



ALLIANCE BANK

Alliance Bank Malaysia Berhad (88103-W)

PILLAR 3 REPORT

FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2016

ALLIANCE BANK MALAYSIA BERHAD
(88103-W)

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**ALLIANCE BANK MALAYSIA BERHAD
(88103-W)**

**PILLAR 3 REPORT
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2016**

Overview

The Group's Pillar 3 Disclosure is governed by the Bank Disclosure Policy on Basel II Risk-Weighted Capital Adequacy Framework - Pillar 3 which sets out the minimum disclosure standards, the approach for determining the appropriateness of information disclosed and the internal controls over the disclosure process which covers the verification and review of the accuracy of information disclosed.

1.0 Scope of Application

The Pillar 3 Disclosure was prepared on a consolidated basis and comprises information on Alliance Bank Malaysia Berhad ("the Bank"), its subsidiaries and associate companies. The Group offers Conventional and Islamic banking services. The latter includes the acceptance of deposits and granting of financing under the Shariah principles via the Bank's wholly-owned subsidiary, Alliance Islamic Bank Berhad.

The basis of consolidation for the use of regulatory capital purposes is similar to that for financial accounting purposes, except for investments in subsidiaries engaged in nominee activities and sales distribution which are excluded from the regulatory consolidation and are deducted from regulatory capital.

There were no significant restrictions or other major impediments on transfer of funds or regulatory capital within the Group.

There were no capital deficiencies in any of the subsidiaries of the Group that were not included in the consolidation for regulatory purposes as at the financial period end.

The capital adequacy information was computed in accordance with BNM's Capital Adequacy Framework. The Group has adopted the Standardised Approach for credit risk and market risk, and Basic Indicator Approach for operational risk.

2.0 Capital

2.1 Capital Adequacy Ratios

The capital adequacy ratios of the Bank and the Group are computed in accordance with Bank Negara Malaysia's Capital Adequacy Framework. The Framework sets out the approach for computing regulatory capital adequacy ratios, as well as the levels of those ratios at which banking institutions are required to operate. The framework is to strengthen capital adequacy standards, in line with the requirements set forth under Basel III. The risk-weighted assets of the Bank and the Group are computed using the Standardised Approach for credit risk and market risk, and the Basic Indicator Approach for operational risk.

The minimum regulatory capital adequacy ratios, as required under BNM's Capital Adequacy Framework (Capital Components) which includes transitional arrangements for year 2015, are set out as follows:

Calendar Year	CET I Capital Ratio	Tier I Capital Ratio	Total Capital Ratio
	%	%	%
2015 onwards*	4.5	6.0	8.0

** Before including capital conservation buffer of 2.5% and countercyclical capital buffer*

Banking institutions are also required to maintain a capital conservation buffer of up to 2.5% and a countercyclical capital buffer above the minimum regulatory capital adequacy ratios. Under the transition arrangements, capital conservation buffer will be phased-in as follows:

Calendar Year	Capital Conservation Buffer
2016	0.625%
2017	1.250%
2018	1.875%
2019 onwards	2.500%

Under the Framework, a countercyclical capital buffer is required to be maintained if this buffer is applied by regulators in countries which the Group has exposures to, determined based on the weighted average of prevailing countercyclical capital buffer rates applied in that jurisdictions. The countercyclical buffer which is in a range of between 0% and 2.5% is not a requirement for exposures in Malaysia but may be applied by regulators in the future.

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2.0 Capital

2.1 Capital Adequacy Ratios

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

	<u>BANK</u>		<u>GROUP</u>	
	30 September 2016	31 March 2016	30 September 2016	31 March 2016
<u>Before deducting proposed dividends</u>				
CET I capital ratio	11.818%	11.237%	12.555%	12.070%
Tier I capital ratio	11.818%	11.237%	12.555%	12.070%
Total capital ratio ¹	15.901%	16.528%	17.151%	17.657%
<u>After deducting proposed dividends</u>				
CET I capital ratio	11.349%	10.880%	12.171%	11.775%
Tier I capital ratio	11.349%	10.880%	12.171%	11.775%
Total capital ratio ¹	15.433%	16.170%	16.768%	17.362%

Note:

1. The Bank had issued a new subordinated medium term notes programme of up to RM1.2 billion. There was a redemption of RM600 million from the previous subordinated medium term notes programme on 8 April 2016.

(b) The capital adequacy ratios of the banking subsidiaries are as follows:

	Alliance Islamic Bank Berhad	Alliance Investment Bank Berhad
30 September 2016		
<u>Before deducting proposed dividends</u>		
CET I capital ratio	13.453%	85.114%
Tier I capital ratio	13.453%	85.114%
Total capital ratio	14.618%	85.608%
<u>After deducting proposed dividends</u>		
CET I capital ratio	13.212%	84.017%
Tier I capital ratio	13.212%	84.017%
Total capital ratio	14.377%	84.511%
31 March 2016		
<u>Before deducting proposed dividends</u>		
CET I capital ratio	13.375%	103.287%
Tier I capital ratio	13.375%	103.287%
Total capital ratio	14.399%	103.641%
<u>After deducting proposed dividends</u>		
CET I capital ratio	13.044%	101.292%
Tier I capital ratio	13.044%	101.292%
Total capital ratio	14.068%	101.646%

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2.0 Capital (contd.)

2.2 Capital Structure

The following tables present the components of Common Equity Tier I ("CET I"), Tier I and Tier II capital.

	<u>BANK</u>		<u>GROUP</u>	
	30 September 2016 RM'000	31 March 2016 RM'000	30 September 2016 RM'000	31 March 2016 RM'000
<u>CET I Capital</u>				
Paid-up share capital	796,517	796,517	796,517	796,517
Share premium	401,517	401,517	401,517	401,517
Retained profits	2,020,353	1,888,285	2,191,059	2,047,248
Statutory reserves	835,401	835,401	1,211,808	1,200,019
Revaluation reserves	112,739	73,152	169,741	114,786
Capital reserves	-	-	10,018	10,018
	<u>4,166,527</u>	<u>3,994,872</u>	<u>4,780,660</u>	<u>4,570,105</u>
Less: Regulatory adjustment				
- Goodwill and other intangibles	(250,390)	(247,299)	(366,104)	(362,982)
- Deferred tax assets	-	-	(8,546)	(10,201)
- 55% of revaluation reserves	(62,006)	(40,234)	(93,358)	(63,132)
- Investment in subsidiaries and associates	(535,830)	(535,830)	(2,849)	(2,824)
Total CET I capital/Total Tier I capital	<u>3,318,301</u>	<u>3,171,509</u>	<u>4,309,803</u>	<u>4,130,966</u>
<u>Tier II Capital</u>				
Subordinated obligations	1,198,620	1,558,540	1,199,080	1,559,074
Collective assessment allowance and regulatory reserves	305,056	291,825	380,540	354,805
Less: Regulatory adjustment				
- Investment in subsidiaries and associates	(357,220)	(357,220)	(1,899)	(1,882)
Total Tier II Capital	<u>1,146,456</u>	<u>1,493,145</u>	<u>1,577,721</u>	<u>1,911,997</u>
Total Capital	<u><u>4,464,757</u></u>	<u><u>4,664,654</u></u>	<u><u>5,887,524</u></u>	<u><u>6,042,963</u></u>

2.0 Capital (contd.)

2.3 Risk-Weighted Assets ("RWA") and Capital Requirements

Regulatory Capital Requirements

The following tables present the minimum regulatory capital requirement of the Bank and the Group:

BANK 30 September 2016 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	6,031,039	6,031,039	-	-
Public sector entities	130,416	130,416	26,083	2,087
Banks, Development Financial Institutions ("DFIs") and Multilateral Development Banks ("MDBs")	2,999,494	2,999,494	826,994	66,160
Insurance companies, securities firms and fund managers	27,588	27,588	27,588	2,207
Corporates	12,170,000	11,502,792	9,643,358	771,468
Regulatory retail	9,164,540	8,305,134	6,263,694	501,095
Residential mortgages	12,011,801	12,001,300	5,624,009	449,921
Higher risk assets	1,432	1,426	2,139	171
Other assets	682,892	682,892	318,454	25,476
Equity exposures	111,389	111,389	111,389	8,911
Defaulted exposures	187,790	185,190	220,060	17,605
Total on-balance sheet exposures	43,518,381	41,978,660	23,063,768	1,845,101
Off-balance sheet exposures:				
Credit-related off-balance sheet exposures				
Derivative financial instruments	199,841	199,841	73,911	5,913
Defaulted exposures	5,757	5,749	8,615	689
Total off-balance sheet exposures	3,241,153	2,888,443	2,450,912	196,073
Total on and off-balance sheet exposures	46,759,534	44,867,103	25,514,680	2,041,174
(ii) Market Risk (Note 4.0)				
	Long Position	Short Position		
Interest rate risk	322,825	(36,981)	128,873	10,310
Foreign currency risk	36,593	(65,511)	65,511	5,241
	359,418	(102,492)		
Option risk			263	21
Total			194,647	15,572
(iii) Operational Risk	-	-	2,368,383	189,471
Total	46,759,534	44,867,103	28,077,710	2,246,217

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2.0 Capital (contd.)

