

# **Citibank Berhad**

## **Pillar 3 Disclosure**

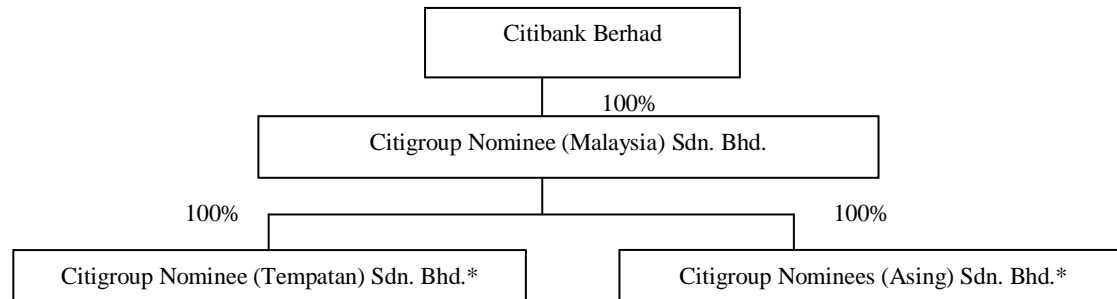
**As at 30 June 2012**

<b>Contents</b>	<b>Page No</b>
<b>1. Introduction</b>	<b>2</b>
<b>2. Capital Adequacy</b>	<b>3</b>
<b>3. Capital Structure</b>	<b>8</b>
<b>4. Credit Risk</b>	<b>9</b>
<b>5. Securitisation</b>	<b>32</b>
<b>6. Equities</b>	<b>33</b>
<b>7. Interest Rate Risk/Rate of Return Risk in the Banking Book (IRR/RORBB)</b>	<b>33</b>

## 1. Introduction

Citibank Berhad was incorporated in Malaysia on 22 April 1994 and has its registered office at 165 Jalan Ampang, 50450 Kuala Lumpur, Malaysia. The Bank is licensed under the Banking and Financial Institution Act 1989 (“BAFIA”). The Bank also operates an Islamic window under the Islamic Banking Scheme licensed under the BAFIA Act 1989.

The group organization structure of Citibank Berhad is detailed below:-



*\*Principal activity is as a nominee company*

The subsidiaries of Citibank Berhad are consolidated using the purchase method of accounting. The basis of consolidation for financial accounting purposes is the same as that used for regulatory purposes.

The Capital Requirements Directive (CRD), often referred to as Basel II, introduced the need for banks operating under this new legislative framework to publish certain information relating to their risk management and capital adequacy. The disclosure of this information is known as Pillar 3 and is designed to complement the other two pillars of the Basel II, namely the minimum capital requirements (Pillar 1) and the supervisory review process (Pillar 2). The disclosure has been prepared in accordance with the Guidelines for Risk Weighted Capital Adequacy Framework (Basel II) – Disclosure Requirements (Pillar 3) (BNM/RH/GL 001-32) and Capital Adequacy Framework for Islamic Banks (CAFIB) – Disclosure Requirements (Pillar 3) (BNM/RH/GL 007-18) issued by Bank Negara Malaysia (“BNM”).

Since 1 January 2008, the capital adequacy ratios of the Group and the Bank are computed in accordance with Bank Negara Malaysia’s revised Risk-Weighted Capital Adequacy Framework (RWCAF-Basel II). The Group and the Bank have adopted Standardized Approach (SA) for Credit Risk and Market Risk, and the Basic Indicator Approach (BIA) for Operational Risk.

There are no significant restrictions or major impediments on transfer of funds or regulatory capital within the Group.

There were no capital deficiencies in any of subsidiaries of the Group as at the financial year end.

This Pillar 3 disclosure should be read in conjunction with Citibank Berhad’s Financial Statements for the corresponding financial year.

## 2. Capital Adequacy

Other than paid up capital of the Bank, the bank's capital is historically generated via retained earnings from the business.

The risk weighted assets and capital adequacy ratios of the Group and the Bank are as follows:-

	<b>June 2012 RM'000</b>	<b>Dec 2011 RM'000</b>
<b>Computation of total Risk Weighted Assets (RWA)</b>		
Total credit RWA	21,405,028	22,272,830
Credit RWA absorbed by PSIA	-	-
Total market RWA	1,445,480	2,019,640
Market RWA absorbed by PSIA	-	-
Total operational RWA	3,590,192	3,525,964
Large exposure risk RWA for equity holdings	-	-
<b>Total Risk Weighted Assets</b>	<b>26,440,700</b>	<b>27,818,434</b>
<b>Computation of capital ratios</b>		
Tier 1 Capital	3,708,928	4,008,709
Capital Base	3,979,280	4,262,475
<b>Before deducting proposed dividends</b>		
<b>Core capital ratio</b>	14.03%	14.41%
<b>Risk-weighted capital ratio</b>	15.05%	15.32%
<b>After deducting proposed dividends/ dividend payments</b>		
<b>Core capital ratio</b>	14.03%	13.33%
<b>Risk-weighted capital ratio</b>	15.05%	14.24%

The risk weighted assets and capital adequacy ratios of the Islamic Banking Window are as follows:-

	<b>June 2012 RM'000</b>	<b>Dec 2011 RM'000</b>
<b>Computation of total Risk Weighted Assets (RWA)</b>		
Total credit RWA	192,688	199,050
Credit RWA absorbed by PSIA	-	-
Total market RWA	138,944	20,319
Market RWA absorbed by PSIA	-	-
Total operational RWA	69,058	84,785
Large exposure risk RWA for equity holdings	-	-
<b>Total Risk Weighted Assets</b>	<b>400,690</b>	<b>304,154</b>
<b>Computation of capital ratios</b>		
Tier 1 Capital	224,314	225,131
Capital Base	230,278	231,517
<b>Core capital ratio</b>	55.98%	74.02%
<b>Risk-weighted capital ratio</b>	57.47%	76.12%

The above ratios are well above the regulatory requirement for total capital adequacy ratio of 8%.

The following table details the classes of RWA and the types of exposure of the Group and the Bank as at 30 June 2012:-

