



ALLIANCE BANK

Alliance Bank Malaysia Berhad 198201008390 (88103-W)

BASEL II PILLAR 3 REPORT

FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019

ALLIANCE BANK MALAYSIA BERHAD
198201008390 (88103-W)

CONTENTS	PAGE
1.0 Scope of Application	1
2.0 Capital	2 - 8
2.1 Capital Adequacy Ratios	3
2.2 Capital Structure	4
2.3 Risk-Weighted Assets and Capital Requirements	5 - 8
3.0 Credit Risk	9 - 39
3.1 Distribution of Credit Exposures	9 - 14
3.2 Loans, Advances and Financing Analysis	15 - 16
3.3 Past Due but Not Impaired Loans, Advances and Financing Analysis	17
3.4 Impaired Loans, Advances and Financing and Allowance for Expected Credit Losses Analysis	18 - 23
3.5 Assignment of Risk Weights for Portfolios Under the Standardised Approach	24- 31
3.6 Credit Risk Mitigation	32 - 35
3.7 Off-Balance Sheet Exposures and Counterparty Credit Risk	36 - 39
4.0 Market Risk	40
5.0 Equity Exposures in Banking Book	41
6.0 Interest Rate Risk/Rate of Return Risk in the Banking Book	42
7.0 Shariah Governance Disclosures	43

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Overview

The Group's Pillar 3 Disclosure is governed by the Bank's Pillar 3 Disclosure Policy. This policy outlines the minimum disclosure standards, approach for determining the appropriateness of information disclosed and internal controls over the disclosure process.

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, associate companies and joint venture. The Group offers Conventional and Islamic banking services. The latter includes accepting deposits and providing financing under 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. Investments in subsidiaries, associate companies and joint venture 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 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 the Basic Indicator Approach for operational risk.

2.0 Capital

In managing its capital, the Group's objectives are:

- (i) To maintain sufficient capital to meet the regulatory capital requirements as set forth by BNM;
- (ii) To maintain sufficient capital to support the Group's risk appetite and facilitate future business growth; and
- (iii) To meet the expectations of key stakeholders, including shareholders, investors, regulators and rating agencies.

In line with this, the Group aims to maintain capital adequacy ratios that are above the regulatory requirements, while balancing shareholders' desire for sustainable returns and prudential standards.

The Group carries out stress testing to estimate the potential impact of extreme but plausible events on the Group's earnings, balance sheet and capital. The results of the stress tests are to facilitate the formulation of contingency plan(s) where warranted. The results of the stress tests are tabled to the Group Risk Management Committee for approval.

2.0 Capital (cont'd.)

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 2019	31 March 2019	30 September 2019	31 March 2019
<u>Before deducting proposed dividends</u>				
CET I capital ratio	12.309%	12.061%	13.758%	13.736%
Tier I capital ratio	13.179%	12.940%	14.535%	14.423%
Total capital ratio	18.031%	17.841%	18.879%	18.856%
<u>After deducting proposed dividends</u>				
CET I capital ratio	11.985%	11.614%	13.509%	13.388%
Tier I capital ratio	12.855%	12.493%	14.286%	14.074%
Total capital ratio	17.707%	17.394%	18.630%	18.508%

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

	Alliance Islamic Bank Berhad	Alliance Investment Bank Berhad
30 September 2019		
<u>Before deducting proposed dividends</u>		
CET I capital ratio	11.092%	85.346%
Tier I capital ratio	12.258%	85.346%
Total capital ratio	14.950%	86.331%
<u>After deducting proposed dividends</u>		
CET I capital ratio	10.852%	85.346%
Tier I capital ratio	12.018%	85.346%
Total capital ratio	14.710%	86.331%
31 March 2019		
<u>Before deducting proposed dividends</u>		
CET I capital ratio	11.690%	78.200%
Tier I capital ratio	12.950%	78.200%
Total capital ratio	15.762%	79.196%
<u>After deducting proposed dividends</u>		
CET I capital ratio	11.339%	78.200%
Tier I capital ratio	12.599%	78.200%
Total capital ratio	15.411%	79.196%

The Group's and the Bank's capital ratios comply with the prescribed capital adequacy ratios under BNM's Capital Adequacy Framework.

2.0 Capital (cont'd.)

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 2019 RM'000	31 March 2019 RM'000	30 September 2019 RM'000	31 March 2019 RM'000
<u>CET I Capital/Tier 1 Capital</u>				
Paid-up share capital	1,548,106	1,548,106	1,548,106	1,548,106
Retained profits	3,179,707	3,128,589	3,879,297	3,827,676
Regulatory reserves	157,578	160,798	182,519	178,397
Financial investments at fair value through other comprehensive income (FVOCI) reserves	93,501	36,449	167,266	68,540
Capital reserves	95,515	95,515	100,150	100,150
	<u>5,074,407</u>	<u>4,969,457</u>	<u>5,877,338</u>	<u>5,722,869</u>
Less: Regulatory adjustment				
- Goodwill and other intangibles	(323,648)	(323,804)	(428,836)	(432,961)
- Deferred tax assets	(23,139)	(50,116)	(41,466)	(72,972)
- 55% of FVOCI reserves	(51,426)	(20,047)	(91,996)	(37,697)
- Regulatory reserves	(157,578)	(160,798)	(182,519)	(178,397)
- Investment in subsidiaries, associate and joint venture	(989,102)	(989,102)	(850)	(802)
Total CET I capital	<u>3,529,514</u>	<u>3,425,590</u>	<u>5,131,671</u>	<u>5,000,040</u>
Additional Tier 1 Capital Securities	249,513	249,445	289,817	249,792
Total Tier I Capital	<u>3,779,027</u>	<u>3,675,035</u>	<u>5,421,488</u>	<u>5,249,832</u>
<u>Tier II Capital</u>				
Subordinated obligations	1,199,547	1,199,381	1,199,712	1,199,676
Expected credit losses* and regulatory reserves	321,746	322,740	420,763	414,258
Less: Regulatory adjustment				
- Investment in Tier 2 capital instruments	(130,000)	(130,000)	-	-
Total Tier II Capital	<u>1,391,293</u>	<u>1,392,121</u>	<u>1,620,475</u>	<u>1,613,934</u>
Total Capital	<u>5,170,320</u>	<u>5,067,156</u>	<u>7,041,963</u>	<u>6,863,766</u>

* Expected credit loss for stage 1 and stage 2 only.

2.0 Capital (cont'd.)

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 2019 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	5,759,984	5,759,984	-	-
Public sector entities	154,559	154,559	30,912	2,473
Banks, Development Financial Institutions ("DFIs") and Multilateral Development Banks	1,506,260	1,506,260	526,445	42,116
Insurance companies, securities firms and fund managers	8,274	8,274	8,274	662
Corporates	14,627,775	13,427,357	11,268,953	901,516
Regulatory retail	7,614,133	6,926,823	5,371,188	429,695
Residential mortgages	12,161,636	12,152,923	5,187,241	414,979
Higher risk assets	8,996	8,991	13,487	1,079
Other assets	776,000	776,000	521,425	41,714
Equity exposures	137,776	137,776	137,776	11,022
Defaulted exposures	335,516	334,389	329,526	26,362
Total on-balance sheet exposures	43,090,909	41,193,336	23,395,227	1,871,618
Off-balance sheet exposures:				
Credit-related off-balance sheet exposures	2,879,504	2,424,576	2,149,642	171,971
Derivative financial instruments	401,505	401,505	185,070	14,806
Defaulted exposures	6,671	6,171	9,711	777
Total off-balance sheet exposures	3,287,680	2,832,252	2,344,423	187,554
Total on and off-balance sheet exposures	46,378,589	44,025,588	25,739,650	2,059,172
(ii) Market Risk (Note 4.0)				
	Long Position	Short Position		
Interest rate risk	20,542,280	(20,359,287)	524,313	41,945
Foreign currency risk	14,544	(59,280)	59,280	4,743
Option risk	20,556,824	(20,418,567)	814	65
Total			584,407	46,753
(iii) Operational Risk	-	-	2,350,483	188,039
Total	46,378,589	44,025,588	28,674,540	2,293,964

2.0 Capital (cont'd.)

2.3 RWA and Capital Requirements (cont'd.)

Regulatory Capital Requirements (cont'd.)

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

GROUP 30 September 2019 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	8,590,963	8,590,963	-	-
Public sector entities	294,885	294,885	58,978	4,718
Banks, Development Financial Institutions ("DFIs") and Multilateral Development Banks	548,636	548,636	106,961	8,557
Insurance companies, securities firms and fund managers	15,239	15,239	15,239	1,219
Corporates	19,852,524	18,279,386	14,725,087	1,178,006
Regulatory retail	10,157,081	9,389,596	7,414,741	593,179
Residential mortgages	16,456,772	16,447,071	7,111,221	568,898
Higher risk assets	10,578	10,573	15,859	1,269
Other assets	838,095	838,095	570,844	45,668
Equity exposures	202,168	202,168	202,168	16,173
Defaulted exposures	443,461	441,584	430,375	34,430
Total on-balance sheet exposures	57,410,402	55,058,196	30,651,473	2,452,117
Off-balance sheet exposures:				
Credit-related off-balance sheet exposures				
Derivative financial instruments	401,505	401,505	185,070	14,806
Defaulted exposures	7,104	6,604	10,347	828
Total off-balance sheet exposures	4,161,570	3,628,641	3,009,557	240,765
Total on and off-balance sheet exposures	61,571,972	58,686,837	33,661,030	2,692,882
(ii) Market Risk (Note 4.0)				
	Long Position	Short Position		
Interest rate risk	20,542,280	(20,359,287)	524,313	41,945
Foreign currency risk	14,544	(59,280)	59,280	4,743
Option risk			814	65
Total			584,407	46,753
(iii) Operational Risk	-	-	3,055,179	244,414
Total	61,571,972	58,686,837	37,300,616	2,984,049

2.0 Capital (cont'd.)

2.3 RWA and Capital Requirements (cont'd.)

Regulatory Capital Requirements (cont'd.)

