,027,539
Banks, Developments Financial Institutions and Multilateral Development Banks	578,374	169	574	579,117
Corporate	5,764,143	6,575,127	8,226,078	20,565,348
Regulatory Retail	102,952	3,336,263	19,786,355	23,225,570
Residential Mortgages	4,286	147,148	26,617,184	26,768,618
Higher Risk Assets	-	177	3,184	3,361
Other Assets	1,331,284	-	1,411,210	2,742,494
Total for On-Balance Sheet Exposures	11,690,088	13,139,524	60,788,255	85,617,867
Off-Balance Sheet Exposures				
Credit-related Exposures	851,658	355,398	642,723	1,849,779
Derivative Financial Instruments	272,120	-	-	272,120
Total for Off-Balance Sheet Exposures	1,123,778	355,398	642,723	2,121,899
Total On and Off-Balance Sheet Exposures	12,813,866	13,494,922	61,430,978	87,739,766

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2023

3. Credit Risk (continued)

3.2 Gross Credit Exposures (continued)

(c) Residual Contractual Maturity Breakdown (continued)

(i) Group (continued)

31 DECEMBER 2022 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	6,612,283	2,713,450	2,787,640	12,113,373
Public Sector Entities	843,501	344,240	1,773,816	2,961,557
Banks, Developments Financial Institutions and Multilateral Development Banks	1,494,131	200,727	-	1,694,858
Corporate	5,711,877	7,526,468	7,581,253	20,819,598
Regulatory Retail	103,854	3,201,349	19,458,266	22,763,469
Residential Mortgages	28,135	145,653	25,929,990	26,103,778
Higher Risk Assets	-	188	2,353	2,541
Other Assets	1,424,346	-	1,523,357	2,947,703
Total for On-Balance Sheet Exposures	16,218,127	14,132,075	59,056,675	89,406,877
Off-Balance Sheet Exposures				
Credit-related Exposures	799,082	399,012	605,922	1,804,016
Derivative Financial Instruments	212,579	501	-	213,080
Total for Off-Balance Sheet Exposures	1,011,661	399,513	605,922	2,017,096
Total On and Off-Balance Sheet Exposures	17,229,788	14,531,588	59,662,597	91,423,973

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2023

3. Credit Risk (continued)

3.2 Gross Credit Exposures (continued)

(c) Residual Contractual Maturity Breakdown (continued)

(ii) Bank

30 JUNE 2023 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	3,035,947	2,762,932	2,906,941	8,705,820
Public Sector Entities	873,102	317,708	1,836,729	3,027,539
Banks, Developments Financial Institutions and Multilateral Development Banks	562,539	169	574	563,282
Corporate	5,764,143	6,575,127	8,226,078	20,565,348
Regulatory Retail	102,952	3,336,263	19,786,355	23,225,570
Residential Mortgages	4,286	147,148	26,617,184	26,768,618
Higher Risk Assets	-	177	3,184	3,361
Other Assets	1,228,239	-	1,411,210	2,639,449
Total for On-Balance Sheet Exposures	11,571,208	13,139,524	60,788,255	85,498,987
Off-Balance Sheet Exposures				
Credit-related Exposures	851,658	355,398	642,723	1,849,779
Derivative Financial Instruments	272,120	-	-	272,120
Total for Off-Balance Sheet Exposures	1,123,778	355,398	642,723	2,121,899
Total On and Off-Balance Sheet Exposures	12,694,986	13,494,922	61,430,978	87,620,886

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2023

3. Credit Risk (continued)

3.2 Gross Credit Exposures (continued)

(c) Residual Contractual Maturity Breakdown (continued)

(ii) Bank (continued)

31 DECEMBER 2022 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	6,612,283	2,713,450	2,787,640	12,113,373
Public Sector Entities	843,501	344,240	1,773,816	2,961,557
Banks, Developments Financial Institutions and Multilateral Development Banks	1,477,178	200,727	-	1,677,905
Corporate	5,711,877	7,526,468	7,581,253	20,819,598
Regulatory Retail	103,854	3,201,349	19,458,266	22,763,469
Residential Mortgages	28,135	145,653	25,929,990	26,103,778
Higher Risk Assets	-	188	2,353	2,541
Other Assets	1,296,448	-	1,523,356	2,819,804
Total for On-Balance Sheet Exposures	16,073,276	14,132,075	59,056,674	89,262,025
Off-Balance Sheet Exposures				
Credit-related Exposures	799,082	399,012	605,922	1,804,016
Derivative Financial Instruments	212,579	501	-	213,080
Total for Off-Balance Sheet Exposures	1,011,661	399,513	605,922	2,017,096
Total On and Off-Balance Sheet Exposures	17,084,937	14,531,588	59,662,596	91,279,121

