

Company No: 14389-U

Affin Hwang Investment Bank Berhad
(Incorporated in Malaysia)

PILLAR 3 DISCLOSURES
for the financial period ended 30 June 2017

Affin Hwang Investment Bank Berhad

(Incorporated in Malaysia)

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The following table depicts the risk weighted assets ("RWA") and regulatory capital requirements:

Table 1: Risk-Weighted Assets and Capital Requirements

The Group

As at 30 June 2017	Gross exposures RM'000	Net exposures RM'000	Risk Weighted Assets RM'000	Capital requirements RM'000	
(i) Credit risk					
Exposure Class					
<u>On-Balance Sheet Exposures</u>					
Sovereigns/Central Banks	3,009,938	3,009,938	4,313	345	
Banks, Development Financial Institutions ("DFIs") & Multilateral Development Banks ("MDBs")	860,005	860,005	188,932	15,115	
Corporates	2,967,134	2,967,134	1,697,338	135,787	
Regulatory Retail	339,033	5,081	3,811	305	
Other Assets	765,026	765,026	757,529	60,602	
Defaulted Exposures	30,357	30,357	45,384	3,631	
Total for on-balance sheet exposures	7,971,493	7,637,541	2,697,307	215,785	
<u>Off-Balance Sheet Exposures</u>					
Over-the-counter ("OTC") derivatives	157,582	157,582	72,297	5,784	
Off-balance sheet exposures other than OTC or Credit Derivatives	127,462	127,462	127,462	10,197	
Total for off-balance sheet exposures	285,044	285,044	199,759	15,981	
Total credit risk exposures	8,256,537	7,922,585	2,897,066	231,766	
(ii) Large exposures risk requirements	-	-	-	-	
(iii) Market risk					
	Gross exposures		Net exposures	Risk Weighted Assets	Capital requirements
	RM'000		RM'000	RM'000	RM'000
	Long Position	Short Position			
	RM'000	RM'000			
Interest rate risk	6,396,046	6,372,658	23,388	104,225	8,338
Foreign currency risk	3,761,576	3,676,469	85,108	92,208	7,377
Equity risk	63,060	-	63,060	173,416	13,873
Option	-	-	66,800	66,800	5,344
Total market risk exposures	10,220,682	10,049,127	238,356	436,649	34,932
(iv) Operational risk					
			Risk Weighted Assets	Capital requirements	
			RM'000	RM'000	
Operational risk			761,890	60,951	
Total risk-weighted assets and capital requirements			4,095,605	327,649	

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Table 1: Risk-Weighted Assets and Capital Requirements (Continued)

The Bank

As at 30 June 2017

(i) Credit risk

Exposure Class

On-Balance Sheet Exposures

	Gross exposures RM'000	Net exposures RM'000	Risk Weighted Assets RM'000	Capital requirements RM'000
Sovereigns/Central Banks	3,009,938	3,009,938	4,313	345
Banks, Development Financial Institutions ("DFIs") & Multilateral Development Banks ("MDBs")	664,233	664,233	149,603	11,968
Corporates	2,941,970	2,941,970	1,672,979	133,838
Regulatory Retail	339,033	5,081	3,811	305
Other Assets	212,051	212,051	204,555	16,364
Defaulted Exposures	30,357	30,357	45,384	3,631
Total for on-balance sheet exposures	7,197,582	6,863,630	2,080,645	166,451

Off-Balance Sheet Exposures

Over-the-counter ("OTC") derivatives	157,582	157,582	72,297	5,784
Off-balance sheet exposures other than OTC or Credit Derivatives	127,462	127,462	127,462	10,197
Total for off-balance sheet exposures	285,044	285,044	199,759	15,981

Total credit risk exposures

	7,482,626	7,148,674	2,280,404	182,432
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(ii) Large exposures risk requirements

(iii) Market risk	Gross exposures		Net exposures RM'000	Risk Weighted Assets RM'000	Capital requirements RM'000
	RM'000				
	Long Position RM'000	Short Position RM'000			
Interest rate risk	6,396,046	6,372,658	23,388	104,225	8,338
Foreign currency risk	3,676,603	3,676,469	134	26,381	2,111
Equity risk	29,865	-	29,865	82,128	6,570
Option	-	-	66,800	66,800	5,344
Total market risk exposures	10,102,514	10,049,127	120,187	279,534	22,363

(iv) Operational risk

	Risk Weighted Assets RM'000	Capital requirements RM'000
Operational risk	411,248	32,900

Total risk-weighted assets and capital requirements

	2,971,186	237,695
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Table 1: Risk-Weighted Assets and Capital Requirements (Continued)

The Group

As at 31 December 2016	Gross exposures RM'000	Net exposures RM'000	Risk Weighted Assets RM'000	Capital requirements RM'000
(i) Credit risk				
Exposure Class				
<u>On-Balance Sheet Exposures</u>				
Sovereigns/Central Banks	2,677,925	2,677,925	4,328	346
Banks, Development Financial Institutions ("DFIs") & Multilateral Development Banks ("MDBs")	789,938	789,938	185,462	14,837
Corporates	2,987,677	2,987,677	1,687,711	135,017
Regulatory Retail	247,332	5,560	4,170	334
Other Assets	426,649	426,649	426,611	34,129
Defaulted Exposures	31,131	31,131	46,544	3,724
Total for on-balance sheet exposures	7,160,652	6,918,880	2,354,826	188,387
<u>Off-Balance Sheet Exposures</u>				
Over-the-counter ("OTC") derivatives	195,438	195,438	99,982	7,999
Off-balance sheet exposures other than OTC or Credit Derivatives	146,220	146,220	146,220	11,698
Total for off-balance sheet exposures	341,658	341,658	246,202	19,697
Total credit risk exposures	7,502,310	7,260,538	2,601,028	208,084

(ii) Large exposures risk requirements

(iii) Market risk	Gross exposures		Net exposures RM'000	Risk Weighted Assets RM'000	Capital requirements RM'000
	RM'000				
	Long Position RM'000	Short Position RM'000			
Interest rate risk	4,418,891	4,100,705	318,186	60,688	4,855
Foreign currency risk	2,313,946	2,342,837	(28,891)	42,963	3,437
Equity risk	23,626	-	23,626	64,975	5,198
Option	-	-	-	19,481	1,558
Total market risk exposures	6,756,463	6,443,542	312,921	188,107	15,048

(iv) Operational risk	Risk Weighted Assets RM'000	Capital requirements RM'000
Operational risk	705,881	56,470
Total risk-weighted assets and capital requirements	3,495,016	279,602

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Table 1: Risk-Weighted Assets and Capital Requirements (Continued)

