

Basel II
Pillar 3 Disclosure
As at 30 June 2015

Overview

The Royal Bank of Scotland Berhad and its subsidiaries (collectively the “Group”) adopted the Standardised Approach in determining the capital requirements for credit risk and market risk and applied the Basic Indicator Approach for operational risk of the Pillar 1 under Bank Negara Malaysia’s Risk-Weighted Capital Adequacy Framework (‘RWCAF’).

Under the Standardised Approach, standard risk weights are used to assess the capital requirements for exposures in credit risk and market risk whilst the capital required for operational risk under the Basic Indicator Approach is computed based on a fixed percentage over the group’s average gross income for a fixed number of quarterly periods.

The information is not audited as there is no requirement for external auditing of these disclosures under the Bank Negara Malaysia’s RWCAF. The Pillar 3 Disclosure will be published in the Bank’s website at <http://cib.rbs.com/our-locations/asia-pacific/malaysia/>.

2.0 Capital Adequacy

The capital adequacy ratios of the Group are computed in accordance with Bank Negara Malaysia's Capital Adequacy Framework (Basel II – Risk-Weighted Assets). The minimum regulatory capital adequacy requirement is 8% for the risk-weighted capital ratio.

Disclosure on Capital Adequacy under the Standardised Approach

Expressed in nearest RM thousands (RM'000)

Item	Exposure Class	Gross Exposures	Net Exposures	Risk Weighted Assets	Minimum Capital Requirement at 8%
30 June 2015					
1.0	Credit Risk				
	<i>On-Balance Sheet Exposures</i>				
	Sovereigns/Central Banks	1,712,024	1,712,024	-	-
	Public Sector Entities	-	-	-	-
	Banks, Development Financial Institutions & MDBs	351,711	59,904	11,981	958
	Insurance Cos, Securities Firms & Fund Managers	-	-	-	-
	Corporates	639,258	639,258	639,257	51,141
	Regulatory Retail	-	-	-	-
	Residential Mortgages	16,034	16,034	12,026	962
	Higher Risk Assets	1,300	1,300	1,950	156
	Other Assets	63,700	63,700	44,207	3,537
	Specialised Financing/Investment	-	-	-	-
	Securitisation Exposure	-	-	-	-
	Equity Exposure	-	-	-	-
	Defaulted Exposures	1,144	1,144	1,716	137
	Total for On-Balance Sheet Exposures	2,785,171	2,493,364	711,137	56,891
	<i>Off-Balance Sheet Exposures</i>				
	OTC Derivatives	1,110,491	1,110,491	470,545	37,644
	Credit Derivatives	-	-	-	-
	Off-Balance Sheet Exposures other than OTC or credit derivatives	566,028	566,028	543,423	43,474
	Defaulted Exposures	-	-	-	-
	Total for Off-Balance Sheet Exposures	1,676,519	1,676,519	1,013,968	81,117
	Total for On and Off-Balance Sheet Exposures	4,461,690	4,169,883	1,725,105	138,008
2.0	Large Exposures Risk Requirement				
3.0	Market Risk	Long	Short		
	Interest Rate Risk	15,363,774	(15,606,401)	567,480	45,398
	Foreign Currency Risk	19,883	(2,175)	19,883	1,591
	Equity Risk				
	Commodity Risk				
	Options Risk				
	Inventory Risk				
4.0	Operational Risk			152,151	12,172
5.0	Total RWA			2,464,619	197,170

Disclosure on Capital Adequacy under the Standardised Approach

Expressed in nearest RM thousands (RM'000)

