

Deutsche Bank (Malaysia) Berhad
(Company No. 312552-W)
(Incorporated in Malaysia)
and its subsidiaries

Basel II Pillar 3 Report
for the Financial Period ended 30 June 2018

Domiciled in Malaysia
Registered office:
Level 18, Menara IMC No. 8 Jalan Sultan Ismail 50250 Kuala Lumpur



1. Regulatory capital requirement

Disclosure on capital adequacy under the Standardised approach

Group and Bank
30 June 2018

RISK TYPE	Gross Exposures	Net Exposures	Risk-Weighted Assets	Minimum Capital Requirement at 8% *
Credit Risk	RM'000	RM'000	RM'000	RM'000
<u>On-Balance Sheet Exposures</u>				
Sovereigns/Central Banks #	3,825,322	3,825,322	-	-
Public Sector Entities	-	-	-	-
Banks, Development Financial Institutions and Multilateral Development Banks	2,562,859	2,562,859	978,466	78,277
Insurance Companies, Securities Firms and Fund Managers	-	-	-	-
Corporates	1,532,974	1,532,974	1,530,147	122,412
Regulatory Retail	-	-	-	-
Residential Mortgages	10,356	10,356	3,625	290
Higher Risk Assets	-	-	-	-
Other Assets	481,402	481,402	480,047	38,404
Equity Exposure	1,631	1,631	1,861	149
Defaulted Exposures	1,264	1,264	1,264	101
Total On-Balance Sheet Exposures	8,415,808	8,415,808	2,995,410	239,633
<u>Off-Balance Sheet Exposures</u>				
OTC Derivatives	2,107,413	1,797,815	922,635	73,811
Credit Derivatives	-	-	-	-
Direct Credit Substitutes	-	-	-	-
Transaction related contingent Items	391,720	390,765	366,585	29,327
Short Term Self Liquidating trade related contingencies	18,414	18,414	14,743	1,179
Other commitments, such as formal standby facilities and credit lines	1,058,771	1,058,771	1,058,771	84,702
Defaulted Exposures	-	-	-	-
Total for Off-Balance Sheet Exposures	3,576,318	3,265,765	2,362,734	189,019
Total On and Off- Balance Sheet Exposures	11,992,126	11,681,573	5,358,144	428,652
Large Exposures Risk Requirements	-	-	-	-
Market Risk (Standardised approach)	Long Position	Short Position		
Interest Rate Risk	114,739,113	112,373,829	2,084,883	166,791
Foreign Currency Risk	289,324	23,088	289,328	23,146
Options	9,945	-	860,550	68,844
			3,234,761	258,781
Operational Risk			727,226	58,178
Total RWA and capital requirements			9,320,131	745,611

* The minimum regulatory capital requirement before including capital conservation buffer and countercyclical capital buffer.

Under Risk Weighted Capital Adequacy Framework (RWCAF), exposures to the Federal Government of Malaysia, Bank Negara Malaysia, overseas federal governments and central banks of their respective jurisdictions are accorded a preferential sovereign risk weight of 0%.

1. Regulatory capital requirement (continued)

Disclosure on capital adequacy under the Standardised approach (continued)