The Bank

As at 31 December 2016

	Gross exposures RM'000	Net exposures RM'000	Risk Weighted Assets RM'000	Capital requirements RM'000
(i) Credit risk				
Exposure Class				
<u>On-Balance Sheet Exposures</u>				
Sovereigns/Central Banks	2,677,925	2,677,925	4,328	346
Banks, Development Financial Institutions ("DFIs") & Multilateral Development Banks ("MDBs")	462,588	462,588	119,743	9,579
Corporates	2,986,686	2,986,686	1,687,513	135,001
Regulatory Retail	247,332	5,560	4,170	334
Other Assets	292,153	292,153	292,116	23,369
Defaulted Exposures	31,131	31,131	46,544	3,724
Total for on-balance sheet exposures	6,697,815	6,456,043	2,154,414	172,353
<u>Off-Balance Sheet Exposures</u>				
Over-the-counter ("OTC") derivatives	195,438	195,438	99,982	7,999
Off-balance sheet exposures other than OTC or Credit Derivatives	146,220	146,220	146,220	11,698
Total for off-balance sheet exposures	341,658	341,658	246,202	19,697
Total credit risk exposures	7,039,473	6,797,701	2,400,616	192,050

(ii) Large exposures risk requirements

(iii) Market risk	Gross exposures		Net exposures	Risk Weighted Assets	Capital requirements
	RM'000		RM'000	RM'000	RM'000
	Long Position RM'000	Short Position RM'000			
Interest rate risk	4,418,891	4,100,705	318,186	60,688	4,855
Foreign currency risk	2,283,350	2,342,837	(59,487)	64,999	5,200
Equity risk	18,763	-	18,763	51,598	4,128
Option	-	-	-	19,481	1,558
Total market risk exposures	6,721,004	6,443,542	277,462	196,766	15,741

(iv) Operational risk

	Risk Weighted Assets	Capital requirements
	RM'000	RM'000
Operational risk	394,323	31,546
Total risk-weighted assets and capital requirements	2,991,705	239,337

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Table 2: Constituents of Eligible Capital and Capital Adequacy Ratios

	The Group		The Bank	
	31.12.2017 RM'000	31.12.2016 RM'000	31.12.2017 RM'000	31.12.2016 RM'000
Common Equity Tier (CET) 1 Capital :				
Paid-up share capital	999,800	780,000	999,800	780,000
Share premium	-	219,800	-	219,800
Statutory reserve	-	251,343	-	251,343
Retained profit	496,704	256,163	524,487	283,946
Unrealised gains on AFS instruments	11,479	(26,830)	11,436	(26,901)
	<u>1,507,983</u>	<u>1,480,476</u>	<u>1,535,723</u>	<u>1,508,188</u>
Less : Regulatory adjustment				
Goodwill and other Intangible assets	(322,688)	(323,090)	(316,038)	(316,645)
Investment in subsidiaries	-	-	(113,611)	(108,692)
Collective allowance reserve	(12,007)	(9,667)	(12,007)	(9,667)
55% of unrealised gains on AFS instruments	(6,313)	-	(6,290)	-
Deferred tax assets	(2,161)	(10,727)	-	(6,291)
	<u>1,164,814</u>	<u>1,136,992</u>	<u>1,087,777</u>	<u>1,066,893</u>
Additional Tier 1 Capital				
Non-controlling interests	15,601	3,000	-	-
	<u>1,180,415</u>	<u>1,139,992</u>	<u>1,087,777</u>	<u>1,066,893</u>
Tier 2 capital				
Collective allowance	14,173	12,525	14,173	12,525
Less : Regulatory adjustment				
Investment in subsidiaries	-	-	(14,173)	(12,525)
Total Tier 2 capital	<u>14,173</u>	<u>12,525</u>	<u>-</u>	<u>-</u>
Total Capital	<u><u>1,194,588</u></u>	<u><u>1,152,517</u></u>	<u><u>1,087,777</u></u>	<u><u>1,066,893</u></u>
Proposed dividends	-	10,800	-	10,800
Capital Ratio				
CET 1 capital ratio	28.441%	32.532%	36.611%	35.662%
Tier 1 capital ratio	28.822%	32.618%	36.611%	35.662%
Total capital ratio	29.168%	32.976%	36.611%	35.662%
CET 1 capital ratio (net of proposed dividends)	28.441%	32.223%	36.611%	35.301%
Tier 1 capital ratio (net of proposed dividends)	28.822%	32.309%	36.611%	35.301%
Total capital ratio (net of proposed dividends)	29.168%	32.667%	36.611%	35.301%

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4.1 Distribution of Credit Exposures

- (i) The following table depicts the geographical distribution of the Bank's gross credit exposures, based on the country of incorporation or residence:

Table 3: Gross Credit Exposures by Geographic Distribution

The Group			
As at 30 June 2017	Malaysia	Other Countries	Total
Exposure Class	RM'000	RM'000	RM'000
<u>On-Balance Sheet Exposures</u>			
Sovereign / Central Banks	3,009,938	-	3,009,938
Banks, DFIs & MDBs	603,944	256,061	860,005
Corporates	2,870,441	96,693	2,967,134
Regulatory Retail	339,033	-	339,033
Other assets	765,026	-	765,026
Defaulted Exposures	30,357	-	30,357
Total On-Balance Sheet Exposures	7,618,739	352,754	7,971,493
<u>Off-Balance Sheet Exposures</u>			
OTC Derivatives	152,429	5,153	157,582
Non OTC Derivatives	127,462	-	127,462
Total Off-Balance Sheet Exposures	279,891	5,153	285,044
Total Gross Credit Exposures	7,898,630	357,907	8,256,537
The Bank			
As at 30 June 2017	Malaysia	Other Countries	Total
Exposure Class	RM'000	RM'000	RM'000
<u>On-Balance Sheet Exposures</u>			
Sovereign / Central Banks	3,009,938	-	3,009,938
Banks, DFIs & MDBs	408,172	256,061	664,233
Corporates	2,845,277	96,693	2,941,970
Regulatory Retail	339,033	-	339,033
Other assets	212,051	-	212,051
Defaulted Exposures	30,357	-	30,357
Total On-Balance Sheet Exposures	6,844,828	352,754	7,197,582
<u>Off-Balance Sheet Exposures</u>			
OTC Derivatives	152,429	5,153	157,582
Non OTC Derivatives	127,462	-	127,462
Total Off-Balance Sheet Exposures	279,891	5,153	285,044
Total Gross Credit Exposures	7,124,719	357,907	7,482,626

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Table 3: Gross Credit Exposures by Geographic Distribution (Continued)

The Group			
As at 31 December 2016	Malaysia	Other Countries	Total
Exposure Class	RM'000	RM'000	RM'000
<u>On-Balance Sheet Exposures</u>			
Sovereign / Central Banks	2,677,925	-	2,677,925
Banks, DFIs & MDBs	717,291	72,647	789,938
Corporates	2,869,084	118,593	2,987,677
Regulatory Retail	247,332	-	247,332
Other assets	426,649	-	426,649
Defaulted Exposures	31,131	-	31,131
Total On-Balance Sheet Exposures	6,969,412	191,240	7,160,652
<u>Off-Balance Sheet Exposures</u>			
OTC Derivatives	175,603	19,835	195,438
Non OTC Derivatives	146,220	-	146,220
Total Off-Balance Sheet Exposures	321,823	19,835	341,658
Total Gross Credit Exposures	7,291,235	211,075	7,502,310
The Bank			
As at 31 December 2016	Malaysia	Other Countries	Total
Exposure Class	RM'000	RM'000	RM'000
<u>On-Balance Sheet Exposures</u>			
Sovereign / Central Banks	2,677,925	-	2,677,925
Banks, DFIs & MDBs	389,941	72,647	462,588
Corporates	2,868,093	118,593	2,986,686
Regulatory Retail	247,332	-	247,332
Other assets	292,153	-	292,153
Defaulted Exposures	31,131	-	31,131
Total On-Balance Sheet Exposures	6,506,575	191,240	6,697,815
<u>Off-Balance Sheet Exposures</u>			
OTC Derivatives	175,603	19,835	195,438
Non OTC Derivatives	146,220	-	146,220
Total Off-Balance Sheet Exposures	321,823	19,835	341,658
Total Gross Credit Exposures	6,828,398	211,075	7,039,473

