

Deutsche Bank (Malaysia) Berhad

Company No. 312552-W

Deutsche Bank (Malaysia) Berhad

(Company No. 312552-W)
(Incorporated in Malaysia)

Basel II Pillar 3 Report
30 June 2015



Deutsche Bank (Malaysia) Berhad

(Company No. 312552-W)

(Incorporated in Malaysia)

1 Regulatory capital requirement

Disclosure on capital adequacy under the Standardised approach

Group and Bank

30 June 2015

| 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 | 477,416 | 160,764 | - | - |
| Public Sector Entities | - | - | - | - |
| Banks, Development Financial Institutions and Multilateral Development Banks | 1,917,077 | 1,917,077 | 809,541 | 64,763 |
| Insurance Companies, Securities Firms and Fund Managers | - | - | - | - |
| Corporates | 1,085,108 | 1,085,108 | 1,073,028 | 85,842 |
| Regulatory Retail | 1,000 | 1,000 | 750 | 60 |
| Residential Mortgages | 19,214 | 19,214 | 6,832 | 547 |
| Higher Risk Assets | - | - | - | - |
| Other Assets | 121,591 | 121,591 | 118,987 | 9,519 |
| Equity Exposure | 1,631 | 1,631 | 1,861 | 149 |
| Defaulted Exposures | 2,895 | 2,895 | 2,895 | 232 |
| Total On-Balance Sheet Exposures | 3,625,932 | 3,309,280 | 2,013,894 | 161,112 |
| <u>Off-Balance Sheet Exposures</u> | | | | |
| OTC Derivatives | 4,819,456 | 3,790,845 | 2,469,530 | 197,562 |
| Credit Derivatives | 80,394 | 80,394 | 29,413 | 2,353 |
| Defaulted Exposures | - | - | - | - |
| Total for Off-Balance Sheet Exposures | 4,899,850 | 3,871,239 | 2,498,943 | 199,915 |
| Total On and Off- Balance Sheet Exposures | 8,525,782 | 7,180,519 | 4,512,837 | 361,027 |
| Large Exposures Risk Requirements | | | | |
| Market Risk (Standardised approach) | Long Position | Short Position | | |
| Interest Rate Risk | 130,183,796 | 124,879,569 | 2,158,269 | 172,662 |
| Foreign Currency Risk | 1,173,096 | 30,921 | 1,173,091 | 93,847 |
| Options | 14,830 | - | 351,625 | 28,130 |
| Operational Risk | | | 472,364 | 37,789 |
| Total RWA and capital requirements | | | 8,668,186 | 693,455 |

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1 Regulatory capital requirement (continued)

Disclosure on capital adequacy under the Standardised approach (continued)

Group and Bank

31 Dec 2014

| 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 | 252,996 | 109,774 | - | - |
| Public Sector Entities | - | - | - | - |
| Banks, Development Financial Institutions and Multilateral Development Banks | 1,088,492 | 1,088,492 | 443,731 | 35,498 |
| Insurance Companies, Securities Firms and Fund Managers | - | - | - | - |
| Corporates | 1,081,970 | 1,081,970 | 1,080,006 | 86,400 |
| Regulatory Retail | 777 | 777 | 583 | 47 |
| Residential Mortgages | 20,612 | 20,612 | 7,382 | 591 |
| Higher Risk Assets | - | - | - | - |
| Other Assets | 98,299 | 98,299 | 95,521 | 7,642 |
| Equity Exposure | 1,631 | 1,631 | 1,861 | 149 |
| Defaulted Exposures | 3,233 | 3,233 | 3,233 | 259 |
| Total On-Balance Sheet Exposures | 2,548,010 | 2,404,788 | 1,632,317 | 130,586 |
| <u>Off-Balance Sheet Exposures</u> | | | | |
| OTC Derivatives | 5,014,870 | 4,332,749 | 2,848,537 | 227,883 |
| Credit Derivatives | 75,774 | 75,774 | 23,629 | 1,890 |
| Defaulted Exposures | - | - | - | - |
| Total for Off-Balance Sheet Exposures | 5,090,644 | 4,408,523 | 2,872,166 | 229,773 |
| Total On and Off- Balance Sheet Exposures | 7,638,654 | 6,813,311 | 4,504,483 | 360,359 |
| Large Exposures Risk Requirements | | | - | - |
| Market Risk (Standardised approach) | Long Position | Short Position | | |
| Interest Rate Risk | 151,177,076 | 145,748,689 | 2,447,518 | 195,801 |
| Foreign Currency Risk | 1,930,148 | 280,156 | 1,930,350 | 154,428 |
| Options | 10,079 | - | 272,838 | 21,827 |
| Operational Risk | | | 502,402 | 40,192 |
| Total RWA and capital requirements | | | 9,657,591 | 772,607 |