Group and Bank
31 Dec 2017

RISK TYPE	Gross Exposures	Net Exposures	Risk-Weighted Assets	Minimum Capital Requirement at 8% *
Credit Risk	RM'000	RM'000	RM'000	RM'000
<u>On-Balance Sheet Exposures</u>				
Sovereigns/Central Banks #	3,262,212	3,193,170	-	-
Public Sector Entities	-	-	-	-
Banks, Development Financial Institutions and Multilateral Development Banks	1,837,094	1,837,094	799,184	63,935
Insurance Companies, Securities Firms and Fund Managers	-	-	-	-
Corporates	1,465,467	1,465,467	1,464,947	117,196
Regulatory Retail	-	-	-	-
Residential Mortgages	13,037	13,037	4,563	365
Higher Risk Assets	-	-	-	-
Other Assets	366,864	366,864	365,869	29,270
Equity Exposure	1,631	1,631	1,861	149
Defaulted Exposures	1,969	1,969	1,969	158
Total On-Balance Sheet Exposures	6,948,274	6,879,232	2,638,393	211,073
<u>Off-Balance Sheet Exposures</u>				
OTC Derivatives	2,056,133	1,543,391	795,627	63,648
Credit Derivatives	1,659	1,659	459	37
Direct Credit Substitutes	-	-	-	-
Transaction related contingent Items	394,592	393,551	366,594	29,328
Short Term Self Liquidating trade related contingencies	15,418	15,418	8,697	696
Other commitments, such as formal standby facilities and credit lines	898,815	898,815	887,455	70,996
Defaulted Exposures	-	-	-	-
Total for Off-Balance Sheet Exposures	3,366,617	2,852,834	2,058,832	164,705
Total On and Off- Balance Sheet Exposures	10,314,891	9,732,066	4,697,225	375,778
Large Exposures Risk Requirements	-	-	-	-
Market Risk (Standardised approach)	Long Position	Short Position		
Interest Rate Risk	111,865,038	110,799,993	1,468,990	117,519
Foreign Currency Risk	314,642	998,340	1,000,027	80,002
Options	-	261	480,939	38,475
			2,949,956	235,996
Operational Risk			687,157	54,973
Total RWA and capital requirements			8,334,338	666,747

* The minimum regulatory capital requirement before including capital conservation buffer and countercyclical capital buffer.

Under Risk Weighted Capital Adequacy Framework (RWCAF), exposures to the Federal Government of Malaysia, Bank Negara Malaysia, overseas federal governments and central banks of their respective jurisdictions are accorded a preferential sovereign risk weight of 0%.

2. Credit Risk

2.1 Geographic distribution of credit exposures, broken down in significant areas by major types of gross credit exposures

Group and Bank
30 June 2018

Credit Exposure Category	Geography						30-Jun-18
	America RM'000	Europe RM'000	India RM'000	Malaysia RM'000	Singapore RM'000	Others RM'000	Total RM'000
Sovereigns/Central Banks	-	-	-	3,886,054	-	-	3,886,054
Banks, DFIs & MDBs	24,755	802,914	221,867	2,776,425	185,965	59,179	4,071,105
Public Sector Entities	-	-	-	-	-	-	-
Insurance Companies, Securities Firms and Fund Managers	-	-	-	18,617	-	-	18,617
Corporates	-	145,466	-	3,374,655	1,576	-	3,521,697
Regulatory Retails	-	-	-	-	-	-	-
Residential Mortgages	-	-	-	10,356	-	-	10,356
Other Asset	-	-	-	481,402	-	-	481,402
Equity Exposure	-	-	-	1,631	-	-	1,631
Defaulted Exposures	-	-	-	1,264	-	-	1,264
Grand Total	24,755	948,380	221,867	10,550,404	187,541	59,179	11,992,126

Group and Bank
31 Dec 2017

Credit Exposure Category	Geography						31-Dec-17
	America RM'000	Europe RM'000	India RM'000	Malaysia RM'000	Singapore RM'000	Others RM'000	Total RM'000
Sovereigns/Central Banks	-	-	-	3,269,733	-	-	3,269,733
Banks, DFIs & MDBs	29,093	607,212	351,720	2,133,469	243,826	87,937	3,453,257
Public Sector Entities	-	-	-	-	-	-	-
Insurance Companies, Securities Firms and Fund Managers	-	-	-	12,268	-	-	12,268
Corporates	-	95,726	-	3,097,139	3,268	-	3,196,133
Regulatory Retails	-	-	-	-	-	-	-
Residential Mortgages	-	-	-	13,037	-	-	13,037
Other Asset	-	-	-	366,863	-	-	366,863
Equity Exposure	-	-	-	1,631	-	-	1,631
Defaulted Exposures	-	-	-	1,969	-	-	1,969
Grand Total	29,093	702,938	351,720	8,896,109	247,094	87,937	10,314,891