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(ii) The following table depicts the Bank's gross credit exposures by sector analysis or industrial distribution:

Table 4: Gross Credit Exposures by Sectorial Analysis or Industrial Distribution

The Group	Primary Agriculture	Mining and Quarrying	Manufacturing (including Agro- based)	Electricity, Gas and Water Supply	Construction	Wholesale, Retail Trade, Restaurants and Hotels	Transport, Storage and Communication	Finance, Insurance, Real Estate and Business Activities	Education, Health and Others	Household	Others	Total
As at 30 June 2017	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>On-Balance Sheet Exposures</u>												
Sovereign/Central Banks	-	-	-	303,349	424,139	-	143,034	455,152	579,800	-	1,104,464	3,009,938
Banks, DFSs & MDBs	-	-	-	-	-	-	-	860,005	-	-	-	860,005
Corporates	88,864	22,455	128,707	424,746	307,882	157,783	261,391	1,214,324	160,120	157,289	43,573	2,967,134
Regulatory Retail	-	-	1,305	-	4,962	30,154	23,599	49,450	35,187	194,376	-	339,033
Other assets	-	-	-	-	-	-	-	-	-	-	765,026	765,026
Defaulted Exposures	-	-	-	-	-	152	-	30,205	-	-	-	30,357
Total On-Balance Sheet Exposures	88,864	22,455	130,012	728,095	736,983	188,089	428,024	2,609,136	775,107	351,665	1,913,063	7,971,493
<u>Off Balance Sheet Exposures</u>												
OTC Derivatives	-	-	-	-	-	-	-	157,582	-	-	-	157,582
Non OTC Derivatives	-	1,200	65,000	25,177	31,441	2,413	-	1,800	-	431	-	127,462
Total Off-Balance Sheet Exposures	-	1,200	65,000	25,177	31,441	2,413	-	159,382	-	431	-	285,044
Total Gross Credit Exposures	88,864	23,655	195,012	753,272	768,424	190,502	428,024	2,768,518	775,107	352,096	1,913,063	8,256,537

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Table 4: Gross Credit Exposures by Sectorial Analysis or Industrial Distribution (Continued)

The Bank	Primary Agriculture	Mining and Quarrying	Manufacturing (including Agro- based)	Electricity, Gas and Water Supply	Construction	Wholesale, Retail Trade, Restaurants and Hotels	Transport, Storage and Communication	Finance, Insurance, Real Estate and Business Activities	Education, Health and Others	Household	Others	Total
As at 30 June 2017	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>On-Balance Sheet Exposures</u>												
Sovereign/Central Banks	-	-	-	303,349	424,139	-	143,034	455,152	579,800	-	1,104,464	3,009,938
Banks, DFSs & MDBs	-	-	-	-	-	-	-	664,233	-	-	-	664,233
Corporates	88,864	22,455	128,707	424,746	307,882	157,783	261,391	1,189,160	160,120	157,289	43,573	2,941,970
Regulatory Retail	-	-	1,305	-	4,962	30,154	23,599	49,450	35,187	194,376	-	339,033
Other assets	-	-	-	-	-	-	-	-	-	-	212,051	212,051
Defaulted Exposures	-	-	-	-	-	152	-	30,205	-	-	-	30,357
Total On-Balance Sheet Exposures	88,864	22,455	130,012	728,095	736,983	188,089	428,024	2,388,200	775,107	351,665	1,360,088	7,197,582
<u>Off Balance Sheet Exposures</u>												
OTC Derivatives	-	-	-	-	-	-	-	157,582	-	-	-	157,582
Non OTC Derivatives	-	1,200	65,000	25,177	31,441	2,413	-	1,800	-	431	-	127,462
Total Off-Balance Sheet Exposures	-	1,200	65,000	25,177	31,441	2,413	-	159,382	-	431	-	285,044
Total Gross Credit Exposures	88,864	23,655	195,012	753,272	768,424	190,502	428,024	2,547,582	775,107	352,096	1,360,088	7,482,626

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Table 4: Gross Credit Exposures by Sectorial Analysis or Industrial Distribution (Continued)

The Group	Primary Agriculture	Mining and Quarrying	Manufacturing (including Agro-based)	Electricity, Gas and Water Supply	Construction	Wholesale, Retail Trade, Restaurants and Hotels	Transport, Storage and Communication	Finance, Insurance, Real Estate and Business Activities	Education, Health and Others	Household	Others	Total
As at 31 December 2016	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>On-Balance Sheet Exposures</u>												
Sovereign/Central Banks	-	-	-	269,336	431,800	-	140,653	420,188	454,447	-	961,501	2,677,925
Banks, DFSs & MDBs	-	-	-	-	-	-	-	789,938	-	-	-	789,938
Corporates	90,901	68,053	151,292	447,016	317,976	189,916	345,757	1,075,707	100,546	107,111	93,402	2,987,677
Regulatory Retail	-	-	1,291	-	8,113	29,736	22,230	177	34,930	149,156	1,699	247,332
Other assets	-	-	-	-	-	-	-	-	-	-	426,649	426,649
Defaulted Exposures	-	-	-	-	-	152	-	30,979	-	-	-	31,131
Total On-Balance Sheet Exposures	90,901	68,053	152,583	716,352	757,889	219,804	508,640	2,316,989	589,923	256,267	1,483,251	7,160,652
<u>Off Balance Sheet Exposures</u>												
OTC Derivatives	-	-	-	-	-	-	-	195,437	-	1	-	195,438
Non OTC Derivatives	-	-	65,000	10,000	40,541	6,400	-	10,823	-	13,456	-	146,220
Total Off-Balance Sheet Exposures	-	-	65,000	10,000	40,541	6,400	-	206,260	-	13,457	-	341,658
Total Gross Credit Exposures	90,901	68,053	217,583	726,352	798,430	226,204	508,640	2,523,249	589,923	269,724	1,483,251	7,502,310

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Table 4: Gross Credit Exposures by Sectorial Analysis or Industrial Distribution (Continued)

