

Malayan Banking Berhad, New York Branch Resolution Plan

Section 1: Public Section

December 2014

Humanizing Banking Services



Declaration

Pursuant to the 4(k) of the Resolution Plan rule, the Board of Governors of the Federal Reserve System (the "Board") and the Federal Deposit Insurance Corporation (the "FDIC") determined that Malayan Banking Berhad, New York is exempted from all the information requirements of section .4 of the Resolution Plan Rule other than the requirements of paragraphs .4(b)(2) and .4(b)(3).

Specifically for the 2014 resolution plan, Malayan Banking Berhad, New York is only required to submit information concerning 1) material changes that required modifications to the company's most recent filed resolution plan in 2013 and 2) any actions taken by the company since its 2013 resolution plan to improve effectiveness of the company's resolution plan.

Malayan Banking Berhad, New York have determined that have no information responsive to the informational requirements set forth in the paragraphs .4(b)(2) and .4(b)(3).

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 MBBNY deposits are not insured by the FDIC and engage primarily in traditional lending and wholesale deposit activities and rates trading activities.

The asset size of MBBNY as of September 30, 2014 totaled \$1.27 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 covered entity financial stability and/or have any significant impact to their core business lines. Its current staff strength is 35 with principal office located at 400 Park Avenue, 11th Floor, New York, NY 10022.

2. Maybank Kim Eng Securities USA Inc (MKEUSA)

MKEUSA is wholly owned subsidiary of Maybank IB Holdings Limited with offices in New York City and San Francisco. MKEUSA is a licensed US Broker Dealer serving Institutional Clients for purchases and sales in Asian Securities on an Agent basis based on Section 15(a)-6 of the Securities Exchange Act of 1934, as amended.

MKEUSA is registered with SEC and regulated by FINRA with total assets of \$3.8 million as of September 30, 2014 and a staff of 13 in 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, NY 10017-1401.

The principal place of its San Francisco office is located at 388 Market Street, Suite 1300, San Francisco, CA 94111

Principal Officers

Head of Sales & Trading - Jean Louis Lee
Chief Financial Officer - Jessica Kim
Head 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; Maybank Global Markets New York (“MGMNY”), Corporate Banking & Client Coverage (“CBCC”), and Transaction Banking (“MTBNY”).

Maybank Global Markets New York (“MGMNY”)

Core business lines include:

1. Wholesale deposits/placement

Provides primarily source of funds for corporate lending activities and investment portfolio. Both activities are identified as core business lines and closely interdependent.

2. Repurchase/reverse repurchase agreements

The “Repo” business line provides sources of funds from Financial Institutions and is an active and significant source of funding for 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

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

Corporate Banking and Client Coverage (“CBCC”)

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 MBBG relationship Borrowers.

Transaction Banking (“MTBNY”)

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 LC negotiation, reimbursements, funds transfer and remittance business to support Head Office and branches and subsidiaries of MBBG.

C. Summary Financial Information

1. Balance Sheet Information of MBBNY as per the Call Report as at 30 September, 2014

Assets	Amount (USD\$ m)
Cash and balances due from depository institutions	641.52
U.S. Government Securities	72.79
Other Bonds, notes, debentures & corporate stock	209.92
Federal Funds Sold	-
Loans and Leases, net of unearned income	333.45
Trading Securities	-
Other Assets	8.79
Total	1,266.47
Liabilities	Amount (USD\$ m)
Total deposits and Credit Balances	691.17
F.F. Purchased	-
Securities sold under agreements to repurchase	78.91
Other Borrowed Money	144.80
Other liabilities	8.27
Net due to related institutions	343.32
Total	1,266.47

2. Major Funding Sources

Funding Operations

MBBNY funds its assets primarily with a mix of wholesale deposits and through the Medium Term Funding facility from Head Office and collateralized corporate funding (Repos). MBBNY funds short term gaps via wholesale deposits and 1 to 3 years gap 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. The 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 cap. As of September 30, 2014, MBBNY composition of assets and liabilities daily average balances for the nine months is illustrated below.

Applications of funds	Total currencies
	(USD\$ m)
Cash & Nostro balances	431.68
Loans and Advances	326.53
Interbank/Interbranch Placements	318.37
Securities	383.83
Other	10.20
Total	1,470.61

Sources of Funds	Total currencies
	(USD\$ m)
Interbank borrowings	573.76
Fed Funds Purchased & Repo	204.41
Deposits	330.15
Capital funds	9.00
Maybank Head Office / Branches	310.17
Other liabilities	43.12
Total	1,470.61

D. Description of Derivative and Hedging Activities

MBBNY enters into derivative activities to manage the interest rate exposure of the 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 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 to 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 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 (“NYDFS”) and regulated by the Federal Reserve. The MBBNY deposits are not insured by the FDIC and engage primarily in traditional lending and wholesale deposit activities and trading activities dealing with derivatives primarily interest rate swaps.

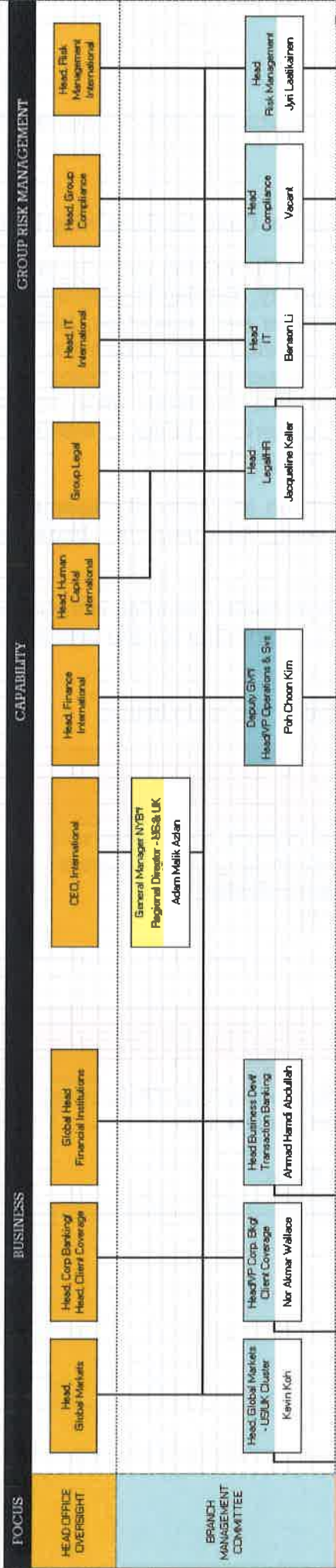
H. Principal Officers

MBBNY is organized in three distinct areas subject to Head Office oversight. The business area comprises Global Markets, Client Coverage and Transaction Banking. The capability area is headed by the Deputy General Manager who reports to the General Manager of MBBNY.

The Heads of the three business areas, as well as the Deputy GM, 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, 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.

APPENDIX 1

MAYBANK NEW YORK BRANCH - Organization Chart as of November 30, 2014



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 continued basis. To deliver such execution, MBBNY opt 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, 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, NY (Chairperson) • Head Corporate Banking/Client Coverage • Head, Transaction Banking • Head, Legal/HR

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

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

Committee	Principal Functions
Finance Committee	<ul style="list-style-type: none"> • Deputy General Manager - 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 sectors/units, regional office and center level. 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

The MBBNY's Living Will assumes that an unforeseeable single large adverse event occurs which may generate a wide spread panic in the US financial market. This adverse events impacting the said branch due to financial stress Head Office.

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

MBBNY will operate at minimum capacity and will commence liquidation of 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 systemic impact to the US financial markets.