2.3 RWA and Capital Requirements (contd.)

Regulatory Capital Requirements

The following tables present the minimum regulatory capital requirement of the Bank and the Group (contd.):

GROUP 30 September 2016 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	8,937,638	8,937,638	-	-								
Public sector entities	246,307	246,307	49,261	3,941								
Banks, DFIs and MDBs	1,960,598	1,960,598	395,892	31,671								
Insurance companies, securities firms and fund managers	37,961	37,961	37,961	3,037								
Corporates	15,360,109	14,520,413	11,675,945	934,076								
Regulatory retail	12,097,192	11,143,965	8,524,452	681,956								
Residential mortgages	14,449,306	14,437,679	6,759,588	540,767								
Higher risk assets	1,432	1,426	2,139	171								
Other assets	765,256	765,256	493,300	39,464								
Equity exposures	165,291	165,291	165,291	13,223								
Defaulted exposures	215,534	212,934	250,767	20,061								
Total on-balance sheet exposures	54,236,624	52,429,468	28,354,596	2,268,367								
Off-balance sheet exposures:												
Credit-related off-balance sheet exposures												
Derivative financial instruments	199,841	199,841	73,911	5,913								
Defaulted exposures	8,762	8,754	13,051	1,044								
Total off-balance sheet exposures	3,831,599	3,422,701	2,890,424	231,234								
Total on and off-balance sheet exposures	58,068,223	55,852,169	31,245,020	2,499,601								
(ii) Market Risk (Note 4.0)												
	<table border="1"> <thead> <tr> <th>Long Position</th> <th>Short Position</th> </tr> </thead> <tbody> <tr> <td>322,825</td> <td>(36,981)</td> </tr> <tr> <td>36,593</td> <td>(65,511)</td> </tr> <tr> <td>359,418</td> <td>(102,492)</td> </tr> </tbody> </table>		Long Position	Short Position	322,825	(36,981)	36,593	(65,511)	359,418	(102,492)		
Long Position	Short Position											
322,825	(36,981)											
36,593	(65,511)											
359,418	(102,492)											
Interest rate risk			128,873	10,310								
Foreign currency risk			65,511	5,241								
Option risk			263	21								
Total			194,647	15,572								
(iii) Operational Risk												
Total	58,068,223	55,852,169	34,327,449	2,746,196								

2.0 Capital (contd.)

2.3 RWA and Capital Requirements (contd.)

Regulatory Capital Requirements (contd.)

The following tables present the minimum regulatory capital requirement of the Bank and the Group (contd.):

BANK 31 March 2016 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	6,172,862	6,172,862	-	-
Public sector entities	40,547	40,547	8,109	649
Banks, Development Financial Institutions ("DFIs") and Multilateral Development Banks ("MDBs")	4,782,172	4,782,172	1,181,925	94,554
Insurance companies, securities firms and fund managers	27,540	27,540	27,540	2,203
Corporates	11,415,764	10,749,864	9,155,530	732,442
Regulatory retail	9,471,017	8,408,449	6,338,200	507,056
Residential mortgages	11,998,907	11,990,064	5,804,400	464,352
Higher risk assets	2,910	2,904	4,357	349
Other assets	538,790	538,790	236,581	18,926
Equity exposures	102,672	102,672	102,681	8,214
Defaulted exposures	243,444	241,410	291,138	23,291
Total on-balance sheet exposures	44,796,625	43,057,274	23,150,461	1,852,036
Off-balance sheet exposures:				
Credit-related off-balance sheet exposures				
Derivative financial instruments	285,304	285,304	103,267	8,261
Defaulted exposures	8,205	8,187	12,246	980
Total off-balance sheet exposures	3,493,534	3,146,950	2,593,473	207,478
Total on and off-balance sheet exposures	48,290,159	46,204,224	25,743,934	2,059,514
(ii) Market Risk (Note 4.0)				
	Long Position	Short Position		
Interest rate risk	148,267	(13,312)	100,975	8,078
Foreign currency risk	17,038	(16,530)	17,038	1,363
Total	165,305	(29,842)	118,013	9,441
(iii) Operational Risk	-	-	2,361,359	188,909
Total	48,290,159	46,204,224	28,223,306	2,257,864

2.0 Capital (contd.)

2.3 RWA and Capital Requirements (contd.)

Regulatory Capital Requirements (contd.)

The following tables present the minimum regulatory capital requirement of the Bank and the Group (contd.):

GROUP 31 March 2016 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	8,814,847	8,814,847	-	-
Public sector entities	71,126	71,126	14,225	1,138
Banks, DFIs and MDBs	3,838,402	3,838,402	771,314	61,705
Insurance companies, securities firms and fund managers	37,997	37,997	37,997	3,040
Corporates	14,035,293	13,199,772	10,831,852	866,548
Regulatory retail	12,382,876	11,231,008	8,567,997	685,440
Residential mortgages	14,472,085	14,462,098	6,988,970	559,118
Higher risk assets	2,910	2,904	4,357	349
Other assets	715,993	715,993	422,405	33,792
Equity exposures	152,355	152,355	152,364	12,189
Defaulted exposures	323,095	321,061	396,992	31,759
Total on-balance sheet exposures	54,846,979	52,847,563	28,188,473	2,255,078
Off-balance sheet exposures:				
Credit-related off-balance sheet exposures				
Derivative financial instruments	3,786,783	3,384,969	2,911,993	232,959
Defaulted exposures	285,304	285,304	103,267	8,261
Defaulted exposures	25,532	25,514	38,163	3,053
Total off-balance sheet exposures	4,097,619	3,695,787	3,053,423	244,273
Total on and off-balance sheet exposures	58,944,598	56,543,350	31,241,896	2,499,351
(ii) Market Risk (Note 4.0)				
	Long Position	Short Position		
Interest rate risk	148,267	(13,312)	100,975	8,078
Foreign currency risk	17,038	(16,530)	17,038	1,363
Option risk	165,305	(29,842)	5,830	466
Total			123,843	9,907
(iii) Operational Risk	-	-	2,858,987	228,719
Total	58,944,598	56,543,350	34,224,726	2,737,977

Note:

Under Islamic banking, the Group does not use Profit-sharing Investment Account ("PSIA") as a risk absorbent mechanism.

The Bank and the Group do not have exposure to any Large Exposure Risk for equity holdings as specified under BNM's Guidelines on Investment in Shares, Interest-in-Shares and Collective Investment Schemes.

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3.0 Credit Risk

3.1 Distribution of Credit Exposures

(a) Geographical Distribution (contd.)

The following tables represent the Bank's and the Group's major types of gross credit exposure by geographical distribution. Exposures are allocated to the region in which the customer is located and are disclosed before taking into account of any collateral held or other credit enhancements and after allowance for impairment, where appropriate.

BANK	Geographical region					
	Northern	Central	Southern	Sabah	Sarawak	Total
30 September 2016	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cash and short-term funds	-	2,980,511	-	-	-	2,980,511
Deposits and placements with banks and other financial institutions	-	-	-	-	-	-
Financial assets held-for-trading	-	296,903	-	-	-	296,903
Financial investments available-for-sale	-	6,651,107	-	-	-	6,651,107
Financial investments held-to-maturity	-	721,588	-	-	-	721,588
Derivative financial assets	-	66,782	-	-	-	66,782
Loans, advances and financing	2,011,803	22,854,529	3,508,408	2,045,705	983,489	31,403,934
Statutory deposits with Bank Negara Malaysia	-	1,100,723	-	-	-	1,100,723
Total on-balance sheet	2,011,803	34,672,143	3,508,408	2,045,705	983,489	43,221,548
Financial guarantees	69,330	409,068	43,849	29,747	44,532	596,526
Credit related commitments and contingencies	807,693	6,098,927	1,006,052	684,197	323,003	8,919,872
Total off-balance sheet	877,023	6,507,995	1,049,901	713,944	367,535	9,516,398
Total credit exposure	2,888,826	41,180,138	4,558,309	2,759,649	1,351,024	52,737,946

GROUP	Geographical region					
	Northern	Central	Southern	Sabah	Sarawak	Total
30 September 2016	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cash and short-term funds	-	4,109,486	-	-	-	4,109,486
Deposits and placements with banks and other financial institutions	-	-	-	-	-	-
Balances due from clients and brokers	14,990	105,608	3,408	-	-	124,006
Financial assets held-for-trading	-	296,903	-	-	-	296,903
Financial investments available-for-sale	-	7,862,335	-	-	-	7,862,335
Financial investments held-to-maturity	-	1,132,071	-	-	-	1,132,071
Derivative financial assets	-	66,782	-	-	-	66,782
Loans, advances and financing	2,556,100	28,052,216	4,589,866	2,601,857	1,152,477	38,952,516
Statutory deposits with Bank Negara Malaysia	-	1,407,227	-	-	-	1,407,227
Total on-balance sheet	2,571,090	43,032,628	4,593,274	2,601,857	1,152,477	53,951,326
Financial guarantees	80,699	527,114	54,801	31,796	44,587	738,997
Credit related commitments and contingencies	998,447	7,073,902	1,248,135	1,074,951	363,310	10,758,745
Total off-balance sheet	1,079,146	7,601,016	1,302,936	1,106,747	407,897	11,497,742
Total credit exposure	3,650,236	50,633,644	5,896,210	3,708,604	1,560,374	65,449,068

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3.0 Credit Risk (contd.)

3.1 Distribution of Credit Exposures (contd.)

(a) Geographical Distribution (contd.)

The following tables represent the Bank's and the Group's major types of gross credit exposure by geographical distribution. Exposures are allocated to the region in which the customer is located and are disclosed before taking into account of any collateral held or other credit enhancements and after allowance for impairment, where appropriate (contd.).

