



Malayan Banking Berhad, New York Branch Resolution Plan

Section 1: Public Section

December 2016

A. Description of U.S. Material Entities

1. Malayan Banking Berhad, New York Branch

Malayan Banking Berhad, New York Branch ("MBBNY") established its presence in New York in September 1984 as a wholesale branch licensed by the New York State Department of Financial Services ("NYSDFS") and regulated by the Federal Reserve Bank of New York ("FRBNY"). The deposits placed in MBBNY are not insured by the FDIC as it engages primarily in traditional lending and wholesale deposit activities and rates trading activities.

The asset size of MBBNY as of September 30, 2016 totaled \$1.08 billion which comprises mainly of interbank placements, securities investments and loans, denominated in USD. It engages in wholesale banking services such as bills of exchange discounting and corporate accounts, remittances and related trade finance activities which have no material impact to the financial stability and/or have any significant impact to its core business lines. MBBNY's current staff strength is 32 with its principal office located at 400 Park Avenue, 11th Floor, New York, N.Y. 10022.

2. Maybank Kim Eng Securities USA Inc (MKEUSA)

MKEUSA is a wholly owned subsidiary of Maybank IB Holdings Limited with its primary office in New York City and a representative in San Francisco. MKEUSA is a licensed U.S. Broker-Dealer serving institutional clients for purchases and sales in Asian Equities on an agency basis based upon Section 15(a)-6 of the Securities Exchange Act of 1934, as amended.

MKEUSA is registered with the Securities Exchange Commission ("SEC") and is regulated by the Financial Industry Regulatory Authority ("FINRA"), with total assets of \$2.44 million as of December 31, 2015 and with total staff of 13 in the New York City office and staff of 1 in the San Francisco office.

Office Location

The principal place of the New York office is located at 777 3rd Avenue, 21st floor, New York, N.Y. 10017-1401.

The registered office of its San Francisco location is at 388 Market Street, Suite 1300, San Francisco, CA 94111

Principal Officers

CEO & Head of Sales & Trading - Jean Louis Lee
Chief Financial Officer - Jessica Kim
Chief Officer of Operations - Joe Borruso
Chief Compliance Officer - Larry Walther

MBBNY and MKEUSA currently operate as separate autonomous entities.

B. Description of Core Business Lines

MBBNY operates three core business lines; Global Markets (“GM”), Corporate Banking (“CB”), and Transaction Banking (“TB”).

GM

Core business lines include:

1. Wholesale deposits/placements

Provides primary sources of funds for corporate lending activities and investment portfolio and conducts Money Market lending activities. This treasury related activities are identified as core business lines and closely interdependent.

2. Repurchase/reverse repurchase agreements

The “Repo” activities are collateralized borrowing from financial institutions which is an active and significant source of funding for the wholesale banking investments.

3. Investment Portfolio

Investments are mainly classified as securities available for sale, and consists of bonds and notes issued by US Treasury, agencies and corporate bonds.

4. Derivatives

Derivative contracts with counterparts are arranged to hedge interest rate risks such as Interest Rate Swaps, and interest rate futures contracts.

5. Commercial Paper (“CP”)

MBBNY has an existing CP program of USD500million. CP issuance is made through an appointed Issuing and Paying Agent (“IPA”), and the proceeds are used to fund MBBNY assets and lending to Head Office.

CB

Core business lines include:

1. Wholesale lending activities in USD denominated syndicated loans in the primary loan market and purchase by assignment of secondary traded USD denominated loans.

2. Secured and unsecured loans to US based corporate entities and bi-lateral relationship borrowers based in the United States. These borrowers are U.S. subsidiaries/affiliates of Maybank Group (“MBBG”) relationship borrowers.

TB

Core business lines include:

1. Wholesale purchase of trade finance loans and unfunded risk participations on trade finance related transactions.
2. Corporate accounts, trade finance activities such as letter of credit issuance, advising, negotiation, reimbursements, funds transfer and remittance business to support Head Office, branches and subsidiaries of MBBG.

C. Summary Financial Information

1. Balance Sheet Information of MBBNY as per the Call Report as at 30 September, 2016

Assets	Amount (USD\$ m)
Cash and balances due from depository institutions	542,058
U.S. Government Securities	92,353
Other Bonds, notes, debentures & corporate stock	72,479
Federal Funds Sold	0.00
Loans and Leases, net of unearned income	193,081
Trading Securities	0.00
Other Assets	5,879
Net due from related institutions	177,416
Total	1,083,266
Liabilities	Amount (USD\$ m)
Total deposits and Credit Balances	666,482

Federal Funds Purchased	0.00
Securities sold under agreements to repurchase	0.00
Other Borrowed Money	406,710
Other liabilities	10,074
Net due to related institutions	0.00
Total	1,083,266

2. Major Funding Sources

Funding Operations

MBBNY funds its assets primarily with a mix of wholesale corporate deposits, money market borrowing, Repos, CP and through the “medium term funding” facility from Head Office. MBBNY funds short term gaps via wholesale corporate deposits, money market borrowing and CP, while 1 to 3 years gap are funded through “medium term funding” from Head Office.