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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 2015

| Credit Exposure Category | Geography | | | | | | 30-Jun-15 |
|---|-------------------|------------------|-----------------|--------------------|---------------------|------------------|------------------|
| | America RM'000 | Europe RM'000 | India RM'000 | Malaysia RM'000 | Singapore RM'000 | Others RM'000 | Total RM'000 |
| Sovereigns/Central Banks | - | - | - | 477,416 | - | - | 477,416 |
| Banks, DFIs & MDBs | 281,840 | 553,501 | 183,592 | 2,975,590 | 390,672 | 661,146 | 5,046,341 |
| Public Sector Entities | - | - | - | 8,417 | - | - | 8,417 |
| Insurance Companies, Securities Firms and Fund Managers | - | - | - | 11,493 | - | - | 11,493 |
| Corporates | - | - | - | 2,704,146 | 136 | 131,493 | 2,835,775 |
| Regulatory Retails | - | - | - | 999 | - | - | 999 |
| Residential Mortgages | - | - | - | 19,228 | - | - | 19,228 |
| Other Asset | - | - | - | 121,589 | - | - | 121,589 |
| Equity Exposure | - | - | - | 1,631 | - | - | 1,631 |
| Defaulted Exposures | - | - | - | 2,893 | - | - | 2,893 |
| Grand Total | 281,840 | 553,501 | 183,592 | 6,323,402 | 390,808 | 792,639 | 8,525,782 |

Group and Bank

31 Dec 2014

| Credit Exposure Category | Geography | | | | | | 31-Dec-14 |
|---|-------------------|------------------|-----------------|--------------------|---------------------|------------------|------------------|
| | America RM'000 | Europe RM'000 | India RM'000 | Malaysia RM'000 | Singapore RM'000 | Others RM'000 | Total RM'000 |
| Sovereigns/Central Banks | - | - | - | 252,996 | - | - | 252,996 |
| Banks, DFIs & MDBs | 295,436 | 449,965 | 79,699 | 2,659,406 | 293,731 | 440,660 | 4,218,897 |
| Public Sector Entities | - | - | - | 5,520 | - | - | 5,520 |
| Insurance Companies, Securities Firms and Fund Managers | - | - | - | 8,710 | - | - | 8,710 |
| Corporates | 16 | 103,851 | - | 2,852,336 | 65,518 | 6,243 | 3,027,964 |
| Regulatory Retails | - | - | - | 777 | - | - | 777 |
| Residential Mortgages | - | - | - | 20,627 | - | - | 20,627 |
| Other Asset | - | - | - | 98,299 | - | - | 98,299 |
| Equity Exposure | - | - | - | 1,631 | - | - | 1,631 |
| Defaulted Exposures | - | - | - | 3,233 | - | - | 3,233 |
| Grand Total | 295,452 | 553,816 | 79,699 | 5,903,535 | 359,249 | 446,903 | 7,638,654 |