BANK	Geographical region					Total
	Northern	Central	Southern	Sabah	Sarawak	
31 March 2016	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cash and short-term funds	-	3,907,289	-	-	-	3,907,289
Deposits and placements with banks and other financial institutions	-	195,865	-	-	-	195,865
Financial assets held-for-trading	-	132,229	-	-	-	132,229
Financial investments available-for-sale	-	7,150,250	-	-	-	7,150,250
Financial investments held-to-maturity	-	719,324	-	-	-	719,324
Derivative financial assets	-	133,651	-	-	-	133,651
Loans, advances and financing	2,088,220	22,799,375	3,467,860	2,085,342	920,797	31,361,594
Statutory deposits with Bank Negara Malaysia	-	1,117,640	-	-	-	1,117,640
Total on-balance sheet	2,088,220	36,155,623	3,467,860	2,085,342	920,797	44,717,842
Financial guarantees	68,162	307,616	37,388	28,030	12,142	453,338
Credit related commitments and contingencies	899,550	6,642,606	808,085	640,581	255,919	9,246,741
Total off-balance sheet	967,712	6,950,222	845,473	668,611	268,061	9,700,079
Total credit exposure	3,055,932	43,105,845	4,313,333	2,753,953	1,188,858	54,417,921

GROUP	Geographical region					Total
	Northern	Central	Southern	Sabah	Sarawak	
31 March 2016	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cash and short-term funds	-	4,640,610	-	-	-	4,640,610
Deposits and placements with banks and other financial institutions	-	195,865	-	-	-	195,865
Balances due from clients and brokers	14,459	86,236	3,964	-	-	104,659
Financial assets held-for-trading	-	132,229	-	-	-	132,229
Financial investments available-for-sale	-	8,413,340	-	-	-	8,413,340
Financial investments held-to-maturity	-	1,129,307	-	-	-	1,129,307
Derivative financial assets	-	133,651	-	-	-	133,651
Loans, advances and financing	2,546,034	27,787,466	4,566,723	2,578,472	1,091,296	38,569,991
Statutory deposits with Bank Negara Malaysia	-	1,410,828	-	-	-	1,410,828
Total on-balance sheet	2,560,493	43,929,532	4,570,687	2,578,472	1,091,296	54,730,480
Financial guarantees	82,372	395,582	48,602	29,893	12,195	568,644
Credit related commitments and contingencies	1,120,094	7,637,513	998,094	1,093,973	326,933	11,176,607
Total off-balance sheet	1,202,466	8,033,095	1,046,696	1,123,866	339,128	11,745,251
Total credit exposure	3,762,959	51,962,627	5,617,383	3,702,338	1,430,424	66,475,731

3.0 Credit Risk (contd.)

3.1 Distribution of Credit Exposures (contd.)

(b) Industry Distribution

The following tables represent the Bank's and the Group's major types of gross credit exposure by sector. The analysis is based on the sector in which the customers are engaged.

BANK	Government and Central bank	Financial, insurance, business services and real estate	Transport, storage & communication	Agriculture, manufacturing, wholesale & retail trade	Construction	Household	Others	Total
30 September 2016	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cash and short-term funds	1,650,841	1,329,670	-	-	-	-	-	2,980,511
Deposits and placements with banks and other financial institutions	-	-	-	-	-	-	-	-
Financial assets held-for-trading	21,011	86,713	92,577	71,293	25,309	-	-	296,903
Financial investments available-for-sale	2,482,861	3,166,113	712,449	194,464	95,220	-	-	6,651,107
Financial investments held-to-maturity	578,503	143,085	-	-	-	-	-	721,588
Derivative financial assets	-	45,981	-	-	-	-	20,801	66,782
Loans, advances and financing	-	4,204,947	275,103	8,475,653	727,483	17,332,187	388,561	31,403,934
Statutory deposits with Bank Negara Malaysia	1,100,723	-	-	-	-	-	-	1,100,723
Total on-balance sheet	5,833,939	8,976,509	1,080,129	8,741,410	848,012	17,332,187	409,362	43,221,548
Financial guarantees	-	75,089	20,204	412,131	31,764	3,605	53,733	596,526
Credit related commitments and contingencies	-	914,772	80,647	3,202,948	1,087,865	3,508,669	124,971	8,919,872
Total off-balance sheet	-	989,861	100,851	3,615,079	1,119,629	3,512,274	178,704	9,516,398
Total credit risk	5,833,939	9,966,370	1,180,980	12,356,489	1,967,641	20,844,461	588,066	52,737,946
GROUP								
30 September 2016								
Cash and short-term funds	3,073,842	1,035,644	-	-	-	-	-	4,109,486
Deposits and placements with banks and other financial institutions	-	-	-	-	-	-	-	-
Balances due from clients and brokers	-	-	-	-	-	-	124,006	124,006
Financial assets held-for-trading	21,011	86,713	92,577	71,293	25,309	-	-	296,903
Financial investments available-for-sale	3,107,748	3,204,505	1,050,722	261,570	237,790	-	-	7,862,335
Financial investments held-to-maturity	933,300	198,771	-	-	-	-	-	1,132,071
Derivative financial assets	-	45,981	-	-	-	-	20,801	66,782
Loans, advances and financing	-	5,064,827	320,415	10,652,756	858,681	21,612,449	443,388	38,952,516
Statutory deposits with Bank Negara Malaysia	1,407,227	-	-	-	-	-	-	1,407,227
Total on-balance sheet	8,543,128	9,636,441	1,463,714	10,985,619	1,121,780	21,612,449	588,195	53,951,326
Financial guarantees	-	77,373	20,315	545,694	38,038	3,625	53,952	738,997
Credit related commitments and contingencies	-	1,139,391	84,018	4,084,025	1,170,132	3,825,917	455,262	10,758,745
Total off-balance sheet	-	1,216,764	104,333	4,629,719	1,208,170	3,829,542	509,214	11,497,742
Total credit risk	8,543,128	10,853,205	1,568,047	15,615,338	2,329,950	25,441,991	1,097,409	65,449,068

3.0 Credit Risk (contd.)

3.1 Distribution of Credit Exposures (contd.)

(b) Industry Distribution (contd.)

The following tables represent the Bank's and the Group's major types of gross credit exposure by sector. The analysis is based on the sector in which the customers are engaged (contd.).

	Government and Central <u>bank</u>	Financial, insurance, business services and <u>real estate</u>	Transport, storage & <u>communication</u>	Agriculture, manufacturing, wholesale & <u>retail trade</u>	<u>Construction</u>	<u>Household</u>	<u>Others</u>	<u>Total</u>
BANK	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
31 March 2016								
Cash and short-term funds	1,698,304	2,208,985	-	-	-	-	-	3,907,289
Deposits and placements with banks and other financial institutions	-	195,865	-	-	-	-	-	195,865
Financial assets held-for-trading	40,441	40,805	50,983	-	-	-	-	132,229
Financial investments available-for-sale	2,736,023	3,623,301	501,473	204,742	84,711	-	-	7,150,250
Financial investments held-to-maturity	578,740	140,584	-	-	-	-	-	719,324
Derivative financial assets	13,175	92,277	-	-	-	-	28,199	133,651
Loans, advances and financing	-	4,209,676	254,941	8,144,805	573,458	17,764,953	413,761	31,361,594
Statutory deposits with Bank Negara Malaysia	1,117,640	-	-	-	-	-	-	1,117,640
Total on-balance sheet	6,184,323	10,511,493	807,397	8,349,547	658,169	17,764,953	441,960	44,717,842
Financial guarantees	-	67,078	20,914	314,252	25,715	2,675	22,704	453,338
Credit related commitments and contingencies	-	726,807	81,692	3,136,796	1,058,712	4,157,877	84,857	9,246,741
Total off-balance sheet	-	793,885	102,606	3,451,048	1,084,427	4,160,552	107,561	9,700,079
Total credit risk	6,184,323	11,305,378	910,003	11,800,595	1,742,596	21,925,505	549,521	54,417,921
GROUP								
31 March 2016								
Cash and short-term funds	2,712,615	1,927,995	-	-	-	-	-	4,640,610
Deposits and placements with banks and other financial institutions	-	195,865	-	-	-	-	-	195,865
Balances due from clients and brokers	-	7,816	-	-	-	-	96,843	104,659
Financial assets held-for-trading	40,441	40,805	50,983	-	-	-	-	132,229
Financial investments available-for-sale	3,717,205	3,529,144	780,619	226,243	160,129	-	-	8,413,340
Financial investments held-to-maturity	933,960	195,347	-	-	-	-	-	1,129,307
Derivative financial assets	13,175	92,277	-	-	-	-	28,199	133,651
Loans, advances and financing	-	4,831,141	296,740	10,204,495	703,636	22,064,081	469,898	38,569,991
Statutory deposits with Bank Negara Malaysia	1,410,828	-	-	-	-	-	-	1,410,828
Total on-balance sheet	8,828,224	10,820,390	1,128,342	10,430,738	863,765	22,064,081	594,940	54,730,480
Financial guarantees	-	69,812	20,954	392,415	59,909	2,675	22,879	568,644
Credit related commitments and contingencies	-	1,019,751	86,904	4,033,902	1,131,450	4,486,937	417,663	11,176,607
Total off-balance sheet	-	1,089,563	107,858	4,426,317	1,191,359	4,489,612	440,542	11,745,251
Total credit risk	8,828,224	11,909,953	1,236,200	14,857,055	2,055,124	26,553,693	1,035,482	66,475,731

3.0 Credit Risk (contd.)

3.1 Distribution of Credit Exposures (contd.)

(c) Residual Contractual Maturity

The following tables represent the residual contractual maturity for major types of gross credit exposure for on-balance sheet exposures of financial assets of the Bank and the Group:

<u>BANK</u>	<u>Up to 1 month</u>	<u>>1-3 months</u>	<u>>3-6 months</u>	<u>>6-12 months</u>	<u>>1 year</u>	<u>Total</u>
30 September 2016	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cash and short-term funds	2,980,511	-	-	-	-	2,980,511
Deposits and placements with banks and other financial institutions	-	-	-	-	-	-
Financial assets held-for-trading	91,648	1,439	804	-	203,012	296,903
Financial investments available-for-sale	150,269	1,123,591	164,926	334,570	4,877,751	6,651,107
Financial investments held-to-maturity	2,219	55,106	10,802	235,846	417,615	721,588
Loans, advances and financing	5,646,573	1,444,894	561,324	109,255	23,641,888	31,403,934
Statutory deposits with Bank Negara Malaysia	-	-	-	-	1,100,723	1,100,723
Derivative financial assets	5,559	11,524	15,711	12,629	21,359	66,782
Total on-balance sheet exposure	8,876,779	2,636,554	753,567	692,300	30,262,348	43,221,548

GROUP

30 September 2016

Cash and short-term funds	4,109,486	-	-	-	-	4,109,486
Deposits and placements with banks and other financial institutions	-	-	-	-	-	-
Balances due from clients and brokers	107,564	-	-	-	16,442	124,006
Financial assets held-for-trading	91,648	1,439	804	-	203,012	296,903
Financial investments available-for-sale	189,209	985,671	40,080	279,243	6,368,132	7,862,335
Financial investments held-to-maturity	2,219	208,515	11,299	346,079	563,959	1,132,071
Loans, advances and financing	6,801,019	1,748,259	690,234	136,568	29,576,436	38,952,516
Statutory deposits with Bank Negara Malaysia	-	-	-	-	1,407,227	1,407,227
Derivative financial assets	5,559	11,524	15,711	12,629	21,359	66,782
Total on-balance sheet exposure	11,306,704	2,955,408	758,128	774,519	38,156,567	53,951,326

3.0 Credit Risk (contd.)

3.1 Distribution of Credit Exposures (contd.)

(c) Residual Contractual Maturity (contd.)

The following tables represent the residual contractual maturity for major types of gross credit exposures for on-balance sheet exposures of financial assets of the Bank and the Group (contd.):

<u>BANK</u>	<u>Up to 1 month</u>	<u>>1-3 months</u>	<u>>3-6 months</u>	<u>>6-12 months</u>	<u>>1 year</u>	<u>Total</u>
31 March 2016	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cash and short-term funds	3,907,289	-	-	-	-	3,907,289
Deposits and placements with banks and other financial institutions	-	195,865	-	-	-	195,865
Financial assets held-for-trading	911	213	226	-	130,879	132,229
Financial investments available-for-sale	829,986	829,141	46,357	607,061	4,837,705	7,150,250
Financial investments held-to-maturity	2,229	447	813	63,775	652,060	719,324
Loans, advances and financing	6,514,246	1,412,124	714,970	522,005	22,198,249	31,361,594
Statutory deposits with Bank Negara Malaysia	-	-	-	-	1,117,640	1,117,640
Derivative financial assets	77,729	13,523	15,131	11,486	15,782	133,651
Total on-balance sheet exposure	11,332,390	2,451,313	777,497	1,204,327	28,952,315	44,717,842

GROUP

31 March 2016

Cash and short-term funds	4,640,610	-	-	-	-	4,640,610
Deposits and placements with banks and other financial institutions	-	195,865	-	-	-	195,865
Balances due from clients and brokers	88,511	-	-	-	16,148	104,659
Financial assets held-for-trading	911	213	226	-	130,879	132,229
Financial investments available-for-sale	837,870	923,432	58,646	346,312	6,247,080	8,413,340
Financial investments held-to-maturity	2,229	3,848	1,309	213,901	908,020	1,129,307
Loans, advances and financing	7,671,645	1,783,082	956,625	756,060	27,402,579	38,569,991
Statutory deposits with Bank Negara Malaysia	-	-	-	-	1,410,828	1,410,828
Derivative financial assets	77,729	13,523	15,131	11,486	15,782	133,651
Total on-balance sheet exposure	13,319,505	2,919,963	1,031,937	1,327,759	36,131,316	54,730,480

3.0 Credit Risk (contd.)

3.2 Past Due Loans, Advances and Financing Analysis

Past due but not impaired loans, advances and financing are loans where the customers have failed to make a principal and/or interest payment when contractually due, and include loans which are due one or more days after the contractual due date but less than 3 months.

Past due loans, advances and financing are analysed as follows:

	<u>BANK</u>		<u>GROUP</u>	
	30 September	31 March	30 September	31 March
	2016	2016	2016	2016
	RM'000	RM'000	RM'000	RM'000
Past due up to 1 month	848,536	762,974	1,135,061	1,008,966
Past due > 1 - 2 months	141,386	137,024	201,249	193,473
Past due > 2 - 3 months	16,874	16,145	31,770	27,808
	<u>1,006,796</u>	<u>916,143</u>	<u>1,368,080</u>	<u>1,230,247</u>

Past due loans, advances and financing analysed by sector:

	<u>BANK</u>		<u>GROUP</u>	
	30 September	31 March	30 September	31 March
	2016	2016	2016	2016
	RM'000	RM'000	RM'000	RM'000
Financial, insurance & business services	73,307	17,662	89,885	28,005
Transport, storage & communication	8,935	4,986	10,662	6,055
Agriculture, manufacturing, wholesale & retail trade	130,854	107,859	169,316	138,804
Construction	11,302	19,364	19,456	23,280
Household	775,014	761,291	1,067,442	1,026,723
Others	7,384	4,981	11,319	7,380
	<u>1,006,796</u>	<u>916,143</u>	<u>1,368,080</u>	<u>1,230,247</u>

Past due loans, advances and financing analysed by significant geographical areas:

	<u>BANK</u>		<u>GROUP</u>	
	30 September	31 March	30 September	31 March
	2016	2016	2016	2016
	RM'000	RM'000	RM'000	RM'000
Northern region	84,190	67,568	115,135	92,948
Central region	685,410	604,936	905,591	803,554
Southern region	131,332	149,468	213,277	210,949
Sabah region	87,556	81,210	109,073	103,421
Sarawak region	18,308	12,961	25,004	19,375
	<u>1,006,796</u>	<u>916,143</u>	<u>1,368,080</u>	<u>1,230,247</u>

3.0 Credit Risk (contd.)

3.3 Impaired Loans, Advances and Financing Analysis

Impaired loans, advances and financing analysed by sectors:

	<u>BANK</u>		<u>GROUP</u>	
	30 September 2016	31 March 2016	30 September 2016	31 March 2016
	RM'000	RM'000	RM'000	RM'000
Financial, insurance & business services	17,526	30,035	22,377	32,104
Transport, storage & communication	11,069	11,167	11,072	11,191
Agriculture, manufacturing, wholesale & retail trade	68,310	87,922	72,631	152,619
Construction	20,301	13,593	20,403	13,806
Household	197,970	227,009	238,009	274,109
Others	2,758	3,473	3,319	4,039
	317,934	373,199	367,811	487,868

Impairment allowances on impaired loans, advances and financing analysed by sectors:

<u>BANK</u>	Individual impairment allowance	Collective impairment allowance	Individual impairment write-back / made for during the period (net)	Individual impairment write-off for the period
30 September 2016				
Financial, insurance & business services	668	25,349	(52)	-
Transport, storage & communication	10,140	3,778	(5)	-
Agriculture, manufacturing, wholesale & retail trade	35,354	105,384	5,860	(72)
Construction	7,197	7,797	38	-
Household	10,798	84,713	4,064	(794)
Others	1,360	3,064	(28)	-
	65,517	230,085	9,877	(866)
<u>GROUP</u>				
30 September 2016				
Financial, insurance & business services	3,258	30,760	470	-
Transport, storage & communication	10,140	4,230	(5)	-
Agriculture, manufacturing, wholesale & retail trade	38,213	129,795	5,860	(3,872)
Construction	7,197	9,354	38	1
Household	11,632	124,687	3,999	(795)
Others	1,920	3,568	(32)	-
	72,360	302,394	10,330	(4,666)

3.0 Credit Risk (contd.)

3.3 Impaired Loans, Advances and Financing Analysis (contd.)

Impairment allowances on impaired loans, advances and financing analysed by sectors (contd.):

<u>BANK</u>	<u>Individual impairment allowance</u>	<u>Collective impairment allowance</u>	<u>Individual impairment made for write-back / during the year (net)</u>	<u>Individual impairment write-off for the year</u>
31 March 2016	RM'000	RM'000	RM'000	RM'000
Financial, insurance & business services	720	25,375	267	(1,519)
Transport, storage & communication	10,146	3,119	(155)	-
Agriculture, manufacturing, wholesale & retail trade	29,605	111,555	18,692	(4,162)
Construction	7,158	6,577	(1,411)	(27)
Household	9,044	86,651	1,823	(2,884)
Others	1,388	3,224	(421)	(70)
	<u>58,061</u>	<u>236,501</u>	<u>18,795</u>	<u>(8,662)</u>
<u>GROUP</u>				
31 March 2016				
Financial, insurance & business services	2,751	29,401	2,298	(1,561)
Transport, storage & communication	10,146	3,501	(155)	-
Agriculture, manufacturing, wholesale & retail trade	36,264	137,728	21,408	(7,487)
Construction	7,158	8,035	(1,411)	(2,058)
Household	10,060	124,461	2,505	(2,884)
Others	1,952	3,852	(416)	(70)
	<u>68,331</u>	<u>306,978</u>	<u>24,229</u>	<u>(14,060)</u>

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3.0 Credit Risk (contd.)