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

BANK 31 March 2019 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	5,596,654	5,596,654	-	-
Public sector entities	69,280	69,280	13,856	1,108
Banks, Development Financial Institutions ("DFIs") and Multilateral Development Banks	1,715,604	1,715,604	568,061	45,445
Insurance companies, securities firms and fund managers	28,494	28,494	28,494	2,280
Corporates	14,760,638	13,523,216	11,591,934	927,355
Regulatory retail	7,519,108	6,845,343	5,286,525	422,922
Residential mortgages	12,335,936	12,326,574	5,320,900	425,672
Higher risk assets	9,472	9,466	14,200	1,136
Other assets	616,262	616,262	361,152	28,892
Equity exposures	126,741	126,741	126,743	10,139
Defaulted exposures	200,941	199,593	209,263	16,741
Total on-balance sheet exposures	42,979,130	41,057,227	23,521,128	1,881,690
Off-balance sheet exposures:				
Credit-related off-balance sheet exposures				
Derivative financial instruments	239,854	239,854	109,148	8,732
Defaulted exposures	1,360	860	1,770	142
Total off-balance sheet exposures	3,332,287	2,888,132	2,298,056	183,845
Total on and off-balance sheet exposures	46,311,417	43,945,359	25,819,184	2,065,535
(ii) Market Risk (Note 4.0)				
	Long Position	Short Position		
Interest rate risk	5,598,049	(5,562,082)	149,542	11,963
Foreign currency risk	11,575	(124,410)	124,410	9,953
Option risk	5,609,624	(5,686,492)	990	79
Total			274,942	21,995
(iii) Operational Risk	-	-	2,307,070	184,566
Total	46,311,417	43,945,359	28,401,196	2,272,096

2.0 Capital (cont'd.)

2.3 RWA and Capital Requirements (cont'd.)

Regulatory Capital Requirements (cont'd.)

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

GROUP 31 March 2019 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	8,186,545	8,186,545	-	-
Public sector entities	196,261	196,261	39,253	3,140
Banks, Development Financial Institutions ("DFIs") and Multilateral Development Banks	829,576	829,576	164,010	13,121
Insurance companies, securities firms and fund managers	35,557	35,557	35,556	2,844
Corporates	19,580,592	17,950,145	14,854,259	1,188,341
Regulatory retail	9,999,499	9,245,382	7,256,654	580,533
Residential mortgages	16,073,138	16,062,759	6,981,541	558,523
Higher risk assets	11,086	11,081	16,621	1,330
Other assets	694,371	694,371	438,729	35,098
Equity exposures	187,525	187,525	187,525	15,002
Defaulted exposures	262,387	259,915	271,190	21,695
Total on-balance sheet exposures	56,056,537	53,659,117	30,245,338	2,419,627
Off-balance sheet exposures:				
Credit-related off-balance sheet exposures				
Derivative financial instruments	239,854	239,854	109,148	8,732
Defaulted exposures	1,718	1,218	2,300	184
Total off-balance sheet exposures	4,162,356	3,641,338	2,895,304	231,624
Total on and off-balance sheet exposures	60,218,893	57,300,455	33,140,642	2,651,251
(ii) Market Risk (Note 4.0)				
	Long Position	Short Position		
Interest rate risk	5,598,049	(5,562,082)	149,542	11,963
Foreign currency risk	11,575	(124,410)	124,410	9,953
Option risk	5,609,624	(5,686,492)	990	79
Total			274,942	21,995
(iii) Operational Risk	-	-	2,984,529	238,762
Total	60,218,893	57,300,455	36,400,113	2,912,008

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.

3.0 Credit Risk

3.1 Distribution of Credit Exposures

(a) Geographical Distribution

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 branch 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						Total
	Northern	Central	Southern	Sabah	Sarawak	Outside	
30 September 2019	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cash and short-term funds	-	954,995	-	-	-	29,370	984,365
Financial assets at fair value through profit or loss	-	146,162	-	-	-	-	146,162
Financial investments at fair value through other comprehensive income	-	7,496,715	-	-	-	-	7,496,715
Financial investments at amortised cost	-	251,205	-	-	-	-	251,205
Derivative financial assets	-	106,150	-	-	-	-	106,150
Loans, advances and financing	2,205,634	23,335,430	4,063,235	2,085,569	710,798	-	32,400,666
Statutory deposits with Bank Negara Malaysia	-	1,195,125	-	-	-	-	1,195,125
Total on-balance sheet	2,205,634	33,485,782	4,063,235	2,085,569	710,798	29,370	42,580,388
Financial guarantees	74,198	345,511	46,641	37,799	13,399	-	517,548
Credit related commitments and contingencies	869,359	6,986,904	1,008,564	600,833	317,353	-	9,783,013
Total off-balance sheet	943,557	7,332,415	1,055,205	638,632	330,752	-	10,300,561
Total credit exposure	3,149,191	40,818,197	5,118,440	2,724,201	1,041,550	29,370	52,880,949

GROUP	Geographical region						Total
	Northern	Central	Southern	Sabah	Sarawak	Outside	
30 September 2019	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cash and short-term funds	-	1,391,407	-	-	-	29,370	1,420,777
Amounts due from clients and brokers	12,088	39,057	3,030	-	-	-	54,175
Financial assets at fair value through profit or loss	-	146,162	-	-	-	-	146,162
Financial investments at fair value through other comprehensive income	-	10,249,522	-	-	-	-	10,249,522
Financial investments at amortised cost	-	226,743	-	-	-	-	226,743
Derivative financial assets	-	106,150	-	-	-	-	106,150
Loans, advances and financing	3,109,581	30,599,118	5,334,123	2,913,146	994,362	-	42,950,330
Statutory deposits with Bank Negara Malaysia	-	1,618,629	-	-	-	-	1,618,629
Total on-balance sheet	3,121,669	44,376,788	5,337,153	2,913,146	994,362	29,370	56,772,488
Financial guarantees	86,886	517,334	64,956	41,763	14,165	-	725,104
Credit related commitments and contingencies	1,236,189	8,549,857	1,368,941	763,422	451,151	-	12,369,560
Total off-balance sheet	1,323,075	9,067,191	1,433,897	805,185	465,316	-	13,094,664
Total credit exposure	4,444,744	53,443,979	6,771,050	3,718,331	1,459,678	29,370	69,867,152

3.0 Credit Risk (cont'd.)

3.1 Distribution of Credit Exposures (cont'd.)

(a) Geographical Distribution (cont'd.)

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 branch is located and are disclosed before taking into account of any collateral held or other credit enhancements and after allowance for impairment, where appropriate (cont'd.).

BANK	Geographical region						Total
	Northern	Central	Southern	Sabah	Sarawak	Outside	
31 March 2019	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cash and short-term funds	-	1,292,169	-	-	-	24,754	1,316,923
Financial assets at fair value through profit or loss	-	42,923	-	-	-	-	42,923
Financial investments at fair value through other comprehensive income	-	6,852,858	-	-	-	-	6,852,858
Financial investments at amortised cost	-	312,531	-	-	-	-	312,531
Derivative financial assets	-	55,442	-	-	-	-	55,442
Loans, advances and financing	2,206,689	23,649,545	3,966,339	2,166,621	722,691	-	32,711,885
Statutory deposits with Bank Negara Malaysia	-	1,142,108	-	-	-	-	1,142,108
Total on-balance sheet	2,206,689	33,347,576	3,966,339	2,166,621	722,691	24,754	42,434,670
Financial guarantees	71,471	354,069	42,526	38,622	11,378	-	518,066
Credit related commitments and contingencies	853,568	7,096,694	1,013,416	624,008	306,300	-	9,893,986
Total off-balance sheet	925,039	7,450,763	1,055,942	662,630	317,678	-	10,412,052
Total credit exposure	3,131,728	40,798,339	5,022,281	2,829,251	1,040,369	24,754	52,846,722

GROUP	Geographical region						Total
	Northern	Central	Southern	Sabah	Sarawak	Outside	
31 March 2019	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cash and short-term funds	-	1,524,908	-	-	-	24,754	1,549,662
Deposits and placements with banks and other financial institutions	-	500	-	-	-	-	500
Amounts due from clients and brokers	11,527	55,322	10,159	-	-	-	77,008
Financial assets at fair value through profit or loss	-	42,923	-	-	-	-	42,923
Financial investments at fair value through other comprehensive income	-	9,478,454	-	-	-	-	9,478,454
Financial investments at amortised cost	-	236,302	-	-	-	-	236,302
Derivative financial assets	-	55,442	-	-	-	-	55,442
Loans, advances and financing	3,071,510	30,376,555	5,240,640	2,859,102	965,175	-	42,512,982
Statutory deposits with Bank Negara Malaysia	-	1,521,592	-	-	-	-	1,521,592
Total on-balance sheet	3,083,037	43,291,998	5,250,799	2,859,102	965,175	24,754	55,474,865
Financial guarantees	80,179	519,451	57,431	52,646	11,793	-	721,500
Credit related commitments and contingencies	1,203,797	8,500,343	1,349,365	788,017	460,014	-	12,301,536
Total off-balance sheet	1,283,976	9,019,794	1,406,796	840,663	471,807	-	13,023,036
Total credit exposure	4,367,013	52,311,792	6,657,595	3,699,765	1,436,982	24,754	68,497,901

