

HSBC AMANAH MALAYSIA BERHAD
(Company No. 807705-X)
(Incorporated in Malaysia)
Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures
at 30 June 2016

DIRECTOR'S ATTESTATION

I, Lee Choo Hock, being the Director of HSBC Amanah Malaysia Berhad, do hereby state that, in my opinion, the Pillar 3 Interim Disclosures set out on pages 2 to 25 have been prepared according to the Risk Weighted Capital Adequacy Framework (Basel II), and are accurate and complete.

.....
LEE CHOO HOCK

DIRECTOR
20 JULY 2016

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures (Cont'd)

The Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures at 30 June 2016 do not include all of the information required for full (Basel II) Pillar 3 Disclosures, and should be read in conjunction with the audited financial statements of HSBC Amanah Malaysia Berhad (the Bank) for the financial year ended 31 December 2015 and the Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Disclosures at 31 December 2015.

The tables attached in the Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures provide an understanding of the quantitative changes relating to Pillar 3 Disclosures of the Bank since the financial year ended 31 December 2015. There are no material changes relating to qualitative disclosures during the interim reporting period.

Stress Testing

Stress testing is a key risk management tool used to assess a variety of risks to which the Bank is exposed, including credit risk, market risk, operational risk, etc. Stress testing is integrated into our market risk management tool to evaluate the potential impact on the entity of more extreme, although plausible, events or movements in a set of financial variables. In such abnormal scenarios, losses can be much greater than those predicted by Value at Risk (VaR) modelling.

Stress testing and scenario analysis form an integral part of Internal Capital Adequacy Assessment Process (ICAAP) to demonstrate that the Bank can maintain risk capital sufficient enough to sustain operations during an economic downturn.

A key objective of stress testing is to make risk more transparent by estimating the potential losses on the Bank's exposure and impacts on its capital adequacy ratio, capital requirements and profit and loss under abnormal conditions. It will also assess specifically the extent by which risk-weighted assets and capital requirements will increase, and how profit and loss as well as liquidity levels will change. It plays a particularly important role in:

- Providing forward-looking assessments of risk.
- Overcoming limitations of models and historical data.
- Supporting internal and external communication.
- Feeding into capital and liquidity planning process.
- Informing the setting of a banks' risk tolerance.
- Facilitating the development of risk mitigation or contingency plans across a range of stressed conditions.
- Building upon business and strategic planning to the Risk Appetite of the institution.
- Strengthening the Bank's corporate governance and the resilience of the financial system.
- Using the experiences of the past held in local operations in addition to the wider experiences that can be obtained from the diversified operation and management.

Stress testing is considered as the collective quantitative and qualitative techniques used to assess all facets to the risks faced by the Bank. Stress testing is done in collaboration across all customer groups and functions such as Risks and Finance. The results of the analysis will facilitate informed financial and capital management whilst supporting business lines to manage their business through various measures such as establishing triggers and devising mitigation actions which can be readily implemented should the adverse scenarios materialise.

In line with Bank Negara Malaysia (BNM)'s Guideline on Stress Testing and the Bank's Policy Paper for Stress Testing, a Stress Test Steering Committee (STSC) has been established.

Stress testing is conducted on entity level and on a bank-wide basis. Stress testing will be carried out subject to regulatory and internal management demands as and when needed. At a minimum, a complete stress testing for the entire Bank should be completed on a semi-annual basis. Stress testing results are reviewed by STSC, Risk Management Committee (RMC), Risk Committee (RC) and Board Of Directors' (BOD) prior to submission to BNM.

Governance

The STSC will actively manage and drive cohesion and consistency across all stress testing activities, including the execution of enterprise wide stress tests and enhancements to stress testing and data capability. The STSC is accountable to RMC. Stress test results and the propose mitigating actions will be recommended by RMC and RC of the Board for approval.

Refer to Note 29 of the unaudited condensed interim financial statements at 30 June 2016 for the total risk weighted capital ratio, Common Equity Tier 1 and Tier 1 capital ratio, and risk weighted assets and capital requirements for credit risk, market risk and operational risk.

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures (Cont'd)

1) RWA and Capital Requirement

The table below discloses the gross and net exposures, RWA and capital requirements for credit risk, market risk and operational risk of the Bank at balance sheet date.

30 Jun 2016
(RM'000)

Exposure Class	Gross Exposures	Net Exposures	Risk Weighted Assets (RWA)	Capital Requirement
Credit Risk (Standardised Approach)				
<i>On-Balance Sheet Exposures</i>				
Sovereigns/Central Banks	4,135,882	4,135,882	-	-
PSEs	306,495	306,495	306,495	24,520
Banks, DFIs & MDBs	87,343	68,610	17,798	1,424
Corporates	4,594,505	4,462,932	4,107,476	328,598
Regulatory Retail	2,312,353	2,284,091	1,745,244	139,620
House Financing	4,304,733	4,301,760	1,615,370	129,230
Other Assets	121,886	121,886	30,343	2,427
Defaulted Exposures	145,102	144,702	160,366	12,829
Total for On-Balance Sheet Exposures	16,008,299	15,826,358	7,983,092	638,648
<i>Off-Balance Sheet Exposures</i>				
OTC Derivatives	653,975	361,940	175,105	14,008
Off balance sheet exposures other than OTC derivatives or credit derivatives	3,301,555	3,231,637	2,157,429	172,594
Defaulted Exposures	873	873	1,288	103
Total for Off-Balance Sheet Exposures	3,956,403	3,594,450	2,333,822	186,705
Total On and Off-Balance Sheet Exposures ^[1]	19,964,702	19,420,808	10,316,914	825,353
Market Risk (Standardised Approach)				
	<u>Long position</u>	<u>Short position</u>		
Profit Rate Risk	779,124	1,361,969	(582,845)	17,519
Foreign Currency Risk	3,712	8,436	8,436	675
	782,836	1,370,405	(574,409)	25,955
Operational Risk (Basic Indicator Approach)	-	-	-	900,187
Total RWA and Capital Requirement	-	-	11,243,056	899,445

^[1] The variance between Gross Exposures and Net Exposures represents the 'Total On and Off-Balance Sheet Exposures covered by Eligible Collateral'. Refer to Note (3)(ii) Credit risk mitigation (CRM) within this disclosure document.