The Bank	Primary Agriculture	Mining and Quarrying	Manufacturing (including Agro- based)	Electricity, Gas and Water Supply	Construction	Wholesale, Retail Trade, Restaurants and Hotels	Transport, Storage and Communication	Finance, Insurance, Real Estate and Business Activities	Education, Health and Others	Household	Others	Total
As at 31 December 2016	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>On-Balance Sheet Exposures</u>												
Sovereign/Central Banks	-	-	-	269,336	431,800	-	140,653	420,188	454,447	-	961,501	2,677,925
Banks, DFSs & MDBs	-	-	-	-	-	-	-	462,588	-	-	-	462,588
Corporates	90,901	68,053	151,292	447,016	317,976	189,916	345,757	1,074,716	100,546	107,111	93,402	2,986,686
Regulatory Retail	-	-	1,291	-	8,113	29,736	22,230	177	34,930	149,156	1,699	247,332
Other assets	-	-	-	-	-	-	-	-	-	-	292,153	292,153
Defaulted Exposures	-	-	-	-	-	152	-	30,979	-	-	-	31,131
Total On-Balance Sheet Exposures	90,901	68,053	152,583	716,352	757,889	219,804	508,640	1,988,648	589,923	256,267	1,348,755	6,697,815
<u>Off Balance Sheet Exposures</u>												
OTC Derivatives	-	-	-	-	-	-	-	195,437	-	1	-	195,438
Non OTC Derivatives	-	-	65,000	10,000	40,541	6,400	-	10,823	-	13,456	-	146,220
Total Off-Balance Sheet Exposures	-	-	65,000	10,000	40,541	6,400	-	206,260	-	13,457	-	341,658
Total Gross Credit Exposures	90,901	68,053	217,583	726,352	798,430	226,204	508,640	2,194,908	589,923	269,724	1,348,755	7,039,473

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- (iii) The following table depicts the Bank's gross credit exposures analysed by residual contractual maturity analysis:

Table 5: Gross Credit Exposures by Residual Contractual Maturity Analysis

The Group

As at 30 June 2017 Exposure class	< 1 year RM'000	> 1 - 5 years RM'000	Over 5 years RM'000	No specific maturity RM'000	Total RM'000
<u>On-Balance Sheet Exposures</u>					
Sovereign/Central Banks	54,330	589,831	2,184,567	181,210	3,009,938
Banks, DFIs & MDBs	736,269	103,436	20,300	-	860,005
Corporates	312,059	1,654,751	645,197	355,127	2,967,134
Regulatory Retail	335,146	2,501	1,386	-	339,033
Other assets	-	-	-	765,026	765,026
Defaulted Exposures	14,264	152	15,941	-	30,357
Total On-Balance Sheet Exposures	1,452,068	2,350,671	2,867,391	1,301,363	7,971,493
<u>Off Balance Sheet Exposures</u>					
OTC Derivatives	118,468	39,114	-	-	157,582
Non OTC Derivatives	127,140	322	-	-	127,462
Total Off-Balance Sheet Exposures	245,608	39,436	-	-	285,044
Total Gross Credit Exposures	1,697,676	2,390,107	2,867,391	1,301,363	8,256,537

The Bank

As at 30 June 2017 Exposure class	< 1 year RM'000	> 1 - 5 years RM'000	Over 5 years RM'000	No specific maturity RM'000	Total RM'000
<u>On-Balance Sheet Exposures</u>					
Sovereign/Central Banks	54,330	589,831	2,184,567	181,210	3,009,938
Banks, DFIs & MDBs	540,497	103,436	20,300	-	664,233
Corporates	312,059	1,654,751	644,193	330,967	2,941,970
Regulatory Retail	335,146	2,501	1,386	-	339,033
Other assets	-	-	-	212,051	212,051
Defaulted Exposures	14,264	152	15,941	-	30,357
Total On-Balance Sheet Exposures	1,256,296	2,350,671	2,866,387	724,228	7,197,582
<u>Off Balance Sheet Exposures</u>					
OTC Derivatives	118,468	39,114	-	-	157,582
Non OTC Derivatives	127,140	322	-	-	127,462
Total Off-Balance Sheet Exposures	245,608	39,436	-	-	285,044
Total Gross Credit Exposures	1,501,904	2,390,107	2,866,387	724,228	7,482,626

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Table 5: Gross Credit Exposures by Residual Contractual Maturity Analysis (Continued)

The Group

As at 31 December 2016 Exposure class	< 1 year RM'000	> 1 - 5 years RM'000	Over 5 years RM'000	No specific maturity RM'000	Total RM'000
<u>On-Balance Sheet Exposures</u>					
Sovereign/Central Banks	24,333	454,925	2,020,803	177,864	2,677,925
Banks, DFIs & MDBs	643,842	135,985	10,111	-	789,938
Corporates	316,842	1,408,876	933,350	328,609	2,987,677
Regulatory Retail	241,900	2,717	2,715	-	247,332
Other assets	-	-	-	426,649	426,649
Defaulted Exposures	7,500	6,916	16,715	-	31,131
Total On-Balance Sheet Exposures	1,234,417	2,009,419	2,983,694	933,122	7,160,652
<u>Off Balance Sheet Exposures</u>					
OTC Derivatives	167,094	28,344	-	-	195,438
Non OTC Derivatives	145,873	347	-	-	146,220
Total Off-Balance Sheet Exposures	312,967	28,691	-	-	341,658
Total Gross Credit Exposures	1,547,384	2,038,110	2,983,694	933,122	7,502,310

The Bank

As at 31 December 2016 Exposure class	< 1 year RM'000	> 1 - 5 years RM'000	Over 5 years RM'000	No specific maturity RM'000	Total RM'000
<u>On-Balance Sheet Exposures</u>					
Sovereign/Central Banks	24,333	454,925	2,020,803	177,864	2,677,925
Banks, DFIs & MDBs	316,492	135,985	10,111	-	462,588
Corporates	316,842	1,408,876	932,359	328,609	2,986,686
Regulatory Retail	241,900	2,717	2,715	-	247,332
Other assets	-	-	-	292,153	292,153
Defaulted Exposures	7,500	6,916	16,715	-	31,131
Total On-Balance Sheet Exposures	907,067	2,009,419	2,982,703	798,626	6,697,815
<u>Off Balance Sheet Exposures</u>					
OTC Derivatives	167,094	28,344	-	-	195,438
Non OTC Derivatives	145,873	347	-	-	146,220
Total Off-Balance Sheet Exposures	312,967	28,691	-	-	341,658
Total Gross Credit Exposures	1,220,034	2,038,110	2,982,703	798,626	7,039,473

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- (i) The sectorial analysis of past due and impaired loans, advances and financing and the individual and collective impairment loan provisions by sectors are depicted below:

Table 6: Past Due and Impaired Loans, Advances and Financing by Sectorial Analysis

The Group and The Bank	Impaired loans, advances and financing*	Individual assessment allowance	Collective assessment allowance	Total Impairment Allowance for Loans, Advances and Financing
As at 30 June 2017	RM'000	RM'000	RM'000	RM'000
By Sector				
Mining and Quarrying	-	-	23	23
Manufacturing (including Agro-based)	7,500	7,500	209	7,709
Electricity, Gas and Water Supply	-	-	-	-
Construction	-	-	445	445
Wholesale, Retail Trade, Restaurants and Hotels	10,828	10,676	80	10,756
Transport, Storage and Communication	-	-	222	222
Finance, Insurance, Real Estate and Business Activities	30,206	-	1,051	1,051
Education, Health and Others	-	-	62	62
Household	-	-	403	403
Others	-	-	123	123
Total	48,534	18,176	2,618	20,794

* Impaired and past due loans, advances and financing form a subset of gross credit exposures.