3.0 Credit Risk (cont'd.)

3.1 Distribution of Credit Exposures (cont'd.)

(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 & Central Bank	Financial, Insurance, Business Services & Real Estate	Transport, Storage & Communication	Agriculture, Manufacturing, Wholesale & Retail Trade	Construction	Household	Others	Total
30 September 2019	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cash and short-term funds	607,110	377,255	-	-	-	-	-	984,365
Financial assets at fair value through profit or loss	136,092	10,068	1	1	-	-	-	146,162
Financial investments at fair value through other comprehensive income	3,861,161	2,442,853	881,035	202,871	108,795	-	-	7,496,715
Financial investments at amortised cost	100,318	130,356	-	-	-	-	20,531	251,205
Derivative financial assets	1,030	57,951	-	-	-	-	47,169	106,150
Loans, advances and financing	-	3,339,286	569,596	9,960,054	1,154,045	17,042,682	335,003	32,400,666
Statutory deposits with Bank Negara Malaysia	1,195,125	-	-	-	-	-	-	1,195,125
Total on-balance sheet	5,900,836	6,357,769	1,450,632	10,162,926	1,262,840	17,042,682	402,703	42,580,388
Financial guarantees	-	80,656	30,498	375,578	17,086	4,381	9,349	517,548
Credit related commitments and contingencies	-	1,111,149	112,776	4,041,484	1,540,878	2,602,610	374,116	9,783,013
Total off-balance sheet	-	1,191,805	143,274	4,417,062	1,557,964	2,606,991	383,465	10,300,561
Total credit risk	5,900,836	7,549,574	1,593,906	14,579,988	2,820,804	19,649,673	786,168	52,880,949
GROUP								
30 September 2019								
Cash and short-term funds	1,049,624	371,153	-	-	-	-	-	1,420,777
Amounts due from clients and brokers	-	15,844	-	-	-	-	38,331	54,175
Financial assets at fair value through profit or loss	136,092	10,068	1	1	-	-	-	146,162
Financial investments at fair value through other comprehensive income	5,550,819	2,708,454	1,423,736	317,533	248,980	-	-	10,249,522
Financial investments at amortised cost	120,625	85,587	-	-	-	-	20,531	226,743
Derivative financial assets	1,030	57,951	-	-	-	-	47,169	106,150
Loans, advances and financing	-	4,370,791	740,022	12,829,352	1,481,957	23,064,330	463,878	42,950,330
Statutory deposits with Bank Negara Malaysia	1,618,629	-	-	-	-	-	-	1,618,629
Total on-balance sheet	8,476,819	7,619,848	2,163,759	13,146,886	1,730,937	23,064,330	569,909	56,772,488
Financial guarantees	-	84,892	35,645	547,225	43,349	4,402	9,591	725,104
Credit related commitments and contingencies	-	1,394,494	120,156	5,384,975	1,691,111	3,384,936	393,888	12,369,560
Total off-balance sheet	-	1,479,386	155,801	5,932,200	1,734,460	3,389,338	403,479	13,094,664
Total credit risk	8,476,819	9,099,234	2,319,560	19,079,086	3,465,397	26,453,668	973,388	69,867,152

3.0 Credit Risk (cont'd.)

3.1 Distribution of Credit Exposures (cont'd.)

(b) Industry Distribution (cont'd.)

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 (cont'd.).

	Government & Central Bank	Financial, Insurance, Business Services & Real Estate	Transport, Storage & Communication	Agriculture, Manufacturing, Wholesale & Retail Trade	Construction	Household	Others	Total
BANK	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
31 March 2019								
Cash and short-term funds	692,477	624,446	-	-	-	-	-	1,316,923
Financial assets at fair value through profit or loss	41,002	1,909	7	4	1	-	-	42,923
Financial investments at fair value through other comprehensive income	3,705,868	2,098,405	743,892	173,009	131,684	-	-	6,852,858
Financial investments at amortised cost	101,446	165,276	-	25,281	-	-	20,528	312,531
Derivative financial assets	-	35,438	-	-	-	-	20,004	55,442
Loans, advances and financing	-	3,480,049	517,512	10,066,243	1,203,030	17,147,433	297,618	32,711,885
Statutory deposits with Bank Negara Malaysia	1,142,108	-	-	-	-	-	-	1,142,108
Total on-balance sheet	5,682,901	6,405,523	1,261,411	10,264,537	1,334,715	17,147,433	338,150	42,434,670
Financial guarantees	-	77,195	27,895	383,755	15,081	4,544	9,596	518,066
Credit related commitments and contingencies	141,985	1,285,169	120,734	4,014,944	1,448,995	2,536,013	346,146	9,893,986
Total off-balance sheet	141,985	1,362,364	148,629	4,398,699	1,464,076	2,540,557	355,742	10,412,052
Total credit risk	5,824,886	7,767,887	1,410,040	14,663,236	2,798,791	19,687,990	693,892	52,846,722
GROUP								
31 March 2019								
Cash and short-term funds	1,040,926	508,736	-	-	-	-	-	1,549,662
Deposits and placements with banks and other financial institutions	-	500	-	-	-	-	-	500
Amounts due from clients and brokers	-	665	-	-	-	-	76,343	77,008
Financial assets at fair value through profit or loss	41,002	1,909	7	4	1	-	-	42,923
Financial investments at fair value through other comprehensive income	5,293,442	2,520,795	1,149,358	245,233	269,626	-	-	9,478,454
Financial investments at amortised cost	121,790	43,430	-	50,554	-	-	20,528	236,302
Derivative financial assets	-	35,438	-	-	-	-	20,004	55,442
Loans, advances and financing	-	4,451,999	695,780	12,952,982	1,406,180	22,560,416	445,625	42,512,982
Statutory deposits with Bank Negara Malaysia	1,521,592	-	-	-	-	-	-	1,521,592
Total on-balance sheet	8,018,752	7,563,472	1,845,145	13,248,773	1,675,807	22,560,416	562,500	55,474,865
Financial guarantees	-	79,794	33,041	542,131	52,123	4,586	9,825	721,500
Credit related commitments and contingencies	141,985	1,540,262	125,463	5,141,861	1,611,172	3,356,111	384,682	12,301,536
Total off-balance sheet	141,985	1,620,056	158,504	5,683,992	1,663,295	3,360,697	394,507	13,023,036
Total credit risk	8,160,737	9,183,528	2,003,649	18,932,765	3,339,102	25,921,113	957,007	68,497,901

3.0 Credit Risk (cont'd.)

3.1 Distribution of Credit Exposures (cont'd.)

(c) Residual Contractual Maturity

The following tables represent the residual contractual maturity for major types of gross credit exposure for on-balance sheet 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 2019	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cash and short-term funds	984,365	-	-	-	-	984,365
Financial assets at fair value through profit or loss	10,066	663	493	-	134,940	146,162
Financial investments at fair value through other comprehensive income	108,315	93,434	559,880	702,682	6,032,404	7,496,715
Financial investments at amortised cost	531	30,461	69,876	-	150,337	251,205
Loans, advances and financing	6,261,956	1,596,913	575,858	160,796	23,805,143	32,400,666
Statutory deposits with Bank Negara Malaysia	-	-	-	-	1,195,125	1,195,125
Derivative financial assets	12,822	5,789	8,835	4,807	73,897	106,150
Total on-balance sheet exposure	7,378,055	1,727,260	1,214,942	868,285	31,391,846	42,580,388

GROUP

30 September 2019

Cash and short-term funds	1,420,777	-	-	-	-	1,420,777
Amounts due from clients and brokers	54,175	-	-	-	-	54,175
Financial assets at fair value through profit or loss	10,066	663	493	-	134,940	146,162
Financial investments at fair value through other comprehensive income	127,808	124,948	420,829	839,043	8,736,894	10,249,522
Financial investments at amortised cost	531	50,769	70,715	-	104,728	226,743
Loans, advances and financing	8,675,626	2,214,571	749,745	180,349	31,130,039	42,950,330
Statutory deposits with Bank Negara Malaysia	-	-	-	-	1,618,629	1,618,629
Derivative financial assets	12,822	5,789	8,835	4,807	73,897	106,150
Total on-balance sheet exposure	10,301,805	2,396,740	1,250,617	1,024,199	41,799,127	56,772,488

3.0 Credit Risk (cont'd.)

3.1 Distribution of Credit Exposures (cont'd.)

(c) Residual Contractual Maturity (cont'd.)

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

<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 2019	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cash and short-term funds	1,316,923	-	-	-	-	1,316,923
Financial assets at fair value through profit or loss	379	-	118	-	42,426	42,923
Financial investments at fair value through other comprehensive income	58,511	199,629	325,205	488,643	5,780,870	6,852,858
Financial investments at amortised cost	36,917	446	2,559	99,771	172,838	312,531
Loans, advances and financing	6,554,099	1,545,631	677,178	105,355	23,829,622	32,711,885
Statutory deposits with Bank Negara Malaysia	-	-	-	-	1,142,108	1,142,108
Derivative financial assets	8,010	5,003	5,812	2,791	33,826	55,442
Total on-balance sheet exposure	7,974,839	1,750,709	1,010,872	696,560	31,001,690	42,434,670
<u>GROUP</u>						
31 March 2019						
Cash and short-term funds	1,549,662	-	-	-	-	1,549,662
Deposits and placements with banks and other financial institutions	500	-	-	-	-	500
Amounts due from clients and brokers	77,008	-	-	-	-	77,008
Financial assets at fair value through profit or loss	379	-	118	-	42,426	42,923
Financial investments at fair value through other comprehensive income	180,003	230,448	387,975	502,664	8,177,364	9,478,454
Financial investments at amortised cost	37,191	4,549	5,000	119,816	69,746	236,302
Loans, advances and financing	8,755,066	2,146,717	892,728	135,785	30,582,686	42,512,982
Statutory deposits with Bank Negara Malaysia	-	-	-	-	1,521,592	1,521,592
Derivative financial assets	8,010	5,004	5,812	2,791	33,825	55,442
Total on-balance sheet exposure	10,607,819	2,386,718	1,291,633	761,056	40,427,639	55,474,865

3.0 Credit Risk (cont'd.)

3.2 Loans, Advances and Financing Analysis

The following tables represent the Bank's and the Group's gross credit exposures by MFRS9 credit impairment classification. Stage 1 exposures consist of performing accounts whilst Stage 2 exposures are performing accounts with significantly increased in credit risk. When the exposures are credit impaired, the exposures will be transferred to Stage 3.