Liquidity Policy

In addition to the MBBNY funding operations, MBBG has established a Liquidity Policy Statement (“LPS”) for MBBNY. This policy is reviewed annually and incorporates liquidity metrics based on liquid assets, reliance on major funding counterparts, reliance on overnight deposits and off balance sheet funding caps. As of September 30, 2016, MBBNY’s composition of assets and liabilities daily average balances for the nine months is illustrated below.

Applications of funds	Total currencies	Sources of Funds	Total currencies
	(USD\$ m)		(USD\$ m)
Cash & Nostro balances	1,109,934	Interbank borrowings	1,161,441
Loans and Advances	213,560	Fed Funds Purchased & Repo	54,357
Interbank/Interbranch Placements	902,087	Deposits	372,027
Securities	237,477	Capital funds	9,000
Other	8,089	Maybank Head Office / Branches	767,657
		Other liabilities	106,665
Total	2,471,147	Total	2,471,147

D. Description of Derivative and Hedging Activities

MBBNY enters into derivative activities to manage the interest rate exposures of fixed rate investments and currency exposure. The derivative contracts used are Interest Rate Swaps (“IRS”), Overnight Index Swap (“OIS”) and Cross Currency Swaps.

Application of Hedge Accounting (“HA”) enables a better management of the P&L

volatility as it recognizes the offsetting effects on the profit and loss, as a result of the changes in fair value of the hedging instrument and hedged item.

A cash flow hedge is used to manage the interest rate exposure and variability of future cash flow of fixed rate investments versus floating rate funding.

E. Memberships in Material Payment, Clearing and Settlement Systems

To facilitate and support the financial transactions from the core business lines in the United States for customers, MBBNY has clearing arrangements with major US correspondent banks. Direct access is provided to their proprietary payment system platforms and/or through the Swift payment order platform. The payment platform that supports the core business lines and services are listed in the table below.

Payment Systems	Description of Services
Fedline Advantage	Funds transfer services
JP Morgan Access	US dollar money market and trade settlements

F. Description of Foreign Operations

MBBNY has no foreign affiliates and/or any type of operations or services abroad.

G. Material Supervisory Authorities

MBBNY is a wholesale branch and licensed by the New York State Department of Financial Services and regulated by the Federal Reserve Bank of New York. It reports to Head Office and is also governed by the Central Bank of Malaysia policies.