2. Credit Risk (continued)

2.2 Distribution of exposures by sector or economic purpose, broken down by major types of gross credit exposures

Group and Bank
30 June 2018

Credit Exposure	Sector											30-Jun-18
	Construction	Education, Health & Others	Electricity, Gas & Water Supply	Finance, Insurance, Real Estate & Business Activities	Household	Manufacturing	Mining & Quarrying	Others	Primary Agriculture	Transport, Storage & Communication	Wholesale & Retail Trade & Restaurants & Hotels	Total RM'000
Category	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Sovereigns/Central Banks	-	-	-	3,886,054	-	-	-	-	-	-	-	3,886,054
Public Sector Entities	-	-	-	-	-	-	-	-	-	-	-	-
Banks, DFIs & MDBs	-	-	-	4,071,105	-	-	-	-	-	-	-	4,071,105
Insurance Companies, Securities Firms and Fund Managers	-	3,030	-	15,587	-	-	-	-	-	-	-	18,617
Corporates	147,155	200	113,067	530,315	6	1,407,227	20,003	193,219	566	804,796	305,143	3,521,697
Regulatory Retail	-	-	-	-	-	-	-	-	-	-	-	-
Residential Mortgages	-	-	-	-	8,845	-	-	1,511	-	-	-	10,356
Other Assets	-	-	-	481,402	-	-	-	-	-	-	-	481,402
Equity Exposure	-	-	-	1,631	-	-	-	-	-	-	-	1,631
Defaulted Exposures	-	-	-	-	1,264	-	-	-	-	-	-	1,264
Grand Total	147,155	3,230	113,067	8,986,094	10,115	1,407,227	20,003	194,730	566	804,796	305,143	11,992,126

2. Credit Risk (continued)

2.2 Distribution of exposures by sector or economic purpose, broken down by major types of gross credit exposures (continued)

Group and Bank
31 Dec 2017

Credit Exposure	Sector											31-Dec-17
	Construction	Education, Health & Others	Electricity, Gas & Water Supply	Finance, Insurance, Real Estate & Business Activities	Household	Manufacturing	Mining & Quarrying	Others	Primary Agriculture	Transport, Storage & Communication	Wholesale & Retail Trade & Restaurants & Hotels	Total RM'000
Category	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Sovereigns/Central Banks	-	-	-	3,269,733	-	-	-	-	-	-	-	3,269,733
Public Sector Entities	-	-	-	-	-	-	-	-	-	-	-	-
Banks, DFIs & MDBs	-	-	-	3,453,257	-	-	-	-	-	-	-	3,453,257
Insurance Companies, Securities	-	-	-	-	-	-	-	-	-	-	-	-
Firms and Fund Managers	-	3,030	-	9,238	-	-	-	-	-	-	-	12,268
Corporates	131,056	200	112,031	348,389	-	1,296,696	20,070	134,532	1,888	947,548	203,723	3,196,133
Regulatory Retail	-	-	-	-	-	-	-	-	-	-	-	-
Residential Mortgages	-	-	-	-	10,463	-	-	2,574	-	-	-	13,037
Other Assets	-	-	-	366,863	-	-	-	-	-	-	-	366,863
Equity Exposure	-	-	-	1,631	-	-	-	-	-	-	-	1,631
Defaulted Exposures	-	-	-	-	1,969	-	-	-	-	-	-	1,969
Grand Total	131,056	3,230	112,031	7,449,111	12,432	1,296,696	20,070	137,106	1,888	947,548	203,723	10,314,891