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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 2015

| Credit Exposure | Sector | | | | | | | | | | | 30-Jun-15 |
|---|--------------|----------------------------|---------------------------------|---|-----------|---------------|--------------------|--------|---------------------|------------------------------------|---|-----------|
| | 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 | |
| Category | RM000 | RM000 | RM000 | RM000 | RM000 | RM000 | RM000 | RM000 | RM000 | RM000 | RM000 | RM000 |
| Sovereigns/Central Banks | - | - | - | 477,416 | - | - | - | - | - | - | - | 477,416 |
| Public Sector Entities | - | - | - | 8,417 | - | - | - | - | - | - | - | 8,417 |
| Banks, DFIs & MDBs | - | - | - | 5,046,341 | - | - | - | - | - | - | - | 5,046,341 |
| Insurance Companies, Securities Firms and Fund Managers | - | - | - | 11,493 | - | - | - | - | - | - | - | 11,493 |
| Corporates | 50,858 | 35,205 | - | 667,893 | - | 1,457,526 | 167,448 | 28,428 | 7,719 | 95,863 | 324,835 | 2,835,775 |
| Regulatory Retail | - | - | - | - | 999 | - | - | - | - | - | - | 999 |
| Residential Mortgages | - | - | - | - | 19,228 | - | - | - | - | - | - | 19,228 |
| Other Assets | - | - | - | 121,589 | - | - | - | - | - | - | - | 121,589 |
| Equity Exposure | - | - | - | 1,631 | - | - | - | - | - | - | - | 1,631 |
| Defaulted Exposures | - | - | - | - | 2,893 | - | - | - | - | - | - | 2,893 |
| Grand Total | 50,858 | 35,205 | - | 6,334,780 | 23,120 | 1,457,526 | 167,448 | 28,428 | 7,719 | 95,863 | 324,835 | 8,525,782 |

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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 2014

| Credit Exposure Category | Sector | | | | | | | | | | | 31-Dec-14 |
|---|---------------|-------------------------------|------------------------------------|---|---------------|------------------|-----------------------|---------------|------------------------|--|--|------------------|
| | 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 RM000 |
| | RM000 | RM000 | RM000 | RM000 | RM000 | RM000 | RM000 | RM000 | RM000 | RM000 | RM000 | |
| Sovereigns/Central Banks | - | - | - | 252,996 | - | - | - | - | - | - | - | 252,996 |
| Public Sector Entities | - | - | - | 5,520 | - | - | - | - | - | - | - | 5,520 |
| Banks, DFIs & MDBs | - | - | - | 4,218,897 | - | - | - | - | - | - | - | 4,218,897 |
| Insurance Companies, Securities Firms and Fund Managers | - | - | - | 8,710 | - | - | - | - | - | - | - | 8,710 |
| Corporates | 77,664 | 51,131 | 163,747 | 652,331 | - | 1,175,780 | 163,323 | 60,897 | 230,983 | 101,097 | 351,011 | 3,027,964 |
| Regulatory Retail | - | - | - | - | 777 | - | - | - | - | - | - | 777 |
| Residential Mortgages | - | - | - | - | 20,627 | - | - | - | - | - | - | 20,627 |
| Other Assets | - | - | - | 98,299 | - | - | - | - | - | - | - | 98,299 |
| Equity Exposure | - | - | - | 1,631 | - | - | - | - | - | - | - | 1,631 |
| Defaulted Exposures | - | - | - | - | 3,233 | - | - | - | - | - | - | 3,233 |
| Grand Total | 77,664 | 51,131 | 163,747 | 5,238,384 | 24,637 | 1,175,780 | 163,323 | 60,897 | 230,983 | 101,097 | 351,011 | 7,638,654 |

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2 Credit Risk (continued)

