HONG LEONG INVESTMENT BANK BERHAD
Company no: 43526-P
(Incorporated in Malaysia)

BASEL II PILLAR 3 DISCLOSURES
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

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1. INTRODUCTION

The capital adequacy ratios of Hong Leong Investment Bank Berhad ("HLIBB" or "the Bank") and its subsidiaries ("the Group") are computed in accordance with the Bank Negara Malaysia's ("BNM") revised Risk-Weighted Capital Adequacy Framework ("RWCAF") - Basel II effective from 1 January 2008.

The Group places great importance to Basel II and view Basel II as a group-wide initiative that will ensure that the Group continues to meet international best practices for the credit, market and operational risk management practices. By adopting Basel II, the Group will be able to enhance and embed sound risk management practices within the Group and be equipped with the right risk management discipline, practices, processes and systems.

The following information concerning the Group's risk exposures, risk management practices and capital adequacy is disclosed as accompanying information to the annual report and does not form part of the audited accounts.

2. SCOPE OF APPLICATION

The capital adequacy ratios of the Group consist of capital base and risk-weighted assets derived from consolidated balances of the Bank and its subsidiary companies.

The capital adequacy ratios of the Bank and the Group are computed in accordance with BNM's revised RWCAF - Basel II. The Bank and the Group have adopted the Standardised Approach for Credit Risk and Market Risk, and the Basic Indicator Approach for Operational Risk.

The Group’s capital requirements are generally based on the principles of consolidation adopted in the preparation of its financial statements, as discussed in Note 2A to the Financial Statements, and differs from that used for regulatory capital purposes.

During the course of the year, the Bank and its subsidiaries did not experience any restrictions or other major impediments on transfer of funds or regulatory capital within the Group.

3. CAPITAL STRUCTURE AND ADEQUACY

The Group monitors the capital adequacy position of the Bank and its subsidiaries to ensure compliance with requirements of BNM and to take prompt actions to address projected capital deficiency. The capital position is reviewed on a monthly basis by undertaking stress tests and taking into account the levels and trend of material risks. The sufficiency of capital is assessed against the various risks in the balance sheet as well as future capital requirements based on the Group’s expansion plans.

The Group has also formalised an overall capital management framework, which seeks to ensure that there is an adequate balance between Tier I and Tier II capital. The Group is also following very closely the global developments on capital management.

The following table sets forth details on the capital resources, capital adequacy ratios and risk-weighted assets for the Group and the Bank as at 30 June 2011. BNM's revised RWCAF - Basel II sets out the minimum capital adequacy ratios for the banking institutions and the methodology for calculating these ratios. As at 30 June 2011, the Group's and the Bank's Tier I and the total capital adequacy ratios were higher than BNM's minimum requirements.

3. CAPITAL STRUCTURE AND ADEQUACY (CONTINUED)

(a) The capital adequacy ratios of the Group and the Bank are analysed as follows:

	The Group		The Bank	
	2011	**2010**	**2011**	**2010**
Before deducting proposed dividends				
Tier 1 capital ratio	**38.1%**	33.0%	**38.2%**	33.1%
Risk-weighted capital ratio	**38.6%**	33.6%	**38.6%**	33.5%
After deducting proposed dividends				
Tier 1 capital ratio	**35.6%**	33.0%	**35.7%**	33.1%
Risk-weighted capital ratio	**36.1%**	33.6%	**36.1%**	33.5%

The component of Tier I and Tier II capital and deductions from capital are as follows:

	The Group		The Bank	
	2011	**2010**	**2011**	**2010**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Tier I capital				
Paid-up capital	**265,535**	265,535	**265,535**	265,535
Other reserves	**52,272**	20,459	**53,414**	21,688
Less: Goodwill	**(28,986)**	(28,986)	**(30,236)**	(30,236)
Deferred tax assets, net	**(41,716)**	(52,597)	**(41,716)**	(52,597)
Total Tier I capital	**247,105**	204,411	**246,997**	204,390
Tier II capital				
RPS	**1,631**	1,631	**1,631**	1,631
Collective assessment allowance (N1)	**1,574**	-	**1,574**	-
General allowance	**-**	1,805	**-**	1,805
	3,205	3,436	**3,205**	3,436
Total capital	**250,310**	207,847	**250,202**	207,826
Less: Investment in subsidiary companies	**-**	-	**(588)**	(588)
Total capital base	**250,310**	207,847	**249,614**	207,238

(N1) Excludes collective assessment allowance attributable to loans and advances classified as impaired.

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3. CAPITAL STRUCTURE AND ADEQUACY (CONTINUED)

(b) The breakdown of risk-weighted assets ("RWA") by exposure is as follows:

The Group **30 June 2011** **Exposure Class**	**Gross Exposures RM'000**	**Net Exposures RM'000**	**Risk-Weighted Assets RM'000**	**Capital Requirements RM'000**
(i) Credit Risk				
On-Balance Sheet Exposures:				
Sovereigns & Central Banks	**396,924**	**396,924**	**-**	**-**
Public Sector Entities	**17**	**17**	**3**	**-**
Banks, Development Financial Institutions ("DFI") & Multilateral Development Banks ("MDBs")	**827,730**	**827,730**	**188,651**	**15,092**
Insurance Companies, Securities Firms & Fund Managers	**4,420**	**4,420**	**2,210**	**177**
Corporates	**192,208**	**101,599**	**40,748**	**3,260**
Other Assets	**210,102**	**210,102**	**36,770**	**2,941**
Equity Exposures	**2,445**	**2,445**	**2,445**	**196**
Total On-Balance Sheet Exposures	**1,633,846**	**1,543,237**	**270,827**	**21,666**
Off-Balance Sheet Exposures:				
Credit-related Off-Balance Sheet Exposures	**10,119**	**10,119**	**10,119**	**810**
Derivative Financial Instruments	**24,322**	**24,322**	**5,226**	**418**
Total Off-Balance Sheet Exposures	**34,441**	**34,441**	**15,345**	**1,228**
Total On and Off-Balance Sheet Exposures	**1,668,287**	**1,577,678**	**286,172**	**22,894**
(ii) Large Exposure Risk Requirement	-	-	-	-