2. Credit Risk (continued)

2.3 Residual contractual maturity breakdown by major types of gross credit exposures

Group and Bank
30 June 2018

Credit Exposure	Maturity			30-Jun-18
	Up to 1year	1-5 year	> 5 years	Total RM'000
Sovereigns/Central Banks	3,883,896	2,158	-	3,886,054
Public Sector Entities	-	-	-	-
Banks, DFIs & MDBs	2,982,125	786,390	302,590	4,071,105
Insurance Cos, Securities Firms & Fund Managers	12,267	3,320	3,030	18,617
Corporates	2,453,913	725,591	342,193	3,521,697
Regulatory Retail	-	-	-	-
Residential Mortgages	-	-	10,356	10,356
Other Assets	481,402	-	-	481,402
Equity Exposure	1,631	-	-	1,631
Defaulted Exposures	-	-	1,264	1,264
Grand Total	9,815,234	1,517,459	659,433	11,992,126

Group and Bank
31 Dec 2017

Credit Exposure	Maturity			31-Dec-17
	Up to 1year	1-5 year	> 5 years	Total RM'000
Sovereigns/Central Banks	3,269,733	-	-	3,269,733
Public Sector Entities	-	-	-	-
Banks, DFIs & MDBs	2,383,087	740,691	329,479	3,453,257
Insurance Cos, Securities Firms & Fund Managers	5,918	3,320	3,030	12,268
Corporates	2,502,043	610,055	84,035	3,196,133
Regulatory Retail	-	-	-	-
Residential Mortgages	-	-	13,037	13,037
Other Assets	366,863	-	-	366,863
Equity Exposure	1,631	-	-	1,631
Defaulted Exposures	-	-	1,969	1,969
Grand Total	8,529,275	1,354,066	431,550	10,314,891

2. Credit Risk (continued)

2.4 Impaired loans and impairment provisions by sector

Impaired loans, advances and financing analysed by economic purpose which are wholly incurred in Malaysia are as follows:

	Group and Bank	
	30 June 2018 RM'000	31 December 2017 RM'000
Household	2,539	2,032
	<u>2,539</u>	<u>2,032</u>
	=====	=====

2.5 Reconciliation of loan impairment provisions

Movements in gross impaired loans, advances and financing which are all wholly incurred in Malaysia:

	Group and Bank	
	30 June 2018 RM'000	31 December 2017 RM'000
Balance at 1 January	2,032	2,634
Classified as impaired during the period/year	847	504
Reclassified as non-impaired during the period/year	(154)	(650)
Amount recovered	(186)	(326)
Amount written off	-	(130)
At 30 June 2018/31 December 2017	<u>2,539</u>	<u>2,032</u>
	=====	=====
Gross impaired loans as a percentage of gross loans, advances and financing	0.11%	0.08%
	=====	=====

2 Credit Risk (continued)

2.5 Reconciliation of loan impairment provisions (continued)

Movements in collective assessment allowance / expected credit loss (ECL) for loans, advances and financing which are all wholly incurred in Malaysia:

RM'000	2018					2017		
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Purchased credit-impaired	Total	Individual	Collective	Total
Loans, advances and financing at amortised cost*								
Balance at 1 January	4,651	358	675	-	5,684	178	16,822	17,000
Transfer to 12-month ECL	139	(92)	(86)	-	(39)	-	-	-
Transfer to lifetime ECL not credit-impaired	(87)	809	-	-	722	-	-	-
Transfer to lifetime ECL credit-impaired	(144)	-	412	-	268	-	-	-
Net remeasurement of loss allowance	(223)	(950)	274	-	(899)	30	301	331
New Financial assets originated or purchased	1,322	59	-	-	1,381	-	-	-
Financial assets that have been derecognised	(265)	(68)	-	-	(333)	-	-	-
Write-offs	-	-	-	-	-	(130)	-	(130)
Recoveries of amounts previously written off	-	-	-	-	-	(15)	-	(15)
Changes in models/risk parameters	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-	-
Balance at 30 June 2018/ 31 December 2017	5,393	116	1,275	-	6,784	63	17,123	17,186

* The loss allowance in this table includes ECL on loan commitment and financial guarantees.