Item	Exposure class	Gross exposures		Net exposures	Risk Weighted Assets	Risk Weighted Assets absorbed by PSIA	Total Risk Weighted Assets after effects of PSIA	Minimum capital requirement at 8%
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>1.0</b>	<b>Credit risk (Standardized Approach)</b>							
	<i>On-balance sheet exposures</i>							
	Sovereigns/Central Banks	8,814,805	8,814,805	-	-	-	-	-
	Banks, Development Financial Institutions and MDBs	8,432,458	8,432,458	2,201,842	-	2,201,842	176,147	
	Corporates, insurance cos and securities firms	4,030,710	4,011,932	3,923,439	-	3,923,439	313,875	
	Regulatory retail	6,968,138	6,812,488	5,113,178	-	5,113,178	409,054	
	Residential mortgages	8,428,766	8,428,766	3,108,756	-	3,108,756	248,700	
	Higher risk assets	17,608	17,608	26,413	-	26,413	2,112	
	Other assets	969,575	969,575	253,668	-	253,668	20,293	
	Defaulted exposures	548,420	548,420	561,277	-	561,277	44,902	
	<b>Total for on-balance sheet exposures</b>	<b>38,210,480</b>	<b>38,036,052</b>	<b>15,188,573</b>	<b>-</b>	<b>15,188,573</b>	<b>1,215,083</b>	
	<i>Off-balance sheet exposures</i>							
	OTC derivatives	2,317,658	2,317,658	1,168,431	-	1,168,431	93,475	
	Off-balance sheet exposures other than OTC derivatives or credit derivatives	6,374,181	6,371,296	5,027,893	-	5,027,893	402,231	
	Defaulted exposures	16,792	16,792	20,131	-	20,131	1,610	
	<b>Total for off-balance sheet exposures</b>	<b>8,708,631</b>	<b>8,705,746</b>	<b>6,216,455</b>	<b>-</b>	<b>6,216,455</b>	<b>497,316</b>	
	<b>Total on and off-balance sheet exposures</b>	<b>46,919,111</b>	<b>46,741,798</b>	<b>21,405,028</b>	<b>-</b>	<b>21,405,028</b>	<b>1,712,399</b>	
<b>2.0</b>	<b>Large exposures risk requirement</b>	-	-	-	-	-	-	
<b>3.0</b>	<b>Market risk (Standardized Approach)</b>	Long position	Short position	Net position				
	Interest rate risk	312,132	(273,144)	38,988	1,090,417	-	1,090,417	87,233
	Foreign currency risk	214,095	(292,569)	(78,474)	292,569	-	292,569	23,406
	Equity risk	-	-	-	-	-	-	
	Commodity risk	-	-	-	-	-	-	
	Options risk	36,936	(15,898)	21,038	62,494	-	62,494	5,000
	Inventory risk	-	-	-	-	-	-	
<b>4.0</b>	<b>Operational risk (Basic Indicator Approach)</b>				3,590,192	-	3,590,192	287,215
	<b>Total RWA</b>				<b>26,440,700</b>	<b>-</b>	<b>26,440,700</b>	<b>2,115,253</b>

The following table details the classes of RWA and the types of exposure of the Islamic Banking Window as at 30 June 2012:-

Item	Exposure class	Gross exposures		Net exposures	Risk Weighted Assets	Risk Weighted Assets absorbed by PSIA	Total Risk Weighted Assets after effects of PSIA	Minimum capital requirement at 8%
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>1.0</b>	<b>Credit risk (Standardized Approach)</b>							
	<i>On-balance sheet exposures</i>							
	Sovereigns/Central Banks	661,081	661,081	-	-	-	-	-
	Banks, Development Financial Institutions and MDBs	-	-	-	-	-	-	-
	Corporates	439	439	439	-	439	35	
	Residential mortgages	418,224	418,224	154,797	-	154,797	12,344	
	Other assets	11,259	11,259	7,160	-	7,160	573	
	Defaulted exposures	5,697	5,697	5,697	-	5,697	456	
	<b>Total for on-balance sheet exposures</b>	<b>1,096,700</b>	<b>1,096,700</b>	<b>167,593</b>	<b>-</b>	<b>167,593</b>	<b>13,408</b>	
	<i>Off-balance sheet exposures</i>							
	OTC derivatives	35,131	35,131	21,752	-	21,752	1,741	
	Off-balance sheet exposures other than OTC derivatives or credit derivatives	4,500	4,500	3,343	-	3,343	267	
	<b>Total for off-balance sheet exposures</b>	<b>39,631</b>	<b>39,631</b>	<b>25,095</b>	<b>-</b>	<b>25,095</b>	<b>2,008</b>	
	<b>Total on and off-balance sheet exposures</b>	<b>1,136,331</b>	<b>1,136,331</b>	<b>192,688</b>	<b>-</b>	<b>192,688</b>	<b>15,416</b>	
<b>2.0</b>	<b>Large exposures risk requirement</b>	-	-	-	-	-	-	
<b>3.0</b>	<b>Market risk (Standardized Approach)</b>	Long position	Short position	Net position				
	Benchmark rate risk	11,116	-	11,116	138,944	-	138,944	11,116
	Foreign currency risk	-	-	-	-	-	-	
	Equity risk	-	-	-	-	-	-	
	Commodity risk	-	-	-	-	-	-	
	Option risk	-	-	-	-	-	-	
	Inventory risk	-	-	-	-	-	-	
<b>4.0</b>	<b>Operational risk (Basic Indicator Approach)</b>				69,058	-	69,058	5,525
	<b>Total RWA</b>				<b>400,690</b>	<b>-</b>	<b>400,690</b>	<b>32,057</b>

The following table details the classes of RWA and the types of exposure of the Group and the Bank as at 31 December 2011:-

Item	Exposure class	Gross exposures		Net exposures	Risk Weighted Assets	Risk Weighted Assets absorbed by PSIA	Total Risk Weighted Assets after effects of PSIA	Minimum capital requirement at 8%
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>1.0</b>	<b>Credit risk (Standardized Approach)</b>							
	<i>On-balance sheet exposures</i>							
	Sovereigns/Central Banks	9,030,212	9,030,212	-	-	-	-	-
	Banks, Development Financial Institutions and MDBs	11,391,310	11,391,310	2,970,273	-	2,970,273	237,622	
	Corporates, insurance cos and securities firms	4,393,905	4,371,348	4,330,295	-	4,330,295	346,424	
	Regulatory retail	6,988,379	6,829,936	5,126,118	-	5,126,118	410,089	
	Residential mortgages	8,590,218	8,590,218	3,164,308	-	3,164,308	253,145	
	Higher risk assets	21,719	21,719	32,578	-	32,578	2,606	
	Other assets	537,019	537,019	304,500	-	304,500	24,360	
	Defaulted exposures	589,414	589,414	603,041	-	603,041	48,243	
	<b>Total for on-balance sheet exposures</b>	<b>41,542,176</b>	<b>41,361,176</b>	<b>16,531,114</b>	<b>-</b>	<b>16,531,114</b>	<b>1,322,489</b>	
	<i>Off-balance sheet exposures</i>							
	OTC derivatives	1,914,337	1,914,337	1,040,746	-	1,040,746	83,260	
	Off-balance sheet exposures other than OTC derivatives or credit derivatives	5,994,435	5,988,951	4,679,442	-	4,679,442	374,355	
	Defaulted exposures	18,445	18,445	21,528	-	21,528	1,722	
	<b>Total for off-balance sheet exposures</b>	<b>7,927,218</b>	<b>7,921,734</b>	<b>5,741,716</b>	<b>-</b>	<b>5,741,716</b>	<b>459,337</b>	
	<b>Total on and off-balance sheet exposures</b>	<b>49,469,393</b>	<b>49,282,910</b>	<b>22,272,830</b>	<b>-</b>	<b>22,272,830</b>	<b>1,781,826</b>	
<b>2.0</b>	<b>Large exposures risk requirement</b>	-	-	-	-	-	-	
<b>3.0</b>	<b>Market risk (Standardized Approach)</b>	Long position	Short position	Net position				
	Interest rate risk	317,676	(217,840)	99,836	1,590,904	-	1,590,904	127,272
	Foreign currency risk	170,564	(405,320)	(234,756)	405,320	-	405,320	32,426
	Equity risk	-	-	-	-	-	-	
	Commodity risk	-	-	-	-	-	-	
	Options risk	-	-	-	-	-	-	
	Inventory risk	23,630	(3,731)	19,900	23,416	-	23,416	1,873
<b>4.0</b>	<b>Operational risk (Basic Indicator Approach)</b>				3,525,964	-	3,525,964	282,077
	<b>Total RWA</b>				<b>27,818,434</b>	<b>-</b>	<b>27,818,434</b>	<b>2,225,474</b>