(iii) Market Risk	Long Position	Short Position		**Risk-Weighted Assets RM'000**	**Capital Requirements RM'000**
Interest Rate Risk	**3,843,920**	**3,474,880**		**159,881**	**12,790**
Equity Risk	**97,449**	**-**		**43,475**	**3,479**
Foreign Exchange Risk	**2,112**	**1,080**		**2,113**	**169**
Options Risk	**20,238**	**-**		**32,025**	**2,562**
	3,963,719	**3,475,960**		**237,494**	**19,000**
(iv) Operational Risk				**124,294**	**9,944**
Total RWA and Capital Requirements				**647,960**	**51,838**

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2. CAPITAL STRUCTURE AND ADEQUACY (CONTINUED)

(b) The breakdown of risk-weighted assets ("RWA") by exposure is as follows (continued):

The Group 30 June 2010 Exposure Class			**Gross Exposures RM'000**	**Net Exposures RM'000**	**Risk-Weighted Assets RM'000**	**Capital Requirements RM'000**
(i) Credit Risk						
On-Balance Sheet Exposures:						
Sovereigns & Central Banks			25,799	25,799	-	-
Public Sector Entities			-	-	-	-
Banks, DFI & MDBs			741,289	741,289	148,258	11,861
Corporates			77,227	77,227	76,055	6,084
Other Assets			17,089	17,089	17,067	1,365
Equity Exposures			124,805	124,805	113,084	9,047
Total On-Balance Sheet Exposures			986,209	986,209	354,464	28,357
Off-Balance Sheet Exposures:						
Credit-related Off-Balance Sheet Exposures						
Derivative Financial Instruments			1,021	1,021	204	16
Total Off-Balance Sheet Exposures			1,021	1,021	204	16
Total On and Off-Balance Sheet Exposures			987,230	987,230	354,668	28,373
(ii) Large Exposure Risk Requirement			-	-	-	-
(iii) Market Risk	Long Position	Short Position				
Interest Rate Risk	3,484,640	3,105,307			157,885	12,631
Equity Risk	7,117	-			19,575	1,566
Foreign Exchange Risk	10	-			13	1
	3,491,767	3,105,307			177,473	14,198
(iv) Operational Risk					86,750	6,940
Total RWA and Capital Requirements					618,891	49,511

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2. CAPITAL STRUCTURE AND ADEQUACY (CONTINUED)

(b) The breakdown of risk-weighted assets ("RWA") by exposure is as follows (continued):

The Bank **30 June 2011** **Exposure Class**		**Gross Exposures RM'000**	**Net Exposures RM'000**	**Risk-Weighted Assets RM'000**	**Capital Requirements RM'000**
(i) Credit Risk					
On-Balance Sheet Exposures:					
Sovereigns & Central Banks		**396,924**	**396,924**	**-**	**-**
Public Sector Entities		**17**	**17**	**3**	**-**
Banks, DFI & MDBs		**827,433**	**827,433**	**188,592**	**15,087**
Insurance Companies, Securities Firms & Fund Managers		**4,420**	**4,420**	**2,210**	**177**
Corporates		**192,208**	**101,599**	**40,748**	**3,260**
Other Assets		**210,823**	**210,823**	**37,490**	**2,999**
Equity Exposures		**2,445**	**2,445**	**2,445**	**196**
Total On-Balance Sheet Exposures		**1,634,270**	**1,543,661**	**271,488**	**21,719**
Off-Balance Sheet Exposures:					
Credit-related Off-Balance Sheet Exposures		**10,119**	**10,119**	**10,119**	**810**
Derivative Financial Instruments		**24,322**	**24,322**	**5,226**	**418**
Total Off-Balance Sheet Exposures		**34,441**	**34,441**	**15,345**	**1,228**
Total On and Off-Balance Sheet Exposures		**1,668,711**	**1,578,102**	**286,833**	**22,947**
(ii) Large Exposure Risk Requirement		**-**	**-**	**-**	**-**
(iii) Market Risk	Long Position	Short Position			
Interest Rate Risk	**3,843,920**	**3,474,880**		**159,881**	**12,790**
Equity Risk	**97,449**	**-**		**43,475**	**3,479**
Foreign Exchange Risk	**2,112**	**1,080**		**2,113**	**169**
Options Risk	**20,238**	**-**		**32,025**	**2,562**
	3,963,719	**3,475,960**		**237,494**	**19,000**
(iv) Operational Risk				**122,594**	**9,808**
Total RWA and Capital Requirements				**646,921**	**51,755**

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2. CAPITAL STRUCTURE AND ADEQUACY (CONTINUED)

(b) The breakdown of risk-weighted assets ("RWA") by exposure is as follows (continued):

The Bank 30 June 2010 Exposure Class			**Gross Exposures RM'000**	**Net Exposures RM'000**	**Risk-Weighted Assets RM'000**	**Capital Requirements RM'000**
(i) Credit Risk						
On-Balance Sheet Exposures:						
Sovereigns & Central Banks			25,799	25,799	-	-
Public Sector Entities			-	-	-	-
Banks, DFI & MDBs			738,779	738,779	147,756	11,820
Corporates			77,227	77,227	76,055	6,084
Other Assets			19,121	19,121	19,099	1,528
Equity Exposures			124,805	124,805	113,084	9,047
Total On-Balance Sheet Exposures			985,731	985,731	355,994	28,479
Off-Balance Sheet Exposures:						
Credit-related Off-Balance Sheet Exposures			-	-	-	-
Derivative Financial Instruments			1,021	1,021	204	16
Total Off-Balance Sheet Exposures			1,021	1,021	204	16
Total On and Off-Balance Sheet Exposures			986,752	986,752	356,198	28,495
(ii) Large Exposure Risk Requirement			-	-	-	-
(iii) Market Risk	Long Position	Short Position				
Interest Rate Risk	3,484,640	3,105,307			157,885	12,631
Equity Risk	7,117	-			19,575	1,566
Foreign Exchange Risk	10	-			13	1
	3,491,767	3,105,307			177,473	14,198
(iv) Operational Risk					84,507	6,761
Total RWA and Capital Requirements					618,178	49,454

4. RISK MANAGEMENT

Overview

The Group believes that an integrated risk management framework is key to ensuring the overall financial soundness and stability of the Group's business operations. Key components of our enterprise wide risk management framework include:

(i) A structured risk governance model, incorporating strong Board and senior management oversight.
(ii) Sound capital management processes.
(iii) Comprehensive assessment of material risks.
(iv) A rigorous system of check and balance reviews.
(v) Regular monitoring and reporting.
(vi) Independent reviews by the internal and external auditors.