2 Credit Risk (continued)

2.6 Exposures under the Standardised approach

The following table set out analysis of risk weights under the Standardised approach for the Group and the Bank.

Group and Bank
30 June 2018

Risk Weights	Exposures after Netting & Credit Risk Mitigation												Total Exposures after Netting and Credit Risk Mitigation	Total Risk Weighted Assets
	Sovereigns and Central Banks	Public Sector Entities	Banks, DFIs and MDBs	Insurance Companies, Securities Firms and Fund Managers	Corporates	Regulatory Retail	Residential Mortgages	Higher Risk Assets	Other Assets	Specialised Financing / Investment	Securitisation	Equity Exposures		
	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%	3,886,054	-	-	-	-	-	-	-	1,355	-	-	-	3,887,409	-
20%	-	-	1,757,844	3,030	2,937	-	-	-	-	-	-	-	1,763,811	352,762
35%	-	-	-	-	-	-	10,356	-	-	-	-	-	10,356	3,625
50%	-	-	2,001,834	-	35,107	-	-	-	-	-	-	-	2,036,941	1,018,471
75%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
100%	-	-	1,830	15,588	3,482,696	-	1,264	-	480,047	-	-	1,611	3,983,036	3,983,036
1250%	-	-	-	-	-	-	-	-	-	-	-	20	20	250
Total Exposures	3,886,054	-	3,761,508	18,618	3,520,740	-	11,620	-	481,402	-	-	1,631	11,681,573	5,358,144
Risk-Weighted Assets by Exposures	-	-	1,354,315	16,193	3,500,839	-	4,889	-	480,047	-	-	1,861	5,358,144	
Average Risk Weight	0.0%	0.0%	36.0%	87.0%	99.4%	0.0%	42.1%	0.0%	99.7%	0.0%	0.0%	114.1%	45.9%	
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	-	-	-	-	-

2 Credit Risk (continued)

2.6 Exposures under the Standardised approach (continued)

The following table set out analysis of risk weights under the Standardised approach for the Group and the Bank.

Group and Bank
31 Dec 2017

Risk Weights	Exposures after Netting & Credit Risk Mitigation												Total Exposures after Netting and Credit Risk Mitigation	Total Risk Weighted Assets
	Sovereigns and Central Banks	Public Sector Entities	Banks, DFIs and MDBs	Insurance Companies, Securities Firms and Fund Managers	Corporates	Regulatory Retail	Residential Mortgages	Higher Risk Assets	Other Assets	Specialised Financing / Investment	Securitisation	Equity Exposures		
0%	RM'000 3,200,691	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 993	RM'000 -	RM'000 -	RM'000 -	RM'000 3,201,684	RM'000 -
20%	-	-	1,078,197	3,030	14,200	-	-	-	-	-	-	-	1,095,427	219,085
35%	-	-	-	-	-	-	13,037	-	-	-	-	-	13,037	4,563
50%	-	-	1,861,950	-	35,193	-	-	-	-	-	-	-	1,897,143	948,572
75%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
100%	-	-	368	9,238	3,145,700	-	1,969	-	365,869	-	-	1,611	3,524,755	3,524,755
1250%	-	-	-	-	-	-	-	-	-	-	-	20	20	250
Total Exposures	3,200,691	-	2,940,515	12,268	3,195,093	-	15,006	-	366,862	-	-	1,631	9,732,066	4,697,225
Risk-Weighted Assets by Exposures	-	-	1,146,983	9,844	3,166,136	-	6,532	-	365,869	-	-	1,861	4,697,225	-
Average Risk Weight	0.0%	0.0%	39.0%	80.2%	99.1%	0.0%	43.5%	0.0%	99.7%	0.0%	0.0%	114.1%	48.3%	-
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	-	-	-	-	-

2 Credit Risk (continued)

2.7 Credit Risk Mitigation

The following tables disclose the total exposure before the effect of Credit Risk Mitigation (“CRM”) and the exposures covered by guarantees, credit derivatives, and eligible financial collateral.