The following table details the classes of RWA and the types of exposure of the Islamic Banking Window as at 31 December 2011:-

Item	Exposure class	Gross exposures		Net exposures	Risk Weighted Assets	Risk Weighted Assets absorbed by PSIA	Total Risk Weighted Assets after effects of PSIA	Minimum capital requirement at 8%
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>1.0</b>	<b>Credit risk (Standardized Approach)</b>							
	<i>On-balance sheet exposures</i>							
	Sovereigns/Central Banks	502,232	502,232	-	-	-	-	-
	Corporates	842	842	842	-	842	67	
	Residential mortgages	443,796	443,796	165,277	-	165,277	13,222	
	Higher risk assets	58	58	88	-	88	7	
	Other assets	11,213	11,213	8,350	-	8,350	668	
	Defaulted exposures	5,843	5,843	5,843	-	5,843	467	
	<b>Total for on-balance sheet exposures</b>	963,984	963,984	180,400	-	180,400	14,432	
	<i>Off-balance sheet exposures</i>							
	OTC derivatives	28,721	28,721	15,344	-	15,344	1,228	
	Off-balance sheet exposures other than OTC derivatives or credit derivatives	4,447	4,447	3,305	-	3,305	264	
	Defaulted exposures	1	1	1	-	1	-	
	<b>Total for off-balance sheet exposures</b>	33,169	33,169	18,651	-	18,651	1,492	
	<b>Total on and off-balance sheet exposures</b>	997,153	997,153	199,050	-	199,050	15,924	
<b>2.0</b>	<b>Large exposures risk requirement</b>	-	-	-	-	-	-	
<b>3.0</b>	<b>Market risk (Standardized Approach)</b>	Long position	Short position	Net position				
	Benchmark rate risk	1,625	-	1,625	20,319	-	20,319	1,625
	Foreign currency risk	-	-	-	-	-	-	
	Equity risk	-	-	-	-	-	-	
	Commodity risk	-	-	-	-	-	-	
	Options risk	-	-	-	-	-	-	
	Inventory risk	-	-	-	-	-	-	
<b>4.0</b>	<b>Operational risk (Basic Indicator Approach)</b>				84,785	-	84,785	6,783
	<b>Total RWA</b>				304,154	-	304,154	24,332

### 3. Capital Structure

The following table details the capital structure of the Group and the Bank:

	June 2012 RM'000	Dec 2011 RM'000
<b>Tier 1 Capital</b>		
Paid up share capital	121,697	121,697
Share premium	380,303	380,303
Retained earnings	3,088,271	3,388,271
Other reserves	121,697	121,697
	3,711,968	4,011,968
less: Deferred tax assets	(3,040)	(3,259)
<b>Total Tier I Capital</b>	<b>3,708,928</b>	<b>4,008,709</b>
<b>Tier II capital</b>		
Collective assessment allowance for impaired loans and financing	270,372	253,786
<b>Total Tier II Capital</b>	<b>270,372</b>	<b>253,786</b>
<b>Total Eligible Tier 2 Capital</b>	270,372	253,786
less: Investment in subsidiaries	(20)	(20)
<b>Capital Base</b>	<b>3,979,280</b>	<b>4,262,475</b>

The following table details the capital structure of the Islamic Banking Window:

	June 2012 RM'000	Dec 2011 RM'000
<b>Tier 1 Capital</b>		
Fund allocated	20,000	20,000
Retained earnings	205,550	205,550
Other reserves	-	-
	225,550	225,550
less: Deferred Tax Assets	(1,236)	(419)
<b>Total Tier I Capital</b>	<b>224,314</b>	<b>225,131</b>
<b>Tier II Capital</b>		
Collective assessment allowance for impaired financing, advances and other loans	5,964	6,386
<b>Capital Base</b>	<b>230,278</b>	<b>231,517</b>

The capital structure of the Group and the Bank as disclosed above does not have any specific terms and conditions attached to them.



## 4. Credit Risk

### 4.1 Distribution of loans, advances and financing

The following information on loans, advances and financing are disclosed in Note 5 in the financial statement as at 30 June 2012:-

- 1) Geographical distribution
- 2) Sector
- 3) Residual contractual maturity

### 4.2 Past due loans, individual impairment provision, collective impairment provision, charges for individual impairment provision and write offs by sector

The following tables detail past due loans, individual impairment provision, collective impairment provision, charges for individual impairment provision and write offs by sector as at 30 June 2012:-

#### 4.2.1 Past due loans

The following table details past due loans by sector of the Group and the Bank as at 30 June 2012:

	RM'000
Primary agriculture	971
Mining and quarrying	83
Manufacturing	6,180
Electricity, gas, water	321
Construction	2,294
Wholesale, retail trade, restaurant and hotels	3,261
Transport, storage and communication	51
Finance, insurance, real estate, and business services	11,490
Education, health, household & others	1,341,267
<b>Total</b>	<b>1,365,918</b>

The following table details past due loans by sector of the Islamic Banking Window as at 30 June 2012:

	RM'000
Primary agriculture	-
Mining and quarrying	-
Manufacturing	-
Electricity, gas, water	-
Construction	-
Wholesale, retail trade, restaurant and hotels	-
Transport, storage and communication	-
Finance, insurance, real estate, and business services	-
Education, health, household & others	60,943
<b>Total</b>	<b>60,943</b>

#### 4.2.2 Individual impairment provision

The following table details individual impairment provision by sector of the Group and the Bank as at 30 June 2012:

	<b>RM'000</b>
Primary agriculture	6,790
Mining and quarrying	24
Manufacturing	28,918
Electricity, gas, water	-
Construction	13,426
Wholesale, retail trade, restaurant and hotels	15,982
Transport, storage and communication	653
Finance, insurance, real estate, and business services	8,013
Education, health, household & others	137,401
<b>Total</b>	<b>211,207</b>

The following table details individual impairment provision by sector of the Islamic Banking Window as at 30 June 2012:

	<b>RM'000</b>
Primary agriculture	-
Mining and quarrying	-
Manufacturing	-
Electricity, gas, water	-
Construction	-
Wholesale, retail trade, restaurant and hotels	-
Transport, storage and communication	-
Finance, insurance, real estate, and business services	-
Education, health, household & others	2,114
<b>Total</b>	<b>2,114</b>

#### 4.2.3 Collective impairment provision

The following table details collective impairment provision by sector of the Group and the Bank as at 30 June 2012:

	<b>RM'000</b>
Primary agriculture	279
Mining and quarrying	747
Manufacturing	11,944
Electricity, gas, water	378
Construction	98
Wholesale, retail trade, restaurant and hotels	3,190
Transport, storage and communication	4,877
Finance, insurance, real estate, and business services	13,564
Education, health, household & others	330,790
<b>Total</b>	<b>365,867</b>

The following table details collective impairment provision by sector of the Islamic Banking Window as at 30 June 2012:

	<b>RM'000</b>
Primary agriculture	-
Mining and quarrying	-
Manufacturing	-
Electricity, gas, water	-
Construction	-
Wholesale, retail trade, restaurant and hotels	-
Transport, storage and communication	-
Finance, insurance, real estate, and business services	-
Education, health, household & others	6,372
<b>Total</b>	<b>6,372</b>