The following tables represent the loans, advances and financing by sector:

	Not-credit Impaired		Credit Impaired	Total
	12 months ECL (Stage 1)	Lifetime ECL (Stage 2)	Lifetime ECL (Stage 3)	
BANK				
30 September 2019	RM'000	RM'000	RM'000	RM'000
Financial, insurance & business				
services and real estate	2,718,351	604,575	19,469	3,342,395
Transport, storage & communication	456,827	112,673	3,102	572,602
Agriculture, manufacturing, wholesale & retail trade	7,525,124	2,362,003	164,055	10,051,182
Construction	835,862	308,958	35,591	1,180,411
Household	15,913,149	897,950	325,789	17,136,888
Others	272,554	59,633	5,520	337,707
	<u>27,721,867</u>	<u>4,345,792</u>	<u>553,526</u>	<u>32,621,185</u>

GROUP				
30 September 2019				
Financial, insurance & business				
services and real estate	3,614,426	739,156	20,544	4,374,126
Transport, storage & communication	584,070	155,819	3,732	743,621
Agriculture, manufacturing, wholesale & retail trade	9,704,153	3,018,514	210,880	12,933,547
Construction	1,112,141	358,977	48,523	1,519,641
Household	21,286,078	1,479,541	429,935	23,195,554
Others	394,541	66,523	5,521	466,585
	<u>36,695,409</u>	<u>5,818,530</u>	<u>719,135</u>	<u>43,233,074</u>

	Not-credit Impaired		Credit Impaired	Total
	12 months ECL (Stage 1)	Lifetime ECL (Stage 2)	Lifetime ECL (Stage 3)	
BANK				
31 March 2019	RM'000	RM'000	RM'000	RM'000
Financial, insurance & business				
services and real estate	2,930,949	530,927	24,264	3,486,140
Transport, storage & communication	415,838	101,592	3,027	520,457
Agriculture, manufacturing, wholesale & retail trade	7,688,544	2,328,371	114,135	10,131,050
Construction	870,175	330,024	21,786	1,221,985
Household	16,190,136	836,086	197,271	17,223,493
Others	235,685	55,766	8,641	300,092
	<u>28,331,327</u>	<u>4,182,766</u>	<u>369,124</u>	<u>32,883,217</u>

GROUP				
31 March 2019				
Financial, insurance & business				
services and real estate	3,762,480	670,415	25,503	4,458,398
Transport, storage & communication	564,253	131,380	3,394	699,027
Agriculture, manufacturing, wholesale & retail trade	9,840,739	3,035,916	155,162	13,031,817
Construction	1,041,903	360,673	27,514	1,430,090
Household	21,056,624	1,350,005	256,386	22,663,015
Others	377,250	62,207	8,643	448,100
	<u>36,643,249</u>	<u>5,610,596</u>	<u>476,602</u>	<u>42,730,447</u>

3.0 Credit Risk (cont'd.)

3.2 Loans, Advances and Financing Analysis (cont'd.)

The following tables represent the loans, advances and financing by geographical region:

	Not-credit Impaired		Credit Impaired	Total
	12 months ECL (Stage 1)	Lifetime ECL (Stage 2)	Lifetime ECL (Stage 3)	
BANK				
30 September 2019	RM'000	RM'000	RM'000	RM'000
<u>Geographic Distribution</u>				
Northern region	1,786,514	391,032	58,648	2,236,194
Central region	20,122,464	2,973,988	379,110	23,475,562
Southern region	3,657,597	361,010	83,280	4,101,887
Sabah region	1,654,211	416,616	18,962	2,089,789
Sarawak region	501,081	203,146	13,526	717,753
	<u>27,721,867</u>	<u>4,345,792</u>	<u>553,526</u>	<u>32,621,185</u>
GROUP				
30 September 2019				
<u>Geographic Distribution</u>				
Northern region	2,527,957	542,854	80,292	3,151,103
Central region	26,351,808	3,928,779	499,646	30,780,233
Southern region	4,744,867	536,675	99,709	5,381,251
Sabah region	2,344,149	549,630	25,237	2,919,016
Sarawak region	726,628	260,592	14,251	1,001,471
	<u>36,695,409</u>	<u>5,818,530</u>	<u>719,135</u>	<u>43,233,074</u>
	Not-credit Impaired		Credit Impaired	Total
	12 months ECL (Stage 1)	Lifetime ECL (Stage 2)	Lifetime ECL (Stage 3)	
BANK				
31 March 2019	RM'000	RM'000	RM'000	RM'000
<u>Geographic Distribution</u>				
Northern region	1,787,685	403,588	39,874	2,231,147
Central region	20,640,286	2,872,670	246,940	23,759,896
Southern region	3,588,410	351,830	49,183	3,989,423
Sabah region	1,785,547	366,194	22,554	2,174,295
Sarawak region	529,399	188,484	10,573	728,456
	<u>28,331,327</u>	<u>4,182,766</u>	<u>369,124</u>	<u>32,883,217</u>
GROUP				
31 March 2019				
<u>Geographic Distribution</u>				
Northern region	2,482,149	567,523	49,667	3,099,339
Central region	26,358,419	3,833,533	326,983	30,518,935
Southern region	4,709,670	500,028	63,369	5,273,067
Sabah region	2,389,205	453,346	25,316	2,867,867
Sarawak region	703,806	256,166	11,267	971,239
	<u>36,643,249</u>	<u>5,610,596</u>	<u>476,602</u>	<u>42,730,447</u>

3.0 Credit Risk (cont'd.)

3.3 Past Due but Not Impaired 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 not more than 3 months. Under MFRS9, exposures more than 30 days past due are transferred to Stage 2. For loans that are structured to pay principal and/ or interest at quarterly interval or longer, a default of payment will trigger an impairment.

The following tables represent the past due but not impaired loans, advances and financing analysed by sector:

	BANK		GROUP	
	30 September 2019 RM'000	31 March 2019 RM'000	30 September 2019 RM'000	31 March 2019 RM'000
Financial, insurance & business services and real estate	97,878	66,885	147,974	77,853
Transport, storage & communication	23,853	23,510	30,266	30,506
Agriculture, manufacturing, wholesale & retail trade	400,749	380,443	584,345	522,877
Construction	46,616	214,987	96,475	224,120
Household	946,336	956,886	1,429,246	1,360,089
Others	10,973	3,192	52,515	28,584
	<u>1,526,405</u>	<u>1,645,903</u>	<u>2,340,821</u>	<u>2,244,029</u>

Past due but not impaired loans, advances and financing analysed by significant geographical areas:

	BANK		GROUP	
	30 September 2019 RM'000	31 March 2019 RM'000	30 September 2019 RM'000	31 March 2019 RM'000
Northern region	112,024	127,766	172,903	180,081
Central region	1,045,978	1,200,186	1,629,745	1,626,610
Southern region	201,608	177,217	304,745	256,933
Sabah region	144,147	113,043	204,725	148,531
Sarawak region	22,648	27,691	28,703	31,874
	<u>1,526,405</u>	<u>1,645,903</u>	<u>2,340,821</u>	<u>2,244,029</u>

3.0 Credit Risk (cont'd.)

3.4 Impaired Loans, Advances and Financing and Allowance for Expected Credit Losses Analysis

Impaired loans, advances and financing are exposures where the customers have failed to make a principal and/ or interest payment for more than 3 months. In addition, where customers are deemed incapable of continuing repayment obligations, the exposures will be judgmentally impaired. Where exposures are restructured or rescheduled due to increase in credit risk, the exposures are also classified as impaired.

Impaired loans, advances and financing analysed by sectors:

	<u>BANK</u>		<u>GROUP</u>	
	30 September 2019 RM'000	31 March 2019 RM'000	30 September 2019 RM'000	31 March 2019 RM'000
Financial, insurance & business services and real estate	19,469	24,264	20,544	25,503
Transport, storage & communication	3,102	3,027	3,732	3,394
Agriculture, manufacturing, wholesale & retail trade	164,055	114,135	210,880	155,162
Construction	35,591	21,786	48,523	27,514
Household	325,789	197,271	429,935	256,386
Others	5,520	8,641	5,521	8,643
	<u>553,526</u>	<u>369,124</u>	<u>719,135</u>	<u>476,602</u>

3.0 Credit Risk (cont'd.)

3.4 Impaired Loans, Advances and Financing and Allowance for Expected Credit Losses Analysis
(cont'd.)

Allowance for expected credit losses on loans, advances and financing analysed by sectors:

	<u>Not-credit Impaired</u>		<u>Credit Impaired</u>	<u>ECL</u>	<u>Stage 3</u>
	<u>12 months</u>	<u>Lifetime</u>	<u>Lifetime</u>	<u>charged/</u>	
BANK	<u>ECL</u>	<u>ECL</u>	<u>ECL</u>	<u>(write-back)</u>	<u>write-off</u>
30 September 2019	<u>(Stage 1)</u>	<u>(Stage 2)</u>	<u>(Stage 3)</u>	<u>for the</u>	<u>for the period</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>period (net)</u>	<u>RM'000</u>
				<u>RM'000</u>	
Financial, insurance & business services and real estate	2,446	12,428	3,110	(1,849)	(1,023)
Transport, storage & communication	919	4,742	3,008	215	(153)
Agriculture, manufacturing, wholesale & retail trade	12,594	73,116	91,129	30,523	(3,335)
Construction	1,290	10,422	26,365	7,601	-
Household	24,942	48,530	94,203	50,827	(31,187)
Others	350	970	2,704	414	(227)
	<u>42,541</u>	<u>150,208</u>	<u>220,519</u>	<u>87,731</u>	<u>(35,925)</u>
GROUP					
30 September 2019					
Financial, insurance & business services and real estate	3,318	14,974	3,338	(1,925)	(1,028)
Transport, storage & communication	1,052	5,394	3,601	527	(172)
Agriculture, manufacturing, wholesale & retail trade	15,713	89,437	104,196	31,512	(4,782)
Construction	1,666	12,741	37,684	13,987	-
Household	43,457	100,262	131,220	80,932	(50,145)
Others	541	1,357	2,705	414	(227)
	<u>65,747</u>	<u>224,165</u>	<u>282,744</u>	<u>125,447</u>	<u>(56,354)</u>