Risk governance structure

The Board has overall responsibility for providing leadership, overseeing risk appetite and ensuring that a robust risk and compliance culture prevails. The Board is assisted by the following Board and management committees:

(i) Board, Audit and Risk Management Committee ("BARMC").
(ii) Assets and Liabilities Management Committee ("ALMCO").
(iii) Management Credit and Underwriting Committee ("MCUC").

The BARMC is responsible for the following:

(i) Reviewing and recommending risk management strategies, policies and risk tolerance for the Board's approval.
(ii) Reviewing and assessing adequacy of risk management policies and framework in identifying, measuring, monitoring and controlling risk and the extent to which these are operating effectively.
(iii) Ensuring infrastructure, resources and systems are in place for risk management i.e. ensuring that the staff responsible for implementing risk management systems perform those duties independently of risk taking activities.
(iv) Reviewing management's periodic reports on risk exposure, risk portfolio composition and risk management activities.

The Risk Management Department is responsible for assisting the BARMC, ALMCO, MCUC and the Board in ensuring that the risk management activities are carried out as per their directives. Amongst others, Risk Management Department is responsible for setting the risk management framework and developing tools and methodologies for the identification, measurement, monitoring, control and valuation of risks. The Risk Management Department consists of three main units namely Market and Liquidity Risk, Operational Risk and Credit Risk Management.

4. RISK MANAGEMENT (continued)

Risk governance structure (continued)

The Group Internal Audit function complements the Risk Management Department in the management of risk by:

(i) Ensuring that the risk policies prepared by the Risk Management Department are enforced through its regular audit cycle.

(ii) Performing independent reviews to assess the risk control environment developed by the Risk Management Department.

(iii) Performing independent reviews to assess the risk grading system and the credit process.

(iv) Forming independent opinions on risk controls being formulated by the Risk Management Department.

Eight broad principles of risk management

(i) Align risk appetite and strategy

Risk appetite is the degree of risk that the Group is willing to accept in pursuit of its goals. Risk appetite is set first in evaluating strategic alternatives, then in setting objectives aligned with the selected strategy and in developing mechanisms to manage the related risks.

(ii) Link growth, risk and return

Framework provides an enhanced ability to identify and assess risks and establish acceptable levels of risk relative to growth and return objectives.

(iii) Enhance risk response decisions

The Group strives to identify and select among alternative risk responses - risk avoidance, reduction, sharing and acceptance based on generally accepted practices and methodologies.

(iv) Minimise operational surprises and losses

The Group continually enhances its capability to identify potential events, assess risk and establish responses, thereby reducing the occurrence of surprises and related costs or losses.

(v) Identify and manage cross-risks

Every product faces a myriad of risks. The Group not only manages the individual risks, but also manages interrelated impacts.

(vi) Provide integrated responses to multiple risks

Business processes carry many inherent risks and the Group continually finds solutions for managing the risks.

4. RISK MANAGEMENT (continued)

Eight broad principles of risk management (continued)

(vii) Seize opportunities

The Group considers potential events, using risk management as offensive initiatives rather than just risks (defensive), and by considering a full range of events, the Group gains an understanding of how certain events represent opportunities.

(viii) Rationalise capital

More robust information on total risk allows the Group to more effectively assess overall capital needs and improve capital allocation.

Risk management framework

The Group's risk management framework outlines the overall structure, aspirations, values and risk management strategies, and is a structured approach in balancing risks and returns.

Appropriate methodologies and measures have been developed in our risk management approaches to manage uncertainties such that the deviations from the intended strategic objectives are monitored and kept within tolerable levels.

Risk management culture

The risk management culture of the Group encompasses the following:

(i) Developing strategies

Documentation that is approved by the Board which expresses the Group's risk management strategies and appetite.

(ii) Adopting skills

The capabilities and resources required for implementing the risk management function.

(iii) Cultivating shared values

The universal risk management culture that the Group expects and promotes throughout the business units.

4. RISK MANAGEMENT (continued)

Risk management approach

The risk management approach is summarised as follows:

(i) Strategy

Risk management policies are integrated with business and strategies, in line with Board approved risk appetite.

(ii) Policy

Risks are addressed using specific risk policies.

(iii) Tools

Risks are measured and assessed using clearly defined models, methodologies and benchmarking.

(iv) Communication

Risks are adequately communicated across the Group in a timely manner.

(v) Implementation

Risks and returns are identified and managed by respective accountable business, support and operating units.

(vi) Maintenance

Risk management policies are clearly and formally documented, with a review in place to respond to changes in operating environment.

Risk management process

The risk management approaches are based on four simple processes:

(i) Identify what, why and how risks can arise:

- Nature of risk.
- Circumstances.
- Causes.
- Potential contributing factors.

4. RISK MANAGEMENT (continued)

Risk management process (continued)

(ii) Analyse and evaluate risks:

- Analyse and measure risk exposures using impact and probability analysis.
- Establish priorities using risk matrix.
- Compare risk exposures with Group's risk appetite.

(iii) Measures to control or mitigate the identified risks:

- Measures to mitigate the identified risks or risk controls.
- Action plans to either prevent or mitigate the risks.

(iv) Monitor and review the performance of the risk management process:

- Review effectiveness of mitigating measures or controls.
- Tracking of incidences and losses.
- Review feedback from internal reports and take appropriate action.

4. RISK MANAGEMENT (CONTINUED)

(A) Credit risk

Credit risk arises as a result of customers or counterparties not being able to or willing to fulfill their financial and contractual obligations as and when they fall due. These obligations arise from lending, trade finance and other activities undertaken by the Group.

The primary objective of the credit risk management framework is to ensure that exposure to credit risk is kept within the Group's financial capacity to withstand potential future losses. Lending activities are guided by internal credit policies and guidelines that are approved by the Board. These policies were reviewed and further enhanced during the year.

Credit portfolio management strategies and significant exposures are reviewed by the Board. These portfolio management strategies are designed to achieve a desired ideal portfolio risk tolerance level and sector distribution. This includes minimum credit rating targets for new credit facilities.