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

Group and Bank

30 June 2015

| Credit Exposure | Maturity | | | 30-Jun-15 |
|---|------------------|------------------|----------------|------------------|
| | Upto 1year | 1-5 year | > 5 years | Total RM'000 |
| Sovereigns/Central Banks | 477,416 | - | - | 477,416 |
| Public Sector Entities | 8,417 | - | - | 8,417 |
| Banks, DFIs & MDBs | 2,692,082 | 1,712,299 | 641,960 | 5,046,341 |
| Insurance Cos, Securities Firms & Fund Managers | 7,453 | - | 4,040 | 11,493 |
| Corporates | 2,024,303 | 743,434 | 68,038 | 2,835,775 |
| Regulatory Retail | 999 | - | - | 999 |
| Residential Mortgages | 2,933 | 15 | 16,280 | 19,228 |
| Other Assets | 121,589 | - | - | 121,589 |
| Equity Exposure | 1,631 | - | - | 1,631 |
| Defaulted Exposures | - | - | 2,893 | 2,893 |
| Grand Total | 5,336,823 | 2,455,748 | 733,211 | 8,525,782 |

Group and Bank

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| Credit Exposure | Maturity | | | 31-Dec-14 |
|---|------------------|------------------|----------------|------------------|
| | Upto 1year | 1-5 year | > 5 years | Total RM'000 |
| Sovereigns/Central Banks | 252,996 | - | - | 252,996 |
| Public Sector Entities | 5,520 | - | - | 5,520 |
| Banks, DFIs & MDBs | 1,954,593 | 1,644,125 | 620,179 | 4,218,897 |
| Insurance Cos, Securities Firms & Fund Managers | 5,680 | - | 3,030 | 8,710 |
| Corporates | 2,386,525 | 573,139 | 68,300 | 3,027,964 |
| Regulatory Retail | 777 | - | - | 777 |
| Residential Mortgages | 20,612 | 15 | - | 20,627 |
| Other Assets | 98,299 | - | - | 98,299 |
| Equity Exposure | 1,631 | - | - | 1,631 |
| Defaulted Exposures | 3,233 | - | - | 3,233 |
| Grand Total | 4,729,866 | 2,217,279 | 691,509 | 7,638,654 |

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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 | |
|---|----------------|--------------|
| | 2015 | 2014 |
| | RM'000 | RM'000 |
| Purchase of landed properties - residential | 3,218 | 3,537 |
| | <u>3,218</u> | <u>3,537</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 | |
|---|----------------|--------------|
| | 2015 | 2014 |
| | RM'000 | RM'000 |
| Balance at 1 January | 3,537 | 4,614 |
| Classified as impaired during the period / year | 361 | 372 |
| Reclassified as non-impaired during the period / year | (411) | (1,204) |
| Amount recovered | (269) | (196) |
| Amount written off | - | (49) |
| At 30 June 2015 / 31 December 2014 | <u>3,218</u> | <u>3,537</u> |
| Gross impaired loans as a percentage of gross loans, advances and financing | <u>0.23%</u> | <u>0.26%</u> |

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2 Credit Risk (continued)

2.5 Reconciliation of loan impairment provisions (continued)

Movements in collective assessment allowance for impaired loans, advances and financing which are all wholly incurred in Malaysia:

| | Group and Bank | |
|--|----------------|--------------|
| | 2015 | 2014 |
| | RM'000 | RM'000 |
| <u>Collective Assessment Allowance</u> | | |
| At 1 January | 8,807 | 10,623 |
| Allowance / (Reversal) made during the period / year | (111) | (1,816) |
| At 30 June 2015 / 31 December 2014 | <u>8,696</u> | <u>8,807</u> |

Movements in individual assessment allowance for impaired loans, advances and financing which are all wholly incurred in Malaysia:

| | Group and Bank | |
|---|----------------|--------------|
| | 2015 | 2014 |
| | RM'000 | RM'000 |
| <u>Individual Assessment Allowance</u> | | |
| | Household | Household |
| At 1 January | 304 | 403 |
| Allowance made during the period / year: | 27 | 47 |
| Amount written off | - | (47) |
| Amount recovered | (8) | (99) |
| At 30 June 2015 / 31 December 2014 | <u>323</u> | <u>304</u> |
| Direct impact to Income Statement: | | |
| Impairment written off | - | (99) |
| Impairment recovered | (8) | (47) |
| | <u>(8)</u> | <u>(146)</u> |