3.0 Credit Risk (cont'd.)

3.4 Impaired Loans, Advances and Financing and Allowance for Expected Credit Losses Analysis (cont'd.)

Allowance for expected credit losses on loans, advances and financing analysed by sectors (cont'd.):

	<u>Not-credit Impaired</u>		<u>Credit Impaired</u>	<u>ECL</u>	<u>Stage 3</u>
	<u>12 months</u>	<u>Lifetime</u>	<u>Lifetime</u>	<u>charged/</u>	
	<u>ECL</u>	<u>ECL</u>	<u>ECL</u>	<u>(write-back)</u>	<u>write-off</u>
<u>BANK</u>	<u>(Stage 1)</u>	<u>(Stage 2)</u>	<u>(Stage 3)</u>	<u>period (net)</u>	<u>for the period</u>
31 March 2019	RM'000	RM'000	RM'000	RM'000	RM'000
Financial, insurance & business services and real estate	3,572	9,090	6,091	3,879	(619)
Transport, storage & communication	956	4,650	2,946	(457)	(469)
Agriculture, manufacturing, wholesale & retail trade	15,854	74,557	64,807	20,102	(24,079)
Construction	1,562	11,568	18,955	15,964	(236)
Household	26,544	41,074	76,059	48,007	(41,612)
Others	647	1,683	2,474	194	(587)
	<u>49,135</u>	<u>142,622</u>	<u>171,332</u>	<u>87,689</u>	<u>(67,602)</u>
<u>GROUP</u>					
31 March 2019					
Financial, insurance & business services and real estate	4,598	11,603	6,400	3,191	(647)
Transport, storage & communication	1,130	6,405	3,247	(1,095)	(469)
Agriculture, manufacturing, wholesale & retail trade	19,728	88,997	78,835	25,609	(24,586)
Construction	1,897	12,934	23,909	20,030	(262)
Household	44,317	90,525	102,598	84,607	(74,276)
Others	1,009	2,055	2,476	195	(587)
	<u>72,679</u>	<u>212,519</u>	<u>217,465</u>	<u>132,537</u>	<u>(100,827)</u>

3.0 Credit Risk (cont'd.)

3.4 Impaired Loans, Advances and Financing and Allowance for Expected Credit Losses Analysis
(cont'd.)

Impaired loans, advances and financing and allowance for expected credit losses analysed by significant geographical areas:

	Impaired loans, advances and financing RM'000	Not-credit Impaired		Credit Impaired
		12 months ECL (Stage 1) RM'000	Lifetime ECL (Stage 2) RM'000	Lifetime ECL (Stage 3) RM'000
<u>BANK</u>				
30 September 2019				
Northern region	58,648	3,711	15,088	30,560
Central region	379,110	32,032	105,882	140,131
Southern region	83,280	4,136	11,881	38,653
Sabah region	18,962	1,537	9,346	4,220
Sarawak region	13,526	1,125	8,011	6,955
	<u>553,526</u>	<u>42,541</u>	<u>150,208</u>	<u>220,519</u>

GROUP
30 September 2019

Northern region	80,292	5,987	21,772	41,522
Central region	499,646	49,127	159,186	181,115
Southern region	99,709	6,835	22,495	47,129
Sabah region	25,237	2,384	11,965	5,870
Sarawak region	14,251	1,414	8,747	7,108
	<u>719,135</u>	<u>65,747</u>	<u>224,165</u>	<u>282,744</u>

	Impaired loans, advances and financing RM'000	Not-credit Impaired		Credit Impaired
		12 months ECL (Stage 1) RM'000	Lifetime ECL (Stage 2) RM'000	Lifetime ECL (Stage 3) RM'000
<u>BANK</u>				
31 March 2019				
Northern region	39,874	4,097	17,596	24,459
Central region	246,940	37,055	97,747	110,353
Southern region	49,183	4,531	12,249	23,082
Sabah region	22,554	2,110	8,326	7,673
Sarawak region	10,573	1,342	6,704	5,765
	<u>369,124</u>	<u>49,135</u>	<u>142,622</u>	<u>171,332</u>

GROUP
31 March 2019

Northern region	49,667	6,430	24,795	27,829
Central region	326,982	53,945	149,923	142,379
Southern region	63,370	7,688	19,785	32,427
Sabah region	25,316	3,039	10,403	8,766
Sarawak region	11,267	1,577	7,613	6,064
	<u>476,602</u>	<u>72,679</u>	<u>212,519</u>	<u>217,465</u>

3.0 Credit Risk (cont'd.)

3.4 Impaired Loans, Advances and Financing and Allowance for Expected Credit Losses Analysis (cont'd)

Movements in the allowance for expected credit losses on loans, advances and financing are as follows:

	30 September 2019			Total RM'000
	Not-credit Impaired		Credit Impaired	
	12 months ECL (Stage 1)	Lifetime ECL (Stage 2)	Lifetime ECL (Stage 3)	
	RM'000	RM'000	RM'000	
BANK				
At 1 April 2019	49,135	142,622	171,332	363,089
Transfer to Stage 1	7,200	(43,545)	(3,678)	(40,023)
Transfer to Stage 2	(14,074)	92,005	(33,273)	44,658
Transfer to Stage 3	(64)	(44,900)	142,115	97,151
Financial assets derecognised other than write-off	(9,794)	(57,169)	(9,675)	(76,638)
Changes due to change in credit risk	(7,395)	3,420	(13,505)	(17,480)
New financial assets originated or purchased	17,525	57,779	5,743	81,047
Other adjustment	8	2	4	14
	(6,594)	7,592	87,731	88,729
Unwinding of discount	-	-	(2,619)	(2,619)
Total (write-back from)/charge to income statement	(6,594)	7,592	85,112	86,110
Write-off	-	(6)	(35,925)	(35,931)
At end of financial period	42,541	150,208	220,519	413,268
GROUP				
At 1 April 2019	72,679	212,519	217,465	502,663
Transfer to Stage 1	10,599	(60,173)	(4,042)	(53,616)
Transfer to Stage 2	(21,028)	131,887	(46,587)	64,272
Transfer to Stage 3	(71)	(71,667)	193,685	121,947
Financial assets derecognised other than write-off	(14,770)	(67,113)	(13,631)	(95,514)
Changes due to change in credit risk	(11,089)	11,192	(11,546)	(11,443)
New financial assets originated or purchased	29,422	67,575	7,564	104,561
Other adjustment	8	2	4	14
	(6,929)	11,703	125,447	130,221
Unwinding of discount	-	-	(3,814)	(3,814)
Total (write-back from)/charge to income statement	(6,929)	11,703	121,633	126,407
Write-off	(3)	(57)	(56,354)	(56,414)
At end of financial period	65,747	224,165	282,744	572,656

3.4 Impaired Loans, Advances and Financing and Allowance for Expected Credit Losses Analysis (cont'd)

Movements in the allowance for expected credit losses on loans, advances and financing are as follows (cont'd):

	31 March 2019			Total RM'000
	Not-credit Impaired		Credit Impaired	
	12 months ECL	Lifetime ECL	Lifetime ECL	
	(Stage 1)	(Stage 2)	(Stage 3)	
	RM'000	RM'000	RM'000	
BANK				
At 1 April 2018	43,894	137,652	156,653	338,199
Transfer to Stage 1	15,264	(90,649)	(5,930)	(81,315)
Transfer to Stage 2	(24,760)	154,042	(71,881)	57,401
Transfer to Stage 3	(148)	(65,538)	178,889	113,203
Financial assets derecognised other than write-off	(26,381)	(118,951)	(16,490)	(161,822)
Changes due to change in credit risk	(5,213)	5,001	(4,699)	(4,911)
New financial assets originated or purchased	46,449	120,924	7,800	175,173
Other adjustment	30	150	-	180
	5,241	4,979	87,689	97,909
Unwinding of discount	-	-	(5,408)	(5,408)
Total charge to income statement	5,241	4,979	82,281	92,501
Write-off	-	(9)	(67,602)	(67,611)
At end of financial year	49,135	142,622	171,332	363,089
GROUP				
At 1 April 2018	66,941	203,691	192,696	463,328
Transfer to Stage 1	24,268	(132,004)	(7,270)	(115,006)
Transfer to Stage 2	(40,020)	232,846	(103,159)	89,667
Transfer to Stage 3	(181)	(114,361)	254,377	139,835
Financial assets derecognised other than write-off	(39,199)	(152,890)	(19,415)	(211,504)
Changes due to change in credit risk	(9,934)	20,361	(7,814)	2,613
New financial assets originated or purchased	70,774	154,861	15,818	241,453
Other adjustment	30	150	-	180
	5,738	8,963	132,537	147,238
Unwinding of discount	-	-	(6,941)	(6,941)
Total charge to income statement	5,738	8,963	125,596	140,297
Write-off	-	(135)	(100,827)	(100,962)
At end of financial year	72,679	212,519	217,465	502,663

3.0 Credit Risk (cont'd.)

3.5 Assignment of Risk-Weights for Portfolios Under the Standardised Approach

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

BANK 30 September 2019 Risk- Weights	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 Multilateral Development Banks	Insurance Companies, Securities Firms and Fund Managers	Corporates	Regulatory Retail	Residential Mortgages	Higher Risk Assets	Other Assets	Equity Exposures		
	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%	5,759,984	-	5,027	-	797,480	-	-	-	254,575	-	6,817,066	-
20%	5,429	214,189	925,339	-	1,670,529	-	308	-	-	-	2,815,794	563,158
35%	-	-	-	-	-	-	7,553,703	-	-	-	7,553,703	2,643,796
50%	-	-	851,439	-	58,981	20,779	4,325,906	-	-	-	5,257,105	2,628,553
75%	-	-	-	-	-	6,902,492	15,365	-	-	-	6,917,857	5,188,393
100%	-	-	206	9,032	12,602,103	740,543	549,607	-	521,425	137,773	14,560,689	14,560,689
150%	-	-	-	-	54,505	38,273	-	10,593	-	3	103,374	155,061
Total exposures	5,765,413	214,189	1,782,011	9,032	15,183,598	7,702,087	12,444,889	10,593	776,000	137,776	44,025,588	25,739,650
Risk-weighted assets by exposures	1,086	42,838	610,993	9,032	13,047,456	5,985,211	5,367,941	15,890	521,425	137,778	25,739,650	
Average risk-weight	0%	20%	34%	100%	86%	78%	43%	150%	67%	100%	58%	
Deduction from Capital base	-	-	-	-	-	-	-	-	-	-	-	-