The Group's credit approving process encompasses pre-approval evaluation, approval and post-approval evaluation. While the business units are responsible for credit origination, the credit approving function rests mainly with the MCUC.

Credit risk is also identified as part of the new product sign-off process to ensure that new products prior to marketing are acceptable from a credit risk management perspective.

The Group also believes that authority limits for credit approvals should be directly related to the risk levels of the borrower and the transaction. In this respect, a Delegated Authority Limit structure had been implemented.

Credit Risk Management Process

(i) Identification

- Risk assessment on the potential impact of internal and external factors on transactions and positions.

(ii) Assessment/Measurement

- Internal credit rating systems to evaluate customer's credit worthiness.

(iii) Control/Mitigation

- Credit risk management policies and guidelines on credit rating, collateral and loan recovery.
- Exposure limits based on credit worthiness level for corporate groups, and prudent thresholds by economic sectors.
- Monitoring the benchmark return to consider the risk taken.

(iv) Monitoring/Review

- Analysis/review on loan exposures, asset quality evaluation, and movement of impaired loans and advances.
- Reporting on exposures against approved credit limits.

4. RISK MANAGEMENT (CONTINUED)

(A) Credit risk (continued)

Credit quality of loans and advances

A loan is defined as "past due" when the counterparty has failed to make a principal or interest payment when contractually due. Late processing and other administrative delays on the side of the borrower can lead to a financial asset being past due but not impaired. Therefore, loans advances and financing less than 90 days past due are not usually considered impaired, unless other information is available to indicate the contrary.

A loan or a group of loans is deems to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

For description of approaches adopted by the Group and the Bank for the determination of individual and collective assessment impairment allowances, refer to Note 2O(a) to the financial statements.

Gross credit exposure

(i) The table below sets out the breakdown of gross credit expsoures by geographical distribution as follows:

The Group and the Bank	**Malaysia RM'000**	**Other countries RM'000**	**Total RM'000**
2011			
On-Balance Sheet Exposures			
Financial assets held-for-trading *	**342,013**	**28,869**	**370,882**
Financial investments available-for-sale *	**72,437**	**-**	**72,437**
Financial investments held-to-maturity	**35,937**	**76,710**	**112,647**
Derivatives financial assets	**5,233**	**125**	**5,358**
Loans and advances	**107,975**	**-**	**107,975**
Clients' and brokers' balances	**165,813**	**-**	**165,813**
Total On-Balance Sheet Exposures	**729,408**	**105,704**	**835,112**
Off-Balance Sheet Exposures			
Credit-related exposures	**10,119**	**-**	**10,119**
Derivative financial instruments	**24,322**	**-**	**24,322**
	34,441	**-**	**34,441**
Total On and Off-Balance Sheet Expsoures	**763,849**	**105,704**	**869,553**

** Excludes equity securities*

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4. RISK MANAGEMENT (CONTINUED)

(A) Credit risk (continued)

Gross credit exposure (continued)

(ii) The table below sets out the breakdown of gross credit exposures by sector as follows:

The Group and the Bank 2011	Financial assets held-for-trading RM'000	Financial investments available-for-sale RM'000	Financial investments held-to-maturity RM'000	Derivative financial assets RM'000	Loans and advances RM'000	Clients' and brokers' balances RM'000	On-balance sheet total RM'000	Credit-related Exposures RM'000	Derivative Financial Instruments RM'000	Total off-balance sheet credit risk exposures RM'000	Total on and off-balance sheet credit risk exposures RM'000
Agriculture	-	10,099	-	-	15,588	-	25,687	-	-	-	25,687
Mining and quarrying	-	-	-	-	4,627	-	4,627	-	-	-	4,627
Manufacturing	-	-	10,246	-	12,108	-	22,354	-	-	-	22,354
Electricity, gas and water	-	6,482	-	-	-	-	6,482	10,039	-	10,039	16,521
Construction	-	-	-	3,000	-	-	3,000	-	-	-	3,000
Wholesale and retail	-	10,398	-	-	-	-	10,398	-	-	-	10,398
Transport, storage and communications	59,163	-	5,089	-	-	-	64,252	-	-	-	64,252
Finance, insurance, real estate							-				
and business services	311,719	19,797	92,159	2,358	-	-	426,033	80	24,322	24,402	450,435
Government and government Agencies	-	25,661	5,153	-	-	-	30,814	-	-	-	30,814
Purchase of securities	-	-	-	-	74,564	165,813	240,377	-	-	-	240,377
Others	-	-	-	-	1,088	-	1,088	-	-	-	1,088
	370,882	72,437	112,647	5,358	107,975	165,813	835,112	10,119	24,322	34,441	869,553

4. RISK MANAGEMENT (CONTINUED)

(A) Credit risk (continued)

Gross credit exposure

(iii) The table below sets out the breakdown of gross credit exposures by residual contractual maturity as follows:

The Group and the Bank 2011	**Up to 1 Year RM'000**	**1 to 5 Years RM'000**	**Over 5 Years RM'000**	**Total RM'000**
On-Balance Sheet Exposures				
Financial assets held-for-trading	**252,714**	**77,128**	**41,040**	**370,882**
Financial investments available-for-sale	**10,099**	**62,338**	**-**	**72,437**
Financial investments held-to-maturity	**-**	**52,077**	**60,570**	**112,647**
Derivatives financial assets	**1,370**	**3,970**	**18**	**5,358**
Loans and advances	**103,351**	**-**	**4,624**	**107,975**
Clients and brokers balances	**165,813**	**-**	**-**	**165,813**
Total On-Balance Sheet Exposures	**533,347**	**195,513**	**106,252**	**835,112**
Off-Balance Sheet Exposures				
Credit-related Exposures	**10,119**	**-**	**-**	**10,119**
Derivative Financial Instruments	**5,750**	**18,572**	**-**	**24,322**
Total Off-Balance Sheet Exposures	**15,869**	**18,572**	**-**	**34,441**
Total On and Off-Balance Sheet Exposures	**549,216**	**214,085**	**106,252**	**869,553**

4. RISK MANAGEMENT (CONTINUED)

(A) Credit risk (continued)

Loans and advances

(i) The table below sets out the breakdown by sector the amount of past due loans and advances, impaired loans and advances, individual assessment allowance, collective assessment allowance, charges for individual assessment allowance during the financial year and write-offs during the financial year as follows:

The Group and the Bank 2011	Past due loans and advances RM'000	Impaired Loans and advances RM'000	Individual assessment allowance RM'000	Collective assessment allowance RM'000	Write-back of individual assessment allowance during the year RM'000	Write offs during the year RM'000
Agriculture	-	-	-	237	-	-
Mining and quarrying	-	8,254	3,559	70	-	-
Manufacturing	-	-	-	184	-	-
Purchase of securities	-	1,120	1,120	1,136	(482)	-
Others	-	-	-	17	-	-
Total	-	9,374	4,679	1,644	(482)	-

Note: Refer to Note 9 to the financial statement for "movement in individual assessment allowance and collective assessment allowance" during the year for the Group and the Bank.