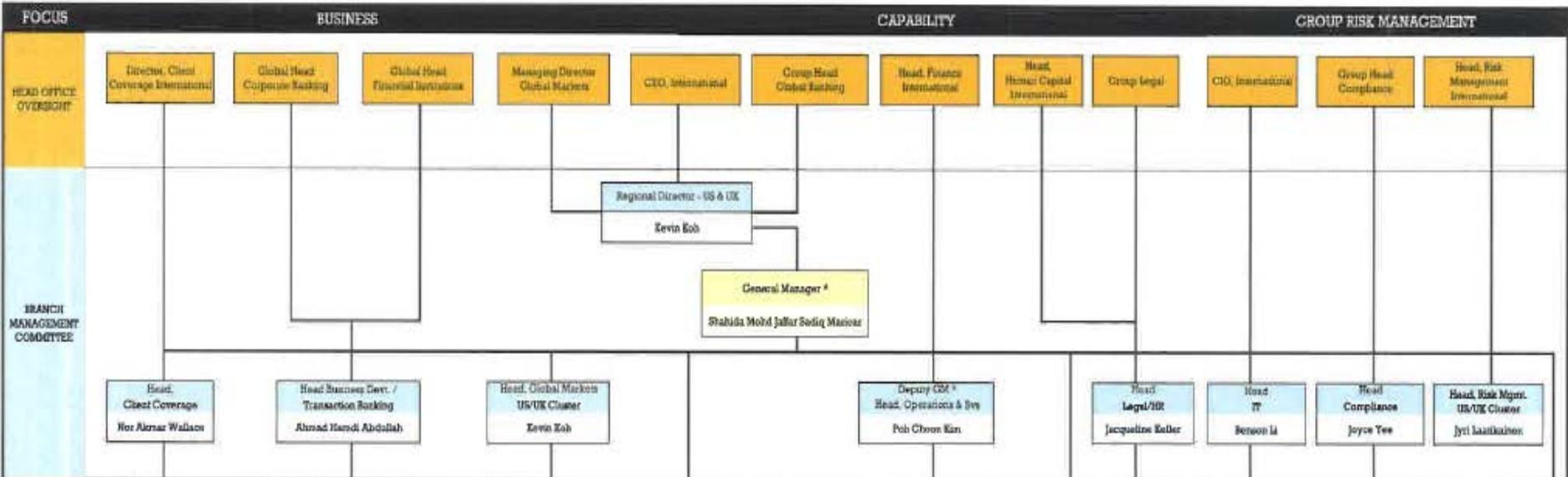
H. Principal Officers

MBBNY is organized in three distinct areas subject to Head Office oversight. The business areas comprise GM, CB and TB. The areas that support the frontline business areas are headed by the Deputy General Manager and Head of Operations and Services who reports to the General Manager of MBBNY. The General Manager in turn reports up to the Regional Director, US/UK Cluster.

The Heads of the three business areas, together with the Regional Director, US/UK Cluster, General Manager, Deputy General Manager, Head of Operations & Services, Head of Legal/HR, Head of Risk, Head of Compliance, and Head of IT form the Branch Management Committee whose primary responsibilities includes strategic management,

resource allocation, critical operations, financial accounting and reporting, risk management and compliance and systems controls. The Management Committee is supported by similar groups at Head Office. The chart below shows the organization structure and members of the Management Committee.

MAYBANK NEW YORK BRANCH - Organization Chart as of June 30, 2016



I. Description of Corporate Governance Structure and Processes Related to Resolution Planning

1. Description of Policies, Procedures and Internal Controls Governing Preparation

Rapid and orderly execution of MBBNY's "Living Will" requires an integrated analysis of MBBNY debt composition, evaluation of asset quality, funding capabilities and execution of the bank services on a continued basis. To deliver such execution, MBBNY opted for the formation of committees that will assess, develop and implement policies and procedures for ongoing review, revisions and maintenance of the "Living Will" plan. The committees are composed by members of the business area, capability, risk management and compliance. They will hold quarterly meetings to monitor activities of the MBBNY and identify new processes in the "Living Will" plan.

2. Oversight Responsibility: Identity and Position of Senior Management Officials Responsible for Resolution Plan Development, Maintenance, Implementation, Filing and Compliance

The responsibility for development, maintenance, and implementation is incumbent to each committee. The Head, Compliance New York is responsible for the oversight, filing and compliance.

The names of the committee members are listed in the table below:

Committee	Members
Asset Recovery & Disposal Committee	<ul style="list-style-type: none">• Head of Global Markets (Chairperson)• Head of Corporate Banking• Head of Client Coverage• Head of Transaction Banking• Head of Legal/HR

Committee	Members
Liquidity and Funding Committee	<ul style="list-style-type: none">• Head of Transaction Banking (Chairperson)• Head of Global Markets• Head of Risk• Deputy General Manager, Head of Operations & Services

Committee	Members
Business Continuity Committee	<ul style="list-style-type: none"> • Head of Risk (Chairperson) • Deputy General Manager, Head of Operations & Services • Head of IT • Head of Operations

Committee	Principal Functions
Finance Committee	<ul style="list-style-type: none"> • Deputy General Manager, Head of Operations & Services (Chairperson) • Head of Risk • Head of Operations

J. Description of Material Management Information Systems

The MBBG Recovery Structure is a robust structure which can address disasters at the Group Level, as well as at the sectors/units, regional office and centers. During Code Amber and Code Red phases, the Maybank Business Continuity Management (“BCM”) recovery structure will be activated.

IT Information and IT systems are critical and important assets of MBBG because they enable the business groups to effectively manage information for the risk management, accounting, operations and regulatory reporting.

To provide access in a secured environment, users are guided by access policies and security requirements incorporated in the MBBNY IS Security Policy and Disaster Recovery Plan.

To provide continuity of operations and ensure business functions are timely executed in the event of crisis, MBBNY developed the BCM which identify alternative sites, conducts multiple recovery exercises, staff training and provide guidelines for pandemic emergency and emergency response plans.

K. High-Level Description of Resolution Strategy Including Such Items as the Range of Potential Purchasers of the Company, Its Material Entities and Core Business Lines

MBBNY’s “Living Will” assumes that an unforeseeable single large adverse event occurs which may generate a wide spread systemic panic in the U.S. financial market. Another adverse event impacting the said Branch is due to financial stress at Head Office.

These two events can result in significant runoffs of certain business lines and partial freeze in the funding lines. The scenarios may impact the sustainability of MBBNY's operations and may reach a point whereby the resolution plan is triggered.

If such an event is triggered, MBBNY will operate at minimum capacity and will commence liquidation of its assets in line with the Living Will plan and subject to proceedings under the New York State Banking Law. MBBNY believes that all core business lines would be resolved in an orderly fashion with no significant systemic impact to the US financial markets.