3.0 Credit Risk (cont'd.)

3.5 Assignment of Risk-Weights for Portfolios Under the Standardised Approach (cont'd.)

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

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 Multilateral Development Banks	Insurance Companies, Securities Firms and Fund Managers	Regulatory Corporates	Higher Risk Retail	Residential Mortgages	Higher Risk Assets	Other Assets	Equity Exposures			
30 September 2019	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%	8,590,963	-	45,245	-	1,291,704	-	-	-	254,575	-	-	10,182,487	-
20%	5,430	358,514	660,550	-	2,787,983	-	393	-	15,844	-	-	3,828,714	765,743
35%	-	-	-	-	-	-	10,231,943	-	-	-	-	10,231,943	3,581,180
50%	-	-	118,271	-	81,418	26,601	5,775,521	-	-	-	-	6,001,811	3,000,906
75%	-	-	-	-	-	8,769,196	17,457	-	-	-	-	8,786,653	6,589,991
100%	-	-	206	16,047	16,303,537	1,535,766	893,870	-	567,676	202,165	-	19,519,267	19,519,267
150%	-	-	-	-	75,650	48,059	-	12,250	-	3	-	135,962	203,943
Total exposures	8,596,393	358,514	824,272	16,047	20,540,292	10,379,622	16,919,184	12,250	838,095	202,168	-	58,686,837	33,661,030
Risk-weighted assets by exposures	1,086	71,703	191,452	16,047	17,015,318	8,198,052	7,375,982	18,375	570,845	202,170	-	33,661,030	-
Average risk-weight	0%	20%	23%	100%	83%	79%	44%	150%	68%	100%	-	57%	-
Deduction from Capital base	-	-	-	-	-	-	-	-	-	-	-	-	-

3.0 Credit Risk (cont'd.)

3.5 Assignment of Risk-Weights for Portfolios Under the Standardised Approach (cont'd.)

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

BANK 31 March 2019 Risk- Weights	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 Multilateral Development Banks	Insurance Companies, Securities Firms and Fund Managers	Regulatory Retail	Residential Mortgages	Higher Risk Assets	Other Assets	Equity Exposures	Corporates		
	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%	5,808,639	-	5,024	-	711,113	-	-	-	255,110	-	6,779,886	-
20%	1,225	84,527	1,066,451	-	1,495,449	-	367	-	-	-	2,648,019	529,604
35%	-	-	-	-	-	-	7,444,373	-	-	-	7,444,373	2,605,531
50%	-	-	822,688	-	52,337	17,844	4,503,977	-	-	-	5,396,846	2,698,423
75%	-	-	-	-	-	6,922,612	17,145	-	-	-	6,939,757	5,204,819
100%	-	-	322	29,350	12,950,265	637,477	542,517	-	361,152	126,738	14,647,821	14,647,822
150%	-	-	-	-	39,761	37,390	-	11,503	-	3	88,657	132,985
Total exposures	5,809,864	84,527	1,894,485	29,350	15,248,925	7,615,323	12,508,379	11,503	616,262	126,741	43,945,359	25,819,184
Risk-weighted assets by exposures	245	16,905	624,956	29,350	13,335,165	5,894,445	5,412,969	17,255	361,152	126,742	25,819,184	
Average risk-weight	0%	20%	33%	100%	87%	77%	43%	150%	59%	100%	59%	
Deduction from Capital base	-	-	-	-	-	-	-	-	-	-	-	-

3.0 Credit Risk (cont'd.)

3.5 Assignment of Risk-Weights for Portfolios Under the Standardised Approach (cont'd.)

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

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 Multilateral Development Banks	Insurance Companies, Securities Firms and Fund Managers	Regulatory Corporates	Higher Risk Retail	Residential Mortgages	Higher Risk Assets	Other Assets	Equity Exposures		
31 March 2019	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%	8,398,532	-	45,217	-	1,175,890	-	-	-	255,110	-	9,874,749	-
20%	1,225	215,508	869,585	-	2,392,195	-	467	-	665	-	3,479,645	695,929
35%	-	-	-	-	-	-	9,779,655	-	-	-	9,779,655	3,422,879
50%	-	-	93,219	-	69,070	25,413	5,791,700	-	-	-	5,979,402	2,989,700
75%	-	-	-	-	-	8,828,371	17,838	-	-	-	8,846,209	6,634,658
100%	-	-	322	36,462	16,438,395	1,325,366	800,774	-	438,597	187,522	19,227,438	19,227,440
150%	-	-	-	-	53,538	46,624	-	13,192	-	3	113,357	170,036
Total exposures	8,399,757	215,508	1,008,343	36,462	20,129,088	10,225,774	16,390,434	13,192	694,372	187,525	57,300,455	33,140,642
Risk-weighted assets by exposures	245	43,102	220,849	36,462	17,031,677	8,029,287	7,132,975	19,788	438,730	187,527	33,140,642	
Average risk-weight	0%	20%	22%	100%	85%	79%	44%	150%	63%	100%	58%	
Deduction from Capital base	-	-	-	-	-	-	-	-	-	-	-	-

3.0 Credit Risk (cont'd.)

3.5 Assignment of Risk-Weights for Portfolios Under the Standardised Approach (cont'd.)

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, Fitch, and Rating and Investment ("R&I"). 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 2019

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	
	R&I	AAA to AA- / a-1+, a-1	A+ to A- / a-2	BBB+ to BB- / a-3	B+ to D / b, c	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)		-	5,765,413	-	-	-	5,765,413
Corporates		-	797,480	-	-	-	797,480
Banks, DFIs and Multilateral Development Banks		-	5,027	-	-	-	5,027
		-	6,567,920	-	-	-	6,567,920
(ii) Exposures risk weighted using Banking Institutions long term rating							
Banks, DFIs and Multilateral Development Banks		373,578	1,143,594	6,401	-	204,127	1,727,700
Exposures risk weighted using Banking Institutions short term rating							
Banks, DFIs and Multilateral Development Banks		49,284	-	-	-	-	49,284
		422,862	1,143,594	6,401	-	204,127	1,776,984
(iii) Exposures risk weighted using Corporate long term rating							
Public Sector Entities		61,440	-	-	-	152,750	214,190
Corporates		1,610,636	48,998	-	-	14,125,305	15,784,939
Insurance Cos, Securities Firms & Fund Managers		-	-	-	-	9,037	9,037
Exposures risk weighted using Corporate short term rating							
Public Sector Entities		-	-	-	-	-	-
Corporates		59,893	-	-	-	-	59,893
Insurance Cos, Securities Firms & Fund Managers		-	-	-	-	-	-
		1,731,969	48,998	-	-	14,287,092	16,068,059

3.0 Credit Risk (cont'd.)

3.5 Assignment of Risk-Weights for Portfolios Under the Standardised Approach (cont'd.)

The following tables show the rated credit exposures according to ratings by approved ECAs (cont'd.):

GROUP
30 September 2019

Exposure Class	Ratings by Approved ECAs *					Total
	Moody's	Aaa to Aa3 / P-1	A1 to A3 / P-2	Baa1 to Ba3 / P-3	B1 to C / Others	
	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
	R&I	AAA to AA- / a-1+, a-1	A+ to A- / a-2	BBB+ to BB- / a-3	B+ to D / b, c	Unrated
		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)	-	8,596,393	-	-	8,596,393
	Corporates	-	1,291,703	-	-	1,291,703
	Banks, DFIs and Multilateral Development Banks	-	45,245	-	-	45,245
		-	9,933,341	-	-	9,933,341
(ii) Exposures risk weighted using Banking Institutions long term rating						
	Banks, DFIs and Multilateral Development Banks	389,160	90,616	6,401	-	204,108
Exposures risk weighted using Banking Institutions short term rating						
	Banks, DFIs and Multilateral Development Banks	88,742	-	-	-	88,742
		477,902	90,616	6,401	-	204,108
(iii) Exposures risk weighted using Corporate long term rating						
	Public Sector Entities	128,510	-	-	-	230,005
	Corporates	2,718,115	64,416	-	-	18,286,295
	Insurance Cos, Securities Firms & Fund Managers	-	-	-	-	16,052
Exposures risk weighted using Corporate short term rating						
	Public Sector Entities	-	-	-	-	-
	Corporates	69,868	-	-	-	69,868
	Insurance Cos, Securities Firms & Fund Managers	-	-	-	-	-
		2,916,493	64,416	-	-	18,532,352
						21,513,261