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures (Cont'd)

1) RWA and Capital Requirement (Cont'd)

31 Dec 2015
(RM'000)

Exposure Class	Gross Exposures	Net Exposures	Risk Weighted Assets (RWA)	Capital Requirement
Credit Risk (Standardised Approach)				
<i>On-Balance Sheet Exposures</i>				
Sovereigns/Central Banks	6,428,717	6,428,717	-	-
PSEs	310,813	310,813	310,813	24,865
Banks, DFIs & MDBs	561,634	535,780	122,845	9,828
Corporates	5,069,498	4,969,455	4,616,801	369,344
Regulatory Retail	2,260,232	2,231,613	1,683,372	134,670
House Financing	4,197,208	4,194,007	1,574,935	125,995
Other Assets	120,994	120,994	33,515	2,681
Defaulted Exposures	141,688	140,870	158,522	12,682
Total for On-Balance Sheet Exposures	19,090,784	18,932,249	8,500,803	680,065
<i>Off-Balance Sheet Exposures</i>				
OTC Derivatives	807,265	483,119	348,121	27,850
Off balance sheet exposures other than OTC derivatives or credit derivatives	3,057,095	2,989,927	2,035,186	162,815
Defaulted Exposures	986	986	1,403	112
Total for Off-Balance Sheet Exposures	3,865,346	3,474,032	2,384,710	190,777
Total On and Off-Balance Sheet Exposures ^[1]	22,956,130	22,406,281	10,885,513	870,842
Market Risk (Standardised Approach)				
	<u>Long position</u>	<u>Short position</u>		
Profit Rate Risk	878,456	93,489	784,967	83,300
Foreign Currency Risk	10,666	21,074	21,074	1,686
	889,122	114,563	806,041	8,350
Operational Risk (Basic Indicator Approach)	-	-	-	897,064
Total RWA and Capital Requirement	-	-	-	11,886,951

Note:

MDBs - Multilateral Development Banks

DFIs - Development Financial Institutions

PSEs - Public Sector Entities

OTC - Over the counter

^[1] The variance between Gross Exposures and Net Exposures represents the 'Total On and Off-Balance Sheet Exposures covered by Eligible Collateral'. Refer to Note (3)(ii) CRM within this disclosure document.

Refer to Note 30 of the unaudited condensed interim financial statements at 30 June 2016 for disclosure of off-balance sheet.

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures (Cont'd)

2) Risk Weight Profile and RWA

The tables below are disclosures on risk weights profile and RWA of the Bank at balance sheet date.

30 Jun 2016
(RM'000)

Risk Weights	Exposures after Netting and Credit Risk Mitigation							Total Exposures after Netting & Credit Risk Mitigation	Total Risk Weighted Assets
	Sovereigns & Central Banks	PSEs	Banks, DFIs & MDBs	Corporates	Regulatory Retail	House Financing	Other Assets		
0%	4,135,882	50,540	-	1,823	5,766	-	91,542	4,285,553	-
20%	-	150,000	139,340	749,327	7,418	-	-	1,046,085	209,217
35%	-	-	-	-	-	4,264,021	-	4,264,021	1,492,407
50%	-	-	385,735	329,263	517	319,445	-	1,034,960	517,480
75%	-	-	-	-	2,631,679	210,816	-	2,842,495	2,131,871
100%	-	356,505	42,083	5,199,491	190,445	92,336	30,344	5,911,204	5,911,204
150%	-	-	-	5,489	9,635	21,366	-	36,490	54,735
Total								19,420,808	10,316,914
Weight	0%	69%	46%	88%	77%	39%	25%	53%	

31 Dec 2015
(RM'000)

Risk Weights	Exposures after Netting and Credit Risk Mitigation							Total Exposures after Netting & Credit Risk Mitigation	Total Risk Weighted Assets
	Sovereigns & Central Banks	PSEs	Banks, DFIs & MDBs	Corporates	Regulatory Retail	House Financing	Other Assets		
0%	6,428,717	27,524	-	2,883	2,997	-	87,479	6,549,600	-
20%	-	217,396	603,197	621,858	3,500	-	-	1,445,951	289,190
35%	-	-	-	-	-	4,136,858	-	4,136,858	1,447,900
50%	-	-	248,655	310,038	281	287,999	-	846,973	423,487
75%	-	-	-	-	2,620,330	268,606	-	2,888,936	2,166,702
100%	-	412,746	54,938	5,845,171	85,571	65,480	33,515	6,497,421	6,497,421
150%	-	-	-	6,644	17,022	16,876	-	40,542	60,813
Total								22,406,281	10,885,513
Weight	0%	69%	33%	90%	76%	39%	28%	49%	

Note:

MDBs - Multilateral Development Banks

DFIs - Development Financial Institutions

PSEs - Public Sector Entities

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures (Cont'd)

3) Credit Risk

Table 1: Geographical distribution of financing and advances breakdown by type

		30 Jun 2016				
RM'000		Northern	Southern	Central	Eastern	Total
Cash line-i		12,317	22,985	57,732	1,942	94,976
Term financing						
House financing		606,954	594,183	2,899,880	187,238	4,288,255
Syndicated term financing		-	-	630,625	-	630,625
Hire purchase receivables		61,970	60,091	82,404	19,071	223,536
Lease receivables		-	-	3,430	-	3,430
Other term financing		395,502	675,230	2,599,479	223,884	3,894,095
Trust receipts		91,550	15,304	400,172	202	507,228
Claims on customers under acceptance credits		136,723	145,444	446,814	6,695	735,676
Staff financing-i		539	1,298	4,681	401	6,919
Credit cards-i		118,976	91,321	371,861	31,037	613,195
Revolving credit		2,193	4,785	785,266	-	792,244
		1,426,724	1,610,641	8,282,344	470,470	11,790,179