Item	Exposure Class	Gross Exposures	Net Exposures	Risk Weighted Assets	Minimum Capital Requirement at 8%
31 December 2014					
1.0	Credit Risk				
	<i>On-Balance Sheet Exposures</i>				
	Sovereigns/Central Banks	402,977	402,977	-	-
	Public Sector Entities	-	-	-	-
	Banks, Development Financial Institutions & MDBs	1,676,579	1,511,754	302,351	24,188
	Insurance Cos, Securities Firms & Fund Managers	-	-	-	-
	Corporates	705,034	705,034	705,034	56,403
	Regulatory Retail	-	-	-	-
	Residential Mortgages	17,048	17,048	12,786	1,023
	Higher Risk Assets	1,300	1,300	1,950	156
	Other Assets	64,708	64,708	50,781	4,062
	Specialised Financing/Investment	-	-	-	-
	Securitisation Exposure	-	-	-	-
	Equity Exposure	-	-	-	-
	Defaulted Exposures	1,228	1,228	1,842	147
	Total for On-Balance Sheet Exposures	2,868,874	2,704,049	1,074,744	85,980
	<i>Off-Balance Sheet Exposures</i>				
	OTC Derivatives	1,776,125	1,776,125	989,635	79,171
	Credit Derivatives	-	-	-	-
	Off-Balance Sheet Exposures other than OTC or credit derivatives	696,384	696,384	672,934	53,835
	Defaulted Exposures	-	-	-	-
	Total for Off-Balance Sheet Exposures	2,472,509	2,472,509	1,662,569	133,006
	Total for On and Off-Balance Sheet Exposures	5,341,383	5,176,558	2,737,313	218,985
2.0	Large Exposures Risk Requirement				
3.0	Market Risk	Long	Short		
	Interest Rate Risk	23,577,547	(23,817,066)	1,008,102	80,648
	Foreign Currency Risk	25,712	(747)	25,712	2,057
	Equity Risk				
	Commodity Risk				
	Options Risk	100,000	(230,000)	2,275	182
	Inventory Risk				
4.0	Operational Risk			107,750	8,620
5.0	Total RWA			3,881,152	310,492

3.0 Capital Structure

The components of the Group's capital structure are as shown in the table below:

Capital Structure

Expressed in nearest RM thousands (RM '000)

Group	Capital Elements	As At 30 June 2015	As At 31 Dec 2014
CET I/Tier 1 Capital			
	Paid-up ordinary share capital	343,000	343,000
	Share premium	76,182	76,182
	Retained profit/loss brought forward from the previous financial year	148,294	144,067
	Current unaudited unadjusted profit/ loss		16,981
	Transfer of current year profit to statutory reserve fund		(8,517)
	Approved audited half-year profit/ loss		
	Prior year's profit/ loss		
	Statutory reserve fund	172,259	172,259
	Unrealised reserve	170	(956)
	General reserve fund		
	Capital redemption reserve		
	Total non-innovative Tier 1 (non-IT1) and innovative Tier 1 (IT1) capital		
	Non-innovative Tier 1 capital	0	0
	Of which: preference shares	0	0
	Total innovative Tier 1 capital	0	0
	RM innovative Tier 1 capital	0	0
	Innovative non-cumulative perpetual preference share capital	0	0
	RM Approved innovative debt capital instruments issued	0	0
	FX Approved innovative debt capital instruments issued	0	0
	Minority interest in shares of non-wholly owned subsidiaries		
	Minority interest in non-cumulative preference shares of non-wholly owned subsidiaries		
	Surplus/ loss from the sale of fixed and long-term investments not yet recognised in retained earnings		
	Deferred tax assets	(15,994)	(19,170)
	Release/(Transfer) of retained earning to regulatory reserve	2,173	(4,237)
	Total CET I/Tier 1 capital	726,084	719,609
	Less: Goodwill	0	0
	Deductions in excess of Tier 2 capital	0	0
	ELIGIBLE TIER 1 CAPITAL	726,084	719,609
Eligible Tier 2 Capital			
	Approved hybrid (debt/equity) capital instruments		
	ICULs issued	0	0
	RCULs issued	0	0
	Other approved hybrid debt capital securities issued	0	0
	Property revaluation reserve		
	Ordinary shares capitalised from property revaluation reserve		
	Cumulative perpetual preference shares		
	Minority interest in cumulative perpetual preference shares of non-wholly owned subsidiaries		
	RM collectively assessed allowance	5,995	4,592
	Surplus eligible provisions (EP) where it exceeds expected losses (EL) under the IRB approach		
	Maximum allowable subordinated debt capital		
	RM subordinated debt capital	0	0
	FX subordinated debt capital	0	0
	Any non-IT1 and IT1 capital instruments in excess of prescribed limits in Tier 1		
	Of which: preference shares	0	0
	Regulatory reserve	2,064	4,237
	Total Tier 2 capital	8,059	8,829
	Total Tier 2 capital (subject to limits)	8,059	8,829
	Less: Investment in subsidiaries companies	0	0
	Investment in insurance companies	0	0
	Investment in capital instruments of other banking institutions	0	0
	Securitisation exposures subject to deductions	0	0
	Securitisation exposures held in the banking book	0	0
	Securitisation exposures held in the trading book	0	0
	Excess of EL over EP under the IRB approach	0	0
	EL amount for equity exposures under the PD/LGD approach	0	0
	Stale Inventory Reserve	0	0
	Other items (insert if any)	0	0
	Total deductions from Tier 2 Capital		
	ELIGIBLE TIER 2 CAPITAL	8,059	8,829
	CAPITAL BASE	734,143	728,438