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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 2015

| 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% | 160,764 | - | - | - | - | - | - | - | 2,604 | - | - | - | 163,368 | - |
| 20% | - | - | 1,176,433 | - | 34,006 | - | - | - | - | - | - | - | 1,210,439 | 242,088 |
| 35% | - | - | - | - | - | - | 18,499 | - | - | - | - | - | 18,499 | 6,475 |
| 50% | - | - | 2,982,914 | - | 64,209 | - | 715 | - | - | - | - | - | 3,047,838 | 1,523,919 |
| 75% | - | - | - | - | - | 1,000 | - | - | - | - | - | - | 1,000 | 750 |
| 100% | - | 8,417 | - | 11,491 | 2,595,954 | - | 2,895 | - | 118,987 | - | - | 1,611 | 2,739,355 | 2,739,355 |
| 1250% | - | - | - | - | - | - | - | - | - | - | - | 20 | 20 | 250 |
| Total Exposures | 160,764 | 8,417 | 4,159,347 | 11,491 | 2,694,169 | 1,000 | 22,109 | - | 121,591 | - | - | 1,631 | 7,180,519 | 4,512,837 |
| Risk-Weighted Assets by Exposures | - | 8,417 | 1,726,743 | 11,491 | 2,634,861 | 750 | 9,727 | - | 118,987 | - | - | 1,861 | 4,512,837 | - |
| Average Risk Weight | - | 100.0% | 41.5% | 100.0% | 97.8% | 75.0% | 44.0% | 0.0% | 97.9% | 0.0% | 0.0% | 114.1% | 62.8% | - |
| Deduction from Capital Base | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

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2 Credit Risk (continued)

2.6 Exposures under the Standardised approach (continued)

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| 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'000 109,774 | RM'000 - | RM'000 - | RM'000 - | RM'000 - | RM'000 - | RM'000 - | RM'000 - | RM'000 2,778 | RM'000 - | RM'000 - | RM'000 - | RM'000 112,552 | RM'000 - |
| 20% | - | - | 1,180,945 | - | 28,467 | - | - | - | - | - | - | - | 1,209,412 | 241,882 |
| 35% | - | - | - | - | - | 19,495 | - | - | - | - | - | - | 19,495 | 6,823 |
| 50% | - | - | 2,356,472 | - | 74,631 | 1,117 | - | - | - | - | - | - | 2,432,220 | 1,216,110 |
| 75% | - | - | - | - | - | 777 | - | - | - | - | - | - | 777 | 583 |
| 100% | - | 5,520 | - | 8,710 | 2,924,240 | - | 3,233 | - | 95,521 | - | - | 1,611 | 3,038,835 | 3,038,835 |
| 1250% | - | - | - | - | - | - | - | - | - | - | - | 20 | 20 | 250 |
| Total Exposures | 109,774 | 5,520 | 3,537,417 | 8,710 | 3,027,338 | 777 | 23,845 | - | 98,299 | - | - | 1,631 | 6,813,311 | 4,504,483 |
| Risk-Weighted Assets by Exposures | - | 5,520 | 1,414,425 | 8,710 | 2,967,248 | 583 | 10,615 | - | 95,521 | - | - | 1,861 | 4,504,483 | |
| Average Risk Weight | - | 100.0% | 40.0% | 100.0% | 98.0% | 75.0% | 44.5% | 0.0% | 97.2% | 0.0% | 0.0% | 114.1% | 66.1% | |
| Deduction from Capital Base | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