		31 Dec 2015				
RM'000		Northern	Southern	Central	Eastern	Total
Cash line-i		10,218	27,999	50,736	1,447	90,400
Term financing						
House financing		600,455	595,876	2,824,926	187,509	4,208,766
Syndicated term financing		-	-	954,559	-	954,559
Hire purchase receivables		65,021	54,213	86,143	24,175	229,552
Lease receivables		-	-	4,103	-	4,103
Other term financing		402,269	730,045	2,511,656	224,562	3,868,532
Trust receipts		116,734	22,931	463,534	482	603,681
Claims on customers under acceptance credits		141,641	119,180	561,055	12,094	833,970
Staff financing-i		554	1,356	5,105	494	7,509
Credit cards-i		109,711	82,004	347,881	29,762	569,358
Revolving credit		2,200	5,065	799,433	-	806,698
		1,448,803	1,638,669	8,609,131	480,525	12,177,128

Concentration by location for financing and advances is based on the location of the borrower.

The Northern region consists of the states of Perlis, Kedah, Penang, Perak, Pahang, Kelantan and Terengganu.

The Southern region consists of the states of Johor, Malacca and Negeri Sembilan.

The Central region consists of the states of Selangor and the Federal Territory of Kuala Lumpur.

The Eastern region consists of the states of Sabah, Sarawak and the Federal Territory of Labuan.

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures (Cont'd)

3) Credit Risk (Cont'd)

Table 2: Geographical distribution of impaired financing and advances breakdown by type

		30 Jun 2016				
RM'000		Northern	Southern	Central	Eastern	Total
Cash line-i		1,946	6	2,642	-	4,594
Term financing						
House financing		19,796	16,472	66,243	2,618	105,129
Hire purchase receivables		1,714	63	447	3,925	6,149
Other term financing		12,471	9,205	78,741	2,931	103,348
Claims on customers under acceptance credits		2,628	-	46	-	2,674
Staff financing-i		8	-	-	7	15
Credit cards-i		2,710	2,431	7,937	740	13,818
Revolving credit		2,193	-	-	-	2,193
		43,466	28,177	156,056	10,221	237,920

		31 Dec 2015				
RM'000		Northern	Southern	Central	Eastern	Total
Cash line-i		182	-	3,819	-	4,001
Term financing						
House financing		18,550	18,606	55,767	2,060	94,983
Hire purchase receivables		1,919	56	542	4,532	7,049
Other term financing		10,120	9,553	74,768	1,975	96,416
Claims on customers under acceptance credits		18,283	-	-	-	18,283
Staff financing-i		13	-	-	8	21
Credit cards-i		2,835	2,052	6,868	571	12,326
Revolving credit		2,200	-	-	-	2,200
		54,102	30,267	141,764	9,146	235,279

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures (Cont'd)

3) Credit Risk (Cont'd)

Table 3: Residual contractual maturity of financing and advances breakdown by type

		30 Jun 2016			
RM'000	Maturing within one year	One year to three years	Three years to five years	Over five years	Total
Cash line-i	94,976	-	-	-	94,976
Term financing					
House financing	13,020	4,106	12,577	4,258,552	4,288,255
Syndicated term financing	630,625	-	-	-	630,625
Hire purchase receivables	15,786	107,250	100,500	-	223,536
Lease receivables	-	1,435	1,995	-	3,430
Other term financing	817,543	580,261	1,045,032	1,451,259	3,894,095
Trust receipts	507,228	-	-	-	507,228
Claims on customers under acceptance credits	735,676	-	-	-	735,676
Staff financing-i	141	880	1,223	4,675	6,919
Credit cards-i	613,195	-	-	-	613,195
Revolving credit	792,244	-	-	-	792,244
	4,220,434	693,932	1,161,327	5,714,486	11,790,179

		31 Dec 2015			
RM'000	Maturing within one year	One year to three years	Three years to five years	Over five years	Total
Cash line-i	90,400	-	-	-	90,400
Term financing					
House financing	15,028	3,470	13,335	4,176,933	4,208,766
Syndicated term financing	536,912	-	417,647	-	954,559
Hire purchase receivables	14,620	111,503	103,429	-	229,552
Lease receivables	-	1,243	2,860	-	4,103
Other term financing	1,062,010	525,580	951,356	1,329,586	3,868,532
Trust receipts	603,681	-	-	-	603,681
Claims on customers under acceptance credits	833,970	-	-	-	833,970
Staff financing-i	189	906	1,606	4,808	7,509
Credit cards-i	569,358	-	-	-	569,358
Revolving credit	806,698	-	-	-	806,698
	4,532,866	642,702	1,490,233	5,511,327	12,177,128

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures (Cont'd)

3) Credit risk (Cont'd)

Table 4: Distribution of financing and advances by sector, breakdown by type

30 Jun 2016 RM'000											
Cash line-i	House financing	Syndicated Term Financing	Hire purchase receivables	Lease receivables	Other term financing	Trust receipts	Claims on customers under acceptance credits	Staff financing-i	Credit card-i	Revolving credit	Total
Agricultural, hunting, forestry and fishing	3,826	-	-	4,964	-	154,509	-	5,412	-	-	168,711
Mining and quarrying	1,555	-	-	2,139	-	1,228	-	-	-	168,133	173,055
Manufacturing	20,835	-	2,065	113,027	-	732,039	114,141	277,708	-	6,318	1,266,133
Electricity, gas and water	2,264	-	-	290	-	14,490	-	8,744	-	2,016	27,804
Construction	10,879	-	-	7,648	-	108,180	4,187	101,225	-	118,084	350,203
Real estate	383	-	232,759	-	-	462,122	-	-	-	30,212	725,476
Wholesale & retail trade and restaurants & hotels	22,440	-	39,267	28,041	-	236,776	334,248	254,568	-	89,195	1,004,535
Transport, storage and communication	1,616	-	-	30,844	-	109,323	1,459	10,100	-	16,215	169,557
Finance, takaful and business services	29,950	-	149,092	18,218	3,430	543,892	7,714	37,142	-	195,062	984,500
Household-retail	154	4,288,255	-	-	-	1,339,972	-	-	6,919	613,195	6,248,495
Others	1,074	-	207,442	18,365	-	191,564	45,479	40,777	-	167,009	671,710
	94,976	4,288,255	630,625	223,536	3,430	3,894,095	507,228	735,676	6,919	613,195	11,790,179