#### 4.2.4 Charges for individual impairment provision

The following table details charges for individual impairment provision by sector of the Group and the Bank as at 30 June 2012:

	<b>RM'000</b>
Primary agriculture	-
Mining and quarrying	-
Manufacturing	510
Electricity, gas, water	-
Construction	-
Wholesale, retail trade, restaurant and hotels	-
Transport, storage and communication	-
Finance, insurance, real estate, and business services	-
Education, health, household & others	4,699
<b>Total</b>	<b>5,209</b>

The following table details charges for individual impairment provision by sector of the Islamic Banking Window as at 30 June 2012:

	<b>RM'000</b>
Primary agriculture	-
Mining and quarrying	-
Manufacturing	-
Electricity, gas, water	-
Construction	-
Wholesale, retail trade, restaurant and hotels	-
Transport, storage and communication	-
Finance, insurance, real estate, and business services	-
Education, health, household & others	4
<b>Total</b>	<b>4</b>

#### 4.2.5 Write offs

The following table details write offs by sector of the Group and the Bank as at 30 June 2012:

	<b>RM'000</b>
Primary agriculture	-
Mining and quarrying	1
Manufacturing	1,563
Electricity, gas, water	-
Construction	27
Wholesale, retail trade, restaurant and hotels	42
Transport, storage and communication	91
Finance, insurance, real estate, and business services	8
Education, health, household & others	913
<b>Total</b>	<b>2,645</b>

The following table details write offs by sector of the Islamic Banking Window as at 30 June 2012:

	<b>RM'000</b>
Primary agriculture	-
Mining and quarrying	-
Manufacturing	-
Electricity, gas, water	-
Construction	-
Wholesale, retail trade, restaurant and hotels	-
Transport, storage and communication	-
Finance, insurance, real estate, and business services	-
Education, health, household & others	7
<b>Total</b>	<b>7</b>

### 4.3 External Credit Assessment Institutions (ECAIs)

In terms of assessing counterparty credit risk, the Bank uses ratings by global agencies Fitch Ratings, Moody's Investor Services, and Standard & Poor's. The bank also uses ratings from local agencies Rating Agency Malaysia (RAM) Berhad and Malaysian Rating Corporation (MARC) Berhad.

The Bank uses a regional system called Asia Pacific Reveleus to calculate its risk weighted assets and this system receives its external ratings from a credit system that has a feed for external ratings from approved ECAIs. The mapping of external ratings to the respective counterparties and exposures is automated in the system.

The Bank uses issue-specific ratings for securities. In general, where no issue-specific rating exists, the credit rating assigned to the counterparty of a particular credit exposure is used. Where an exposure has neither an issue-specific rating nor counterparty rating, it is deemed as unrated.

When a counterparty or exposure is rated by more than one ECAI, the higher of the worst two ratings is used to determine the risk weight.

The alignment of the alphanumerical scale of each recognized ECAIs used by the Bank is detailed in the table below:

CREDIT QUALITY GRADES AND ELIGIBLE ECAIs								
Credit Quality Grade		1	2	3	4	5	6	Unrated
Reveleus CQG (Basel Credit Ratings)		AAA	A+	BBB+	BB+	B+	CCC+	Unrated
Rating Source	Rating Agencies	AAA	A+	BBB+	BB+	B+	CCC+	Unrated
Central	Fitch Ratings	AAA AA+ AA AA-	A+ A A-	BBB+ BBB BBB-	BB+ BB BB-	B+ B B-	CCC+ CCC CCC- CC C D	
Central	Moody's Investor Services	Aaa Aa1 Aa2 Aa3	A1 A2 A3	Baa1 Baa2 Baa3	Ba1 Ba2 Ba3	B1 B2 B3	Caa1 Caa2 Caa3 Ca C	
Central	Standard & Poor's	AAA AA+ AA AA-	A+ A A-	BBB+ BBB BBB-	BB+ BB BB-	B+ B B-	CCC+ CCC CCC- CC C D	
Local	Rating Agency Malaysia Berhad (RAM)	AAA Aa1 Aa2 Aa3	A1 A2 A3	BBB1 BBB2 BBB3	BB1 BB2 BB3	B1 B2 B3	C1 C2 C3 D	
Local	Malaysian Rating Corporation Berhad (MARC)	AAA AA+ AA AA-	A+ A A-	BBB+ BBB BBB-	BB+ BB BB-	B+ B B-	C D	

The following tables detail the Group's and the Bank's rated and unrated exposures according to ratings by ECAIs:-

#### 4.3.1 Ratings of Corporates by Approved ECAIs

June 2012  
Group and Bank

Exposure class	Ratings of corporate by approved ECAIs (amounts in RM'000)						
	Moodys	Aaa to Aa3	A1 to A3	Baa1 to Ba3	B1 to C	Unrated	Total
	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	B1 to C	Unrated	
	MARC	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated	
Public sector entities (applicable for entities risk weighted based on their external ratings as corporates)		-	-	-	-	-	
Insurance cos, securities firms and fund managers		152	106,594	-	-	19,226	125,972
Corporates		82,112	66,877	1,066	-	6,285,336	6,435,391

**June 2012  
Islamic Banking Window**

Exposure class	Ratings of corporate by approved ECAs (amounts in RM'000)						
	Moodys	Aaa to Aa3	A1 to A3	Baa1 to Ba3	B1 to C	Unrated	Total
	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	B1 to C	Unrated	
	MARC	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated	
Entities (applicable for entities risk weighted based on their external ratings as corporates)		-	-	-	-	-	-
Insurance cos, securities firms and fund managers		-	-	-	-	-	-
Corporates		-	-	-	-	551	551

**December 2011  
Group and Bank**

Exposure class	Ratings of corporate by approved ECAs (amounts in RM'000)						
	Moody's	Aaa to Aa3	A1 to A3	Baa1 to Ba3	B1 to C	Unrated	Total
	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	B1 to C	Unrated	
	MARC	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated	
Public sector entities (applicable for entities risk weighted based on their external ratings as corporates)		-	-	-	-	-	-
Firms and fund managers		4,262	12,369	-	-	26,370	43,001
Corporates		20,169	24,103	4,211	-	6,461,548	6,510,031



**December 2011  
Islamic Banking Window**

Exposure class	Ratings of corporate by approved ECAs (amounts in RM'000)						
	Moodys	Aaa to Aa3	A1 to A3	Baa1 to Ba3	B1 to C	Unrated	Total
	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	B1 to C	Unrated	
	MARC	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated	
Entities (applicable for entities risk weighted based on their external ratings as corporates)		-	-	-	-	-	-
Insurance cos, securities firms and fund managers		-	-	-	-	-	-
Corporates		-	-	-	-	874	874

**4.3.2 Short term ratings of banking institutions and corporates by approved ECAs**

This disclosure does not apply to the Group and the Bank as it uses long term ratings for all exposures.