3.3 Impaired Loans, Advances and Financing Analysis (contd.)

Impaired loans, advances and financing and impairment allowances analysed by significant geographical areas:

<u>BANK</u> 30 September 2016	Impaired loans, advances and financing RM'000	Individual impairment allowance RM'000	Collective impairment allowance RM'000
Northern region	40,992	8,987	32,288
Central region	215,044	53,898	143,527
Southern region	39,844	2,377	27,626
Sabah region	18,879	255	19,849
Sarawak region	3,175	-	6,795
	<u>317,934</u>	<u>65,517</u>	<u>230,085</u>

GROUP
30 September 2016

Northern region	42,760	8,987	39,672
Central region	249,732	60,088	193,111
Southern region	47,678	2,472	36,672
Sabah region	21,190	255	24,727
Sarawak region	6,451	558	8,212
	<u>367,811</u>	<u>72,360</u>	<u>302,394</u>

<u>BANK</u> 31 March 2016	Impaired loans, advances and financing RM'000	Individual impairment allowance RM'000	Collective impairment allowance RM'000
Northern region	42,935	7,702	34,867
Central region	272,288	49,188	148,845
Southern region	33,365	923	27,021
Sabah region	21,662	248	19,822
Sarawak region	2,949	-	5,946
	<u>373,199</u>	<u>58,061</u>	<u>236,501</u>

GROUP
31 March 2016

Northern region	46,072	7,702	41,079
Central region	372,422	59,052	198,203
Southern region	40,279	1,329	35,683
Sabah region	25,088	248	24,768
Sarawak region	4,007	-	7,245
	<u>487,868</u>	<u>68,331</u>	<u>306,978</u>

ALLIANCE BANK MALAYSIA BERHAD
(88103-W)

3.0 Credit Risk (contd.)

3.3 Impaired Loans, Advances and Financing Analysis (contd.)

Movements in loan impairment allowances are analysed as follows:

	<u>BANK</u>		<u>GROUP</u>	
	30 September 2016 RM'000	31 March 2016 RM'000	30 September 2016 RM'000	31 March 2016 RM'000
Individual assessment allowance:				
At beginning of year	58,061	46,191	68,331	56,303
Allowance made during the period/year (net)	9,877	18,795	10,331	24,229
Amount written-off	(866)	(8,662)	(4,666)	(14,060)
Transfers (to)/from collective assessment assessment allowance	(1,555)	1,737	(1,636)	1,859
At end of period/year	<u>65,517</u>	<u>58,061</u>	<u>72,360</u>	<u>68,331</u>
Collective assessment allowance:				
At beginning of year	236,501	278,599	306,978	334,704
Allowance made during the period/year (net)	11,146	1,502	29,813	40,577
Amount written-off	(19,117)	(41,863)	(36,033)	(66,444)
Transfers from/(to) individual assessment assessment allowance	1,555	(1,737)	1,636	(1,859)
At end of period/year	<u>230,085</u>	<u>236,501</u>	<u>302,394</u>	<u>306,978</u>

3.0 Credit Risk (contd.)

3.4 Assignment of Risk-Weights for Portfolio Under the Standardised Approach

The following tables represent the credit exposures by risk-weights and after credit risk mitigation:

BANK 30 September 2016 Risk- Weights	Exposures after netting and credit risk mitigation										Total exposures after netting and credit risk mitigation RM'000	Total Risk- Weighted Assets RM'000
	Sovereigns /Central banks RM'000	Public sector entities RM'000	Banks, DFIs and MDBs RM'000	Insurance companies, Securities firms and Fund managers RM'000	Corporates RM'000	Regulatory retail RM'000	Residential mortgages RM'000	Higher risk assets RM'000	Other assets RM'000	Equity exposures RM'000		
0%	6,031,039	-	-	-	423,064	-	-	-	271,946	-	6,726,049	-
20%	-	165,382	2,337,840	-	1,767,706	-	-	-	115,616	-	4,386,544	877,309
35%	-	-	-	-	-	-	6,485,937	-	-	-	6,485,937	2,270,078
50%	-	-	811,060	-	48,526	13,355	4,357,565	-	-	-	5,230,506	2,615,253
75%	-	-	-	-	-	9,312,687	29,011	-	-	-	9,341,698	7,006,273
100%	-	-	35	38,682	10,771,306	154,908	1,225,926	-	295,330	111,386	12,597,573	12,597,573
150%	-	-	-	-	28,416	66,681	-	3,696	-	3	98,796	148,194
Total exposures	6,031,039	165,382	3,148,935	38,682	13,039,018	9,547,631	12,098,439	3,696	682,892	111,389	44,867,103	25,514,680
Risk-weighted assets by exposures	-	33,076	873,133	38,682	11,191,734	7,246,122	5,696,545	5,544	318,453	111,391	25,514,680	
Average risk-weight	-	20%	28%	100%	86%	76%	47%	150%	47%	100%	57%	
Deduction from Capital base	-	-	-	-	-	-	-	-	-	-	-	-

3.0 Credit Risk (contd.)

3.4 Assignment of Risk-Weights for Portfolio Under the Standardised Approach (contd.)

The following tables represent the credit exposures by risk- weights and after credit risk mitigation (contd.):

GROUP	Exposures after netting and credit risk mitigation										Total exposures after netting and credit risk mitigation	Total Risk-Weighted Assets	
	Sovereigns /Central banks	Public sector entities	Banks, DFIs and MDBs	Insurance companies, Securities firms and Fund managers	Corporates	Regulatory retail	Residential mortgages	Higher risk assets	Other assets	Equity exposures			
30 September 2016	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
0%	8,997,638	-	-	-	838,338	-	-	-	271,956	-	10,107,932	-	
20%	-	285,273	2,043,353	-	2,470,652	-	-	-	-	-	4,799,278	959,856	
35%	-	-	-	-	-	-	7,762,160	-	-	-	7,762,160	2,716,756	
50%	-	-	66,528	-	63,608	15,822	5,304,879	-	-	-	5,450,837	2,725,419	
75%	-	-	-	-	-	11,745,892	30,772	-	-	-	11,776,664	8,832,498	
100%	-	-	35	49,245	12,997,219	684,529	1,455,290	-	493,300	165,288	15,844,906	15,844,905	
150%	-	-	-	-	31,276	75,417	-	3,696	-	3	110,392	165,586	
Total exposures	8,997,638	285,273	2,109,916	49,245	16,401,093	12,521,660	14,553,101	3,696	765,256	165,291	55,852,169	31,245,020	
Risk-weighted assets by exposures	-	57,055	441,969	49,245	13,570,066	9,614,984	6,847,565	5,544	493,300	165,292	31,245,020		
Average risk-weight	-	20%	21%	100%	83%	77%	47%	150%	64%	100%	56%		
Deduction from Capital base	-	-	-	-	-	-	-	-	-	-	-	-	

3.0 Credit Risk (contd.)

3.4 Assignment of Risk-Weights for Portfolio Under the Standardised Approach (contd.)

The following tables represent the credit exposures by risk- weights and after credit risk mitigation (contd.):

BANK 31 March 2016 Risk-Weights	Exposures after netting and credit risk mitigation										Total exposures after netting and credit risk mitigation RM'000	Total Risk-Weighted Assets RM'000
	Sovereigns /Central banks RM'000	Public sector entities RM'000	Banks, DFIs and MDBs RM'000	Insurance companies, Securities firms and Fund managers RM'000	Corporates RM'000	Regulatory retail RM'000	Residential mortgages RM'000	Higher risk assets RM'000	Other assets RM'000	Equity exposures RM'000		
0%	6,172,862	-	-	-	425,119	-	-	-	293,588	-	6,891,569	-
20%	13,175	64,967	4,184,192	-	1,461,519	-	-	-	10,777	-	5,734,630	1,146,926
35%	-	-	-	-	-	-	6,428,212	-	-	-	6,428,212	2,249,874
50%	-	-	814,459	-	7,157	10,606	4,077,231	-	-	-	4,909,453	2,454,727
75%	-	-	-	-	-	9,621,824	36,269	-	-	-	9,658,093	7,243,570
100%	-	-	46	37,508	10,336,004	143,424	1,595,063	-	234,425	102,654	12,449,124	12,449,122
150%	-	-	-	-	49,840	77,624	-	5,661	-	18	133,143	199,715
Total exposures	6,186,037	64,967	4,998,697	37,508	12,279,639	9,853,478	12,136,775	5,661	538,790	102,672	46,204,224	25,743,934
Risk-weighted assets by exposures	2,635	12,993	1,244,114	37,508	10,706,646	7,481,530	5,910,753	8,492	236,581	102,681	25,743,934	
Average risk-weight	-	20%	25%	100%	87%	76%	49%	150%	44%	100%	56%	
Deduction from Capital base	-	-	-	-	-	-	-	-	-	-	-	-

3.0 Credit Risk (contd.)

3.4 Assignment of Risk-Weights for Portfolio Under the Standardised Approach (contd.)

The following tables represent the credit exposures by risk- weights and after credit risk mitigation (contd.):