Group and Bank
30 June 2018

Exposure Class	Exposures before CRM	Exposures Covered by Guarantees/Credit Derivatives	Exposures Covered by Eligible Financial Collateral	Exposures Covered by Other Eligible Collateral
Credit Risk	RM'000	RM'000	RM'000	RM'000
<u>On-Balance Sheet Exposures</u>				
Sovereigns/Central Banks	3,825,322	-	-	-
Public Sector Entities	-	-	-	-
Banks, Development Financial Institutions and Multilateral Development Banks	2,562,859	-	-	-
Insurance Companies, Securities Firms and Fund Managers	-	-	-	-
Corporates	1,532,974	763,541	-	-
Regulatory Retail	-	-	-	-
Residential Mortgages	10,356	-	-	-
Higher Risk Assets	-	-	-	-
Other Assets	481,402	-	-	-
Equity Exposure	1,631	-	-	-
Defaulted Exposures	1,264	-	-	-
Total On-Balance Sheet Exposures	8,415,808	763,541	-	-
<u>Off-Balance Sheet Exposures</u>				
OTC Derivatives	2,107,413	-	309,598	-
Credit Derivatives	-	-	-	-
Direct Credit Substitutes	-	-	-	-
Transaction related contingent Items	391,720	-	955	-
Short Term Self Liquidating trade related contingencies	18,414	-	-	-
Other commitments, such as formal standby facilities and credit lines	1,058,771	-	-	-
Defaulted Exposures	-	-	-	-
Total for Off-Balance Sheet Exposures	3,576,318	-	310,553	-
Total On and Off- Balance Sheet Exposures	11,992,126	763,541	310,553	-

2 Credit Risk (continued)

2.7 Credit Risk Mitigation (continued)

Group and Bank
31 Dec 2017

Exposure Class	Exposures before CRM	Exposures Covered by Guarantees/Credit Derivatives	Exposures Covered by Eligible Financial Collateral	Exposures Covered by Other Eligible Collateral
Credit Risk	RM'000	RM'000	RM'000	RM'000
<u>On-Balance Sheet Exposures</u>				
Sovereigns/Central Banks	3,262,212	-	69,042	-
Public Sector Entities	-	-	-	-
Banks, Development Financial Institutions and Multilateral Development Banks	1,837,094	-	-	-
Insurance Companies, Securities Firms and Fund Managers	-	-	-	-
Corporates	1,465,467	982,745	-	-
Regulatory Retail	-	-	-	-
Residential Mortgages	13,037	-	-	-
Higher Risk Assets	-	-	-	-
Other Assets	366,864	-	-	-
Equity Exposure	1,631	-	-	-
Defaulted Exposures	1,969	-	-	-
Total On-Balance Sheet Exposures	6,948,274	982,745	69,042	-
<u>Off-Balance Sheet Exposures</u>				
OTC Derivatives	2,056,133	-	512,742	-
Credit Derivatives	1,659	-	-	-
Direct Credit Substitutes	-	-	-	-
Transaction related contingent Items	394,592	-	1,041	-
Short Term Self Liquidating trade related contingencies	15,418	-	-	-
Other commitments, such as formal standby facilities and credit lines	898,815	-	-	-
Defaulted Exposures	-	-	-	-
Total for Off-Balance Sheet Exposures	3,366,617	-	513,783	-
Total On and Off- Balance Sheet Exposures	10,314,891	982,745	582,825	-

2 Credit Risk (continued)

2.8 Off Balance Sheet Exposures and Counterparty Credit Risk

The following tables analyse the Group's and Bank's off-balance sheet and counterparty credit risk.