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4. RISK MANAGEMENT (CONTINUED)

(A) Credit risk (continued)

Loans and advances (continued)

(ii) The table below sets out the breakdown by geographical areas the amount of past due loans and advances, impaired loans and advances, individual assessment allowance and collective assessment allowance as follows:

The Group and the Bank 2011	**Past due loans and advances RM'000**	**Impaired Loans and advances RM'000**	**Individual assessment allowance RM'000**	**Collective assessment allowance RM'000**
Malaysia	**-**	**9,374**	**4,679**	**1,644**

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4. RISK MANAGEMENT (CONTINUED)

(A) Credit risk (continued)

Credit risk exposure by risk weight

The breakdown of credit risk exposures by risk weight is as follows:

Risk Weights	Sovereigns/ Central Banks RM'000	Public Sector Entities RM'000	Banks, DFIs and MDBs RM'000	Insurance Companies, Securities Firms & Fund Managers RM'000	Corporates RM'000	Other Assets RM'000	Equity Exposures RM'000	Total Exposures after Netting & Credit Risk Mitigation RM'000	Total Risk-Weighted Assets RM'000
The Group									
2011									
0%	**396,924**	**-**	**-**	**-**	**-**	**165,354**	**-**	**562,278**	**-**
20%	**-**	**17**	**774,582**	**-**	**72,013**	**9,974**	**-**	**856,586**	**171,317**
50%	**-**	**-**	**77,017**	**4,420**	**6,482**	**-**	**-**	**87,919**	**43,960**
100%	**-**	**-**	**-**	**-**	**33,676**	**34,774**	**2,445**	**70,895**	**70,895**
Total	**396,924**	**17**	**851,599**	**4,420**	**112,171**	**210,102**	**2,445**	**1,577,678**	**286,172**
Risk-Weighted Assets by Exposures	**-**	**3**	**193,424**	**2,210**	**51,320**	**36,770**	**2,445**	**286,172**	
Average Risk Weights	**0.0%**	**20.0%**	**22.7%**	**50.0%**	**45.8%**	**17.5%**	**100.0%**	**18.1%**	
Deduction from Capital Base	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	

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4. RISK MANAGEMENT (CONTINUED)

(A) Credit risk (continued)

Credit risk exposure by risk weight (continued)

The breakdown of credit risk exposures by risk weight is as follows:

Risk Weights	**Sovereigns/ Central Banks RM'000**	**Public Sector Entities RM'000**	**Banks, DFIs and MDBs RM'000**	**Insurance Companies, Securities Firms & Fund Managers RM'000**	**Corporates RM'000**	**Other Assets RM'000**	**Equity Exposures RM'000**	**Total Exposures after Netting & Credit Risk Mitigation RM'000**	**Total Risk-Weighted Assets RM'000**
The Group									
2010									
0%	25,799	-	-	-	-	22	-	25,821	-
20%	-	-	742,310	-	1,465	-	14,651	758,426	151,685
100%	-	-	-	-	75,762	17,067	110,154	202,983	202,983
Total	25,799	-	742,310	-	77,227	17,089	124,805	987,230	354,668
Risk-Weighted Assets by Exposures	-	-	148,462	-	76,055	17,067	113,084	354,668	
Average Risk Weights	0.0%	0.0%	20.0%	0.0%	98.5%	99.9%	90.6%	35.9%	
Deduction from Capital Base	-	-	-	-	-	-	-	-	

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4. RISK MANAGEMENT (CONTINUED)

(A) Credit risk (continued)

Credit risk exposure by risk weight

The breakdown of credit risk exposures by risk weight is as follows:

Risk Weights	Sovereigns/ Central Banks RM'000	Public Sector Entities RM'000	Banks, DFIs and MDBs RM'000	Insurance Companies, Securities Firms & Fund Managers RM'000	Corporates RM'000	Other Assets RM'000	Equity Exposures RM'000	Total Exposures after Netting & Credit Risk Mitigation RM'000	Total Risk-Weighted Assets RM'000
The Bank									
2011									
0%	396,924	-	-	-	-	165,354	-	562,278	-
20%	-	17	774,285	-	72,013	9,974	-	856,289	171,257
50%	-	-	77,017	4,420	6,482	-	-	87,919	43,960
100%	-	-	-	-	33,676	35,495	2,445	71,616	71,616
Total	396,924	17	851,302	4,420	112,171	210,823	2,445	1,578,102	286,833
Risk-Weighted Assets by Exposures	-	3	193,365	2,210	51,320	37,490	2,445	286,833	
Average Risk Weights	0.0%	20.0%	22.7%	50.0%	45.8%	17.8%	100.0%	18.2%	
Deduction from Capital Base	-	-	-	-	-	-	-	-	

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4. RISK MANAGEMENT (CONTINUED)

(A) Credit risk (continued)

Credit risk exposure by risk weight

The breakdown of credit risk exposures by risk weight is as follows:

Risk Weights	Sovereigns/ Central Banks RM'000	Public Sector Entities RM'000	Banks, DFIs and MDBs RM'000	Insurance Companies, Securities Firms & Fund Managers RM'000	Corporates RM'000	Other Assets RM'000	Equity Exposures RM'000	Total Exposures after Netting & Credit Risk Mitigation RM'000	Total Risk-Weighted Assets RM'000
The Bank									
2010									
0%	25,799	-	-	-	-	22	-	25,821	-
20%	-	-	739,800	-	1,465	-	14,651	755,916	151,183
100%	-	-	-	-	75,762	19,099	110,154	205,015	205,015
Total	25,799	-	739,800	-	77,227	19,121	124,805	986,752	356,198
Risk-Weighted Assets by Exposures	-	-	147,960	-	76,055	19,099	113,084	356,198	
Average Risk Weights	0.0%	0.0%	20.0%	0.0%	98.5%	99.9%	90.6%	36.1%	
Deduction from Capital Base	-	-	-	-	-	-	-	-	

4. RISK MANAGEMENT (CONTINUED)

(A) Credit risk (continued)

Rated exposures according to ratings by External Credit Assessment Institutions ("ECAIs")

Under Basel II, credit risk for the Group is computed using the Standardised Approach.