31 Dec 2015 RM'000											
Cash line-i	House financing	Syndicated Term Financing	Hire purchase receivables	Lease receivables	Other term financing	Trust receipts	Claims on customers under acceptance credits	Staff financing-i	Credit Card-i	Revolving credit	Total
Agricultural, hunting, forestry and fishing	3,941	-	417,647	6,601	-	191,303	-	4,768	-	-	624,260
Mining and quarrying	1,178	-	-	3,162	-	1,346	49	56,116	-	144,443	206,294
Manufacturing	23,468	-	34,244	109,269	-	690,868	136,475	305,601	-	6,319	1,306,244
Electricity, gas and water	334	-	-	322	-	-	-	12,094	-	2,022	14,772
Construction	12,248	-	-	9,757	-	391,120	7,441	65,924	-	110,665	597,155
Real estate	611	-	211,115	-	-	150,989	-	-	-	30,219	392,934
Wholesale & retail trade and restaurants & hotels	22,672	-	-	42,421	-	242,466	380,994	322,099	-	78,114	1,088,766
Transport, storage and communication	4,237	-	-	22,244	-	108,263	1,542	13,906	-	16,251	166,443
Finance, takaful and business services	20,427	-	115,129	13,506	4,103	588,503	7,481	42,891	-	243,422	1,035,462
Household-retail	113	4,208,766	-	-	-	1,287,977	-	-	7,509	569,358	6,073,723
Others	1,171	-	176,424	22,270	-	215,697	69,699	10,571	-	175,243	671,075
	90,400	4,208,766	954,559	229,552	4,103	3,868,532	603,681	833,970	7,509	569,358	12,177,128

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures (Cont'd)

3) Credit risk (Cont'd)

Table 5: Distribution of impaired financing by sector, breakdown by type

30 Jun 2016 RM'000								
Cash line-i	House financing	Hire purchase receivables	Other term financing	Claims on customers under acceptance credits	Staff financing-i	Credit cards-i	Revolving credit	Total
Manufacturing	-	-	36	272	96	-	2,193	2,597
Electricity, gas and water	-	-	-	-	-	-	-	-
Construction	182	-	-	22	-	-	-	204
Wholesale & retail trade and restaurants & hotels	1,173	-	1,714	9,776	2,531	-	-	15,194
Transport, storage and communication	-	-	3,952	-	-	-	-	3,952
Finance, takaful and business services	3,091	-	447	2,059	47	-	-	5,644
Household-retail	13	105,129	-	90,724	-	15	13,818	209,699
Others	135	-	-	495	-	-	-	630
	4,594	105,129	6,149	103,348	2,674	15	13,818	237,920

31 Dec 2015 RM'000								
Cash line-i	House financing	Hire purchase receivables	Other term financing	Claims on customers under acceptance credits	Staff financing-i	Credit cards-i	Revolving credit	Total
Manufacturing	-	-	678	248	17,967	-	2,200	21,093
Electricity, gas and water	-	-	-	-	-	-	-	-
Construction	182	-	-	22	-	-	-	204
Wholesale & retail trade and restaurants & hotels	-	-	1,714	7,642	316	-	-	9,672
Transport, storage and communication	614	-	3,952	877	-	-	-	5,443
Finance, takaful and business services	3,065	-	705	1,757	-	-	-	5,527
Household-retail	1	94,983	-	85,356	-	21	12,326	192,687
Others	139	-	-	514	-	-	-	653
	4,001	94,983	7,049	96,416	18,283	21	12,326	235,279

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures (Cont'd)

3) Credit Risk (Cont'd)

Table 6: All past due financing and advances breakdown by sector ^[1]

	<u>30 Jun 2016</u>	<u>31 Dec 2015</u>
	RM'000	RM'000
Manufacturing	10,849	81,411
Electricity, gas and water	-	-
Construction	852	787
Wholesale & retail trade and restaurants & hotels	63,473	37,330
Transport, storage and communication	16,510	21,008
Finance, takaful and business services	23,578	21,332
Household-retail	876,023	743,699
Others	2,632	2,520
	<u>993,917</u>	<u>908,087</u>

Table 7: All past due financing and advances breakdown by geographical location ^[1]

	<u>30 Jun 2016</u>	<u>31 Dec 2015</u>
	RM'000	RM'000
Northern region	181,580	208,813
Southern region	117,710	116,819
Central region	651,929	547,155
Eastern region	42,698	35,300
	<u>993,917</u>	<u>908,087</u>

^[1] of which the portion of impaired financing and advances breakdown by sector and geographical location is disclosed in Note 14(iv) and 14(vi) of the unaudited condensed interim financial statements at 30 June 2016.

Table 8: Individual impairment allowance breakdown by sector

	<u>30 Jun 2016</u>	<u>31 Dec 2015</u>
	RM'000	RM'000
Manufacturing	52	18,828
Construction	142	120
Real estate	-	-
Wholesale & retail trade and restaurants & hotels	2,523	1,081
Transport, storage and communication	3,918	3,919
Finance, takaful and business services	1,132	2,008
Household-retail	46,401	42,691
	<u>54,168</u>	<u>68,647</u>

Table 8a: Collective impairment allowance breakdown by sector

	<u>30 Jun 2016</u>	<u>31 Dec 2015</u>
	RM'000	RM'000
Agricultural, hunting, forestry and fishing	43	112
Manufacturing	42,369	24,801
Electricity, gas and water	3,475	1,856
Real estate	1,107	-
Wholesale & retail trade and restaurants & hotels	2,097	5,507
Transport, storage and communication	4,332	4,111
Household-retail	123,830	101,896
Others	1,445	1,981
	<u>178,698</u>	<u>140,264</u>

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures (Cont'd)

3) Credit Risk (Cont'd)

Table 9: Individual impairment allowance breakdown by geographical location

	<u>30 Jun 2016</u>	<u>31 Dec 2015</u>
	RM'000	RM'000
Northern region	2,152	18,534
Southern region	552	607
Central region	47,475	44,923
Eastern region	3,989	4,583
	<u>54,168</u>	<u>68,647</u>

Table 9a: Collective impairment allowance breakdown by geographical location

	<u>30 Jun 2016</u>	<u>31 Dec 2015</u>
	RM'000	RM'000
Northern region	23,566	19,107
Southern region	25,091	19,846
Central region	121,779	94,584
Eastern region	8,262	6,727
	<u>178,698</u>	<u>140,264</u>

The reconciliation of changes in loan/financing impairment provisions is disclosed in Note 14(ii) of the unaudited condensed interim financial statements at 30 June 2016.