30-Jun-2018 Group and Bank	Principal Amount	Positive Fair Value of Derivative Contracts	Credit Equivalent Amount	Risk Weighted Assets
	RM'000	RM'000	RM'000	RM'000
Direct Credit Substitutes	-		-	-
Transaction related contingent Items	783,440		391,720	366,585
Short Term Self Liquidating trade related contingencies	92,068		18,414	14,743
Foreign exchange related contracts				
One year or less	12,475,966	136,498	321,200	255,827
Over one year to five years	1,169,919	13,804	78,310	76,152
Over five years	310,475	-	34,152	17,076
Interest/Profit rate related contracts				
One year or less	422,438	1,415	2,044	1,087
Over one year to five years	941,044	76,392	209,355	205,009
Over five years	503,419	-	32,100	29,677
Equity related 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	90,596,413	849,991	1,430,252	337,807
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	738,594	-	369,297	369,297
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	3,447,368		689,474	689,474
Total	111,481,144	1,078,100	3,576,318	2,362,734

2 Credit Risk (continued)

2.8 Off Balance Sheet Exposures and Counterparty Credit Risk (continued)

31-Dec-2017 Group and Bank	Principal Amount	Positive Fair Value of Derivative Contracts	Credit Equivalent Amount	Risk Weighted Assets
	RM'000	RM'000	RM'000	RM'000
Direct Credit Substitutes	-		-	-
Transaction related contingent Items	789,185		394,592	366,594
Short Term Self Liquidating trade related contingencies	77,089		15,418	8,697
Foreign exchange related contracts				
One year or less	10,324,163	69,086	211,994	195,970
Over one year to five years	521,424	1,148	32,969	32,969
Over five years	310,475	-	34,152	17,076
Interest/Profit rate related contracts				
One year or less	493,754	670	1,592	966
Over one year to five years	1,018,769	112,841	214,936	208,671
Over five years	538,386	251	37,823	35,399
Equity related 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	91,265,175	1,118,500	1,524,326	305,035
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	575,451	-	287,725	287,725
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	3,055,448		611,090	599,730
Total	108,969,319	1,302,496	3,366,617	2,058,832

3 Islamic Bank Operations

Islamic Banking Window - Risk Weighted Assets and Capital Requirements (30 June 2018)

RISK TYPE	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% *
Credit Risk	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>On-Balance Sheet Exposures</u>						
Sovereigns/Central Banks	166,087	166,087	-	-	-	-
Public Sector Entities	-	-	-	-	-	-
Banks, Development Financial Institutions and Multilateral Insurance Companies, Securities Firms and Fund Managers	1,815	1,815	908	-	-	73
Corporates	-	-	-	-	-	-
Regulatory Retail	-	-	-	-	-	-
Residential Mortgages	-	-	-	-	-	-
Higher Risk Assets	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-
Equity Exposure	-	-	-	-	-	-
Defaulted Exposures	-	-	-	-	-	-
Total On-Balance Sheet Exposures	167,902	167,902	908	-	-	73
<u>Off-Balance Sheet Exposures</u>						
OTC Derivatives	-	-	-	-	-	-
Credit Derivatives	-	-	-	-	-	-
Defaulted Exposures	-	-	-	-	-	-
Total for Off-Balance Sheet Exposures	-	-	-	-	-	-
Total On and Off- Balance Sheet Exposures	167,902	167,902	908	-	-	73
Large Exposures Risk Requirements	-	-	-	-	-	-
Market Risk (Standardised approach)	Long Position	Short Position				
Interest Rate Risk	-	-	-	-	-	-
Foreign Currency Risk	1,815	-	1,815	-	-	145
Options	-	-	-	-	-	-
			1,815	-	-	145
Operational Risk			3,717	-	-	297
Total RWA and capital requirements			6,440			515

3 Islamic Bank Operations (continued)

Islamic Banking Window - Risk Weighted Assets and Capital Requirements (31 December 2017)