External credit assessments (or external ratings) on the customer (the issuer) or specific securities issued by the issuer (the issue) form as a basis for the determination of risk weights under the Standardised Approach for exposures to sovereigns, central banks, public sector entities, banking institutions, corporates as well as certain other specific portfolios.

The approved External Credit Assessment Institutions (“ECAI”) ratings and the prescribed risk weights on the above stated asset classes are used in the computation of regulatory capital. An exposure would be deemed to have an external rating if the issuer or the issue has a rating provided by an ECAI. In cases where an exposure does not have an issuer or issue rating, the exposure shall be deemed unrated and shall be accorded a risk weight appropriate for unrated exposures in their respective exposure category.

The ECAI used by the Group are Fitch Ratings ("Fitch"), Moody’s Investors Service ("Moody's"), Standard & Poor’s ("S&P"), Malaysia Rating Corporation Berhad ("MARC") and Rating Agency Malaysia ("RAM"). ECAI ratings are mapped to a common credit quality grade as prescribed by BNM.

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4. RISK MANAGEMENT (CONTINUED)

(A) Credit risk (continued)

Rated exposures according to ratings by External Credit Assessment Institutions ("ECAIs") (continued)

The following tables summarise the rated exposures according to ratings ECAIs as follows:

(i) Ratings of Corporate by Approved ECAIs

	Moodys	**Aaa to Aa3**	**A1 to A3**	**Baa1 to Ba3**	**B1 to C**	**Unrated**
	S&P	**AAA to AA-**	**A+ to A-**	**BBB+ to BB-**	**B+ to D**	**Unrated**
	Fitch	**AAA to AA-**	**A+ to A-**	**BBB+ to BB-**	**B+ to D**	**Unrated**
	RAM	**AAA to AA3**	**A1 to A3**	**BBB1 to BB3**	**B to D**	**Unrated**
	MARC	**AAA to AA-**	**A+ to A-**	**BBB+ to BB-**	**B+ to D**	**Unrated**
The Group	**Rating & Investment Inc**	**AAA to AA-**	**A+ to A-**	**BBB+ to BB-**	**B+ to D**	**Unrated**
2011		**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
On and Off-Balance Sheet Exposures						
Public Sector Entities		-	-	-	-	17
Insurance Cos, Securities Firms & Fund Managers		-	4,420	-	-	-
Corporates		72,013	6,482	1,094	-	123,191
		72,013	10,902	1,094	-	123,208

(ii) Short term ratings of Banking Institutions and Corporate by Approved ECAIs

	Moodys	**P-1**	**P-2**	**P-3**	**Others**	**Unrated**
	S&P	**A-1**	**A-2**	**A-3**	**Others**	**Unrated**
	Fitch	**F1+, F1**	**F2**	**F3**	**B to D**	**Unrated**
	RAM	**P-1**	**P-2**	**P-3**	**NP**	**Unrated**
	MARC	**MARC-1**	**MARC-2**	**MARC-3**	**MARC-4**	**Unrated**
Group	**Rating & Investment Inc**	**a-1+, a-1**	**a-2**	**a-3**	**b, c**	**Unrated**
2011		**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
On and Off-Balance Sheet Exposures						
Banks, MDBs and FDIs		716,996	-	-	-	-

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4. RISK MANAGEMENT (CONTINUED)

(A) Credit risk (continued)

Rated exposures according to ratings by External Credit Assessment Institutions ("ECAIs") (continued)

(iii) Ratings of Sovereigns and Central Banks by Approved ECAIs

	Moodys	**Aaa to Aa3**	**A1 to A3**	**Baa1 to Baa3**	**Ba1 to B3**	**Caa1 to C**	**Unrated**
	S&P	**AAA to AA-**	**A+ to A-**	**BBB+ to BBB-**	**BB+ to B-**	**CCC+ to D**	**Unrated**
	Fitch	**AAA to AA-**	**A+ to A-**	**BBB+ to BBB-**	**BB+ to B-**	**CCC+ to D**	**Unrated**
The Group and the Bank	**Rating & Investment Inc**	**AAA to AA-**	**A+ to A-**	**BBB+ to BBB-**	**BB+ to B-**	**CCC+ to C**	**Unrated**
2011		**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
On and Off-Balance Sheet Exposures							
Sovereigns and Central Banks		**-**	**-**	**-**	**-**	**-**	**396,924**

(iv) Ratings of Banking Institutions by Approved ECAIs

	Moodys	**Aaa to Aa3**	**A1 to A3**	**Baa1 to Baa3**	**Ba1 to B3**	**Caa1 to C**	**Unrated**
	S&P	**AAA to AA-**	**A+ to A-**	**BBB+ to BBB-**	**BB+ to B-**	**CCC+ to D**	**Unrated**
	Fitch	**AAA to AA-**	**A+ to A-**	**BBB+ to BBB-**	**BB+ to B-**	**CCC+ to D**	**Unrated**
	RAM	**AAA to AA3**	**A1 to A3**	**BBB+ to BBB3**	**BB1 to B3**	**C1 to D**	**Unrated**
	MARC	**AAA to AA-**	**A+ to A-**	**BBB+ to BBB-**	**BB+ to B-**	**C+ to D**	**Unrated**
Group	**Rating & Investment Inc**	**AAA to AA-**	**A+ to A-**	**BBB+ to BBB-**	**BB+ to B-**	**CCC+ to C**	**Unrated**
2011		**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
On and Off-Balance Sheet Exposures							
Banks, MDBs and FDIs		**27,336**	**30,427**	**76,840**	**-**	**-**	**-**

4. RISK MANAGEMENT (CONTINUED)

(A) Credit risk (continued)

Credit Risk Mitigation ("CRM")

The Group's and the Bank's credit principle is principally granting credit facilities on the basis of the borrower's credit standing, repayment and debt servicing ability. Where possible, collateral is taken to mitigate and reduce any credit risk for the particular credit facility extended. The value of the collateral is monitored periodically and where applicable, a revised valuation may be requested from the borrower. The main types of collateral accepted are cash, marketable securities and securities from listed exchange. There are policies and processes in place to monitor collateral concentration. For credit risk mitigation ("CRM") purposes, only collateral or guarantees that are legally enforceable are taken into account. The credit exposures are computed on a net basis only when there is a legally enforceable netting arrangements for loans and deposits. The Group and the Bank use the Comprehensive Approach for computation of the adjusted exposures.