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Table 6: Past Due and Impaired Loans, Advances and Financing by Sectorial Analysis (Continued)

The Group and The Bank	Impaired loans, advances and financing*	Individual assessment allowance	Collective assessment allowance	Total Impairment Allowance for Loans, Advances and Financing
As at 31 December 2016	RM'000	RM'000	RM'000	RM'000
By Sector				
Mining and Quarrying	-	-	164	164
Manufacturing (including Agro-based)	7,500	7,500	251	7,751
Electricity, Gas and Water Supply	-	-	61	61
Construction	-	-	421	421
Wholesale, Retail Trade, Restaurants and Hotels	10,828	10,676	72	10,748
Transport, Storage and Communication	-	-	294	294
Finance, Insurance, Real Estate and Business Activities	30,979	-	1,507	1,507
Education, Health and Others	-	-	76	76
Household	-	-	325	325
Others	-	-	152	152
Total	49,307	18,176	3,323	21,499

* Impaired and past due loans, advances and financing form a subset of gross credit exposures.

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- (ii) The geographic analysis of past due and impaired loans, advances and financing and the individual and collective impairment loan provisions by geographical distribution can be analysed as follows:

Table 7: Past Due And Impaired Loans, Advances And Financing By Geographic Distribution

The Group and the Bank	Impaired loans, advances and financing*	Individual Impairment Provision on impaired loans, advances and financing	Collective assessment allowance	Total Impairment Allowance for Loans, Advances and Financing
As at 30 June 2017				
By Geographic Distribution	RM'000	RM'000	RM'000	RM'000
Malaysia	48,534	18,176	2,618	20,794
Other Countries	-	-	-	-
Total	48,534	18,176	2,618	20,794

* Impaired and past due loans, advances and financing form a subset of gross credit exposures.

The Group and the Bank	Impaired loans, advances and financing*	Individual Impairment Provision on impaired loans, advances and financing	Collective assessment allowance	Total Impairment Allowance for Loans, Advances and Financing
As at 31 December 2016				
By Geographic Distribution	RM'000	RM'000	RM'000	RM'000
Malaysia	49,307	18,176	3,323	21,499
Other Countries	-	-	-	-
Total	49,307	18,176	3,323	21,499

* Impaired and past due loans, advances and financing form a subset of gross credit exposures.

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(iii) The table below depicts the movement of impairment provisions:

Table 8: Reconciliation of Changes In Loan Impairment Provisions

	The Group and the Bank	
	30.06.2017 RM'000	31.12.2016 RM'000
Individual Impairment Provision		
As at beginning of the financial year	18,176	25,126
Amount written off	-	(6,950)
As at financial year end	<u>18,176</u>	<u>18,176</u>
Collective Impairment Provision		
As at beginning of the financial year	3,323	9,407
Allowance made during the financial year	198	1,750
Amount written back	(903)	(7,834)
As at financial year end	<u>2,618</u>	<u>3,323</u>
Direct Income Statement Impacts		
Direct write offs	-	-
Direct recoveries	903	7,834

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Credit Risk Assessment Under Standardised Approach

(i) Credit Exposure By Risk Weights

The following table depicts the credit risk exposure of the Bank by risk weight:

Table 9: Credit Risk Exposure by Risk Weight

The Group	Exposure after netting and credit risk mitigation							Total Exposures after Netting & Credit Risk Mitigation	Total Risk Weighted Assets	
	Sovereign / Central Banks	Banks, DFIs & MDBs	Regulatory Corporates	Regulatory Retail	Other Assets	Default (On Balance Sheet)	OTC Derivatives			Non-OTC Derivatives
As at 30 June 2017	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Risk Weights										
0%	2,988,374	-	-	-	41	-	-	-	2,988,415	-
20%	21,564	803,569	1,570,790	-	9,321	-	105,856	-	2,511,100	502,220
50%	-	56,436	26,326	-	-	152	1,200	-	84,114	42,057
75%	-	-	-	5,081	-	-	-	-	5,081	3,811
100%	-	-	1,370,018	-	755,664	-	50,526	127,462	2,303,670	2,303,670
150%	-	-	-	-	-	30,205	-	-	30,205	45,308
Total	3,009,938	860,005	2,967,134	5,081	765,026	30,357	157,582	127,462	7,922,585	2,897,066
Deduction from total capital	-	-	-	-	-	-	-	-	-	-
Average risk weight										36.57%

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Table 9: Credit Risk Exposure by Risk Weight (Continued)

Exposure after netting and credit risk mitigation

The Bank	Exposure after netting and credit risk mitigation								Total Exposures after Netting & Credit Risk Mitigation	Total Risk Weighted Assets
As at 30 June 2017	Sovereign / Central Banks	Banks, DFIs & MDBs	Corporates	Regulatory Retail	Other Assets	Default (On Balance Sheet)	OTC Derivatives	Non-OTC Derivatives	RM'000	RM'000
Risk Weights	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
0%	2,988,374	-	-	-	39	-	-	-	2,988,413	-
20%	21,564	608,377	1,569,786	-	9,321	-	105,856	-	2,314,904	462,981
50%	-	55,856	26,326	-	-	152	1,200	-	83,534	41,767
75%	-	-	-	5,081	-	-	-	-	5,081	3,811
100%	-	-	1,345,858	-	202,691	-	50,526	127,462	1,726,537	1,726,537
150%	-	-	-	-	-	30,205	-	-	30,205	45,308
Total	3,009,938	664,233	2,941,970	5,081	212,051	30,357	157,582	127,462	7,148,674	2,280,404
Deduction from total capital	-	-	-	-	127,784	-	-	-	127,784	-
Average risk weight										31.90%

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Table 9: Credit Risk Exposure by Risk Weight (Continued)

Exposure after netting and credit risk mitigation

The Group	Exposure after netting and credit risk mitigation								Total Exposures after Netting & Credit Risk Mitigation	Total Risk Weighted Assets
As at 31 December 2016	Sovereign / Central Banks	Banks, DFIs & MDBs	Corporates	Regulatory Retail	Other Assets	Default (On Balance Sheet)	OTC Derivatives	Non-OTC Derivatives	RM'000	RM'000
Risk Weights	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
0%	2,656,287	-	-	-	38	-	-	-	2,656,325	-
20%	21,638	698,357	1,608,306	-	-	-	119,320	-	2,447,621	489,524
50%	-	91,581	26,642	-	-	152	-	-	118,375	59,188
75%	-	-	-	5,560	-	-	-	-	5,560	4,170
100%	-	-	1,352,729	-	426,611	-	76,118	146,220	2,001,678	2,001,678
150%	-	-	-	-	-	30,979	-	-	30,979	46,468
Total	2,677,925	789,938	2,987,677	5,560	426,649	31,131	195,438	146,220	7,260,538	2,601,028
Deduction from total capital	-	-	-	-	-	-	-	-	-	-
Average risk weight										35.82%

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Table 9: Credit Risk Exposure by Risk Weight (Continued)

Exposure after netting and credit risk mitigation

The Bank	Exposure after netting and credit risk mitigation								Total Exposures after Netting & Credit Risk Mitigation	Total Risk Weighted Assets
As at 31 December 2016	Sovereign / Central Banks	Banks, DFIs & MDBs	Corporates	Regulatory Retail	Other Assets	Default (On Balance Sheet)	OTC Derivatives	Non-OTC Derivatives	RM'000	RM'000
Risk Weights	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
0%	2,656,287	-	-	-	36	-	-	-	2,656,323	-
20%	21,638	371,838	1,607,315	-	-	-	119,320	-	2,120,111	424,022
50%	-	90,750	26,642	-	-	152	-	-	117,544	58,772
75%	-	-	-	5,560	-	-	-	-	5,560	4,170
100%	-	-	1,352,729	-	292,117	-	76,118	146,220	1,867,184	1,867,184
150%	-	-	-	-	-	30,979	-	-	30,979	46,468
Total	2,677,925	462,588	2,986,686	5,560	292,153	31,131	195,438	146,220	6,797,701	2,400,616
Deduction from total capital	-	-	-	-	121,217	-	-	-	121,217	-
Average risk weight										35.32%

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(ii) Credit Exposure By Risk Weight (Long Term Rating)

The following is summary of rules governing the Standardised Approach for rated, unrated and preferential / special risk weight of the counterparties.