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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 2015

| 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 | 477,416 | - | 316,652 | - |
| Public Sector Entities | - | - | - | - |
| Banks, Development Financial Institutions and Multilateral Development Banks | 1,917,077 | - | - | - |
| Insurance Companies, Securities Firms and Fund Managers | - | - | - | - |
| Corporates | 1,085,108 | 447,012 | - | - |
| Regulatory Retail | 1,000 | - | - | - |
| Residential Mortgages | 19,214 | - | - | - |
| Higher Risk Assets | - | - | - | - |
| Other Assets | 121,591 | - | - | - |
| Equity Exposure | 1,631 | - | - | - |
| Defaulted Exposures | 2,895 | - | - | - |
| Total On-Balance Sheet Exposures | 3,625,932 | 447,012 | 316,652 | - |
| <u>Off-Balance Sheet Exposures</u> | | | | |
| OTC Derivatives | 4,819,456 | - | 1,028,612 | - |
| Credit Derivatives | 80,394 | - | - | - |
| Defaulted Exposures | - | - | - | - |
| Total for Off-Balance Sheet Exposures | 4,899,850 | - | 1,028,612 | - |
| Total On and Off- Balance Sheet Exposures | 8,525,782 | 447,012 | 1,345,264 | - |

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2 Credit Risk (continued)

2.7 Credit Risk Mitigation (continued)

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| 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 |
| Credit Risk | | | | |
| <u>On-Balance Sheet Exposures</u> | | | | |
| Sovereigns/Central Banks | 252,996 | - | 143,222 | - |
| Public Sector Entities | - | - | - | - |
| Banks, Development Financial Institutions and Multilateral Development Banks | 1,088,492 | - | - | - |
| Insurance Companies, Securities Firms and Fund Managers | - | - | - | - |
| Corporates | 1,081,970 | 356,563 | - | - |
| Regulatory Retail | 777 | - | - | - |
| Residential Mortgages | 20,612 | - | - | - |
| Higher Risk Assets | - | - | - | - |
| Other Assets | 98,299 | - | - | - |
| Equity Exposure | 1,631 | - | - | - |
| Defaulted Exposures | 3,233 | - | - | - |
| Total On-Balance Sheet Exposures | 2,548,010 | 356,563 | 143,222 | - |
| <u>Off-Balance Sheet Exposures</u> | | | | |
| OTC Derivatives | 5,014,870 | - | 682,121 | - |
| Credit Derivatives | 75,774 | - | - | - |
| Defaulted Exposures | - | - | - | - |
| Total for Off-Balance Sheet Exposures | 5,090,644 | - | 682,121 | - |
| Total On and Off- Balance Sheet Exposures | 7,638,654 | 356,563 | 825,343 | - |

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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-2015 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 | 1,198,284 | | 599,142 | 549,490 |
| Short Term Self Liquidating trade related contingencies | 266,929 | | 53,386 | 42,748 |
| Foreign exchange related contracts | | | | |
| One year or less | 15,325,063 | 121,483 | 311,442 | 233,105 |
| Over one year to five years | 6,964,837 | 368,929 | 781,121 | 599,048 |
| Over five years | 311,587 | - | 37,348 | 18,720 |
| Interest/Profit rate related contracts | | | | |
| One year or less | 3,023,104 | 6,818 | 12,026 | 3,433 |
| Over one year to five years | 7,275,616 | 37,524 | 171,587 | 78,375 |
| Over five years | 2,529,616 | 42,302 | 280,854 | 120,006 |
| Equity related contracts | | | | |
| One year or less | 160,711 | - | 11,415 | 5,708 |
| Over one year to five years | 35,858 | - | 2,869 | 1,434 |
| Over five years | - | - | - | - |
| Credit Derivative Contracts | | | | |
| One year or less | 193,254 | 906 | 5,888 | 2,527 |
| Over one year to five years | 1,035,728 | 16,639 | 65,653 | 25,174 |
| Over five years | - | - | - | - |
| OTC Derivative transactions and credit derivative contracts subject to valid bilateral netting agreements | 81,773,406 | 1,945,284 | 2,278,113 | 555,837 |
| Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year | 29 | - | 15 | 15 |
| Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year | 1,444,956 | | 288,991 | 263,323 |
| Total | 121,538,978 | 2,539,885 | 4,899,850 | 2,498,943 |