Table 10: Charges for individual impairment allowance during the period breakdown by sector

	<u>30 Jun 2016</u>	<u>30 Jun 2015</u>
	RM'000	RM'000
Manufacturing	323	1,883
Construction	20	-
Wholesale & retail trade and restaurants & hotels	1,432	446
Transport, storage and communication	-	2,123
Finance, takaful and business services	464	368
Household-retail	14,990	9,124
	<u>17,229</u>	<u>13,944</u>

Table 10a: Charges for write-offs for individual impairment allowance during the period breakdown by sector

	<u>30 Jun 2016</u>	<u>30 Jun 2015</u>
	RM'000	RM'000
Manufacturing	18,281	338
Construction	-	5
Wholesale & retail trade and restaurants & hotels	81	724
Finance, takaful and business services	103	-
Household-retail	3,289	2,272
	<u>21,754</u>	<u>3,339</u>

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures (Cont'd)

3) Credit Risk (Cont'd)

i) External Credit Assessment Institutions (ECAIs)

The standardised approach requires banks to use risk assessments prepared by ECAIs to determine the risk weightings applied to rated counterparties.

ECAIs are used by the Bank as part of the determination of risk weightings for the following classes of exposure:

- Sovereigns and Central Banks
- Multilateral development banks
- Public sector entities
- Corporates
- Banks
- Securities firms

For the purpose of Pillar 1 reporting to BNM, the Bank uses the external credit ratings from the following ECAIs:

- Standard & Poor's Rating Services (S&P)
- Moody's Investors Services (Moody's)
- Fitch Ratings (Fitch)
- Rating and Investment Information, Inc (R&I)
- RAM Rating Services Berhad (RAM)
- Malaysian Rating Corporation Berhad (MARC)

Data files of external ratings from the nominated ECAIs are matched with the customer records in the Bank's centralised credit database. When calculating the risk-weighted value of any exposure under the standardised approach, the customer in question is identified and matched to a rating, according to BNM's selection rules. The relevant risk weight is then derived using BNM's prescribed risk weights and rating categories. All other exposure classes are assigned risk weightings as prescribed in BNM Capital Adequacy Framework for Islamic Banks (Risk-Weighted Assets).

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures (Cont'd)

3) Credit Risk (Cont'd)

i) ECAIs (Cont'd)

Below are the summary tables of long and short term ratings governing the high level assignment of risk weights under the standardised approach:

Long Term Rating Category		1	2	3	4	5	6	7
Rating Agency	S & P	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to BB-	B+ to B-	CCC+ and below	Unrated
	Moody's	Aaa to Aa3	A1 to A3	Baa1 to Baa3	Ba1 to Ba3	B1 to B3	Caa1 and below	Unrated
	Fitch	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to BB-	B+ to B-	CCC+ and below	Unrated
	R & I ^[1]	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to BB-	B+ to B-	CCC+ and below	Unrated
	RAM	AAA to AA3	A1 to A3	BBB1 to BBB3	BB1 to BB3	B1 to B3	C1 and below	Unrated
	MARC	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to BB-	B+ to B-	C+ and below	Unrated

Short Term Rating Category		1	2	3	4	5
Rating Agency	S & P	A-1	A-2	A-3	Others	Unrated
	Moody's	P-1	P-2	P-3	Others	Unrated
	Fitch	F1+,F1	F2	F3	B to D	Unrated
	R & I ^[1]	a-1+, a-1	a-2	a-3	b, c	Unrated
	RAM	P-1	P-2	P-3	NP	Unrated
	MARC	MARC-1	MARC-2	MARC-3	MARC-4	Unrated

Risk Weights Based on Credit Rating of the Counterparty Exposure Class						
Rating Category	Long Term Rating					Short Term Rating
	Sovereigns and Central Banks	Corporates	Banking Institutions			
			Risk weight (original maturity greater than 6 months)	Risk weight (original maturity of 6 months or less)	Risk weight (original maturity of 3 months or less)	
1	0%	20%	20%	20%	20%	20%
2	20%	50%	50%	20%	20%	50%
3	50%	100%	50%	20%	20%	100%
4	100%	100%	100%	50%	20%	150%
5	100%	150%	100%	50%	20%	N/A
6	150%	150%	150%	150%	20%	N/A
7	100%	100%	50%	20%	20%	N/A

^[1] External credit assessments produced by R&I on Islamic debt securities are not recognised by BNM in determining the risk weights for exposures as prescribed in BNM Capital Adequacy Framework for Islamic Banks (Risk-Weighted Assets).