3.0 Credit Risk (cont'd.)

3.5 Assignment of Risk-Weights for Portfolios Under the Standardised Approach (cont'd.)

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

BANK
31 March 2019

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
	R&I	AAA to AA- / a-1+, a-1	A+ to A- / a-2	BBB+ to BB- / a-3	B+ to D / b, c	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)	-	5,809,864	-	-	-	5,809,864
Corporates	-	711,113	-	-	-	711,113
Banks, DFIs and Multilateral Development Banks	-	5,024	-	-	-	5,024
	-	6,526,001	-	-	-	6,526,001
(ii) Exposures risk weighted using Banking Institutions long term rating						
Banks, DFIs and Multilateral Development Banks	410,209	1,204,056	13,482	-	213,397	1,841,144
Exposures risk weighted using Banking Institutions short term rating						
Banks, DFIs and Multilateral Development Banks	48,318	-	-	-	-	48,318
	458,527	1,204,056	13,482	-	213,397	1,889,462
(iii) Exposures risk weighted using Corporate long term rating						
Public Sector Entities	61,105	-	-	-	23,422	84,527
Corporates	1,495,449	47,617	-	-	14,484,498	16,027,564
Insurance Cos, Securities Firms & Fund Managers	-	-	-	-	29,354	29,354
Exposures risk weighted using Corporate short term rating						
Public Sector Entities	-	-	-	-	-	-
Corporates	-	-	-	-	-	-
Insurance Cos, Securities Firms & Fund Managers	-	-	-	-	-	-
	1,556,554	47,617	-	-	14,537,274	16,141,445

3.0 Credit Risk (cont'd.)

3.5 Assignment of Risk-Weights for Portfolios Under the Standardised Approach (cont'd.)

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

GROUP
31 March 2019

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
	R&I	AAA to AA- / a-1+, a-1	A+ to A- / a-2	BBB+ to BB- / a-3	B+ to D / b, c	Unrated
		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)						
		-	8,399,756	-	-	8,399,756
		-	1,175,891	-	-	1,175,891
		-	45,217	-	-	45,217
		-	9,620,864	-	-	9,620,864
(ii) Exposures risk weighted using Banking Institutions long term rating						
Banks, DFIs and Multilateral Development Banks						
		427,124	222,121	13,482	-	213,397
Exposures risk weighted using Banking Institutions short term rating						
Banks, DFIs and Multilateral Development Banks						
		87,001	-	-	-	87,001
		514,125	222,121	13,482	-	213,397
(iii) Exposures risk weighted using Corporate long term rating						
Public Sector Entities						
		122,437	-	-	-	93,071
		2,392,195	62,478	-	-	18,442,901
		-	-	-	-	36,468
Exposures risk weighted using Corporate short term rating						
Public Sector Entities						
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		2,514,632	62,478	-	-	18,572,440
						21,149,550

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 in the Bank that requires disclosure of ratings and short term rating of securitisation by approved ECAIs.

3.0 Credit Risk (cont'd.)

3.6 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 2019 Exposure Class	Exposures 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	5,759,984	-	-	-
Public sector entities	154,559	-	-	-
Banks, DFIs and Multilateral Development Banks	1,506,260	-	-	-
Insurance companies, securities firms and fund managers	8,274	-	-	-
Corporates	14,627,775	-	1,200,418	-
Regulatory retail	7,614,133	-	687,310	-
Residential mortgages	12,161,636	-	8,713	-
Higher risk assets	8,996	-	5	-
Other assets	776,000	-	-	-
Equity exposures	137,776	-	-	-
Defaulted exposures	335,516	-	1,127	-
Total on-balance sheet exposures	43,090,909	-	1,897,573	-
Off-balance sheet exposures:				
Off-balance sheet exposures other than				
OTC derivatives or credit derivatives	3,281,009	-	454,929	-
Defaulted exposures	6,671	-	500	-
Total off-balance sheet exposures	3,287,680	-	455,429	-
Total on and off-balance sheet exposures	46,378,589	-	2,353,002	-

3.0 Credit Risk (cont'd.)

3.6 Credit Risk Mitigation ("CRM") (cont'd.)

<u>GROUP</u> 30 September 2019 Exposure Class	<u>Exposures</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	8,590,963	-	-	-
Public sector entities	294,885	-	-	-
Banks, DFIs and Multilateral Development Banks	548,636	-	-	-
Insurance companies, securities firms and fund managers	15,239	-	-	-
Corporates	19,852,524	-	1,573,138	-
Regulatory retail	10,157,081	-	767,485	-
Residential mortgages	16,456,772	-	9,701	-
Higher risk assets	10,578	-	5	-
Other assets	838,095	-	-	-
Equity exposures	202,168	-	-	-
Defaulted exposures	443,461	-	1,877	-
Total on-balance sheet exposures	<u>57,410,402</u>	<u>-</u>	<u>2,352,206</u>	<u>-</u>
Off-balance sheet exposures:				
Off-balance sheet exposures other than				
OTC derivatives or credit derivatives	4,154,466	-	532,430	-
Defaulted exposures	7,104	-	500	-
Total off-balance sheet exposures	<u>4,161,570</u>	<u>-</u>	<u>532,930</u>	<u>-</u>
Total on and off-balance sheet exposures	<u>61,571,972</u>	<u>-</u>	<u>2,885,136</u>	<u>-</u>

3.0 Credit Risk (cont'd.)

3.6 Credit Risk Mitigation ("CRM") (cont'd.)

<u>BANK</u> 31 March 2019 Exposure Class	<u>Exposures</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	5,596,654	-	-	-
Public sector entities	69,280	-	-	-
Banks, DFIs and Multilateral Development Banks	1,715,604	-	-	-
Insurance companies, securities firms and fund managers	28,494	-	-	-
Corporates	14,760,638	-	1,237,422	-
Regulatory retail	7,519,108	-	673,765	-
Residential mortgages	12,335,936	-	9,362	-
Higher risk assets	9,472	-	5	-
Other assets	616,262	-	-	-
Equity exposures	126,741	-	-	-
Defaulted exposures	200,941	-	1,347	-
Total on-balance sheet exposures	<u>42,979,130</u>	<u>-</u>	<u>1,921,901</u>	<u>-</u>
Off-balance sheet exposures:				
Off-balance sheet exposures other than				
OTC derivatives or credit derivatives	3,330,927	-	443,656	-
Defaulted exposures	1,360	-	500	-
Total off-balance sheet exposures	<u>3,332,287</u>	<u>-</u>	<u>444,156</u>	<u>-</u>
Total on and off-balance sheet exposures	<u>46,311,417</u>	<u>-</u>	<u>2,366,057</u>	<u>-</u>

3.0 Credit Risk (cont'd.)

3.6 Credit Risk Mitigation ("CRM") (cont'd.)

<u>GROUP</u> 31 March 2019 Exposure Class	<u>Exposures before CRM</u> RM'000	<u>Exposures covered by guarantees/ credit derivatives</u> RM'000	<u>Exposures covered by eligible financial collateral</u> RM'000	<u>Exposures covered by other eligible collateral</u> RM'000
<u>Credit Risk</u>				
On-balance sheet exposures:				
Sovereigns/Central banks	8,186,545	-	-	-
Public sector entities	196,261	-	-	-
Banks, DFIs and Multilateral Development Banks	829,576	-	-	-
Insurance companies, securities firms and fund managers	35,557	-	-	-
Corporates	19,580,592	-	1,630,447	-
Regulatory retail	9,999,499	-	754,117	-
Residential mortgages	16,073,138	-	10,379	-
Higher risk assets	11,086	-	5	-
Other assets	694,371	-	-	-
Equity exposures	187,525	-	-	-
Defaulted exposures	262,387	-	2,470	-
Total on-balance sheet exposures	<u>56,056,537</u>	<u>-</u>	<u>2,397,418</u>	<u>-</u>
Off-balance sheet exposures:				
Off-balance sheet exposures other than				
OTC derivatives or credit derivatives	4,160,638	-	520,517	-
Defaulted exposures	1,718	-	500	-
Total off-balance sheet exposures	<u>4,162,356</u>	<u>-</u>	<u>521,017</u>	<u>-</u>
Total on and off-balance sheet exposures	<u>60,218,893</u>	<u>-</u>	<u>2,918,435</u>	<u>-</u>

3.0 Credit Risk (cont'd.)

3.7 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 2019	RM'000	RM'000	RM'000	RM'000
<u>Credit-related exposures</u>				
Direct credit substitutes	497,804	-	497,704	419,082
Transaction-related contingent items	633,865	-	312,631	199,073
Short-term self-liquidating trade-related contingencies	125,875	-	25,175	20,684
Forward asset purchase	-	-	-	-
Obligations under an on-going underwriting agreement	-	-	-	-
Irrevocable commitments to extend credit:				
• maturity exceeding 1 year	811,353	-	404,333	305,666
• maturity not exceeding 1 year	6,750,952	-	1,350,190	985,991
Unutilised credit card lines	1,480,712	-	296,142	228,857
	<u>10,300,561</u>	<u>-</u>	<u>2,886,175</u>	<u>2,159,353</u>
<u>Derivative financial instruments</u>				
Foreign exchange related contracts:				
• 1 year or less	8,747,850	27,205	92,704	31,184
• over 1 year to 3 years	530,390	6,954	43,067	30,785
• over 3 years	276,507	1,366	27,687	16,626
Interest rate related contracts:				
• 1 year or less	4,141,219	4,044	11,795	2,962
• over 1 year to 3 years	2,911,791	12,498	54,536	16,106
• over 3 years	2,183,272	28,021	98,917	34,688
Equity related contracts:				
• 1 year or less	51,180	539	3,609	1,932
• over 1 year to 3 years	571,740	23,451	69,190	50,787
	<u>19,413,949</u>	<u>104,078</u>	<u>401,505</u>	<u>185,070</u>
	<u>29,714,510</u>	<u>104,078</u>	<u>3,287,680</u>	<u>2,344,423</u>