RISK TYPE	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% *
Credit Risk	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>On-Balance Sheet Exposures</u>						
Sovereigns/Central Banks	114,028	114,028	-	-	-	-
Public Sector Entities	-	-	-	-	-	-
Banks, Development Financial Institutions and Multilateral Development Banks	1,686	1,686	843	-	-	67
Insurance Companies, Securities Firms and Fund Managers	-	-	-	-	-	-
Corporates	-	-	-	-	-	-
Regulatory Retail	-	-	-	-	-	-
Residential Mortgages	-	-	-	-	-	-
Higher Risk Assets	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-
Equity Exposure	-	-	-	-	-	-
Defaulted Exposures	-	-	-	-	-	-
Total On-Balance Sheet Exposures	115,714	115,714	843	-	-	67
<u>Off-Balance Sheet Exposures</u>						
OTC Derivatives	-	-	-	-	-	-
Credit Derivatives	-	-	-	-	-	-
Defaulted Exposures	-	-	-	-	-	-
Total for Off-Balance Sheet Exposures	-	-	-	-	-	-
Total On and Off- Balance Sheet Exposures	115,714	115,714	843	-	-	67
Large Exposures Risk Requirements	-	-	-	-	-	-
Market Risk (Standardised approach)	Long Position	Short Position				
Interest Rate Risk	-	-	-	-	-	-
Foreign Currency Risk	1,687	-	1,687	-	-	135
Options	-	-	-	-	-	-
			1,687	-	-	135
Operational Risk			3,123	-	-	250
Total RWA and capital requirements			5,653			452

3 Islamic Bank Operations (continued)

Islamic Banking Window - Credit Risk - Risk Weights Under the Standardised Approach (30 June 2018)

Risk Weights	Exposures after Netting & Credit Risk Mitigation												Total Exposures after Netting and Credit Risk Mitigation	Total Risk Weighted Assets
	Sovereigns and Central Banks	Public Sector Entities	Banks, DFIs and MDBs	Insurance Companies, Securities Firms and Fund Managers	Corporates	Regulatory Retail	Residential Mortgages	Higher Risk Assets	Other Assets	Specialised Financing / Investment	Securitisation	Equity Exposures		
0%	RM'000 166,087	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 166,087	RM'000 -
20%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
35%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
50%	-	-	1,815	-	-	-	-	-	-	-	-	-	1,815	908
75%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
100%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
150%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Exposures	166,087	-	1,815	-	-	-	-	-	-	-	-	-	167,902	908
Risk-Weighted Assets by Exposures	0%	-	908	-	-	-	-	-	-	-	-	-	908	
Average Risk Weight	-	-	50.0%	-	-	-	-	-	-	-	-	-	0.5%	
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	-	-	-	-	-

3 Islamic Bank Operations (continued)

Islamic Banking Window - Credit Risk - Risk Weights Under the Standardised Approach (31 December 2017)

Risk Weights	Exposures after Netting & Credit Risk Mitigation												Total Exposures after Netting and Credit Risk Mitigation	Total Risk Weighted Assets
	Sovereigns and Central Banks	Public Sector Entities	Banks, DFIs and MDBs	Insurance Companies, Securities Firms and Fund Managers	Corporates	Regulatory Retail	Residential Mortgages	Higher Risk Assets	Other Assets	Specialised Financing / Investment	Securitisation	Equity Exposures		
0%	RM'000 114,028	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 114,028	RM'000 -
20%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
35%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
50%	-	-	1,686	-	-	-	-	-	-	-	-	-	1,686	843
75%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
100%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
150%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Exposures	114,028	-	1,686	-	-	-	-	-	-	-	-	-	115,714	843
Risk-Weighted Assets by Exposures	0%	-	843	-	-	-	-	-	-	-	-	-	843	-
Average Risk Weight	-	-	50.0%	-	-	-	-	-	-	-	-	-	0.7%	-
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	-	-	-	-	-