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2023

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 2023

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%	8,705,844	1,891,512	-	5,096,727	393,968	-	-	1,739,902	17,827,953	-
20%	-	290,596	622,706	3,866,093	41	-	-	-	4,779,436	955,887
35%	-	-	-	-	-	7,499,629	-	-	7,499,629	2,624,870
50%	-	496,508	543	2,840,872	346,156	4,818,299	-	-	8,502,378	4,251,189
75%	-	-	-	593,072	1,125,259	8,586,527	-	-	10,304,858	7,728,643
100%	-	598,930	-	8,173,976	21,128,603	6,075,932	-	1,002,592	36,980,033	36,980,033
150%	-	-	-	881,337	91,500	144,618	11,930	-	1,129,385	1,694,078
Total Exposures	8,705,844	3,277,546	623,249	21,452,077	23,085,527	27,125,005	11,930	2,742,494	87,023,671	54,234,700
RWA by Exposures	-	905,303	124,813	12,134,440	22,282,885	17,766,774	17,895	1,002,592	54,234,702	
Average Risk Weight	0.0%	27.6%	20.0%	56.6%	96.5%	65.5%	150.0%	36.6%	62.3%	
Deduction from Capital Base										

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2023

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 2022

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%	12,113,373	1,890,688	-	5,275,289	373,678	-	-	1,699,510	21,352,538	-
20%	-	252,932	1,863,619	3,544,125	60	-	-	-	5,660,736	1,132,147
35%	-	-	-	-	-	7,367,798	-	-	7,367,798	2,578,729
50%	-	507,004	1,221	3,311,106	366,153	4,907,979	-	-	9,093,464	4,546,732
75%	-	-	-	572,678	1,144,318	7,468,822	-	-	9,185,817	6,889,363
100%	-	354,619	-	8,462,662	20,775,534	6,664,591	-	1,248,192	37,505,598	37,505,598
150%	-	-	-	478,981	67,256	110,597	8,667	-	665,501	998,252
Total Exposures	12,113,373	3,005,243	1,864,840	21,644,841	22,726,999	26,519,787	8,667	2,947,702	90,831,452	53,650,821
RWA by Exposures	-	658,707	373,334	11,975,020	21,917,745	17,464,822	13,001	1,248,192	53,650,821	
Average Risk Weight	0.0%	21.9%	20.0%	55.3%	96.4%	65.9%	150.0%	42.3%	59.1%	
Deduction from Capital Base										

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2023

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 2023

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%	8,705,844	1,891,512	-	5,096,727	393,968	-	-	1,745,374	17,833,425	-
20%	-	290,596	606,871	3,866,093	41	-	-	-	4,763,601	952,720
35%	-	-	-	-	-	7,499,629	-	-	7,499,629	2,624,870
50%	-	496,508	543	2,840,872	346,156	4,818,299	-	-	8,502,378	4,251,189
75%	-	-	-	593,072	1,125,259	8,586,527	-	-	10,304,858	7,728,643
100%	-	598,930	-	8,173,976	21,128,603	6,075,932	-	894,075	36,871,516	36,871,516
150%	-	-	-	881,337	91,500	144,618	11,930	-	1,129,385	1,694,078
Total Exposures	8,705,844	3,277,546	607,414	21,452,077	23,085,527	27,125,005	11,930	2,639,449	86,904,791	54,123,016
RWA by Exposures	-	905,303	121,646	12,134,440	22,282,883	17,766,774	17,895	894,075	54,123,016	
Average Risk Weight	0.0%	27.6%	20.0%	56.6%	96.5%	65.5%	150.0%	33.9%	62.3%	
Deduction from Capital Base										