4.0 Risk Management

4.1 Credit Risk

Credit Risk (General Disclosure)

Disclosure on Loans by Sector and Geographical Distribution

30 June 2015

Sector Description	K.Lumpur RM'000	P.Pinang RM'000	N. Sembilan RM'000	Selangor RM'000	Melaka RM'000	Johor RM'000	Perak RM'000	Outside of Malaysia	Total RM'000
Purchase of transport vehicles	327	16	-	435	62	-	-	-	840
Purchase of landed properties (Residential)	5,100	336	327	11,738	-	-	-	-	17,501
Consumption credit	29	-	-	12	-	-	-	-	41
Manufacturing	150	-	-	176,022	-	36,679	21,762	-	234,613
Construction	-	-	-	-	-	-	-	-	-
Wholesale and retail	113,415	-	-	154,102	-	-	-	-	267,517
Transport, storage and communication	-	-	-	569	-	-	-	-	569
Finance, insurance and business services	114,740	-	-	-	-	-	-	15,121	129,861
Mining and quarrying	-	-	-	21,271	-	-	-	-	21,271
	233,761	352	327	364,149	62	36,679	21,762	15,121	672,213

31 December 2014

Sector Description	K.Lumpur RM'000	P.Pinang RM'000	N. Sembilan RM'000	Selangor RM'000	Melaka RM'000	Johor RM'000	Perak RM'000	Outside of Malaysia	Total RM'000
Purchase of transport vehicles	421	45	-	706	74	-	-	-	1,246
Purchase of landed properties (Residential)	5,329	343	327	12,748	-	-	-	-	18,747
Consumption credit	45	-	-	69	1	-	-	-	115
Manufacturing	600	-	-	230,735	-	20,917	19,948	-	272,200
Construction	-	-	-	9,583	-	-	-	-	9,583
Wholesale and retail	108,351	-	-	170,439	-	-	-	-	278,790
Transport, storage and communication	-	-	-	251	-	-	-	-	251
Finance, insurance and business services	65,778	-	-	-	-	-	-	15,121	80,899
Mining and quarrying	50,000	-	-	24,718	-	-	-	-	74,718
	230,524	388	327	449,249	75	20,917	19,948	15,121	736,549

Loans by Residual Contractual Maturity

30 June 2015

Residual contractual maturity	Term Loans RM'000	Bills receivable RM'000	BA's RM'000	RC RM'000	Staff Loans RM'000	Overdraft RM'000	Trust receipts RM'000	Other loans RM'000	Total RM'000
Maturity within one year	18	77,262	32,585	474,424	14	40,958	312	28,291	653,864
More than one year to three years	525	-	-	-	203	-	-	-	728
More than three years to five years	516	-	-	-	501	-	-	-	1,017
More than five years	15,752	-	-	-	852	-	-	-	16,604
	16,811	77,262	32,585	474,424	1,570	40,958	312	28,291	672,213

31 December 2014

Residual contractual maturity	Term Loans RM'000	Bills receivable RM'000	BA's RM'000	RC RM'000	Staff Loans RM'000	Overdraft RM'000	Trust receipts RM'000	Other loans RM'000	Total RM'000
Maturity within one year	635	84,296	47,333	495,369	130	38,043	141	51,258	717,205
More than one year to three years	544	-	-	-	300	-	-	-	844
More than three years to five years	208	-	-	-	545	-	-	-	753
More than five years	16,435	-	-	-	1,312	-	-	-	17,747
	17,822	84,296	47,333	495,369	2,287	38,043	141	51,258	736,549