### 4.3.3 Ratings of sovereigns and central banks by approved ECAIs

June 2012  
Group and Bank

Exposure class	Ratings of sovereigns/central banks by approved ECAIs (amounts in RM'000)							
	Moodys	Aaa to Aa3	A1 to A3	Baa1 to Ba3	Ba1 to B3	Caa1 to C	Unrated	Total
	S&P	AAA to AA-	A+ to A-	BBB+ to BB-	BB+ to B-	CCC+ to D	Unrated	
	Fitch	AAA to AA-	A+ to A-	BBB+ to BB-	BB+ to B-	CCC+ to D	Unrated	
Sovereigns/ Central banks		-	8,823,431	-	-	-	-	8,823,431

June 2012  
Islamic Banking Window

Exposure class	Ratings of sovereigns/central banks by approved ECAIs (amounts in RM'000)							
	Moodys	Aaa to Aa3	A1 to A3	Baa1 to Ba3	Ba1 to B3	Caa1 to C	Unrated	Total
	S&P	AAA to AA-	A+ to A-	BBB+ to BB-	BB+ to B-	CCC+ to D	Unrated	
	Fitch	AAA to AA-	A+ to A-	BBB+ to BB-	BB+ to B-	CCC+ to D	Unrated	
Sovereigns/ Central banks		-	661,081	-	-	-	-	661,081

**December 2011  
Group and Bank**

Exposure class	Ratings of sovereigns/central banks by approved ECAIs (amounts in RM'000)							
	Moodys	Aaa to Aa3	A1 to A3	Baa1 to Ba3	Ba1 to B3	Caa1 to C	Unrated	Total
	S&P	AAA to AA-	A+ to A-	BBB+ to BB-	BB+ to B-	CCC+ to D	Unrated	
	Fitch	AAA to AA-	A+ to A-	BBB+ to BB-	BB+ to B-	CCC+ to D	Unrated	
Sovereigns/ Central banks		-	9,050,336	-	-	-	-	9,050,336

**December 2011  
Islamic Banking Window**

Exposure class	Ratings of sovereigns/central banks by approved ECAIs (amounts in RM'000)							
	Moodys	Aaa to Aa3	A1 to A3	Baa1 to Ba3	Ba1 to B3	Caa1 to C	Unrated	Total
	S&P	AAA to AA-	A+ to A-	BBB+ to BB-	BB+ to B-	CCC+ to D	Unrated	
	Fitch	AAA to AA-	A+ to A-	BBB+ to BB-	BB+ to B-	CCC+ to D	Unrated	
Sovereigns/ Central banks		-	502,232	-	-	-	-	502,232

#### 4.3.4 Ratings of banking institutions by approved ECAIs

June 2012  
Group and Bank

Exposure class	Ratings of banks, Development Financial Institutions and MDBs by approved ECAIs (amounts in RM'000)							Total
	Moodys	Aaa to Aa3	A1 to A3	Baa1 to Ba3	Ba1 to B3	Caa1 to C	Unrated	
	S&P	AAA to AA-	A+ to A-	BBB+ to BB-	BB+ to B-	CCC+ to D	Unrated	
	Fitch	AAA to AA-	A+ to A-	BBB+ to BB-	BB+ to B-	CCC+ to D	Unrated	
	RAM	AAA to AA3	A to A3	BBB1 to BB3	BB1 to B3	C1 to D	Unrated	
MARC	AAA to AA-	A+ to A-	BBB+ to BB-	BB+ to B-	C+ to D	Unrated		
Banks, Development Financial Institutions and MDBs		1,205,681	8,186,573	73,572	84	-	1,079,789	10,545,699

June 2012  
Islamic Banking Window

Exposure class	Ratings of banks, Development Financial Institutions and MDBs by approved ECAIs (amounts in RM'000)							Total
	Moodys	Aaa to Aa3	A1 to A3	Baa1 to Ba3	Ba1 to B3	Caa1 to C	Unrated	
	S&P	AAA to AA-	A+ to A-	BBB+ to BB-	BB+ to B-	CCC+ to D	Unrated	
	Fitch	AAA to AA-	A+ to A-	BBB+ to BB-	BB+ to B-	CCC+ to D	Unrated	
	RAM	AAA to AA3	A to A3	BBB1 to BB3	BB1 to B3	C1 to D	Unrated	
MARC	AAA to AA-	A+ to A-	BBB+ to BB-	BB+ to B-	C+ to D	Unrated		
Banks, Development Financial Institutions and MDBs		-	23,122	22,250	-	-	-	45,372

**December 2011  
Group and Bank**

Exposure class	Ratings of banks, Development Financial Institutions and MDBs by approved ECAIs (amounts in RM'000)							Total
	Moodys	Aaa to Aa3	A1 to A3	Baa1 to Ba3	Ba1 to B3	Caa1 to C	Unrated	
	S&P	AAA to AA-	A+ to A-	BBB+ to BB-	BB+ to B-	CCC+ to D	Unrated	
	Fitch	AAA to AA-	A+ to A-	BBB+ to BB-	BB+ to B-	CCC+ to D	Unrated	
	RAM	AAA to AA3	A to A3	BBB1 to BB3	BB1 to B3	C1 to D	Unrated	
	MARC	AAA to AA-	A+ to A-	BBB+ to BB-	BB+ to B-	C+ to D	Unrated	
Banks, Development Financial Institutions and MDBs		1,117,837	11,192,600	270,715	632	-	666,160	13,247,944

**December 2011  
Islamic Banking Window**

Exposure class	Ratings of banks, Development Financial Institutions and MDBs by approved ECAIs (amounts in RM'000)							Total
	Moodys	Aaa to Aa3	A1 to A3	Baa1 to Ba3	Ba1 to B3	Caa1 to C	Unrated	
	S&P	AAA to AA-	A+ to A-	BBB+ to BB-	BB+ to B-	CCC+ to D	Unrated	
	Fitch	AAA to AA-	A+ to A-	BBB+ to BB-	BB+ to B-	CCC+ to D	Unrated	
	RAM	AAA to AA3	A to A3	BBB1 to BB3	BB1 to B3	C1 to D	Unrated	
	MARC	AAA to AA-	A+ to A-	BBB+ to BB-	BB+ to B-	C+ to D	Unrated	
Banks, Development Financial Institutions and MDBs		-	16,721	12,000	-	-	-	28,721

#### **4.4 Credit risk mitigation**

As at 30 June 2012, the Group's and the Bank's gross credit exposure is RM 46,919 mil, of which RM 391 mil was offset by CRM in the retail portfolio. After applying required risk weights, the Group's and the Bank's credit RWA is RM 21,405 mil. Given the immateriality of CRM, which is less than 1% of total credit exposure, asset class breakdowns are not provided and for the same reason, there is no CRM risk concentration exposure to the Group and the Bank.