Table 10A: Long Term Credit Rating Category by External Credit Assessment Institution under Standardised Approach

Rating Category	External Credit Assessment Institutions (ECAI)				
	S&P	Moody's	Fitch	RAM	MARC
1	AAA to AA-	Aaa to Aa3	AAA to AA-	AAA to AA3	AAA to AA-
2	A+ to A-	A1 to A3	A+ to A-	A1 to A3	A+ to A-
3	BBB+ to BBB-	Baa1 to Baa3	BBB+ to BBB-	BBB1 to BBB3	BBB+ to BBB-
4	BB+ to BB-	Ba1 to Ba3	BB+ to BB-	BB1 to BB3	BB+ to BB-
5	B+ to B-	B1 to B3	B+ to B-	B1 to B3	B+ to B-
6	CCC+ to D	Caa1 to C	CCC+ to D	C1 to D	CCC+ to D
7	Unrated				

Table 10B: Long term Credit Rating Risk Weight Category by External Credit Assessment Institution under Standardised Approach for Banking Institution, Corporate and Sovereign & Central Bank

Rating Category	Risk weights based on Credit Ratings of the Counterparty Exposure Class		
	Banking Institutions	Corporate	Sovereign & Central Bank
1	20%	20%	0%
2	50%	50%	20%
3	50%	100%	50%
4	100%	100%	100%
5	100%	150%	100%
6	150%	150%	150%
7	50%	100%	100%

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Table 11: Preferential / Special Risk Weight Allocation under Standardised Approach (for Long Term & Short Term)

	Exposure Category	Risk Weight
1	Exposures including debts securities issued by or guaranteed by Federal Government of Malaysia and/or Bank Negara Malaysia denominated and funded in Ringgit Malaysia	0%
2	Cash & Gold	0%
3	Investment in the ABF Malaysia Bond Index Fund	0%
4	Exposure on Bank for International Settlements, International Monetary Fund, European Central Bank & European	0%
5	Exposure to Multilateral Development Banks specified by Basel Committee of Banking Supervision	0%
6	Exposures including debts securities issued by or guaranteed by Federal Government and/or Central Bank denominated and funded in foreign currency	20%
7	Exposure to local Stock Exchange & Clearing House	20%
8	Unit Trust & Property Trust Fund	100%
9	Publicly Traded Equity Investment in Banking Book	100%
10	Equity held for socio-economic purpose	100%
11	Investment in Subsidiaries (other than commercial entities)	1250%

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The following table shows rated and unrated exposure to Banking Institution, Corporate and Sovereign and Central Banks using of long term ratings by the external credit assessment institutions (ECAIs) and Preferential / Special Risk Weight.

Table 12: Rated and Unrated Gross Credit Risk Exposure (Long Term)

The Group As at 30 June 2017 Risk Weights	Rated					Risk Weighted Allocation Preferential / Special Risk			Unrated				Total RM'000	
	0% RM'000	20% RM'000	50% RM'000	100% RM'000	150% RM'000	0% RM'000	20% RM'000	100% RM'000	50% RM'000	75% RM'000	100% RM'000	150% RM'000		
Categories of Exposure														
<u>On and Off Balance-Sheet Exposures</u>														
Sovereign and Central Banks	-	-	-	-	-	2,988,374	21,564	-	-	-	-	-	-	3,009,938
Banks, DFIs and MDBs	-	909,425	57,636	-	-	-	-	-	-	-	-	-	-	967,061
<u>Credit Exposures (using Corporate Risk Weights)</u>														
Insurance Companies, Securities Firms & Fund Managers	-	-	-	-	-	-	-	-	-	-	6,005	-	-	6,005
Corporates	-	1,570,790	26,326	21,171	-	-	-	-	-	-	1,520,830	-	-	3,139,117
Regulatory Retail	-	-	-	-	-	-	-	-	-	339,033	-	-	-	339,033
Other Assets	-	-	-	-	-	39	-	-	-	-	764,987	-	-	765,026
Defaulted Exposures	-	-	-	-	-	-	-	-	152	-	-	30,205	-	30,357
Total	-	2,480,215	83,962	21,171	-	2,988,413	21,564	-	152	339,033	2,291,822	30,205	-	8,256,537

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Table 12: Rated and Unrated Gross Credit Risk Exposure (Long Term) (Continued)

The Bank As at 30 June 2017 Risk Weights	Risk Weighted Allocation													Total RM'000
	Rated					Preferential / Special Risk			Unrated					
	0% RM'000	20% RM'000	50% RM'000	100% RM'000	150% RM'000	0% RM'000	20% RM'000	100% RM'000	50% RM'000	75% RM'000	100% RM'000	150% RM'000		
Categories of Exposure														
<u>On and Off Balance-Sheet Exposures</u>														
Sovereign and Central Banks	-	-	-	-	-	2,988,374	21,564	-	-	-	-	-	-	3,009,938
Banks, DFIs and MDBs	-	714,233	57,056	-	-	-	-	-	-	-	-	-	-	771,289
<u>Credit Exposures (using Corporate Risk Weights)</u>														
Insurance Companies, Securities														
Firms & Fund Managers	-	-	-	-	-	-	-	-	-	-	6,005	-	-	6,005
Corporates	-	1,569,786	26,326	21,171	-	-	-	-	-	-	1,496,670	-	-	3,113,953
Regulatory Retail	-	-	-	-	-	-	-	-	-	339,033	-	-	-	339,033
Other Assets	-	-	-	-	-	39	-	-	-	-	212,012	-	-	212,051
Defaulted Exposures	-	-	-	-	-	-	-	-	152	-	-	30,205	-	30,357
Total	-	2,284,019	83,382	21,171	-	2,988,413	21,564	-	152	339,033	1,714,687	30,205	-	7,482,626

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Table 12: Rated and Unrated Gross Credit Risk Exposure (Long Term) (Continued)