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2 Credit Risk (continued)

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

Group and Bank

31 Dec 2014

| 31-Dec-2014 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 | 1,329,612 | | 664,806 | 588,751 |
| Short Term Self Liquidating trade related contingencies | 240,302 | | 48,060 | 35,940 |
| Foreign exchange related contracts | | | | |
| One year or less | 13,418,768 | 172,094 | 382,891 | 256,376 |
| Over one year to five years | 6,636,804 | 221,448 | 599,083 | 561,653 |
| Over five years | 378,907 | 607 | 46,042 | 22,922 |
| Interest/Profit rate related contracts | | | | |
| One year or less | 2,278,851 | 6,717 | 12,084 | 4,485 |
| Over one year to five years | 8,612,779 | 52,790 | 219,661 | 98,834 |
| Over five years | 2,475,868 | 54,558 | 246,811 | 100,639 |
| Equity related contracts | | | | |
| One year or less | 66,755 | - | 6,675 | 3,338 |
| Over one year to five years | 115,265 | - | 11,527 | 5,763 |
| Over five years | - | - | - | - |
| Credit Derivative Contracts | | | | |
| One year or less | 178,944 | - | 5,505 | 2,338 |
| Over one year to five years | 877,502 | 18,898 | 50,352 | 17,356 |
| Over five years | - | - | - | - |
| OTC Derivative transactions and credit derivative contracts subject to valid bilateral netting agreements | 100,458,502 | 1,453,736 | 2,161,702 | 574,330 |
| Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year | 29 | - | 15 | 15 |
| Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year | 3,177,150 | | 635,430 | 599,426 |
| Total | 140,246,038 | 1,980,848 | 5,090,644 | 2,872,166 |

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3. Islamic Bank Operations

Islamic Banking Window - Risk Weighted Assets and Capital Requirements for Credit Risk (30 June 2015)

| 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% |
|--|----------------------|-----------------------|----------------------|---------------------------------------|--|-----------------------------------|
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Credit Risk | | | | | | |
| <u>On-Balance Sheet Exposures</u> | | | | | | |
| Sovereigns/Central Banks | 824 | 824 | - | - | - | - |
| Public Sector Entities | - | - | - | - | - | - |
| Banks, Development Financial Institutions and Multilateral Development Banks | 191 | 191 | 96 | - | - | 8 |
| Insurance Companies, Securities Firms and Fund Managers | - | - | - | - | - | - |
| Corporates | - | - | - | - | - | - |
| Regulatory Retail | - | - | - | - | - | - |
| Residential Mortgages | - | - | - | - | - | - |
| Higher Risk Assets | - | - | - | - | - | - |
| Other Assets | 2,594 | 2,594 | 2,594 | - | - | 207 |
| Equity Exposure | - | - | - | - | - | - |
| Defaulted Exposures | - | - | - | - | - | - |
| Total On-Balance Sheet Exposures | 3,609 | 3,609 | 2,690 | - | - | 215 |
| <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 | 3,609 | 3,609 | 2,690 | - | - | 215 |
| Large Exposures Risk Requirements | | | | | | - |
| Market Risk (Standardised approach) | Long Position | Short Position | | | | |
| Interest Rate Risk | 78,334 | - | 13,181 | - | - | 1,055 |
| Foreign Currency Risk | 191 | - | 191 | - | - | 15 |
| Options | - | - | - | - | - | - |
| Operational Risk | | | 3,875 | - | - | 310 |
| Total RWA and capital requirements | | | 19,937 | | | 1,595 |

Deutsche Bank (Malaysia) Berhad

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3. Islamic Bank Operations (continued)