<u>GROUP</u>	Exposures after netting and credit risk mitigation										Total exposures after netting and credit risk mitigation	Total Risk-Weighted Assets	
	Sovereigns /Central banks	Public sector entities	Banks, DFIs and MDBs	Insurance companies, Securities firms and Fund managers	Regulatory Corporates	Residential mortgages	Higher risk assets	Other assets	Equity exposures				
<u>31 March 2016</u> <u>Risk-Weights</u>	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
0%	8,874,847	-	-	-	709,642	-	-	-	293,588	-	9,878,077	-	
20%	13,174	95,547	3,979,944	-	2,072,848	-	-	-	-	-	6,161,513	1,232,303	
35%	-	-	-	-	-	-	7,664,958	-	-	-	7,664,958	2,682,735	
50%	-	-	74,807	-	7,157	12,715	5,053,298	-	-	-	5,147,977	2,573,988	
75%	-	-	-	-	-	12,124,788	38,517	-	-	-	12,163,305	9,122,479	
100%	-	-	46	48,156	12,222,260	598,248	1,878,328	-	422,405	152,337	15,321,780	15,321,780	
150%	-	-	-	-	117,363	82,656	-	5,703	-	18	205,740	308,611	
Total exposures	8,888,021	95,547	4,054,797	48,156	15,129,270	12,818,407	14,635,101	5,703	715,993	152,355	56,543,350	31,241,896	
Risk-weighted assets by exposures	2,635	19,109	833,438	48,156	12,816,453	9,822,179	7,116,601	8,555	422,405	152,365	31,241,896		
Average risk-weight	-	20%	21%	100%	85%	77%	49%	150%	59%	100%	55%		
Deduction from Capital base	-	-	-	-	-	-	-	-	-	-	-	-	

3.0 Credit Risk (contd.)

3.4 Assignment of Risk-Weights for Portfolio Under the Standardised Approach (contd.)

For the purpose of determining counterparty risk-weights, the Group uses external credit assessments from Rating Agency Malaysia ("RAM"), Malaysian Rating Corporation ("MARC"), Standard and Poor's ("S&P"), Moody's, and Fitch. In the context of the Group's portfolio, external credit assessments are mainly applicable to banks/financial institutions and rated corporations. The Group follows the process prescribed under BNM's Capital Adequacy Framework to map the ratings to the relevant risk-weights. The ratings are monitored and updated regularly to ensure that the latest and most appropriate risk-weights are applied in the capital computation.

The following tables show the rated credit exposures according to ratings by approved Eligible Credit Assessment Institutions ("ECAIs"):

BANK
30 September 2016

Exposure Class	Ratings by Approved ECAIs						Total
	Moody's	Aaa to Aa3 / P-1	A1 to A3 / P-2	Baa1 to Ba3 / P-3	B1 to C / Others	Unrated	
	S&P	AAA to AA- / A-1	A+ to A- / A-2	BBB+ to BB- / A-3	B+ to D / Others	Unrated	
	Fitch	AAA to AA- / F1+, F1	A+ to A- / A-2	BBB+ to BB- / F3	B+ to D	Unrated	
	RAM	AAA to AA3 / P-1	A+ to A3 / P-2	BBB1+ to BB3 / P-3	B to D / NP	Unrated	
	MARC	AAA to AA- / MARC-1	A+ to A- / MARC-2	BBB+ to BB- / MARC-3	B+ to D / MARC-4	Unrated	
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>On and Off Balance-Sheet Exposures</u>							
(i) Exposures risk weighted using Sovereigns and Central Banks rating							
Sovereigns and Central Banks (See Note 1)	-	6,031,039	-	-	-	-	6,031,039
Corporates	-	423,064	-	-	-	-	423,064
	-	6,454,103	-	-	-	-	6,454,103
(ii) Exposures risk weighted using Banking Institutions long term rating							
Banks, MDBs and FDIs	1,077,329	741,820	104,447	-	1,225,338	-	3,148,934
Exposures risk weighted using Banking Institutions short term rating							
Banks, MDBs and FDIs	-	-	-	-	-	-	-
	1,077,329	741,820	104,447	-	1,225,338	-	3,148,934
(iii) Exposures risk weighted using Corporate long term rating							
Public Sector Entities	81,782	-	-	-	34,966	-	116,748
Corporates	1,767,706	44,413	-	-	11,613,465	-	13,425,584
Insurance Cos, Securities Firms & Fund Managers	-	-	-	-	38,684	-	38,684
Exposures risk weighted using Corporate short term rating							
Public Sector Entities	48,634	-	-	-	-	-	48,634
Corporates	-	-	-	-	-	-	-
Insurance Cos, Securities Firms & Fund Managers	-	-	-	-	-	-	-
	1,898,122	44,413	-	-	11,687,115	-	13,629,650

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3.0 Credit Risk (contd.)

3.4 Assignment of Risk-Weights for Portfolio Under the Standardised Approach (contd.)

The following tables show the rated credit exposures according to ratings by approved ECAIs (contd.):

**GROUP
30 September 2016**

Exposure Class	Ratings by Approved ECAIs						Total
	Moody's	Aaa to Aa3 / P-1	A1 to A3 / P-2	Baa1 to Ba3 / P-3	B1 to C / Others	Unrated	
	S&P	AAA to AA- / A-1	A+ to A- / A-2	BBB+ to BB- / A-3	B+ to D / Others	Unrated	
	Fitch	AAA to AA- / F1+, F1	A+ to A- / A-2	BBB+ to BB- / F3	B+ to D	Unrated	
	RAM	AAA to AA3 / P-1	A+ to A3 / P-2	BBB1+ to BB3 / P-3	B to D / NP	Unrated	
	MARC	AAA to AA- / MARC-1	A+ to A- / MARC-2	BBB+ to BB- / MARC-3	B+ to D / MARC-4	Unrated	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
On and Off Balance-Sheet Exposures							
(i) Exposures risk weighted using Sovereigns and Central Banks rating							
Sovereigns and Central Banks (See Note 1)	-	8,997,638	-	-	-	8,997,638	
Corporates	-	838,338	-	-	-	838,338	
	-	9,835,976	-	-	-	9,835,976	
(ii) Exposures risk weighted using Banking Institutions long term rating							
Banks, MDBs and FDIs	1,096,507	742,341	104,447	-	166,620	2,109,915	
Exposures risk weighted using Banking Institutions short term rating							
Banks, MDBs and FDIs	-	-	-	-	-	-	
	1,096,507	742,341	104,447	-	166,620	2,109,915	
(iii) Exposures risk weighted using Corporate long term rating							
Public Sector Entities	127,664	-	-	-	108,974	236,638	
Corporates	2,450,646	59,217	-	-	14,048,321	16,558,184	
Insurance Cos, Securities Firms & Fund Managers	-	-	-	-	49,247	49,247	
Exposures risk weighted using Corporate short term rating							
Public Sector Entities	48,634	-	-	-	-	48,634	
Corporates	20,006	-	-	-	-	20,006	
Insurance Cos, Securities Firms & Fund Managers	-	-	-	-	-	-	
	2,646,950	59,217	-	-	14,206,542	16,912,709	

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3.0 Credit Risk (contd.)

3.4 Assignment of Risk-Weights for Portfolio Under the Standardised Approach (contd.)

The following tables show the rated credit exposures according to ratings by approved ECAIs (contd.):

**BANK
31 March 2016**

Exposure Class	Ratings by Approved ECAIs						Total
	Moody's	Aaa to Aa3 / P-1	A1 to A3 / P-2	Baa1 to Ba3 / P-3	B1 to C / Others	Unrated	RM'000
	S&P	AAA to AA- / A-1	A+ to A- / A-2	BBB+ to BB- / A-3	B+ to D / Others	Unrated	
	Fitch	AAA to AA- / F1+, F1	A+ to A- / A-2	BBB+ to BB- / F3	B+ to D	Unrated	
	RAM	AAA to AA3 / P-1	A+ to A3 / P-2	BBB1+ to BB3 / P-3	B to D / NP	Unrated	
	MARC	AAA to AA- / MARC-1	A+ to A- / MARC-2	BBB+ to BB- / MARC-3	B+ to D / MARC-4	Unrated	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<u>On and Off Balance-Sheet Exposures</u>							
(i) Exposures risk weighted using Sovereigns and Central Banks rating							
Sovereigns and Central Banks (See Note 1)	-	6,186,036	-	-	-	-	6,186,036
Corporates	-	425,119	-	-	-	-	425,119
	-	6,611,155	-	-	-	-	6,611,155
(ii) Exposures risk weighted using Banking Institutions long term rating							
Banks, MDBs and FDIs	1,754,265	1,721,371	13,241	-	1,509,820	-	4,998,697
Exposures risk weighted using Banking Institutions short term rating							
Banks, MDBs and FDIs	-	-	-	-	-	-	-
	1,754,265	1,721,371	13,241	-	1,509,820	-	4,998,697
(iii) Exposures risk weighted using Corporate long term rating							
Public Sector Entities	40,547	-	-	-	24,420	-	64,967
Corporates	1,461,519	72	-	-	11,199,566	-	12,661,157
Insurance Cos, Securities Firms & Fund Managers	-	-	-	-	37,510	-	37,510
Exposures risk weighted using Corporate short term rating							
Public Sector Entities	-	-	-	-	-	-	-
Corporates	-	-	-	-	-	-	-
Insurance Cos, Securities Firms & Fund Managers	-	-	-	-	-	-	-
	1,502,066	72	-	-	11,261,496	-	12,763,634

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3.0 Credit Risk (contd.)