3.0 Credit Risk (cont'd.)

3.7 Off-Balance Sheet Exposures and Counterparty Credit Risk (cont'd.)

GROUP	Principal	Positive	Credit	Risk-
30 September 2019	Amount	Fair Value	Equivalent	Weighted
	RM'000	of Derivative	Amount	Assets
		Contracts	RM'000	RM'000
		RM'000		
<u>Credit-related exposures</u>				
Direct credit substitutes	687,066	-	686,967	595,021
Transaction-related contingent items	699,867	-	345,632	220,253
Short-term self-liquidating trade-related contingencies	144,398	-	28,879	23,577
Forward asset purchase	-	-	-	-
Obligations under an on-going underwriting agreement	80,000	-	40,000	40,000
Irrevocable commitments to extend credit:				
• maturity exceeding 1 year	1,211,197	-	604,162	435,100
• maturity not exceeding 1 year	8,791,424	-	1,758,283	1,281,679
Unutilised credit card lines	1,480,712	-	296,142	228,857
	<u>13,094,664</u>	<u>-</u>	<u>3,760,065</u>	<u>2,824,487</u>
<u>Derivative financial instruments</u>				
Foreign exchange related contracts:				
• 1 year or less	8,747,850	27,205	92,704	31,184
• over 1 year to 3 years	530,390	6,954	43,067	30,785
• over 3 years	276,507	1,366	27,687	16,626
Interest rate related contracts:				
• 1 year or less	4,141,219	4,044	11,795	2,962
• over 1 year to 3 years	2,911,791	12,498	54,536	16,106
• over 3 years	2,183,272	28,021	98,917	34,688
Equity related contracts:				
• 1 year or less	51,180	539	3,609	1,932
• over 1 year to 3 years	571,740	23,451	69,190	50,787
	<u>19,413,949</u>	<u>104,078</u>	<u>401,505</u>	<u>185,070</u>
	<u>32,508,613</u>	<u>104,078</u>	<u>4,161,570</u>	<u>3,009,557</u>

3.0 Credit Risk (cont'd.)

3.7 Off-Balance Sheet Exposures and Counterparty Credit Risk (cont'd.)

BANK	Principal Amount RM'000	Positive Fair Value of Derivative Contracts RM'000	Credit Equivalent Amount RM'000	Risk- Weighted Assets RM'000
31 March 2019				
<u>Credit-related exposures</u>				
Direct credit substitutes	490,085	-	490,010	414,325
Transaction-related contingent items	609,843	-	300,635	189,732
Short-term self-liquidating trade- related contingencies	133,405	-	26,681	22,845
Forward asset purchase	211,985	-	211,985	-
Obligations under an on-going underwriting agreement	-	-	-	-
Irrevocable commitments to extend credit:				
• maturity exceeding 1 year	904,181	-	450,612	379,036
• maturity not exceeding 1 year	6,461,733	-	1,292,346	935,922
Unutilised credit card lines	1,600,820	-	320,164	247,048
	<u>10,412,052</u>	<u>-</u>	<u>3,092,433</u>	<u>2,188,908</u>
<u>Derivative financial instruments</u>				
Foreign exchange related contracts:				
• 1 year or less	4,561,102	19,668	68,441	29,095
• over 1 year to 3 years	159,580	239	9,852	8,022
• over 3 years	10,209	-	868	868
Interest rate related contracts:				
• 1 year or less	2,034,786	1,649	5,401	1,543
• over 1 year to 3 years	1,779,255	7,108	32,711	8,548
• over 3 years	2,503,968	25,341	114,912	57,257
Equity related contracts:				
• 1 year or less	78,958	97	4,835	2,397
• over 1 year to 3 years	30,811	847	2,834	1,418
	<u>11,158,669</u>	<u>54,949</u>	<u>239,854</u>	<u>109,148</u>
	<u>21,570,721</u>	<u>54,949</u>	<u>3,332,287</u>	<u>2,298,056</u>

3.0 Credit Risk (cont'd.)

3.7 Off-Balance Sheet Exposures and Counterparty Credit Risk (cont'd.)

GROUP	Principal Amount	Positive Fair Value of Derivative Contracts	Credit Equivalent Amount	Risk-Weighted Assets
31 March 2019	RM'000	RM'000	RM'000	RM'000
<u>Credit-related exposures</u>				
Direct credit substitutes	650,663	-	650,588	561,367
Transaction-related contingent items	680,097	-	335,763	212,536
Short-term self-liquidating trade-related contingencies	179,994	-	35,999	31,609
Forward asset purchase	236,985	-	236,985	-
Obligations under an on-going underwriting agreement	46,154	-	23,077	23,077
Irrevocable commitments to extend credit:				
• maturity exceeding 1 year	1,319,483	-	658,158	509,950
• maturity not exceeding 1 year	8,308,840	-	1,661,768	1,200,570
Unutilised credit card lines	1,600,820	-	320,164	247,047
	<u>13,023,036</u>	<u>-</u>	<u>3,922,502</u>	<u>2,786,156</u>
<u>Derivative financial instruments</u>				
Foreign exchange related contracts:				
• 1 year or less	4,561,102	19,668	68,441	29,095
• over 1 year to 3 years	159,580	239	9,852	8,022
• over 3 years	10,209	-	868	868
Interest rate related contracts:				
• 1 year or less	2,034,786	1,649	5,401	1,543
• over 1 year to 3 years	1,779,255	7,108	32,711	8,548
• over 3 years	2,503,968	25,341	114,912	57,257
Equity related contracts:				
• 1 year or less	78,958	97	4,835	2,397
• over 1 year to 3 years	30,811	847	2,834	1,418
	<u>11,158,669</u>	<u>54,949</u>	<u>239,854</u>	<u>109,148</u>
	<u>24,181,705</u>	<u>54,949</u>	<u>4,162,356</u>	<u>2,895,304</u>

4.0 Market Risk

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	Capital Requirements	Risk-Weighted Assets	Capital Requirements
	RM'000	RM'000	RM'000	RM'000
30 September 2019				
Interest rate risk				
• General interest rate risk	523,998	41,920	523,998	41,920
• Specific interest rate risk	315	25	315	25
	<u>524,313</u>	<u>41,945</u>	<u>524,313</u>	<u>41,945</u>
Option risk	814	65	814	65
Foreign exchange risk	59,280	4,743	59,280	4,743
	<u>584,407</u>	<u>46,753</u>	<u>584,407</u>	<u>46,753</u>
31 March 2019				
Interest rate risk				
• General interest rate risk	149,163	11,933	149,163	11,933
• Specific interest rate risk	379	30	379	30
	<u>149,542</u>	<u>11,963</u>	<u>149,542</u>	<u>11,963</u>
Option risk	990	79	990	79
Foreign exchange risk	124,410	9,953	124,410	9,953
	<u>274,942</u>	<u>21,995</u>	<u>274,942</u>	<u>21,995</u>

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 2019	RM'000	RM'000	RM'000	RM'000
Publicly traded				
Holding of equity investments	8	8	8	8
Privately held				
For socio-economic purposes	137,765	137,765	202,157	202,157
Not for socio-economic purposes	3	3	3	3
	<u>137,776</u>	<u>137,776</u>	<u>202,168</u>	<u>202,168</u>
31 March 2019				
Publicly traded				
Holding of equity investments	8	8	8	8
Privately held				
For socio-economic purposes	126,730	126,730	187,514	187,514
Not for socio-economic purposes	3	3	3	3
	<u>126,741</u>	<u>126,741</u>	<u>187,525</u>	<u>187,525</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 2019	31 March 2019	30 September 2019	31 March 2019
	RM'000	RM'000	RM'000	RM'000
Realised gains/(losses) recognised in the statement of comprehensive income				
• Privately held equity investments	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unrealised (losses)/gains recognised in revaluation reserve				
• Publicly traded equity investments	(1)	(1)	(1)	(1)
• Privately held equity investments	11,141	5,294	14,749	8,866
	<u>11,140</u>	<u>5,293</u>	<u>14,748</u>	<u>8,865</u>

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 2019		
Impact on net interest income ("NII")		
Ringgit Malaysia	<u>82,712</u>	<u>96,892</u>
Impact on Economic Value ("EV")		
Ringgit Malaysia	<u>(44,509)</u>	<u>(151,753)</u>
31 March 2019		
Impact on net interest income ("NII")		
Ringgit Malaysia	<u>98,176</u>	<u>119,176</u>
Impact on Economic Value ("EV")		
Ringgit Malaysia	<u>(38,605)</u>	<u>(125,355)</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

Shariah Non-Compliance Risk arises from the risk of failure to comply with Shariah rules and principles as determined by Shariah Advisory Council of Bank Negara Malaysia and Alliance Islamic Bank's (AIS) Shariah Committee. To manage the risks, AIS has adopted the following guiding principles:

- (i) A sound Shariah Compliance Framework which governs the operations of AIS and outlines the roles of key functionalities within AIS, including but not limited to the Shariah risk management process. This is in line with the Shariah Governance Framework issued by BNM.
- (ii) The Board of Directors, assisted by the Shariah Committee and Senior Management, provides oversight on Shariah compliance aspects of AIS' overall operations. This amongst others include:
 - Oversight and implementation of the Shariah Compliance Framework.
 - Regular review of Shariah non-compliant income and issues.
 - Addressing Shariah non-compliance findings.
 - Ensuring compliance with regulatory and internal requirements including disclosures.
- (iii) Appointment of a qualified Shariah Committee member who also serves as AIS' Board member; serving as a 'bridge' between the Board and the Shariah Committee.
- (iv) Ongoing Shariah reviews and training to raise risk awareness and ensure compliance to Shariah rules and principles. This includes:
 - Regular assessment on Shariah compliance in the activities and operations of AIS. The findings of the review are reported to the Shariah Committee for deliberation and decision.
 - Performing research and studies on Shariah issues, including providing day-to-day Shariah advice and consultancy to relevant parties.
 - Conducting Shariah-related training and ongoing engagement with relevant parties to raise awareness on Shariah non-compliance risk.
- (v) Escalation and reporting processes of Shariah non-compliant income and issues governed through designated escalation channels, which include the Board and the Shariah Committee.
- (vi) Periodic engagement between the Board and the Shariah Committee to discuss on Shariah research, Shariah compliance and scholar's view on Islamic banking activities.

Shariah Non-Compliant Income And Events

During the financial period, there was 1 Shariah non-compliance event detected from the ongoing reviews of the Bank's operational processes. Necessary efforts had been taken to rectify the Shariah non-compliance event, which was tracked and escalated to the Shariah Committee and the Board. There was no Shariah non-compliant income to be disposed off in accordance with Shariah Committee's decision.