The following tables resent the credit exposures covered by eligible financial collateral and financial guarantees as defined under the Standardised Approach for the Group. Eligible financial collateral consists primarily of securities from listed exchange. The Group does not have any credit exposure which is reduced through the application of other eligible collateral.

The Group **2011**	**Exposures before CRM** **RM'000**	**Exposures covered by eligible financial collateral** **RM'000**
On-Balance Sheet Exposures		
Sovereigns/Central Banks	**396,924**	**-**
Public Sector Entities	**17**	**-**
Banks, DFIs and MDBs	**827,730**	**-**
Insurance Companies, Securities Firms & Fund Managers	**4,420**	**-**
Corporates	**192,208**	**90,609**
Other Assets	**210,102**	**-**
Equity Exposures	**2,445**	**-**
Total On-Balance Sheet Exposures	**1,633,846**	**90,609**
Off-Balance Sheet Exposures		
Credit-related Exposures	**10,119**	
Derivative Financial Instruments	**24,322**	
Total Off-Balance Sheet Exposures	**34,441**	**-**
Total On and Off-Balance Sheet Exposures	**1,668,287**	**90,609**

4. RISK MANAGEMENT (CONTINUED)

(A) Credit risk (continued)

Credit Risk Mitigation (continued)

The Bank **2011**	**Exposures before CRM** **RM'000**	**Exposures covered by eligible financial collateral** **RM'000**
On-Balance Sheet Exposures		
Sovereigns/Central Banks	**396,924**	**-**
Public Sector Entities	**17**	**-**
Banks, DFIs and MDBs	**827,433**	**-**
Insurance Companies, Securities Firms & Fund Managers	**4,420**	**-**
Corporates	**192,208**	**90,609**
Other Assets	**210,823**	**-**
Equity Exposures	**2,445**	**-**
Total On-Balance Sheet Exposures	**1,634,270**	**90,609**
Off-Balance Sheet Exposures		
Credit-related Exposures	**10,119**	**-**
Derivative Financial Instruments	**24,322**	**-**
Total Off-Balance Sheet Exposures	**34,441**	**-**
Total On and Off-Balance Sheet Exposures	**1,668,711**	**90,609**

4. RISK MANAGEMENT (CONTINUED)

(A) Credit risk (continued)

Off-Balance Sheet exposures and counterparty credit risk

Credit limits are established to ensure that the Group and the Bank are not duly exposed to unnecessary credit risk with parties who are unable to meet or honour their financial obligations with the Group and the Bank.

The counterparty limits for the Group and the Bank are established by taking into consideration the tenor of the obligation, rating assignment of the counterparty, counterparty's shareholder's funds, the Group's and the Bank's shareholder's funds.

The credit exposure limit for derivative transactions is calculated based on the standardised approach by applying a specific percentage of risk factor i.e. the potential loss of the contract value to the counterparty limit for the Group and the Bank, which in general is a fraction of the derivative contract or notional amount used to express the volume of instruments.

Nature of commitments and contingencies

Obligations under underwriting agreements arise from underwriting agreements relating to the issuance of equity and debts securities, where the Group and the Bank are obliged to subscribe for or purchase the securities in the event the securities are not taken up when issued.

Irrevocable commitments to extend credit include all obligations on the part of the Group and the Bank to provide funding facilities or the undrawn portion of an approved credit facilities to customers.

Forward foreign exchange contracts are agreements to buy or sell fixed amounts of currency at agreed rates of exchange on a specified future date.

Interest rate swaps involve the exchange of interest obligations with a counterparty for a specified period without the exchange of the underlying principal.

BASEL II PILLAR 3 DISCLOSURES FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

4. RISK MANAGEMENT (CONTINUED)

(A) Credit risk (continued)

Off-Balance Sheet exposures and counterparty credit risk (continued)

The off-balance sheet exposures and their related counterparty credit risk of the Group and the Bank are as follows:

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
2011				
Derivative financial instruments				
Interest rate related contracts:				
- One year or less	**527,573**	**149**	**-**	**-**
- Over one year to five years	**1,817,370**	**910**	**18,572**	**3,714**
- Over five years	**123,810**	**79**	**-**	**-**
Foreign exchange related contracts				
- One year or less	**112,788**	**1,220**	**5,750**	**1,512**
Equity related contracts:				
- One year or less	**44,675**	**-**	**-**	**-**
- Over one year to five years	**10,000**	**3,000**	**-**	**-**
	2,636,216	**5,358**	**24,322**	**5,226**
Commitments				
Obligations under underwriting agreement	**20,238**	**-**	**10,119**	**10,119**
Any commitment that are unconditionally cancelled at any time by the Bank without prior notice				
- maturity less than one year	**302,249**	**-**	**-**	**-**
	322,487	**-**	**10,119**	**10,119**
Total Off-Balance Sheet Exposures	**2,958,703**	**5,358**	**34,441**	**15,345**
2010				
Derivative financial instruments				
Interest rate related contracts:				
- One year or less	680,000	-	-	-
- Over one year to five years	2,545,000	21	1,021	204
	3,225,000	21	1,021	204
Commitments				
Any commitment that are unconditionally cancelled at any time by the Bank without prior notice				
- maturity less than one year	267,940	-	-	-
Total Off-Balance Sheet Exposures	3,492,940	21	1,021	204

4. RISK MANAGEMENT (CONTINUED)

(B) Market risk

Market risk is defined as the risk of potential losses in earnings arising from changes in interest rates, foreign exchange rates, credit spreads, equity prices and commodity prices. This change can affect the value of financial instruments and may also affect proprietary trading revenues.