3.4 Assignment of Risk-Weights for Portfolio Under the Standardised Approach (contd.)

The following tables show the rated credit exposures according to ratings by approved ECAIs (contd.):

**GROUP
31 March 2016**

Exposure Class	Ratings by Approved ECAIs					Total	
	Moody's	Aaa to Aa3 / P-1	A1 to A3 / P-2	Baa1 to Ba3 / P-3	B1 to C / Others		Unrated
	S&P	AAA to AA- / A-1	A+ to A- / A-2	BBB+ to BB- / A-3	B+ to D / Others	Unrated	
	Fitch	AAA to AA- / F1+, F1	A+ to A- / A-2	BBB+ to BB- / F3	B+ to D	Unrated	
	RAM	AAA to AA3 / P-1	A+ to A3 / P-2	BBB1+ to BB3 / P-3	B to D / NP	Unrated	
	MARC	AAA to AA- / MARC-1	A+ to A- / MARC-2	BBB+ to BB- / MARC-3	B+ to D / MARC-4	Unrated	
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
On and Off Balance-Sheet Exposures							
(i) Exposures risk weighted using Sovereigns and Central Banks rating							
	Sovereigns and Central Banks (See Note 1)	-	8,888,021	-	-	-	8,888,021
	Corporates	-	709,642	-	-	-	709,642
		-	9,597,663	-	-	-	9,597,663
(ii) Exposures risk weighted using Banking Institutions long term rating							
	Banks, MDBs and FDIs	1,934,797	1,721,597	13,241	-	385,162	4,054,797
Exposures risk weighted using Banking Institutions short term rating							
	Banks, MDBs and FDIs	-	-	-	-	-	-
		1,934,797	1,721,597	13,241	-	385,162	4,054,797
(iii) Exposures risk weighted using Corporate long term rating							
	Public Sector Entities	71,126	-	-	-	24,421	95,547
	Corporates	2,072,848	72	-	-	13,357,317	15,430,237
	Insurance Cos, Securities Firms & Fund Managers	-	-	-	-	48,158	48,158
Exposures risk weighted using Corporate short term rating							
	Public Sector Entities	-	-	-	-	-	-
	Corporates	-	-	-	-	-	-
	Insurance Cos, Securities Firms & Fund Managers	-	-	-	-	-	-
		2,143,974	72	-	-	13,429,896	15,573,942

Note 1: The Federal Government and Central Bank of Malaysia are accorded 0% risk-weight as provided under the Capital Adequacy Framework.

*Upper Range = Long Term Rating, Lower Range = Short Term Rating

Note:

There is no outstanding securitisation contract at the Bank that required disclosure of ratings and short term rating of securitisation by approved ECAIs.

3.0 Credit Risk (contd.)

3.5 Credit Risk Mitigation ("CRM")

The following tables represent the Bank's/Group's credit exposure including off-balance sheet items under the standardised approach, the total exposure (after, where applicable, eligible netting benefits) that is covered by eligible guarantees and credit derivatives; and eligible collateral after haircuts, allowed under the Capital Adequacy Framework.

BANK 30 September 2016 Exposure Class	Exposure before CRM RM'000	Exposures covered by guarantees/ credit derivatives RM'000	Exposures covered by eligible financial collateral RM'000	Exposures covered by other eligible collateral RM'000
Credit Risk				
On-balance sheet exposures:				
Sovereigns/Central banks	6,031,039	-	-	-
Public sector entities	130,416	-	-	-
Banks, DFIs and MDBs	2,999,494	-	-	-
Insurance companies, securities firms and fund managers	27,588	-	-	-
Corporates	12,170,000	-	667,208	-
Regulatory retail	9,164,540	-	859,406	-
Residential mortgages	12,011,801	-	10,501	-
Higher risk assets	1,432	-	6	-
Other assets	682,892	-	-	-
Equity exposure	111,389	-	-	-
Defaulted exposures	187,790	-	2,600	-
Total on-balance sheet exposures	43,518,381	-	1,539,721	-
Off-balance sheet exposures:				
Off-balance sheet exposures other than OTC derivatives or credit derivatives				
OTC derivatives or credit derivatives	3,235,396	-	352,702	-
Defaulted exposures	5,757	-	8	-
Total off-balance sheet exposures	3,241,153	-	352,710	-
Total on and off-balance sheet exposures	46,759,534	-	1,892,431	-

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3.0 Credit Risk (contd.)

3.5 Credit Risk Mitigation ("CRM") (contd.)

GROUP	Exposure	Exposures	Exposures	Exposures
30 September 2016	before CRM	covered by	covered by	covered by
Exposure Class	RM'000	guarantees/ credit derivatives	eligible financial collateral	other eligible collateral
		RM'000	RM'000	RM'000
<u>Credit Risk</u>				
On-balance sheet exposures:				
Sovereigns/Central banks	8,937,638	-	-	-
Public sector entities	246,307	-	-	-
Banks, DFIs and MDBs	1,960,598	-	-	-
Insurance companies, securities firms and fund managers	37,961	-	-	-
Corporates	15,360,109	-	839,696	-
Regulatory retail	12,097,192	-	953,227	-
Residential mortgages	14,449,306	-	11,627	-
Higher risk assets	1,432	-	6	-
Other assets	765,256	-	-	-
Equity exposure	165,291	-	-	-
Defaulted exposures	215,534	-	2,600	-
Total on-balance sheet exposures	54,236,624	-	1,807,156	-
Off-balance sheet exposures:				
Off-balance sheet exposures other than				
OTC derivatives or credit derivatives	3,822,837	-	408,890	-
Defaulted exposures	8,762	-	8	-
Total off-balance sheet exposures	3,831,599	-	408,898	-
Total on and off-balance sheet exposures	58,068,223	-	2,216,054	-

3.0 Credit Risk (contd.)

3.5 Credit Risk Mitigation ("CRM") (contd.)

<u>BANK</u> 31 March 2016 Exposure Class	<u>Exposure</u> <u>before CRM</u> RM'000	<u>Exposures</u> <u>covered by</u> <u>guarantees/</u> <u>credit</u> <u>derivatives</u> RM'000	<u>Exposures</u> <u>covered by</u> <u>eligible</u> <u>financial</u> <u>collateral</u> RM'000	<u>Exposures</u> <u>covered by</u> <u>other eligible</u> <u>collateral</u> RM'000
<u>Credit Risk</u>				
On-balance sheet exposures:				
Sovereigns/Central banks	6,172,862	-	-	-
Public sector entities	40,547	-	-	-
Banks, DFIs and MDBs	4,782,172	-	-	-
Insurance companies, securities firms and fund managers	27,540	-	-	-
Corporates	11,415,764	-	665,900	-
Regulatory retail	9,471,017	-	1,062,568	-
Residential mortgages	11,998,907	-	8,843	-
Higher risk assets	2,910	-	5	-
Other assets	538,790	-	-	-
Equity exposure	102,672	-	-	-
Defaulted exposures	243,444	-	2,034	-
Total on-balance sheet exposures	<u>44,796,625</u>	<u>-</u>	<u>1,739,350</u>	<u>-</u>
Off-balance sheet exposures:				
Off-balance sheet exposures other than				
OTC derivatives or credit derivatives	3,485,329	-	346,567	-
Defaulted exposures	8,205	-	18	-
Total off-balance sheet exposures	<u>3,493,534</u>	<u>-</u>	<u>346,585</u>	<u>-</u>
Total on and off-balance sheet exposures	<u>48,290,159</u>	<u>-</u>	<u>2,085,935</u>	<u>-</u>

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3.0 Credit Risk (contd.)

3.5 Credit Risk Mitigation ("CRM") (contd.)

GROUP	Exposure	Exposures	Exposures	Exposures
31 March 2016	before CRM	covered by	covered by	covered by
Exposure Class	RM'000	guarantees/ credit derivatives	eligible financial collateral	other eligible collateral
		RM'000	RM'000	RM'000
<u>Credit Risk</u>				
On-balance sheet exposures:				
Sovereigns/Central banks	8,814,847	-	-	-
Public sector entities	71,126	-	-	-
Banks, DFIs and MDBs	3,838,402	-	-	-
Insurance companies, securities firms and fund managers	37,997	-	-	-
Corporates	14,035,293	-	835,521	-
Regulatory retail	12,382,876	-	1,151,869	-
Residential mortgages	14,472,085	-	9,987	-
Higher risk assets	2,910	-	5	-
Other assets	715,993	-	-	-
Equity exposure	152,355	-	-	-
Defaulted exposures	323,095	-	2,034	-
Total on-balance sheet exposures	54,846,979	-	1,999,416	-
Off-balance sheet exposures:				
Off-balance sheet exposures other than				
OTC derivatives or credit derivatives	4,072,087	-	401,814	-
Defaulted exposures	25,532	-	18	-
Total off-balance sheet exposures	4,097,619	-	401,832	-
Total on and off-balance sheet exposures	58,944,598	-	2,401,248	-

3.0 Credit Risk (contd.)

3.6 Off-Balance Sheet Exposures and Counterparty Credit Risk

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

BANK	Principal Amount	Positive Fair Value of Derivative Contracts	Credit Equivalent Amount	Risk-Weighted Assets
30 September 2016	RM'000	RM'000	RM'000	RM'000
<u>Credit-related exposures</u>				
Direct credit substitutes	678,432	-	678,432	596,252
Transaction-related contingent items	664,859	-	332,430	243,676
Short-term self-liquidating trade-related contingencies	229,202	-	45,840	42,386
Irrevocable commitments to extent credit:				
- maturity exceeding one year	1,319,429	-	659,715	533,811
- maturity not exceeding one year	5,019,616	-	1,003,923	716,814
Unutilised credit card lines	1,604,860	-	320,972	244,062
	<u>9,516,398</u>	<u>-</u>	<u>3,041,312</u>	<u>2,377,001</u>
<u>Derivative financial instruments</u>				
Foreign exchange related contracts:				
- one year or less	7,740,938	45,315	102,328	40,318
- over one year to three years	82,750	-	5,793	2,896
- over three years	-	-	-	-
Interest rate related contracts:				
- one year or less	700,000	3	1,378	276
- over one year to three years	1,370,419	11,862	33,829	10,053
- over three years	1,087,855	9,497	45,403	14,813
Equity related contracts:				
- one year or less	103,570	105	6,319	3,160
- over one year to three years	49,680	-	4,791	2,395
	<u>11,135,212</u>	<u>66,782</u>	<u>199,841</u>	<u>73,911</u>
	<u>20,651,610</u>	<u>66,782</u>	<u>3,241,153</u>	<u>2,450,912</u>