Impairment losses on loans, advances and financing

Past due but not impaired: Past due but not impaired loans, advances and financing are loans where the customer has failed to make a principal or interest payment when they are contractually due, and includes loans which are due 1 or more days after the contractual due date but less than 3 months. The breakdown of the gross loan amounts of past due but not impaired by economic sector are as follows:

30 June 2015

Sector Description	K.Lumpur RM'000	N. Sembilan RM'000	Selangor RM'000	Total RM'000
Purchase of landed properties (Residential)	0	51	951	1,002
Purchase of transport vehicles	-	-	34	34
	-	51	985	1,036

31 December 2014

Sector Description	K.Lumpur RM'000	N. Sembilan RM'000	Selangor RM'000	Total RM'000
Purchase of landed properties (Residential)	341	52	959	1,352
Purchase of transport vehicles	-	-	-	-
	341	52	959	1,352

Impaired: The definition of impaired loans and the approaches undertaken in the determination of individually assessed and collectively assessed allowance are explained in Note 4(iii) to the 2014 annual financial statements. The breakdown of the gross amount of impaired loans, advances and financing assessed, by economic sector and the corresponding individual assessment allowance is provided in Note 34(b) to the 2014 annual financial statements. The breakdown of the gross amount, the corresponding individual impairment provision, the current year write-offs and charges, by economic sector are as follows:

Sector <i>(Expressed in RM'000)</i>	2015					
	Gross Impaired Loans @ 30 Jun 2015	Individually assessed allowance @ 1 Jan 2015	Write-off during the period	Write-back during the period	Allowance made during period	Individually assessed allowance @ 30 Jun 2015
Kuala Lumpur						
Purchase of landed properties (Residential)	737	126	(21)	(29)	44	120
Purchase of transport vehicles	-	47	(44)	(3)	-	0
Wholesale and retail	334	334	-	-	-	334
Selangor						
Purchase of landed properties (Residential)	727	239	(15)	(176)	153	201
Negeri Sembilan						
Purchase of landed properties (Residential)	-	54	-	(87)	33	0
	1,798	800	(80)	(295)	230	655

Sector <i>(Expressed in RM'000)</i>	2014					
	Gross Impaired Loans @ 31 Dec 2014	Individually assessed allowance @ 1 Jan 2014	Write-off during the period	Write-back during the period	Allowance made during period	Individually assessed allowance @ 31 Dec 2014
Kuala Lumpur						
Purchase of landed properties (Residential)	704	210	-	(346)	262	126
Purchase of transport vehicles	48	53	-	(6)	-	47
Wholesale and retail	334	334	-	-	-	334
Selangor						
Purchase of landed properties (Residential)	887	290	-	(592)	541	239
Negeri Sembilan						
Purchase of landed properties (Residential)	55	56	(33)	(30)	61	54
	2,028	943	(33)	(974)	864	800

The collectively assessed allowance is not directly attributable to any geographical distribution and economic sector. The collectively assessed allowance is disclosed in Note 7(viii) to the 2014 annual financial statements and Note 4(ix) to the 30 June 2015 interim financial statements.

Disclosure on Credit Risk Exposure after Netting and Credit Risk Mitigation

Exposures after Netting and Credit Risk Mitigation (Expressed in nearest RM '000)										
Risk Weights	Sovereigns & Central Banks	Banks, MDBs and FDIs	Insurance Cos, Securities Firms & Fund Managers	Corporates	Regulatory Retail	Residential Mortgages	Higher Risk Assets	Other Assets	Total Exposures	Total Risk Weighted Assets
30 June 2015										
0%	1,712,024							19,493	1,731,517	
10%										
20%		518,317							518,317	103,663
35%										
50%		591,560							591,560	295,780
75%						16,196			16,196	12,147
90%										
100%				1,265,642				44,207	1,309,849	1,309,849
110%										
125%										
135%										
150%						1,144	1,300		2,444	3,666
270%										
350%										
400%										
625%										
937.5%										
1250.0%										
Total	1,712,024	1,109,877	-	1,265,642	-	17,340	1,300	63,700	4,169,883	1,725,105
31 December 2014										
0%	402,977							13,927	416,904	
10%										
20%		2,082,045		1					2,082,046	416,409
35%										
50%		707,330							707,330	353,665
75%						17,210			17,210	12,907
90%										
100%				1,899,759				50,781	1,950,540	1,950,540
110%										
125%										
135%										
150%						1,228	1,300		2,528	3,792
270%										
350%										
400%										
625%										
937.5%										
1250.0%										
Total	402,977	2,789,375	-	1,899,760	-	18,438	1,300	64,708	5,176,558	2,737,313