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures (Cont'd)

3) Credit Risk (Cont'd)

i) ECAIs (Cont'd)

Risk weights under the Standardised Approach at the reporting date are reflected in page 3 and 4. Rated and unrated exposures according to ratings by ECAIs at reporting date are as follows:-

30 Jun 2016

RM '000

Exposure Class	Long Term Rating Category							Total
	1	2	3	4	5	6	7	
On and Off Balance Sheet Exposures								
(i) Total rated exposures								
Sovereigns & Central Banks								
- Exposures risk-weighted using ratings of Sovereigns and Central Banks	-	1,336,159	-	-	-	-	-	1,336,159
PSEs								
- Exposures risk-weighted using ratings of Corporates	50,540	-	33,071	-	-	-	-	83,611
Banks, DFIs & MDBs								
- Exposures risk-weighted using ratings of Banking Institutions	368,186	147,632	233,067	-	-	-	-	748,885
Corporates								
- Exposures risk-weighted using ratings of Sovereigns and Central Banks	-	3,185	-	-	-	-	-	3,185
- Exposures risk-weighted using ratings of Corporates	601,406	174,564	1,200	-	-	-	-	777,170
	1,020,132	1,661,540	267,338	-	-	-	-	2,949,010
(ii) Total unrated exposures								
							13,683,337	13,683,337
Total Long Term Exposure								
	1,020,132	1,661,540	267,338	-	-	-	13,683,337	16,632,347

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures (Cont'd)

3) Credit Risk (Cont'd)

i) ECAIs (Cont'd)

30 Jun 2016

RM '000

Exposure Class	Short Term Rating Category					Total
	1	2	3	4	5	
On and Off Balance Sheet Exposures						
(i) Total rated exposures						
Sovereigns & Central Banks						
- Exposures risk-weighted using ratings of Sovereigns and Central Banks	-	2,799,723	-	-		2,799,723
PSEs						
- Exposures risk-weighted using ratings of Corporates	150,000	-	-	-		150,000
Banks, DFIs & MDBs						
- Exposures risk-weighted using ratings of Banking Institutions	79,540	50	1,483	302		81,375
Corporates						
- Exposures risk-weighted using ratings of Corporates	146,559	154,698	-	-		301,257
	376,099	2,954,471	1,483	302	-	3,332,355
(ii) Total unrated exposures						
					-	-
Total Short Term Exposures	376,099	2,954,471	1,483	302	-	3,332,355
Total Long Term and Short Term Exposures:						19,964,702

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures (Cont'd)

3) Credit Risk (Cont'd)

i) ECAIs (Cont'd)

31 Dec 2015

RM '000

Exposure Class	Long Term Rating Category							Total
	1	2	3	4	5	6	7	
On and Off Balance Sheet Exposures								
(i) Total rated exposures								
Sovereigns & Central Banks								
- Exposures risk-weighted using ratings of Sovereigns and Central Banks	-	1,712,128	-	-	-	-	-	1,712,128
PSEs								
- Exposures risk-weighted using ratings of Corporates	27,524	67,396	87,852	-	-	-	-	182,772
Banks, DFIs & MDBs								
- Exposures risk-weighted using ratings of Banking Institutions	376,802	202,175	68,751	98	67	-	-	647,893
Corporates								
- Exposures risk-weighted using ratings of Sovereigns and Central Banks	-	4,176	-	-	-	-	-	4,176
- Exposures risk-weighted using ratings of Corporates	578,762	22,884	804,636	-	-	-	-	1,406,282
	983,088	2,008,759	961,239	98	67	-	-	3,953,251
(ii) Total unrated exposures							13,190,174	13,190,174
Total Long Term Exposures	983,088	2,008,759	961,239	98	67	-	13,190,174	17,143,425

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures (Cont'd)

3) Credit Risk (Cont'd)

i) ECAIs (Cont'd)

31 Dec 2015

RM '000

Exposure Class	Short Term Rating Category					Total
	1	2	3	4	5	
On and Off Balance Sheet Exposures						
(i) Total rated exposures						
Sovereigns & Central Banks						
- Exposures risk-weighted using ratings of Sovereigns and Central Banks	-	4,716,592	-	-	-	4,716,592
PSEs						
- Exposures risk-weighted using ratings of Corporates	-	150,000	-	-	-	150,000
Banks, DFIs & MDBs						
- Exposures risk-weighted using ratings of Banking Institutions	606,570	1,794	9,917	-	-	618,281
Corporates						
- Exposures risk-weighted using ratings of Corporates	41,803	286,029	-	-	-	327,832
	648,373	5,154,415	9,917	-	-	5,812,705
(ii) Total unrated exposures						
					-	-
Total Short Term Exposures	648,373	5,154,415	9,917	-	-	5,812,705
Total Long Term and Short Term Exposures						22,956,130

Note:

MDBs - Multilateral Development Banks

DFIs - Development Financial Institutions

PSEs - Public Sector Entities

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures (Cont'd)

3) Credit Risk (Cont'd)

ii) Credit risk mitigation (CRM)

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

The Bank's policy when granting credit facilities is on the basis of the customer's capacity to pay, rather than placing primary reliance on credit risk mitigants. Depending on the customer's standing and the type of product, facilities may be provided unsecured. Mitigation of credit risk is nevertheless a key aspect of effective risk management and in the Bank, takes many forms.

The Bank's general policy is to promote the use of CRM, justified by commercial prudence and good practice as well as capital efficiency. Specific, detailed policies cover acceptability, structuring and terms of various types of business with regard to the availability of credit risk mitigants, for example in the form of collateral security, and these policies, together with the determination of suitable valuation parameters, are subject to regular review to ensure that they are supported by empirical evidence and continue to fulfill their intended purpose.

The most common method of mitigating credit risk is to take collateral. The principal collateral types employed by the Bank are as follows:

- under the residential and real estate business; mortgages over residential and financed properties;
- under certain Islamic specialised financing and leasing transactions (such as machinery financing) where physical assets form the principal source of facility repayment, physical collateral is typically taken;
- in the commercial and industrial sectors, charges over business assets such as premises, stock and debtors;
- facilities provided to small and medium enterprises are commonly granted against guarantees by their owners/directors;
- guarantees from third parties can arise where facilities are extended without the benefit of any alternative form of security, e.g. where the Bank issues a bid or performance sukuk in favour of a non-customer at the request of another bank;
- under the institutional sector, certain trading facilities are supported by charges over financial instruments such as cash, debt securities and equities;
- financial collateral in the form of cash and marketable securities are used in much of the over-the-counter (OTC) derivatives activities and in the Bank's securities financing business; and
- netting is used where appropriate, and supported by market standard documentation.