The following table details the total exposure amounts of the Group and the Bank after credit risk mitigation as at 30 June 2012:

Risk weights	Exposures after netting and Credit Risk Mitigation												Total exposures after netting & Credit Risk Mitigation	Total Risk Weighted Assets
	Sovereigns & central banks	PSEs	Banks, MDBs and FDIs	Insurance cos, securities firms & fund managers	Corporates	Regulatory retail	Residential mortgages	Higher risk assets	Other assets	Specialised financing/ investment	Securitisation	Equity		
	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	RM'000
0%	8,820,614	-	-	-	-	-	-	-	711,617	-	-	-	9,532,231	-
10%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20%	2,817	-	7,744,349	152	89,827	-	-	-	1,333	-	-	-	7,838,478	1,567,696
35%	-	-	-	-	-	-	7,613,848	-	-	-	-	-	7,613,848	2,664,848
50%	-	-	2,737,748	106,594	215,656	-	722,630	-	-	-	-	-	3,782,628	1,891,314
75%	-	-	-	-	-	10,418,297	477,963	-	-	-	-	-	10,896,260	8,172,195
90%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
100%	-	-	63,602	19,226	6,127,650	99,648	450,357	-	256,625	-	-	-	7,017,108	7,017,108
110%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
125%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
135%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
150%	-	-	-	-	2,258	18,316	4,986	35,685	-	-	-	-	61,245	91,867
270%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
350%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
400%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
625%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
937.5%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1250.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total exposures	8,823,431	-	10,545,699	125,972	6,435,391	10,536,261	9,269,784	35,685	969,575	-	-	-	46,741,798	21,405,028
Risk-Weighted Assets by exposures	564	-	2,981,345	72,554	6,256,831	7,940,845	3,842,470	53,527	256,892	-	-	-		21,405,028
Average risk weight	0%	0%	28%	58%	97%	75%	41%	150%	26%	0%	0%	0%	46%	
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	-	-	-	-	

The following table details the total exposure amounts of the Islamic Banking Window after credit risk mitigation as at 30 June 2012:

Risk weights	Exposures after netting and Credit Risk Mitigation												Total Exposures after netting & Credit Risk Mitigation	Total Risk Weighted Assets
	Sovereigns & central banks	PSEs	Banks, MDBs and FDIs	Insurance cos, securities firms & fund managers	Corporates	Regulatory retail	Residential mortgages	Higher risk assets	Other assets	Specialised financing/ investment	Securitisation	Equity		
	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	RM'000
0%	661,081	-	-	-	-	-	-	-	4,107	-	-	-	665,188	-
10%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20%	-	-	23,122	-	-	-	-	-	-	-	-	-	23,122	4,625
35%	-	-	-	-	-	-	365,830	-	-	-	-	-	365,830	128,041
50%	-	-	-	-	-	-	42,141	-	-	-	-	-	42,141	21,070
75%	-	-	-	-	-	-	4,391	-	-	-	-	-	4,391	3,293
90%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
100%	-	-	22,250	-	551	-	5,697	-	7,161	-	-	-	35,659	35,659
110%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
125%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
135%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
150%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
270%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
350%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
400%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
625%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
937.5%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1250.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total exposures	661,081	-	45,372	-	551	-	418,059	-	11,268	-	-	-	1,136,331	192,688
Risk-Weighted Assets by exposures	-	-	26,875	-	551	-	158,101	-	7,161	-	-	-	-	192,688
Average risk weight	0%	0%	59%	0%	100%	0%	38%	0%	64%	0%	0%	0%	17%	
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	-	-	-	-	



The following table details the total exposure amounts of the Group and the Bank after credit risk mitigation as at 31 December 2011:

Risk weights	Exposures after netting and Credit Risk Mitigation												Total Exposures after netting & Credit Risk Mitigation	Total Risk Weighted Assets
	Sovereigns & central banks	PSEs	Banks, MDBs and FDIs	Insurance cos, securities firms & fund managers	Corporates	Regulatory retail	Residential mortgages	Higher risk assets	Other assets	Specialised financing/ investment	Securitisation	Equity		
	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	RM'000
0%	9,050,336	-	-	-	-	-	-	-	231,446	-	-	-	9,281,782	-
10%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20%	-	-	9,834,138	4,262	26,790	-	-	-	1,340	-	-	-	9,866,530	1,973,306
35%	-	-	-	-	-	-	7,720,334	-	-	-	-	-	7,720,334	2,702,117
50%	-	-	3,335,705	12,369	189,956	-	811,519	-	-	-	-	-	4,349,548	2,174,774
75%	-	-	-	-	-	10,383,747	322,184	-	-	-	-	-	10,705,931	8,029,448
90%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
100%	-	-	78,101	26,370	6,291,093	106,273	483,914	-	304,232	-	-	-	7,289,982	7,289,982
110%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
125%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
135%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
150%	-	-	-	-	2,193	18,361	5,819	42,428	-	-	-	-	68,801	103,202
270%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
350%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
400%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
625%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
937.5%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1250.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total exposures	9,050,336	-	13,247,944	43,001	6,510,031	10,508,381	9,343,770	42,428	537,019	-	-	-	49,282,910	22,272,830
Risk-Weighted Assets by exposures	-	-	3,712,781	33,407	6,394,718	7,921,625	3,842,157	63,641	304,500	-	-	-	-	22,272,830
Average risk weight	0%	0%	28%	78%	98%	75%	41%	150%	57%	0%	0%	0%	45%	
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	-	-	-	-	

The following table details the total exposure amounts of the Islamic Banking Window after credit risk mitigation as at 31 December 2011:

Risk weights	Exposures after netting and Credit Risk Mitigation												Total Exposures after netting & Credit Risk Mitigation	Total Risk Weighted Assets
	Sovereigns & central banks	PSEs	Banks, MDBs and FDIs	Insurance cos, securities firms & fund managers	Corporates	Regulatory retail	Residential mortgages	Higher risk assets	Other assets	Specialised financing/ investment	Securitisation	Equity		
	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	RM'000
0%	502,232	-	-	-	-	-	-	-	2,863	-	-	-	505,095	-
10%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20%	-	-	16,721	-	-	-	-	-	-	-	-	-	16,721	3,344
35%	-	-	-	-	-	-	377,760	-	-	-	-	-	377,760	132,216
50%	-	-	-	-	-	-	66,014	-	-	-	-	-	66,014	33,007
75%	-	-	-	-	-	-	4,437	-	-	-	-	-	4,437	3,328
90%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
100%	-	-	12,000	-	874	-	5,844	-	8,350	-	-	-	27,068	27,068
110%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
125%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
135%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
150%	-	-	-	-	-	-	-	58	-	-	-	-	58	88
270%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
350%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
400%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
625%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
937.5%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1250.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total exposures	502,232	-	28,721	-	874	-	454,056	58	11,213	-	-	-	997,153	199,050
Risk-Weighted Assets by exposures	-	-	15,344	-	874	-	174,395	88	8,350	-	-	-	-	199,050
Average risk weight	0%	0%	53%	0%	100%	0%	38%	150%	74%	0%	0%	0%	20%	
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	-	-	-	-	

The following table details the total exposure which is covered by eligible guarantees and financial collaterals of the Group and the Bank as at 30 June 2012:

Exposure class	Exposures before CRM	Exposures covered by guarantees/credit derivatives	Exposures covered by eligible financial collateral	Exposures covered by other eligible collateral
	RM'000	RM'000	RM'000	RM'000
<b>Credit risk</b>				
<i>On-balance sheet exposures</i>				
Sovereigns/Central banks	8,814,805	-	-	-
Banks, Development Financial Institutions and MDBs	8,432,458	-	-	-
Corporates, insurance cos and securities firms	4,030,710	27,946	18,778	-
Regulatory retail	6,968,138	-	195,744	-
Residential mortgages	8,428,766	-	-	-
Higher risk assets	17,608	-	-	-
Other assets	969,575	-	-	-
Defaulted exposures	548,420	-	-	-
Total for on-balance sheet exposures	38,210,480	27,946	214,522	-
<i>Off-balance sheet exposures</i>				
OTC derivatives	2,317,658	16,146	-	-
Off-balance sheet exposures other than OTC derivatives or credit derivatives	6,374,181	129,703	2,885	-
Defaulted exposures	16,792	-	-	-
Total for off-balance sheet exposures	8,708,631	145,849	2,885	-
Total on and off-balance sheet exposures	46,919,111	173,795	217,407	-