Disclosure on Rated Exposure According to Ratings by ECAIs

Risk Weighted Capital Adequacy Framework (Basel II) - Disclosure Requirements (Pillar 3)

Disclosures on Rated Exposures according to Ratings by ECAIs

Expressed in nearest RM thousands (RM'000)

30 June 2015

Exposure Class	Ratings of Corporate by Approved ECAIs					
	Moodys	Aaa to Aa3	A1 to A3	Baa1 to Ba3	B1 to C	Unrated
Gross On and Off Balance-Sheet Exposures	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
	RAM	AAA to AA3	A to A3	BBB1 to BB3	B to D	Unrated
Credit Exposures (using Corporate Risk Weights)						
Public Sector Entities (applicable for entities risk weighted based on their external ratings as corporates)						
Insurance Cos, Securities Firms & Fund Managers						
Corporates		-	-	40,097	-	1,225,545
Total		-	-	40,097	-	1,225,545

Exposure Class	Short term Ratings of Banking Institutions and Corporate by Approved ECAIs					
	Moodys	P-1	P-2	P-3	Others	Unrated
Gross On and Off Balance-Sheet Exposures	S&P	A-1	A-2	A-3	Others	Unrated
	Fitch	F1+, F1	F2	F3	B to D	Unrated
	RAM	P-1	P-2	P-3	NP	Unrated
Banks, MDBs and FDIs						
Rated Credit Exposures (using Corporate Risk Weights)						
Public Sector Entities (applicable for entities risk weighted based on their external ratings as corporates)						
Insurance Cos, Securities Firms & Fund Managers						
Corporates						
Total		-	-	-	-	-

Exposure Class	Ratings of Sovereigns and Central Banks by Approved ECAIs						
	Moodys	Aaa to Aa3	A1 to A3	Baa1 to Baa3	Ba1 to B3	Caa1 to C	Unrated
Gross On and Off Balance-Sheet Exposures	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
Sovereigns and Central Banks		-	-	-	-	-	1,712,024
Total		-	-	-	-	-	1,712,024

Exposure Class	Ratings of Banking Institutions by Approved ECAIs						
	Moodys	Aaa to Aa3	A1 to A3	Baa1 to Baa3	Ba1 to B3	Caa1 to C	Unrated
Gross On and Off Balance-Sheet Exposures	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
	RAM	AAA to AA3	A1 to A3	BBB1 to BBB3	BB1 to B3	C1 to D	Unrated
Banks, MDBs and FDIs		747,778	614,762	2,098	-	-	37,046
Total		747,778	614,762	2,098	-	-	37,046

Disclosures on Rated Exposures according to Ratings by ECAIs

Expressed in nearest RM thousands (RM'000)

31 December 2014

Exposure Class	Ratings of Corporate by Approved ECAIs					
	Moodys	Aaa to Aa3	A1 to A3	Baa1 to Baa3	B1 to C	Unrated
Gross On and Off Balance-Sheet Exposures	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
	RAM	AAA to AA3	A to A3	BBB1 to BB3	B to D	Unrated
Credit Exposures (using Corporate Risk Weights)						
Public Sector Entities (applicable for entities risk weighted based on their external ratings as corporates)						
Insurance Cos, Securities Firms & Fund Managers						
Corporates		1	-	42,782		1,856,977
Total		1	-	42,782	-	1,856,977