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2023

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 2022

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%	12,113,373	1,890,688	-	5,275,289	373,678	-	-	1,705,821	21,358,849	-
20%	-	252,932	1,846,666	3,544,125	60	-	-	-	5,643,783	1,128,757
35%	-	-	-	-	-	7,367,798	-	-	7,367,798	2,578,729
50%	-	507,004	1,221	3,311,106	366,153	4,907,979	-	-	9,093,464	4,546,732
75%	-	-	-	572,678	1,144,318	7,468,822	-	-	9,185,817	6,889,363
100%	-	354,619	-	8,462,662	20,775,534	6,664,591	-	1,113,983	37,371,389	37,371,388
150%	-	-	-	478,981	67,256	110,597	8,667	-	665,501	998,252
Total Exposures	12,113,373	3,005,243	1,847,887	21,644,841	22,726,999	26,519,787	8,667	2,819,804	90,686,601	53,513,221
RWA by Exposures	-	658,707	369,944	11,975,020	21,917,745	17,464,822	13,001	1,113,983	53,513,222	
Average Risk Weight	0.0%	21.9%	20.0%	55.3%	96.4%	65.9%	150.0%	39.5%	59.0%	
Deduction from Capital Base										

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2023

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 2023 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*	-	8,705,844	-	-	-	-	-
Total	-	8,705,844	-	-	-	-	-

31 DECEMBER 2022 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*	-	12,113,373	-	-	-	-	-
Total	-	12,113,373	-	-	-	-	-

* 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 2023 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		290,596	-	-	-	2,986,950
Insurance Cos, Securities Firms & Fund Manager						
Corporate		3,773,955	26,605	150,508	-	17,501,008
Total		4,064,551	26,605	150,508	-	20,487,958

31 DECEMBER 2022 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		252,932	-	-	-	2,752,311
Insurance Cos, Securities Firms & Fund Manager						
Corporate		3,459,814	51,646	153,258	-	17,980,124
Total		3,712,746	51,646	153,258	-	20,732,435

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2023

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 2023	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	444,441	-	-	-	-	178,808
Total		444,441	-	-	-	-	178,808

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 2022	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	1,207,092	262,483	-	-	-	395,265
Total		1,207,092	262,483	-	-	-	395,265

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

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PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2023

3. Credit Risk (continued)

3.5 Credit Risk Mitigation (CRM)

Disclosure of Credit Risk Mitigation (CRM):

30 JUNE 2023 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	8,705,820	-	-
Public Sector Entities	3,022,520	-	91,287
Banks, DFIs and MDBs	563,282	-	-
Corporates	18,530,959	676,490	1,262,190
Regulatory Retail	23,046,130	369,363	248,144
Residential Mortgages	26,594,834	362	86,716
Higher Risk Assets	3,358	-	-
Other Assets	2,639,449	-	-
Defaulted Exposures	2,392,637	282,073	169,883
Total for On-Balance Sheet Exposures	85,498,989	1,328,288	1,858,220
Off-Balance Sheet Exposures			
Credit-related Exposures	1,633,831	4,442	32,548
Derivative Financial Instruments	272,041	-	-
Defaulted Exposures	216,025	4,769	-
Total for Off-Balance Sheet Exposures	2,121,897	9,211	32,548
Total On and Off-Balance Sheet Exposures	87,620,886	1,337,499	1,890,768

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3. Credit Risk (continued)

3.5 Credit Risk Mitigation (CRM) (continued)

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

31 DECEMBER 2022 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	12,113,373	-	-
Public Sector Entities	2,958,245	-	92,495
Banks, DFIs and MDBs	1,677,905	-	-
Corporates	19,498,516	2,533,329	1,281,624
Regulatory Retail	22,618,237	355,970	221,676
Residential Mortgages	25,971,590	447	94,862
Higher Risk Assets	2,538	-	-
Other Assets	2,819,804	-	-
Defaulted Exposures	1,601,818	290,778	118,332
Total for On-Balance Sheet Exposures	89,262,026	3,180,524	1,808,989
Off-Balance Sheet Exposures			
Credit-related Exposures	1,646,532	115	31,946
Derivative Financial Instruments	213,080	-	-
Defaulted Exposures	157,484	4,571	418
Total for Off-Balance Sheet Exposures	2,017,096	4,686	32,364
Total On and Off-Balance Sheet Exposures	91,279,122	3,185,210	1,841,353