Settlement risk arises in any situation where a payment in cash, securities or equities is made in the expectation of a corresponding receipt of cash, securities or equities. Daily settlement limits are established for counterparties to cover the aggregate of all the settlement risk arising from all the transactions involved on a single day. Settlement risk on many transactions, particularly those involving securities and equities, is substantially mitigated by settling through assured payment systems or on a delivery-versus-payment basis.

Policies and procedures govern the protection of the Bank's position from the outset of a customer relationship, for instance in requiring standard terms and conditions or specifically agreed documentation permitting the offset of credit balances against debt obligations and through controls over the integrity, current valuation and, if necessary, realisation of collateral security.

The valuation of credit risk mitigants seeks to monitor and ensure that they will continue to provide the secured repayment source anticipated at the time they were taken. The Bank's policy prescribes valuation at intervals of up to three years, or more frequently as the need may arise, for impaired accounts. For property taken as collateral for new or additional facilities, a valuation report is required from a panel valuer. For auction purposes, full valuations are compulsory. This is to avoid the risk of the settlement sum being challenged by the customer / charger on the grounds that the correct valuation was not applied.

The Bank's panel of approved valuers is subject to an annual review. This takes into consideration the company's financial standing, accreditations, experience, amount of professional liability insurance, major clients and size of its branch network.

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures (Cont'd)

3) Credit Risk (Cont'd)

ii) CRM (Cont'd)

The table below shows the on and off balance sheet exposures before and after CRM.

30 Jun 2016
RM'000

Exposure Class	Exposures Before Credit Risk Mitigation	Exposures Covered by Guarantees / Credit Derivatives	Exposures Covered by Eligible Financial Collateral
<i>Credit Risk</i>			
<i>On-Balance Sheet Exposures</i>			
Sovereigns/Central Banks	4,135,882	-	-
PSEs	306,495	-	-
Banks, DFIs & MDBs	87,343	-	18,733
Corporates	4,594,505	261,068	131,573
Regulatory Retail	2,312,353	9,667	28,262
House Financing	4,304,733	-	2,973
Other Assets	121,886	-	-
Defaulted Exposures	145,102	2,011	400
Total for On-Balance Sheet Exposures	16,008,299	272,746	181,941
<i>Off-Balance Sheet Exposures</i>			
OTC Derivatives	653,975	-	292,035
Off balance sheet exposures other than OTC derivatives or credit derivatives	3,301,555	56,490	69,918
Defaulted Exposures	873	-	-
Total for Off-Balance Sheet Exposures	3,956,403	56,490	361,953
Total On and Off-Balance Sheet Exposures	19,964,702	329,236	543,894

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures (Cont'd)

3) Credit Risk (Cont'd)

ii) CRM (Cont'd)

The table below shows the on and off balance sheet exposures before and after CRM.

31 Dec 2015
RM'000

Exposure Class	Exposures Before Credit Risk Mitigation	Exposures Covered by Guarantees / Credit Derivatives	Exposures Covered by Eligible Financial Collateral
<u>Credit Risk</u>			
<i>On-Balance Sheet Exposures</i>			
Sovereigns/Central Banks	6,428,717	-	-
PSEs	310,813	-	-
Banks, DFIs & MDBs	561,634	-	25,854
Corporates	5,069,498	223,754	100,043
Regulatory Retail	2,260,232	4,365	28,619
House Financing	4,197,208	-	3,201
Other Assets	120,994	-	-
Defaulted Exposures	141,688	1,500	818
Total for On-Balance Sheet Exposures	19,090,784	229,619	158,535
<i>Off-Balance Sheet Exposures</i>			
OTC Derivatives	807,265	-	324,146
Off balance sheet exposures other than OTC derivatives or credit derivatives	3,057,095	70,026	67,168
Defaulted Exposures	986	-	-
Total for Off-Balance Sheet Exposures	3,865,346	70,026	391,314
Total On and Off-Balance Sheet Exposures	22,956,130	299,645	549,849

Note:

MDBs - Multilateral Development Banks
DFIs - Development Financial Institutions
PSEs - Public Sector Entities
OTC - Over the Counter

Refer to Note 30 of the unaudited condensed interim financial statements at 30 June 2016 for disclosure of off-balance sheet.

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures (Cont'd)

4) Rate of return risk

A summary of the Value at Risk position of the Bank's trading portfolios at the reporting date is as follows:-

RM'000	30 Jun 2016	Average	Maximum	Minimum
Foreign currency risk	62	46	223	8
Profit rate risk	475	527	605	351
Credit spread risk	0	3	7	-
Overall	464	526	616	348

RM'000	31 Dec 2015	Average	Maximum	Minimum
Foreign currency risk	299	50	321	8
Profit rate risk	387	235	408	36
Credit spread risk	8	-	16	-
Overall	436	242	459	37

Sensitivity of projected Net Interest/Finance Income

The profit rate sensitivities set out in the table below are illustrative only and are based on simplified scenarios.

Change in projected net finance income in next 12 months arising from a shift in profit rates of:

	RM'000			
	30 Jun 2016		31 Dec 2015	
Basis point parallel shift in yield curves	+ 100 bps	- 100 bps	+ 100 bps	- 100 bps
MYR	(11,943)	11,434	45,092	(45,057)
USD	(4,573)	2,068	8,961	(6,878)
Others	(704)	177	3,807	(2,934)
	(17,220)	13,679	57,860	(54,869)

The increase or decline in economic value for upward and downward rate shocks for measuring profit rate risk/rate of return risk in the banking book are as follows:

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures (Cont'd)

4) Rate of return risk (Cont'd)

Change in projected economic value of equity arising from a shift in profit rates of :

	RM'000			
	30 Jun 2016		31 Dec 2015	
Basis point parallel shift in yield curves	+ 200 bps	- 200 bps	+ 200 bps	- 200 bps
MYR	(88,002)	100,764	(38,879)	38,879
USD	(28,961)	10,747	(21,600)	8,640
Others	1,304	(384)	8,640	(4,320)
	(115,659)	111,127	(51,839)	43,199

The sensitivity of reported reserves in 'other comprehensive income' to profit rate movements are monitored on a monthly basis by assessing the expected reduction in valuation of available-for-sale portfolios to parallel movements of plus or minus 100 basis points in all yield curves.