Exposure Class	Short term Ratings of Banking Institutions and Corporate by Approved ECAIs					
	Moodys	P-1	P-2	P-3	Others	Unrated
Gross On and Off Balance-Sheet Exposures	S&P	A-1	A-2	A-3	Others	Unrated
	Fitch	F1+, F1	F2	F3	B to D	Unrated
	RAM	P-1	P-2	P-3	NP	Unrated
Banks, MDBs and FDIs						
Rated Credit Exposures (using Corporate Risk Weights)						
Public Sector Entities (applicable for entities risk weighted based on their external ratings as corporates)						
Insurance Cos, Securities Firms & Fund Managers						
Corporates						
Total		-	-	-	-	-

Exposure Class	Ratings of Sovereigns and Central Banks by Approved ECAIs						
	Moodys	Aaa to Aa3	A1 to A3	Baa1 to Baa3	Ba1 to B3	Caa1 to C	Unrated
Gross On and Off Balance-Sheet Exposures	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
Sovereigns and Central Banks		-	-	-	-	-	402,977
Total		-	-	-	-	-	402,977

Exposure Class	Ratings of Banking Institutions by Approved ECAIs						
	Moodys	Aaa to Aa3	A1 to A3	Baa1 to Baa3	Ba1 to B3	Caa1 to C	Unrated
Gross On and Off Balance-Sheet Exposures	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
	RAM	AAA to AA3	A1 to A3	BBB1 to BBB3	BB1 to B3	C1 to D	Unrated
Banks, MDBs and FDIs		722,200	2,194,653	91	-	-	37,256
Total		722,200	2,194,653	91	-	-	37,256

Disclosure on Credit Risk Mitigation

Disclosure on Credit Risk Mitigation (Expressed in nearest RM '000)				
Exposure Class	Gross Exposures	Exposures Covered by Guarantees/Credit Derivatives	Exposures Covered by Eligible Financial Collateral	Exposures Covered by Other eligible Collateral
30 June 2015				
Credit Risk				
On-Balance Sheet Exposures				
Sovereigns/Central Banks	1,712,024			
Public Sector Entities				
Banks, Development Financial Institutions & MDBs	351,711		291,807	
Insurance Cos, Securities Firms & Fund Managers				
Corporates	639,258			
Regulatory Retail				
Residential Mortgages	16,034			
Higher Risk Assets	1,300			
Other Assets	63,700			
Specialised Financing/Investment				
Equity Exposure				
Securitisation Exposure				
Defaulted Exposures	1,144			
Total for On-Balance Sheet Exposures	2,785,171	-	291,807	-
Off-Balance Sheet Exposures				
OTC Derivatives	1,110,491			
Credit Derivatives				
Off-Balance Sheet Exposures other than OTC or Credit derivatives	566,028			
Defaulted Exposures				
Total for Off-Balance Sheet Exposures	1,676,519	-	-	-
Total for On and Off-Balance Sheet Exposures	4,461,690	-	291,807	-
31 December 2014				
Credit Risk				
On-Balance Sheet Exposures				
Sovereigns/Central Banks	402,977			
Public Sector Entities				
Banks, Development Financial Institutions & MDBs	1,676,579		164,825	
Insurance Cos, Securities Firms & Fund Managers				
Corporates	705,034			
Regulatory Retail				
Residential Mortgages	17,048			
Higher Risk Assets	1,300			
Other Assets	64,708			
Specialised Financing/Investment				
Equity Exposure				
Securitisation Exposure				
Defaulted Exposures	1,228			
Total for On-Balance Sheet Exposures	2,868,874	-	164,825	-
Off-Balance Sheet Exposures				
OTC Derivatives	1,776,125			
Credit Derivatives				
Off-Balance Sheet Exposures other than OTC or Credit derivatives	696,384			
Defaulted Exposures				
Total for Off-Balance Sheet Exposures	2,472,509	-	-	-
Total for On and Off-Balance Sheet Exposures	5,341,383	-	164,825	-

Disclosure on Off-balance sheet and Counterparty Credit Risk Exposure

Disclosure on Off-Balance Sheet and Counterparty Credit Risk

Expressed in nearest RM thousands (RM '000)