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PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2023

3. Credit Risk (continued)

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

(i) As at 30 June 2023

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	568,756		568,756	622,192
Assets sold with recourse	-		-	-
Transaction related contingent items	1,098,656		549,328	571,718
Short term self-liquidating trade related contingencies	414,471		82,894	82,183
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:				
- not exceeding one year	-		-	-
- exceeding one year	1,297,602		648,801	547,347
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	9,330,297		-	-
	12,709,782		1,849,779	1,823,440
<i>Derivative Financial Instruments</i>				
Foreign exchange related contracts				
- less than one year	8,775,360	179,693	272,034	237,731
- one year to less than five years	-	-	-	-
Profit rate related contracts				
- less than one year	23,081	-	86	62
- one year to less than five years	-	79	-	-
- five years and above	-	-	-	-
	8,798,441	179,772	272,120	237,793
Total	21,508,223	179,772	2,121,899	2,061,233

BANK ISLAM MALAYSIA BERHAD
PILLAR 3 DISCLOSURE
AS AT 30 JUNE 2023

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 2022

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	533,884		533,884	578,339
Assets sold with recourse	-		-	-
Transaction related contingent items	985,002		492,501	483,516
Short term self-liquidating trade related contingencies	407,370		81,474	80,143
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:				
- not exceeding one year	-		-	-
- exceeding one year	1,392,315		696,158	575,432
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	7,809,279		-	-
	11,127,850		1,804,017	1,717,430
<i>Derivative Financial Instruments</i>				
Foreign exchange related contracts				
- less than one year	7,713,420	122,827	212,579	78,664
- 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	42,286	173	501	325
- five years and above	-	-	-	-
Equity related contracts				
- less than one year	-	-	-	-
- one year to less than five years	-	-	-	-
- Five years and above	-	-	-	-
	7,755,706	123,000	213,080	78,989
Total	18,883,556	123,000	2,017,097	1,796,419

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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 150 basis points parallel shift as at reporting date.

Group	30 June 2023		31 December 2022	
	(Decrease) / Increase		(Decrease) / Increase	
	-150bps	+150bps	-150bps	+150bps
	RM million	RM million	RM million	RM million
Impact on EaR	(162.0)	162.0	(194.6)	194.6
Impact on EVE	463.5	(463.5)	381.7	(381.7)

Bank	30 June 2023		31 December 2022	
	(Decrease) / Increase		(Decrease) / Increase	
	-150bps	+150bps	-150bps	+150bps
	RM million	RM million	RM million	RM million
Impact on EaR	(161.6)	161.6	(192.3)	192.3
Impact on EVE	463.4	(463.4)	380.0	(380.0)

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:

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 30.6.2023	1.1.2023 to 30.6.2023		
	RM million	Average RM million	Maximum RM million	Minimum RM million
Profit Rate Risk	2.78	2.37	3.88	0.01
Foreign Exchange Risk	0.30	0.33	0.44	0.21
Overall	3.08	2.69	4.30	0.21
Bank	As at 31.12.2022	1.1.2022 to 31.12.2022		
	RM million	Average RM million	Maximum RM million	Minimum RM million
Profit Rate Risk	0.004	0.58	1.66	0.004
Foreign Exchange Risk	0.19	1.58	3.35	0.19
Overall	0.20	2.15	4.49	0.20

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.

Bank	30 June 2023		31 December 2022	
	-1% Depreciation	+1% Appreciation	-1% Depreciation	+1% Appreciation
	RM'000	RM'000	RM'000	RM'000
US Dollar	(6,174)	6,174	(4,805)	4,805
Euro	5,266	(5,266)	4,348	(4,348)
Others	(129)	129	(143)	143

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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 2023	31 December 2022
RM 23,727.17	RM 39,312.59

The main contributors of the SNC income were commissions from SNC merchants of card business (RM10,905.15). commissions from third party investment product offering (RM5,395.31). In addition, there is one SNC loss materialized from one SNC event occurred in 2022 (RM7,364.38). The amount will be disposed to charitable causes upon Shariah Supervisory Council (SSC)'s approval.

As at 30 June 2023, nil incidence confirmed by the SSC as SNC events.

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Group 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 2023 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
Group Chief Executive Officer, Bank Islam Malaysia Berhad