The following table details the total exposure which is covered by eligible guarantees and financial collaterals of the Islamic Banking Window as at 30 June 2012:

Exposure class	Exposures before CRM	Exposures covered by guarantees /credit derivatives	Exposures covered by eligible financial collateral	Exposures covered by other eligible collateral
<b>Credit risk</b>				
<i>On-balance sheet exposures</i>				
Sovereigns/Central banks	661,081	-	-	-
Corporates	439	-	-	-
Residential mortgages	418,224	-	-	-
Other assets	11,259	-	-	-
Defaulted exposures	5,697	-	-	-
Total for on-balance sheet exposures	1,096,700	-	-	-
<i>Off-balance sheet exposures</i>				
OTC derivatives	35,131	-	-	-
Off-balance sheet exposures other than OTC derivatives or credit derivatives	4,500	-	-	-
Total for off-balance sheet exposures	39,631	-	-	-
Total on and off-balance sheet exposures	1,136,331	-	-	-

The following table details the total exposure which is covered by eligible guarantees and financial collaterals for the Group and the Bank as at 31 December 2011:

Exposure class	Exposures before CRM	Exposures covered by guarantees/credit derivatives	Exposures covered by eligible financial collateral	Exposures covered by other eligible collateral
	RM'000	RM'000	RM'000	RM'000
<b>Credit risk</b>				
<i>On-balance sheet exposures</i>				
Sovereigns/Central banks	9,030,212	-	-	-
Banks, Development Financial Institutions and MDBs	11,391,310	-	-	-
Corporates, insurance cos and securities firms	4,393,905	52,608	22,557	-
Regulatory retail	6,988,379	-	199,007	-
Residential mortgages	8,590,218	-	-	-
Higher risk assets	21,719	-	-	-
Other assets	537,019	-	-	-
Defaulted exposures	589,414	-	-	-
Total for on-balance sheet exposures	41,542,176	52,608	221,565	-
<i>Off-balance sheet exposures</i>				
OTC derivatives	1,914,337	23,812	-	-
Off-balance sheet exposures other than OTC derivatives or credit derivatives	5,994,435	96,322	5,484	-
Defaulted exposures	18,445	-	-	-
Total for off-balance sheet exposures	7,927,218	120,134	5,484	-
Total on and off-balance sheet exposures	49,469,393	172,742	227,049	-

The following table details the total exposure which is covered by eligible guarantees and financial collaterals for the Islamic Banking Window as at 31 December 2011:

Exposure class	Exposures before CRM	Exposures covered by guarantees /credit derivatives	Exposures covered by eligible financial collateral	Exposures covered by other eligible collateral
<b>Credit risk</b>				
<i>On-balance sheet exposures</i>				
Sovereigns/Central banks	502,232	-	-	-
Corporates	842	-	-	-
Residential mortgages	443,796	-	-	-
Higher risk assets	58	-	-	-
Other assets	11,213	-	-	-
Defaulted exposures	5,843	-	-	-
Total for on-balance sheet exposures	963,984	-	-	-
<i>Off-balance sheet exposures</i>				
OTC derivatives	28,721	-	-	-
Off balance sheet exposures other than OTC derivatives or credit derivatives	4,447	-	-	-
Defaulted exposures	1	-	-	-
Total for off-balance sheet exposures	33,169	-	-	-
Total on and off-balance sheet exposures	997,153	-	-	-

#### 4.5 Off-balance sheet exposures and Counterparty Credit Risk (CCR)

The following table details the Group and Bank's off-balance sheet exposures and risk weighted assets as at 30 June 2012:

Item	Description	Principal amount	Positive fair value of derivative contracts	Credit equivalent amount	Risk Weighted Assets
(1)	<b>Direct credit substitutes</b>	1,800,687		1,800,687	1,568,231
(2)	<b>Transaction related contingent Items</b>	441,108		220,554	168,584
(3)	<b>Short term self liquidating trade related contingencies</b>	322,834		64,566	60,886
(4)	<b>Assets sold with recourse</b>	-		-	-
(5)	<b>Forward asset purchases</b>	97,624		97,624	48,812
(6)	<b>Obligations under an on-going underwriting agreement</b>	-		-	-
(7)	<b>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.</b>	-		-	-
(8)	<b>Foreign exchange related contracts</b>				
	One year or less	32,982,217	307,774	964,893	541,404
	Over one year to five years	4,551,523	131,944	513,529	298,308
	Over five years	91,650	3,824	17,571	17,571
(9)	<b>Interest/Profit rate related contracts</b>				
	One year or less	7,712,877	24,282	147,796	33,860
	Over one year to five years	13,009,458	164,183	424,459	148,826
	Over five years	2,015,377	85,270	207,039	93,580
(10)	<b>Equity related contracts</b>				
	One year or less	118,945	-	9,630	4,096
	Over one year to five years	135,487	7,719	16,064	8,328
	Over five years	-	-	-	-
(11)	<b>Gold and other precious metal contracts</b>				
	One year or less	-	-	-	-
	Over one year to five years	-	-	-	-
	Over five years	-	-	-	-
(12)	<b>Other commodity contracts</b>				
	One year or less	74,595	-	7,460	12,236
	Over one year to five years	63,457	1,602	9,217	10,222
	Over five years	-	-	-	-
(13)	<b>Credit derivative contracts</b>				
	One year or less	-	-	-	-
	Over one year to five years	-	-	-	-
	Over five years	-	-	-	-
(14)	<b>OTC derivative transactions and credit derivative contracts subject to valid bilateral netting agreements</b>	-	-	-	-
(15)	<b>Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year</b>	862,137		431,068	327,185
(16)	<b>Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year</b>	788,353		157,671	157,671
(17)	<b>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</b>	5,536,590		-	-
(18)	<b>Unutilised credit card lines</b>	18,094,013		3,618,803	2,716,655
(19)	<b>Off-balance sheet items for securitisation exposures</b>	-		-	-
(20)	<b>Off-balance sheet exposures due to early amortisation provisions</b>	-		-	-
	<b>Total</b>	<b>88,698,932</b>	<b>726,598</b>	<b>8,708,631</b>	<b>6,216,455</b>

The following table details the Islamic Banking Window's off-balance sheet exposures and risk weighted assets as at 30 June 2012:

Item	Description	Principal amount	Positive fair value of derivative contracts	Credit equivalent amount	Risk Weighted Assets
(1)	<b>Direct credit substitutes</b>	-	-	-	-
(2)	<b>Transaction related contingent Items</b>	-	-	-	-
(3)	<b>Short term self liquidating trade related contingencies</b>	-	-	-	-
(4)	<b>Assets sold with recourse</b>	-	-	-	-
(5)	<b>Forward asset purchases</b>	-	-	-	-
(6)	<b>Obligations under an on-going underwriting agreement</b>	-	-	-	-
(7)	<b>Commitment to buy back Islamic securities under sales and buy back agreement transactions</b>	-	-	-	-
(8)	<b>Foreign exchange related contracts</b>				
	One year or less	-	-	-	-
	Over one year to five years	-	-	-	-
	Over five years	-	-	-	-
(9)	<b>Benchmark rate related contracts</b>				
	One year or less	100,000	-	250	175
	Over one year to five years	450,000	760	16,760	10,752
	Over five years	300,000	122	18,121	10,824
(10)	<b>Equity related contracts</b>				
	One year or less	-	-	-	-
	Over one year to five years	-	-	-	-
	Over five years	-	-	-	-
(11)	<b>Gold and other precious metal contracts</b>				
	One year or less	-	-	-	-
	Over one year to five years	-	-	-	-
	Over five years	-	-	-	-
(12)	<b>Other commodity contracts</b>				
	One year or less	-	-	-	-
	Over one year to five years	-	-	-	-
	Over five years	-	-	-	-
(13)	<b>OTC derivative transactions and credit derivative contracts subject to valid bilateral netting agreements</b>	-	-	-	-
(14)	<b>Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year</b>	8,999	-	4,500	3,344
(15)	<b>Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year</b>	-	-	-	-
(16)	<b>Any commitments that are unconditionally cancelled at any time by the cancellation due to deterioration in a borrower's creditworthiness</b>	-	-	-	-
(17)	<b>Unutilised credit card lines</b>	-	-	-	-
(18)	<b>Off-balance sheet items for securitisation exposures</b>	-	-	-	-
	<b>Total</b>	858,999	882	39,631	25,095

The following table details the Group and Bank's off-balance sheet exposures and risk weighted assets as at 31 December 2011:

Item	Description	Principal amount	Positive fair value of derivative contracts	Credit equivalent amount	Risk Weighted Assets
(1)	<b>Direct credit substitutes</b>	1,707,320		1,707,320	1,410,933
(2)	<b>Transaction related contingent Items</b>	399,731		199,865	158,071
(3)	<b>Short term self liquidating trade related contingencies</b>	148,283		29,657	22,854
(4)	<b>Assets sold with recourse</b>	-		-	-
(5)	<b>Forward asset purchases</b>	12,220		12,220	6,110
(6)	<b>Obligations under an on-going underwriting agreement</b>	-		-	-
(7)	<b>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.</b>	-		-	-
(8)	<b>Foreign exchange related contracts</b>				
	One year or less	24,279,480	297,746	568,900	387,454
	Over one year to five years	4,180,829	202,986	532,616	322,054
	Over five years	91,650	3,275	18,855	18,855
(9)	<b>Interest/Profit rate related contracts</b>				
	One year or less	6,343,210	10,712	18,265	7,496
	Over one year to five years	14,940,969	183,777	474,983	158,715
	Over five years	2,342,535	103,713	248,393	110,993
(10)	<b>Equity related contracts</b>				
	One year or less	54,639	1,299	4,577	1,648
	Over one year to five years	123,596	6,594	16,482	8,593
	Over five years	-	-	-	-
(11)	<b>Gold and other precious metal contracts</b>				
	One year or less	-	-	-	-
	Over one year to five years	-	-	-	-
	Over five years	-	-	-	-
(12)	<b>Other commodity contracts</b>				
	One year or less	-	3,687	3,687	1,843
	Over one year to five years	210,358	2,336	27,579	23,095
	Over five years	-	-	-	-
(13)	<b>Credit derivative contracts</b>				
	One year or less	-	-	-	-
	Over one year to five years	-	-	-	-
	Over five years	-	-	-	-
(14)	<b>OTC derivative transactions and credit derivative contracts subject to valid bilateral netting agreements</b>	-	-	-	-
(15)	<b>Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year</b>	598,618		299,309	227,000
(16)	<b>Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year</b>	990,462		198,092	198,092
(17)	<b>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</b>	5,376,095		-	-
(18)	<b>Unutilised credit card lines</b>	17,832,083		3,566,418	2,677,910
(19)	<b>Off-balance sheet items for securitisation exposures</b>	-		-	-
(20)	<b>Off-balance sheet exposures due to early amortisation provisions</b>	-		-	-
	<b>Total</b>	<b>78,632,078</b>	<b>816,124</b>	<b>7,927,218</b>	<b>5,741,716</b>

The following table details the Islamic Banking Window's off-balance sheet exposures and risk weighted assets as at 31 December 2011:

Item	Description	Principal amount	Positive fair value of derivative contracts	Credit equivalent amount	Risk Weighted Assets
(1)	Direct credit substitutes	-	-	-	-
(2)	Transaction related contingent Items	-	-	-	-
(3)	Short term self liquidating trade related contingencies	-	-	-	-
(4)	Assets sold with recourse	-	-	-	-
(5)	Forward asset purchases	-	-	-	-
(6)	Obligations under an on-going underwriting agreement	-	-	-	-
(7)	Commitment to buy back Islamic securities under sales and buy back agreement transactions	-	-	-	-
(8)	Foreign exchange related contracts				
	One year or less	-	-	-	-
	Over one year to five years	-	-	-	-
	Over five years	-	-	-	-
(9)	Benchmark rate related contracts				
	One year or less	-	-	-	-
	Over one year to five years	350,000	-	9,000	4,200
	Over five years	300,000	1,721	19,721	11,144
(10)	Equity related contracts				
	One year or less	-	-	-	-
	Over one year to five years	-	-	-	-
	Over five years	-	-	-	-
(11)	Gold and other precious metal contracts				
	One year or less	-	-	-	-
	Over one year to five years	-	-	-	-
	Over five years	-	-	-	-
(12)	Other commodity contracts				
	One year or less	-	-	-	-
	Over one year to five years	-	-	-	-
	Over five years	-	-	-	-
(13)	OTC derivative transactions and credit derivative contracts subject to valid bilateral netting agreements	-	-	-	-
(14)	Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	8,834	-	4,417	3,275
(15)	Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	158	-	32	32
(16)	Any commitments that are unconditionally cancelled at any time by the cancellation due to deterioration in a borrower's creditworthiness	-	-	-	-
(17)	Unutilised credit card lines	-	-	-	-
(18)	Off-balance sheet items for securitisation exposures	-	-	-	-
	<b>Total</b>	658,992	1,721	33,169	18,651

## 5. Securitisation

At present, the Group and the Bank does not have any exposures to securitization transactions. Hence, this disclosure is not applicable.



## 6. Equities

This disclosure is not applicable as the Group and the Bank does not have any exposures to equities.

## 7. Interest Rate Risk/Rate of Return Risk in the Banking Book (IRR/RORBB)

Interest rate exposure at each major currency level for the banking book is as below:

Currency	Impact on Positions as at 30 June 2012	
	+100bps Up Move (RM'000)	
	Increase/(Decline) in Earnings	Increase/(Decline) in Economic Value
MYR	(60,058)	(60,058)
SGD	(19)	(19)
USD	(2,616)	(2,616)
GBP	-	-
JPY	(40)	(40)
CAD	-	-
AUD	-	-
NZD	-	-
EUR	+8	+8

Currency	Impact on Positions as at 31 Dec 2011	
	+100bps Up Move (RM'000)	
	Increase/(Decline) in Earnings	Increase/(Decline) in Economic Value
MYR	(73,681)	(73,681)
SGD	(11)	(11)
USD	+6,210	+6,210
GBP	(13)	(13)
JPY	(33)	(33)
CAD	-	-
AUD	+56	+56
NZD	-	-
EUR	(16)	(16)