Sensitivity of reported reserves in 'other comprehensive income' to profit rate movements

	RM'000			
	30 Jun 2016		31 Dec 2015	
Basis point parallel shift in yield curves	+ 100bps	- 100bps	+ 100bps	- 100bps
MYR	(19,139)	19,139	(30,349)	30,349

5) Classification and Impairment Provisions for Loans/Financing

The Bank's allowance for impaired financing is in conformity with MFRS 139 and BNM's revised guidelines on 'Classification and Impairment Provisions for Loan/Financing' issued on 6 April 2015.

Affected tables under Risk Management Policies - 3) Credit Risk, pertaining to the revised guidelines are as below:

- Table 2 : Geographical distribution of impaired financing and advances breakdown by type.
- Table 5 : Distribution of impaired financing by sector, breakdown by type.
- Table 8 : Individual impairment allowance breakdown by sector.
- Table 8a : Collective impairment allowance breakdown by sector.
- Table 9 : Individual impairment allowance breakdown by geographical location.
- Table 9a : Collective impairment allowance breakdown by geographical location.

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures (Cont'd)

6) Shariah Governance

Overview

Shariah compliance is a cornerstone of Islamic banking and finance industry. An effective Shariah governance policy enhances the diligent oversight of the BOD, the Shariah Committee and the Management to ensure that the operations and business activities of the Bank remains consistent with Shariah principles and its requirements.

To ensure Shariah compliance in all aspects of day-to-day Islamic finance activities, the Malaysian regulatory bodies such as BNM and Securities Commission have spelled out several provisions in relation to the establishment of a Shariah Committee and an internal Shariah Department in an Islamic Financial Institution (IFI). The Shariah Committee is an independent Shariah advisory body which plays a vital role in providing Shariah views and rulings pertaining to Islamic finance. The Shariah Committee also performs an oversight role on Shariah matters related to the Bank's business operations and activities. At the institutional level, the Shariah Department acts as an intermediary between the Shariah Committee and the Management team of the IFI. The Shariah Department together with the Shariah Committee has the role to assist the Management in ensuring that all activities of the IFI are in compliance with the Shariah rules and principles, in accordance with the guidelines laid down by Shariah Governance Framework (SGF) of BNM. However, the accountability to ensure Shariah compliance remains with the IFI's BOD.

Qualitative Disclosures - Key Components and Core Shariah Functions in Implementing and Monitoring the Shariah Governance Practices as per the Shariah Governance Framework

The governance structure of the Bank and the primary responsibilities of each function are set out below:

a. Board of Directors

To be ultimately accountable for the overall Shariah governance framework and Shariah compliance of the Bank.

b. Shariah Committee

To maintain an oversight on the operations and business activities of the Bank and to be accountable for its decisions, views and opinions on Shariah matters.

c. CEO and Management

To be responsible in day-to-day compliance with Shariah in all aspects of its business activities by observing and implementing the Shariah rulings and decisions made by the Shariah Advisory Council of BNM (SAC) and the Shariah Committee and to identify and refer any Shariah issues to the Shariah Committee for its decisions, views and opinions.

d. Shariah Audit

To conduct periodical assessment to provide an independent assessment and objective assurance of the effectiveness on the internal control system for Shariah compliance.

e. Shariah Risk Management

To assist in developing and implementing a risk identification process, measurement of the potential impact and monitoring of Shariah non-compliance risks and operational/reputation within the Bank.

To formulate and recommend appropriate Shariah non-compliance risk management policies and procedures and risk awareness programmes.

f. Shariah Department

i) Shariah Review

To examine and evaluate the Bank's level of compliance with the applicable Shariah rulings and regulations, and consequently to provide remedial rectification measures to resolve non-compliance and to ensure that proper control mechanism is in place to avoid recurrences.

To ensure that all procedural guidelines, rules and regulations issued by BNM and other regulatory bodies relating to Shariah as well as internal guidelines, policies and procedures, manuals and all Shariah rules and principles issued by the Shariah Committee and Shariah Department are adhered to, with due regard to the business needs and Shariah requirements.

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures (Cont'd)

6) Shariah Governance (Cont'd)

Qualitative Disclosures - Key Components and Core Shariah Functions in Implementing and Monitoring the Shariah Governance Practices as per the SGF (Cont'd)

f. Shariah Department (Cont'd)

ii) Shariah Advisory

To provide day-to-day Shariah advice and consultancy to relevant parties, including those involved in the product development process as well as the supporting functions.

iii) Shariah Research

To conduct in-depth research and studies on Shariah issues.

iv) Shariah Secretariat

To coordinate meetings, compile proposal papers, prepare and keep accurate record of minutes of the decisions and resolutions made by the Shariah Committee, disseminate Shariah decisions to relevant stakeholders and engage with relevant parties who wish to seek further deliberations from the Shariah Committee.

v) Knowledge and Skills Monitoring

To monitor the level of Shariah related knowledge and skills by the staff involved in the cycle of the Bank's products.

Quantitative Disclosure

a. Shariah Non-Compliance Events:

During the financial period ended 30 June 2016, no actual Shariah non-compliance event has been identified.

b. Shariah Non-Compliance Income:

During the financial period ended 30 June 2016 the following amounts are recorded in the Shariah Penalty & Impure Income Account (the Account):

i) The amount of RM70,237 in the Account was carried forward from 2015 to 2016.

ii) Income from inadvertent Shariah non-compliant activities identified by the Bank's management amounted to RM 38,685 as at 30 June 2016, of which RM37,523 were received from Nostro Accounts related transactions.

iii) During the financial period ended 30 June 2016, RM56,000 was distributed to a professional body and individuals.

The balance of RM52,922 in the Account is pending distribution in second half of 2016.

Other than the above, there were no other Shariah non-compliance income or other amounts recorded during the financial period ended 30 June 2016.