The Group As at 31 December 2016 Risk Weights	Risk Weighted Allocation												
	Rated					Preferential / Special Risk			Unrated				Total RM'000
	0% RM'000	20% RM'000	50% RM'000	100% RM'000	150% RM'000	0% RM'000	20% RM'000	100% RM'000	50% RM'000	75% RM'000	100% RM'000	150% RM'000	
Categories of Exposure													
<u>On and Off Balance-Sheet Exposures</u>													
Sovereign and Central Banks	-	-	-	-	-	2,656,287	21,638	-	-	-	-	-	2,677,925
Banks, DFIs and MDBs	-	817,676	91,582	-	-	-	-	-	-	-	-	-	909,258
<u>Credit Exposures (using Corporate Risk Weights)</u>													
Insurance Companies, Securities													
Firms & Fund Managers	-	-	-	-	-	-	-	-	-	-	7,332	-	7,332
Corporates	-	1,608,306	26,642	68,479	-	-	-	-	-	-	1,499,255	-	3,202,682
Regulatory Retail	-	-	-	-	-	-	-	-	-	247,332	-	-	247,332
Other Assets	-	-	-	-	-	37	-	-	-	-	426,613	-	426,650
Defaulted Exposures	-	-	-	-	-	-	-	-	152	-	-	30,979	31,131
Total	-	2,425,982	118,224	68,479	-	2,656,324	21,638	-	152	247,332	1,933,200	30,979	7,502,310

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Table 12: Rated and Unrated Gross Credit Risk Exposure (Long Term) (Continued)

The Bank As at 31 December 2016 Risk Weights	Risk Weighted Allocation												Total RM'000	
	Rated					Preferential / Special Risk			Unrated					
	0% RM'000	20% RM'000	50% RM'000	100% RM'000	150% RM'000	0% RM'000	20% RM'000	100% RM'000	50% RM'000	75% RM'000	100% RM'000	150% RM'000		
Categories of Exposure														
<u>On and Off Balance-Sheet Exposures</u>														
Sovereign and Central Banks	-	-	-	-	-	2,656,287	21,638	-	-	-	-	-	-	2,677,925
Banks, DFIs and MDBs	-	491,158	90,750	-	-	-	-	-	-	-	-	-	-	581,908
<u>Credit Exposures (using Corporate Risk Weights)</u>														
Insurance Companies, Securities Firms & Fund Managers	-	-	-	-	-	-	-	-	-	-	7,332	-	-	7,332
Corporates	-	1,607,315	26,642	68,479	-	-	-	-	-	-	1,499,255	-	-	3,201,691
Regulatory Retail	-	-	-	-	-	-	-	-	-	247,332	-	-	-	247,332
Other Assets	-	-	-	-	-	36	-	-	-	-	292,118	-	-	292,154
Defaulted Exposures	-	-	-	-	-	-	-	-	152	-	-	30,979	-	31,131
Total	-	2,098,473	117,392	68,479	-	2,656,323	21,638	-	152	247,332	1,798,705	30,979	-	7,039,473

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(iii) Credit Exposure By Risk Weight (Short Term Rating)

The following is summary of rules governing the Standardised Approach for rated and unrated counterparties. Each exposure must be assigned to one of ECAI ratings and then used to determine the risk weight percentage.

Table 13: Short term Credit Rating Category by External Credit Assessment Institution under Standardised Approach

Rating Category	External Credit Assessment Institutions (ECAI)				
	S&P	Moody's	Fitch	RAM	MARC
1	A-1	P-1	F1+, F1	P-1	MARC-1
2	A-2	P-2	F2	P-2	MARC-2
3	A-3	P-3	F3	P-3	MARC-3
4	Others	Others	B to D	Others	MARC-4

Table 14: Short term Credit Rating Risk Weight Category by External Credit Assessment Institution under Standardised Approach for Banking Institution and Corporate

Rating Category	Risk weights based on Credit Ratings of the Counterparty Exposure Class	
	Banking Institutions	Corporate
1	20%	20%
2	50%	50%
3	100%	100%
4	150%	150%

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The following table shows rated and unrated exposure to Banking Institution, Corporate and Sovereign and Central Banks using of short term ratings by the external credit assessment institutions (ECAIs) and Preferential / Special Risk Weight.

Table 15: Rated and Unrated Gross Credit Risk Exposure (Short Term Rating)

The Group and the Bank	Risk Weighted Allocation										
	Rated					Preferential / Special Risk Weight			Unrated		Total
As at 30 June 2017	0%	20%	50%	100%	150%	0%	20%	100%	50%	100%	
Risk Weights	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Categories of Exposure											
<u>On and Off Balance-Sheet Exposures</u>											
Sovereign and Central Banks	-	-	-	-	-	-	-	-	-	-	-
Banks, DFIs and MDBs	-	-	-	-	-	-	-	-	-	-	-
<u>Credit Exposures (using Corporate Risk Weights)</u>											
Insurance Companies, Securities Firms & Fund Managers	-	-	-	-	-	-	-	-	-	-	-
Corporates	-	-	-	-	-	-	-	-	-	-	-
Regulatory Retail	-	-	-	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-	-	-	-	-
Defaulted Exposures	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

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Table 15: Rated and Unrated Gross Credit Risk Exposure (Short Term Rating) (Continued)

The Group and the Bank	Risk Weighted Allocation										
	Rated					Preferential / Special Risk Weight			Unrated		Total
	0%	20%	50%	100%	150%	0%	20%	100%	50%	100%	
Risk Weights	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 31 December 2016											
Categories of Exposure											
<u>On and Off Balance-Sheet Exposures</u>											
Sovereign and Central Banks	-	-	-	-	-	-	-	-	-	-	-
Banks, DFIs and MDBs	-	-	-	-	-	-	-	-	-	-	-
<u>Credit Exposures (using Corporate Risk Weights)</u>											
Insurance Companies, Securities Firms & Fund Managers	-	-	-	-	-	-	-	-	-	-	-
Corporates	-	-	-	-	-	-	-	-	-	-	-
Regulatory Retail	-	-	-	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-	-	-	-	-
Defaulted Exposures	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

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The following table depicts the Bank's exposures covered by guarantees and collaterals:

Table 16: Exposures Covered by Credit Risk Mitigation

The Group	Exposures before CRM RM'000	Exposures Covered by Guarantees RM'000	Exposures Covered by Eligible Financial Collateral RM'000	Exposures Covered by Other Eligible Collateral RM'000
As at 30 June 2017				
Exposure Class				
<u>On-Balance Sheet Exposures</u>				
Sovereigns/Central Banks	3,009,938	-	-	-
Banks, DFIs and MDBs	860,005	-	-	-
Corporates	2,967,134	-	-	-
Regulatory Retail	339,033	-	333,952	-
Other assets	765,026	-	-	-
Defaulted exposures	30,357	-	-	-
Total On-Balance Sheet Exposures	7,971,493	-	333,952	-
<u>Off-Balance Sheet Exposures</u>				
Over-the-counter ("OTC") derivatives	157,582	-	-	-
Off-balance sheet exposures other than OTC or credit derivatives	127,462	-	-	-
Total Off-Balance Sheet Exposures	285,044	-	-	-
Total Gross Credit Exposures	8,256,537	-	333,952	-
The Bank				
As at 30 June 2017				
Exposure Class				
<u>On-Balance Sheet Exposures</u>				
Sovereigns/Central Banks	3,009,938	-	-	-
Banks, DFIs and MDBs	664,233	-	-	-
Corporates	2,941,970	-	-	-
Regulatory Retail	339,033	-	333,952	-
Other assets	212,051	-	-	-
Defaulted exposures	30,357	-	-	-
Total On-Balance Sheet Exposures	7,197,582	-	333,952	-
<u>Off-Balance Sheet Exposures</u>				
Over-the-counter ("OTC") derivatives	157,582	-	-	-
Off-balance sheet exposures other than OTC or credit derivatives	127,462	-	-	-
Total Off-Balance Sheet Exposures	285,044	-	-	-
Total Gross Credit Exposures	7,482,626	-	333,952	-