3.0 Credit Risk (contd.)

3.6 Off-Balance Sheet Exposures and Counterparty Credit Risk (contd.)

GROUP	Principal Amount RM'000	Positive Fair Value of Derivative Contracts RM'000	Credit Equivalent Amount RM'000	Risk- Weighted Assets RM'000
30 September 2016				
<u>Credit-related exposures</u>				
Direct credit substitutes	794,284	-	794,284	701,566
Transaction-related contingent items	717,079	-	358,540	261,359
Short-term self-liquidating trade-related contingencies	256,067	-	51,213	47,500
Irrevocable commitments to extent credit:				
- maturity exceeding one year	1,605,530	-	802,765	663,843
- maturity not exceeding one year	6,519,922	-	1,303,984	898,183
Unutilised credit card lines	1,604,860	-	320,972	244,062
	<u>11,497,742</u>	<u>-</u>	<u>3,631,758</u>	<u>2,816,513</u>
<u>Derivative financial instruments</u>				
Foreign exchange related contracts:				
- one year or less	7,740,938	45,315	102,328	40,318
- over one year to three years	82,750	-	5,793	2,896
- over three years	-	-	-	-
Interest rate related contracts:				
- one year or less	700,000	3	1,378	276
- over one year to three years	1,370,419	11,862	33,829	10,053
- over three years	1,087,855	9,497	45,403	14,813
Equity related contracts:				
- one year or less	103,570	105	6,319	3,160
- over one year to three years	49,680	-	4,791	2,395
	<u>11,135,212</u>	<u>66,782</u>	<u>199,841</u>	<u>73,911</u>
	<u>22,632,954</u>	<u>66,782</u>	<u>3,831,599</u>	<u>2,890,424</u>

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3.0 Credit Risk (contd.)

3.6 Off-Balance Sheet Exposures and Counterparty Credit Risk (contd.)

BANK	Principal Amount	Positive Fair Value of Derivative Contracts	Credit Equivalent Amount	Risk-Weighted Assets
31 March 2016	RM'000	RM'000	RM'000	RM'000
<u>Credit-related exposures</u>				
Direct credit substitutes	625,635	-	625,635	548,598
Transaction-related contingent items	618,043	-	309,021	226,748
Short-term self-liquidating trade-related contingencies	113,621	-	22,724	20,084
Irrevocable commitments to extent credit:				
- maturity exceeding one year	1,940,980	-	970,490	776,394
- maturity not exceeding one year	4,803,945	-	960,789	675,332
Unutilised credit card lines	1,597,855	-	319,571	243,050
	<u>9,700,079</u>	<u>-</u>	<u>3,208,230</u>	<u>2,490,206</u>
<u>Derivative financial instruments</u>				
Foreign exchange related contracts:				
- one year or less	7,255,690	117,734	192,432	70,702
- over one year to three years	39,135	-	3,522	1,761
- over three years	-	-	-	-
Interest rate related contracts:				
- one year or less	380,000	136	741	291
- over one year to three years	809,755	1,813	13,009	3,199
- over three years	1,490,776	13,968	68,514	23,771
Equity related contracts:				
- one year or less	92,940	-	5,576	2,788
- over one year to three years	18,880	-	1,510	755
	<u>10,087,176</u>	<u>133,651</u>	<u>285,304</u>	<u>103,267</u>
	<u>19,787,255</u>	<u>133,651</u>	<u>3,493,534</u>	<u>2,593,473</u>

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3.0 Credit Risk (contd.)

3.6 Off-Balance Sheet Exposures and Counterparty Credit Risk (contd.)

GROUP	Principal Amount RM'000	Positive Fair Value of Derivative Contracts RM'000	Credit Equivalent Amount RM'000	Risk- Weighted Assets RM'000
31 March 2016				
<u>Credit-related exposures</u>				
Direct credit substitutes	717,319	-	717,319	628,662
Transaction-related contingent items	677,126	-	338,563	244,244
Short-term self-liquidating trade- related contingencies	137,524	-	27,505	24,375
Irrevocable commitments to extent credit:				
- maturity exceeding one year	2,287,572	-	1,143,786	936,985
- maturity not exceeding one year	6,327,855	-	1,265,571	872,840
Unutilised credit card lines	1,597,855	-	319,571	243,050
	<u>11,745,251</u>	<u>-</u>	<u>3,812,315</u>	<u>2,950,156</u>
<u>Derivative financial instruments</u>				
Foreign exchange related contracts:				
- one year or less	7,255,690	117,734	192,432	70,702
- over one year to three years	39,135	-	3,522	1,761
- over three years	-	-	-	-
Interest rate related contracts:				
- one year or less	380,000	136	741	291
- over one year to three years	809,755	1,813	13,009	3,199
- over three years	1,490,776	13,968	68,514	23,771
Equity related contracts:				
- one year or less	92,940	-	5,576	2,788
- over one year to three years	18,880	-	1,510	755
	<u>10,087,176</u>	<u>133,651</u>	<u>285,304</u>	<u>103,267</u>
	<u>21,832,427</u>	<u>133,651</u>	<u>4,097,619</u>	<u>3,053,423</u>

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4.0 Market Risk

Regulatory capital requirements

The risk-weighted assets and capital requirements for the various categories of risk under market risk are as follows:

	<u>BANK</u>		<u>GROUP</u>	
	Risk- Weighted Assets RM'000	Capital Requirements RM'000	Risk- Weighted Assets RM'000	Capital Requirements RM'000
30 September 2016				
Interest rate risk				
- General interest rate risk	102,120	8,170	102,120	8,170
- Specific interest rate risk	26,753	2,140	26,753	2,140
	<u>128,873</u>	<u>10,310</u>	<u>128,873</u>	<u>10,310</u>
Option risk	263	21	263	21
Foreign exchange risk	<u>65,511</u>	<u>5,241</u>	<u>65,511</u>	<u>5,241</u>
	<u>194,647</u>	<u>15,572</u>	<u>194,647</u>	<u>15,572</u>
31 March 2016				
Interest rate risk				
- General interest rate risk	76,062	6,085	76,062	6,085
- Specific interest rate risk	24,913	1,993	24,913	1,993
	<u>100,975</u>	<u>8,078</u>	<u>100,975</u>	<u>8,078</u>
Option risk	-	-	5,830	466
Foreign exchange risk	<u>17,038</u>	<u>1,363</u>	<u>17,038</u>	<u>1,363</u>
	<u>118,013</u>	<u>9,441</u>	<u>123,843</u>	<u>9,907</u>

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5.0 Equity Exposures in Banking Book

The following table shows the equity exposures in banking book:

	BANK		GROUP	
	Gross credit exposures	Risk-weighted assets	Gross credit exposures	Risk-weighted assets
30 September 2016	RM'000	RM'000	RM'000	RM'000
Publicly traded				
Holding of equity investments	12	12	12	12
Privately held				
For socio-economic purposes	111,377	111,377	165,279	165,279
Not for socio-economic purposes	-	-	-	-
	<u>111,389</u>	<u>111,389</u>	<u>165,291</u>	<u>165,291</u>
31 March 2016				
Publicly traded				
Holding of equity investments	15	23	15	23
Privately held				
For socio-economic purposes	102,654	102,654	152,338	152,338
Not for socio-economic purposes	3	5	3	5
	<u>102,672</u>	<u>102,682</u>	<u>152,356</u>	<u>152,366</u>

Gains and losses on equity exposures in the banking book

The table below present the gains and losses on equity exposures in banking book:

	BANK		GROUP	
	30 September 2016	31 March 2016	30 September 2016	31 March 2016
	RM'000	RM'000	RM'000	RM'000
Realised gains/(losses) recognised in the statement of comprehensive income				
- Privately held equity investments	-	(549)	-	(549)
	<u>-</u>	<u>(549)</u>	<u>-</u>	<u>(549)</u>
Unrealised gains/(losses) recognised in revaluation reserve				
- Publicly traded equity investments	(3)	4	(3)	4
- Privately held equity investments	8,720	8,856	12,938	12,705
	<u>8,717</u>	<u>8,860</u>	<u>12,935</u>	<u>12,709</u>

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6.0 Interest Rate Risk/Rate of Return Risk in the Banking Book

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

	Bank + 100 bps RM'000	Group + 100 bps RM'000
30 September 2016		
Impact on net interest income ("NII")		
Ringgit Malaysia	<u>75,629</u>	<u>82,897</u>
Impact on Economic Value ("EV")		
Ringgit Malaysia	<u>42,967</u>	<u>119,577</u>
31 March 2016		
Impact on net interest income ("NII")		
Ringgit Malaysia	<u>84,907</u>	<u>90,847</u>
Impact on Economic Value ("EV")		
Ringgit Malaysia	<u>42,334</u>	<u>125,659</u>

Note:

The foreign currency impact on NII/EV are considered insignificant as the exposure is less than 5% of the respective total Banking Book assets and liabilities.

7.0 Shariah Governance Disclosures and Profit Sharing Investment Account ("PSIA")

The disclosures under this section can be referred to Note 6.0 of Alliance Islamic Bank Berhad's Pillar 3 report.