The main objectives of Market Risk Management is to ensure that losses from market risk can be promptly addressed without incurring a potential loss that is beyond the Group’s and the Bank risk appetite.

Management of market risk

The ALMCO is the management level committee which supports the BARMC in the oversight of market and liquidity risk. The ALMCO is chaired by the Chief Executive Officer ("CEO") and includes senior representatives from both business and support units. It is primarily responsible for the development, implementation and review of frameworks, broad strategies and policies for managing the Group’s and the Bank's balance sheet, funding management, market risk and liquidity risk.

The Risk Management Department is responsible for the development, implementation and maintenance of consistent policies and methodologies to identify, measure, monitor, control and report market risk and liquidity risk.

Market risk is inherent in the ordinary course of the Group’s and the Bank's business and is prevalent especially in treasury activities of the Group and the Bank. The Group and the Bank broadly classify their financial instruments as Held-for-Trading ("HFT"), Available-for-Sale ("AFS") and Held-to-Maturity ("HTM") securities. The major differences between the classifications are the accounting treatment and intention of acquiring the financial instruments.

Market Risk Management Process

(i) Identification

- Identify market risks within existing and new products.
- Review market-related information e.g. market trends, economic data.

(ii) Assessment/Measurement

- Sensitivity.
- Value-at-Risk.
- Stress test.

4. RISK MANAGEMENT (CONTINUED)

(B) Market risk (continued)

Market Risk Management Process (continued)

(iii) Control/Mitigation

- Establish market risk limits.
- Limits are set with reference to business profitability, budgets and aligned with the risk appetite approved by the Board.

(iv) Monitoring/Review

- Monitoring of limits.
- Periodical review and reporting.

Regulatory Capital Requirements

The following tables present the minimum regulatory capital requirement on market risk.

The Group and the Bank	Long Position RM'000	Short Position RM'000	Risk-Weighted Assets RM'000	Minimum Capital Requirement at 8% RM'000
2011				
Interest Rate Risk	**3,843,920**	**3,474,880**	**159,881**	**12,790**
Equity Risk	**97,449**	**-**	**43,475**	**3,479**
Foreign Currency Risk	**2,112**	**1,080**	**2,113**	**169**
Option Risk	**20,238**	**-**	**32,025**	**2,562**
	3,963,719	**3,475,960**	**237,494**	**19,000**
2010				
Interest Rate Risk	3,484,640	3,105,307	157,885	12,631
Foreign Currency Risk	10	-	13	1
Equity Risk	7,117	-	19,575	1,566
	3,491,767	3,105,307	177,473	14,198

4. RISK MANAGEMENT (CONTINUED)

(C) Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk, but excludes strategic and reputational risks.

An Operational Risk Management Framework, approved by the HLIBB's Board, has been implemented across the Group to all business and support units. The Framework consists of operational risk's tools including loss event data reporting, control self-assessment and key risk indicators, to assist these units to identify, assess, monitor and control their operational risks. The information is channeled to the Risk Management Department to facilitate risk analysis, monitoring and reporting.

Related policies and procedures are in place to provide guidance to risk taking units in the areas of developing new products and services and outsourcing of operational functions.

A Business Continuity Framework has been developed to ensure business sustainability in event of business disruptions.

The Risk Management Department oversees the Group's operational risk management infrastructure, including the Framework, policies, processes, information, methodologies and systems. The Risk Management Department performs regular reviews of the operational risk profiles of the Group, and recommends related operational risk policies to be endorsed and approved at management and Board level.

5. EQUITY EXPOSURES IN BANKING BOOK

The Group's and the Bank's banking book's equity investments consist of equity holdings in organisations which are set up for specific socio-economic reasons (i.e. equity interest in Cagamas, MEPS, RAM, IBBM and CGC) and equity holdings and equity instruments received as a result of loan/financing restructuring or loan/financing conversion.

The Group's and the Bank's banking book's equity investments are classified and measured in accordance with FRS 139 and are categorised as financial investments available-for-sale. Refer to Note 2D to the financial statements for the accounting policies of the Group and the Bank.

The following table summarises the Group and the Bank's equity exposures in the banking book.

The Group and the Bank	**2011** Exposures subject to risk-weighting RM'000	Risk weights %
Financial investments available-for-sale		
Unquoted equity securities	**2,445**	**100**

Gain and Loss on Equity Exposures in Banking Book

The tables below present the gains and losses on equity exposure in the banking book.

	2011 RM'000
Realised gains/losses recognised in the income statements	-
Unrealised gain recognised in revaluation reserve	
- Unquoted equity securities	-

6. INTEREST RATE RISK/RATE OF RETURN RISK IN BANKING BOOK

To evaluate the potential impact of interest/profit rate risk in the Banking Book, the Group and the Bank consider the effect on their underlying economic value.

The economic perspective provides a measurement of the underlying value of the Group's and the Bank's current position and seeks to evaluate the sensitivity of that value to changes in interest/profit rates. This perspective will allow the Group and the Bank to evaluate the changes in economic value of assets, liabilities, and off-balance sheet instruments against the movement in interest/profit rate. The economic values of these instruments are equivalent to the instruments' present value of future cash flows.

By analyzing the impact of interest/profit rate changes on the value of all future cash flows, the economic perspective can provide a more comprehensive measurement of interest/profit rate risk. The future cash flow projections used to estimate the economic exposure provides a pro forma estimate of the future income generated by its current position. In general, the measurement of present value of the instrument will be able to give an overview of the Group's and the Bank's economic value of equity (“EVE”) over a longer time period.

The increase or decline in economic value for upward and downward rate shocks which are consistent with shocks applied in the Group's and the Bank's stress test for measuring IRR/RORR in the banking book are as follows:

The following tables present the projected Group's sensitivity to a 100 basis point parallel shock to interest rates across all maturities applied on the Group's interest sensitivity gap as at reporting date.

	Impact on Position as at 30 June 2011	
	- 100 bps	**+ 100 bps**
Type of currency	**Increase/(Decrease) in Economic Value**	
	RM'000	**RM'000**
Ringgit Malaysia	**3,205**	**(3,205)**
US Dollar	**3,007**	**(3,007)**
	6,211	**(6,211)**