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Table 16: Exposures Covered by Credit Risk Mitigation (Continued)

The Group	Exposures before CRM RM'000	Exposures Covered by Guarantees RM'000	Exposures Covered by Eligible Financial Collateral RM'000	Exposures Covered by Other Eligible Collateral RM'000
As at 31 December 2016				
Exposure Class				
<u>On-Balance Sheet Exposures</u>				
Sovereigns/Central Banks	2,677,925	-	-	-
Banks, DFIs and MDBs	789,938	-	-	-
Corporates	2,987,677	-	-	-
Regulatory Retail	247,332	-	241,772	-
Other assets	426,649	-	-	-
Defaulted exposures	31,131	-	-	-
Total On-Balance Sheet Exposures	7,160,652	-	241,772	-
<u>Off-Balance Sheet Exposures</u>				
Over-the-counter ("OTC") derivatives	195,438	-	-	-
Off-balance sheet exposures other than OTC or credit derivatives	146,220	-	-	-
Total Off-Balance Sheet Exposures	341,658	-	-	-
Total Gross Credit Exposures	7,502,310	-	241,772	-
The Bank				
As at 31 December 2016				
Exposure Class				
<u>On-Balance Sheet Exposures</u>				
Sovereigns/Central Banks	2,677,925	-	-	-
Banks, DFIs and MDBs	462,588	-	-	-
Corporates	2,986,686	-	-	-
Regulatory Retail	247,332	-	241,772	-
Other assets	292,153	-	-	-
Defaulted exposures	31,131	-	-	-
Total On-Balance Sheet Exposures	6,697,815	-	241,772	-
<u>Off-Balance Sheet Exposures</u>				
Over-the-counter ("OTC") derivatives	195,438	-	-	-
Off-balance sheet exposures other than OTC or credit derivatives	146,220	-	-	-
Total Off-Balance Sheet Exposures	341,658	-	-	-
Total Gross Credit Exposures	7,039,473	-	241,772	-

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Off-Balance Sheet Exposure and Counterparty Credit Risk

The following table depicts disclosure of off-balance sheet and counterparty credit risk:

Table 17: Off-Balance Sheet and Counterparty Credit Risk

The Group and the Bank	Principal Amount RM'000	Positive Fair Value of Derivative Contracts RM'000	Credit Equivalent Amount RM'000	Risk Weighted Assets RM'000
As at 30 June 2017				
Description				
Direct Credit Substitutes	116,127	-	116,127	116,127
Foreign exchange related contracts				
One year or less	5,632,327	71,663	117,991	56,390
Over one year to five years	324,238	5,521	19,078	11,445
Interest rate related contracts				
One year or less	250,000	2	477	95
Over one year to five years	720,000	1,836	20,036	4,367
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	645	-	322	322
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	55,063	-	11,013	11,013
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	406,089	-	-	-
Total	7,504,489	79,022	285,044	199,759

The Group and the Bank	Principal Amount RM'000	Positive Fair Value of Derivative Contracts RM'000	Credit Equivalent Amount RM'000	Risk Weighted Assets RM'000
As at 31 December 2016				
Description				
Direct Credit Substitutes	110,050	-	110,050	110,050
Foreign exchange related contracts				
One year or less	3,001,759	113,676	166,356	83,320
Over one year to five years	220,011	7,137	20,057	14,857
Interest rate related contracts				
One year or less	300,000	289	739	148
Over one year to five years	370,000	986	8,286	1,657
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	694	-	347	347
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	179,115	-	35,823	35,823
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	367,710	-	-	-
Total	4,549,339	122,088	341,658	246,202

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Securitisation Disclosures under the Standardised Approach

The Group and the Bank currently do not have any securitisation exposure under standardised approach for banking book as at 30 June 2017 and 31 December 2016.

Equities under Banking Book

The following table depicts the fair value and risk weighted assets of and gains and losses on equity/ CIS investments under banking book:

Table 18: Equities under Banking Book

The Group and the Bank As at 30 June 2017	Fair Value	Risk Weighted Assets
Type of Equity Investments	RM'000	RM'000
Publicly traded	18,960	18,960
Privately held	19,528	19,528
Total	38,488	38,488

	RM'000
Cumulative realised gains/(losses) from sales and liquidations of equity investments	3,196

Total unrealised gains/(losses) in other comprehensive income	-
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The Group and the Bank As at 31 December 2016	Fair Value	Risk Weighted Assets
Type of Equity Investments	RM'000	RM'000
Publicly traded	25,852	25,852
Privately held	19,528	19,528
Total	45,380	45,380

	RM'000
Cumulative realised gains/(losses) from sales and liquidations of equity investments	346

Total unrealised gains/(losses) in other comprehensive income	2,126
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The following table depicts the sensitivity shocks on earnings and economic value of the Bank's positions in banking book, to a parallel interest rate shock of +/- 100 basis points ("bps"):

Table 19: Sensitivity of the banking book to interest rate changes

	The Group		The Bank	
	Increase / (Decrease) in RM'000		Increase / (Decrease) in RM'000	
As at 30 June 2017	+100 bps	-100 bps	+100 bps	-100 bps
*Impact on Earnings				
MYR	(22,961)	22,961	(22,961)	22,961
USD	(1,051)	1,051	(1,051)	1,051
SGD	(1)	1	(1)	1
Others	39	(39)	39	(39)
Total	(23,974)	23,974	(23,974)	23,974
~Impact on Economic Value				
MYR	189,272	(189,272)	189,232	(189,232)
USD	3,144	(3,144)	3,144	(3,144)
SGD	2,638	(2,638)	2,638	(2,638)
Others	324	(324)	324	(324)
Total	195,378	(195,378)	195,338	(195,338)
As at 31 December 2016	The Group		The Bank	
	Increase / (Decrease) in RM'000		Increase / (Decrease) in RM'000	
	+100 bps	-100 bps	+100 bps	-100 bps
*Impact on Earnings				
MYR	(35,709)	35,709	(35,709)	35,709
USD	(581)	581	(581)	581
SGD	183	(183)	183	(183)
Others	(9)	9	(9)	9
Total	(36,116)	36,116	(36,116)	36,116
~Impact on Economic Value				
MYR	187,018	(187,018)	186,967	(186,967)
USD	6,759	(6,759)	6,759	(6,759)
SGD	2,298	(2,298)	2,298	(2,298)
Others	700	(700)	700	(700)
Total	196,775	(196,775)	196,724	(196,724)

* The earnings approach focuses on the impact of interest rate movement on the Bank's near term earnings (within 1 year).

~ The economic value approach provides a more comprehensive view of the impact of interest rate movement on the economic value of the Bank's overall positions.