Description	Principal Amount	Positive Fair Value of Derivative Contracts	Credit Equivalent Amount	Risk Weighted Assets
30 June 2015				
Direct Credit Substitutes	1,839		1,839	1,839
Transaction related contingent Items	329,233		164,617	158,775
Short Term Self Liquidating trade related contingencies	100,258		20,052	20,052
Assets sold with recourse				
Forward Asset Purchases				
Obligations under an on-going underwriting agreement				
Lending of banks' securities or the posting of securities as collateral by banks, including instances where these arise out of repo-style transactions. (i.e. repurchase / reverse repurchase and securities lending / borrowing transactions.				
Foreign exchange related contracts				
One year or less	4,129,151	64,901	103,237	71,548
Over one year to five years	347,883	13,966	34,435	23,360
Over five years				
Interest/Profit rate related contracts				
One year or less	4,069,891	148,629	181,432	87,916
Over one year to five years	8,947,401	148,321	452,238	160,454
Over five years	2,346,483	53,959	338,791	126,998
Equity related contracts				
One year or less	5,970		358	269
Over one year to five years				
Over five years				
Gold and Other Precious Metal Contracts				
One year or less				
Over one year to five years				
Over five years				
Other Commodity Contracts				
One year or less				
Over one year to five years				
Over five years				
Credit Derivative Contracts				
One year or less				
Over one year to five years				
Over five years				
OTC Derivative transactions and credit derivative contracts subject to valid bilateral netting agreements				
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	323		162	121
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	1,896,799		379,360	362,636
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 borrower's creditworthiness				
Unutilised credit card lines				
Off-balance sheet items for securitisation exposures				
Off-balance sheet exposures due to early amortisation provisions				
Total	22,175,231	429,776	1,676,521	1,013,968

Disclosure on Off-Balance Sheet and Counterparty Credit Risk

Expressed in nearest RM thousands (RM '000)

Description	Principal Amount	Positive Fair Value of Derivative Contracts	Credit Equivalent Amount	Risk Weighted Assets
31 December 2014				
Direct Credit Substitutes	6,338		6,338	6,338
Transaction related contingent Items	644,368		322,184	314,521
Short Term Self Liquidating trade related contingencies	124,068		24,814	24,766
Assets sold with recourse				
Forward Asset Purchases				
Obligations under an on-going underwriting agreement				
Lending of banks' securities or the posting of securities as collateral by banks, including instances where these arise out of repo-style transactions. (i.e. repurchase / reverse repurchase and securities lending / borrowing transactions.				
Foreign exchange related contracts				
One year or less	5,019,236	92,841	159,122	125,160
Over one year to five years	449,488	12,296	38,957	23,763
Over five years				
Interest/Profit rate related contracts				
One year or less	5,984,083	136,980	154,793	115,634
Over one year to five years	13,058,632	288,663	820,425	332,081
Over five years	4,734,832	157,663	600,754	391,776
Equity related contracts				
One year or less	22,398	730	2,074	1,221
Over one year to five years				
Over five years				
Gold and Other Precious Metal Contracts				
One year or less				
Over one year to five years				
Over five years				
Other Commodity Contracts				
One year or less				
Over one year to five years				
Over five years				
Credit Derivative Contracts				
One year or less				
Over one year to five years				
Over five years				
OTC Derivative transactions and credit derivative contracts subject to valid bilateral netting agreements				
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	323		162	121
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	1,714,432		342,886	327,188
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 borrower's creditworthiness				
Unutilised credit card lines				
Off-balance sheet items for securitisation exposures				
Off-balance sheet exposures due to early amortisation provisions				
Total	31,758,198	689,173	2,472,509	1,662,569

4.2 Interest Rate Risk Sensitivity Analysis

Stress testing is performed to provide early warnings of potential losses to facilitate the proactive management of interest rate risk. Based on data as at 30 June 2015, the Group's projected sensitivity to a 100 basis point parallel shock to interest rates across all maturities is approximately RM2.2 million.

4.3 Equity Exposures in Banking Book

The privately held equity investments are unquoted and stated at cost adjusted for impairment loss, if any. These investments are held mainly for strategic purpose only. The table below present the equity exposures in banking book:

Privately held	For socio-economic purposes	
	As at 31 June 2015 RM'000	As at 31 December 2014 RM'000
Credit exposure	1,699	1,699
Risk Weighted Asset	1,699	1,699