Islamic Banking Window - Risk Weighted Assets and Capital Requirements for Credit Risk (31 December 2014)

| 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% |
|--|----------------------|-----------------------|----------------------|---------------------------------------|--|-----------------------------------|
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Credit Risk | | | | | | |
| <u>On-Balance Sheet Exposures</u> | | | | | | |
| Sovereigns/Central Banks | 74,254 | 74,254 | - | - | - | - |
| Public Sector Entities | - | - | - | - | - | - |
| Banks, Development Financial Institutions and Multilateral Development Banks | 199 | 199 | 100 | - | - | 8 |
| Insurance Companies, Securities Firms and Fund Managers | - | - | - | - | - | - |
| Corporates | - | - | - | - | - | - |
| Regulatory Retail | - | - | - | - | - | - |
| Residential Mortgages | - | - | - | - | - | - |
| Higher Risk Assets | - | - | - | - | - | - |
| Other Assets | 1,387 | 1,387 | 1,387 | - | - | 111 |
| Equity Exposure | - | - | - | - | - | - |
| Defaulted Exposures | - | - | - | - | - | - |
| Total On-Balance Sheet Exposures | 75,840 | 75,840 | 1,487 | - | - | 119 |
| <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 | 75,840 | 75,840 | 1,487 | - | - | 119 |
| Large Exposures Risk Requirements | | | | | | - |
| Market Risk (Standardised approach) | Long Position | Short Position | | | | |
| Interest Rate Risk | - | - | - | - | - | - |
| Foreign Currency Risk | 199 | - | 199 | - | - | 16 |
| Options | - | - | - | - | - | - |
| Operational Risk | | | 3,631 | - | - | 290 |
| Total RWA and capital requirements | | | 5,317 | | | 425 |

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3. Islamic Bank Operations (continued)

Islamic Banking Window - Risk Weights Under the Standardised Approach (30 June 2015)

| 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% | 824 | - | - | - | - | - | - | - | - | - | - | - | 824 | - |
| 20% | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 35% | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 50% | - | - | 191 | - | - | - | - | - | - | - | - | - | 191 | 96 |
| 75% | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 100% | - | - | - | - | - | - | - | - | 2,594 | - | - | - | 2,594 | 2,594 |
| 150% | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Exposures | 824 | - | 191 | - | - | - | - | - | 2,594 | - | - | - | 3,609 | 2,690 |
| Risk-Weighted Assets by Exposures | - | - | 96 | - | - | - | - | - | 2,594 | - | - | - | 2,690 | - |
| Average Risk Weight | - | - | 50.3% | - | - | - | - | - | 100.0% | - | - | - | 74.5% | - |
| Deduction from Capital Base | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

Deutsche Bank (Malaysia) Berhad

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3. Islamic Bank Operations (continued)

Islamic Banking Window - Risk Weights Under the Standardised Approach (31 December 2014)

| 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 74,254 | RM'000 - | RM'000 - | RM'000 - | RM'000 - | RM'000 - | RM'000 - | RM'000 - | RM'000 - | RM'000 - | RM'000 - | RM'000 - | RM'000 74,254 | RM'000 - |
| 20% | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 35% | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 50% | - | - | 199 | - | - | - | - | - | - | - | - | - | 199 | 100 |
| 75% | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 100% | - | - | - | - | - | - | - | - | 1,387 | - | - | - | 1,387 | 1,387 |
| 150% | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Exposures | 74,254 | - | 199 | - | - | - | - | - | 1,387 | - | - | - | 75,840 | 1,487 |
| Risk-Weighted Assets by Exposures | - | - | 100 | - | - | - | - | - | 1,387 | - | - | - | 1,487 | - |
| Average Risk Weight | 0% | - | 50.3% | - | - | - | - | - | 100.0% | - | - | - | 2.0% | - |
| Deduction from Capital Base | - | - | - | - | - | - | - | - | - | - | - | - | - | - |