



**ALLIANCE BANK**

**Alliance Bank Malaysia Berhad** 198201008390 (88103-W)

**BASEL II PILLAR 3 REPORT**

**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021**

<b>CONTENTS</b>	<b>PAGE</b>
1.0 Scope of Application	1
2.0 Capital	2 - 9
2.1 Capital Adequacy Ratios	3 - 4
2.2 Capital Structure	5
2.3 Risk-Weighted Assets and Capital Requirements	6 - 9
3.0 Credit Risk	10 - 37
3.1 Distribution of Credit Exposures	10 - 15
3.2 Past Due but Not Impaired Loans, Advances and Financing Analysis	16
3.3 Impaired Loans, Advances and Financing and Allowance for Expected Credit Losses Analysis	17 - 21
3.4 Assignment of Risk Weights for Portfolios Under the Standardised Approach	22 - 29
3.5 Credit Risk Mitigation	30 - 33
3.6 Off-Balance Sheet Exposures and Counterparty Credit Risk	34 - 37
4.0 Market Risk	38
5.0 Equity Exposures in Banking Book	39
6.0 Interest Rate Risk/Rate of Return Risk in the Banking Book	40 - 41
7.0 Shariah Governance Disclosures	42

**BASEL II PILLAR 3 REPORT**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021**

**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 the 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 ("GRMC") for approval.

## **2.0 Capital (cont'd.)**

### **2.1 Capital Adequacy Ratios**

Effective from 25 March 2020, the Group and the Bank are allowed to drawdown the Capital Conservation Buffer ("CCB") of 2.5% to manage the impact of the Covid-19 outbreak. However, BNM expects the Group and the Bank to rebuild this buffer after 31 December 2020 and to meet the minimum regulatory requirements by 30 September 2021. As at reporting date, the Group and the Bank continued to maintain CCB of 2.5%.

The Group and the Bank have adopted the transitional arrangements on provisions for expected credit losses in accordance with Bank Negara Malaysia's Transitional Arrangements for Regulatory Capital Treatment of Accounting Provisions effective on 9 December 2020. This allow the Group and the Bank to add back a portion of Stage 1 ("S1") and Stage 2 ("S2") provisions with an "add-back factor", to the Common Equity Tier I ("CET I") capital from Financial Year 2021 to Financial Year 2024.

(a) The capital adequacy ratios with and without transitional arrangements of the Group and the Bank are as follows:

	<b><u>GROUP</u></b>		<b><u>BANK</u></b>	
	30 September 2021	31 March 2021	30 September 2021	31 March 2021
(i) With transitional arrangements				
<u>Before deducting proposed dividends</u>				
CET I capital ratio	17.403%	16.463%	16.608%	15.654%
Tier I capital ratio	18.365%	17.418%	17.527%	16.566%
Total capital ratio	22.687%	21.816%	22.411%	21.549%
<u>After deducting proposed dividends</u>				
CET I capital ratio	17.050%	16.218%	16.135%	15.327%
Tier I capital ratio	18.012%	17.173%	17.054%	16.238%
Total capital ratio	22.333%	21.571%	21.938%	21.222%
(ii) Without transitional arrangements				
<u>Before deducting proposed dividends</u>				
CET I capital ratio	15.971%	15.232%	15.450%	14.646%
Tier I capital ratio	16.932%	16.187%	16.370%	15.557%
Total capital ratio	21.354%	20.588%	21.425%	20.582%
<u>After deducting proposed dividends</u>				
CET I capital ratio	15.617%	14.987%	14.977%	14.318%
Tier I capital ratio	16.579%	15.942%	15.897%	15.230%
Total capital ratio	21.000%	20.343%	20.952%	20.255%

**2.0 Capital (cont'd.)**

**2.1 Capital Adequacy Ratios (cont'd.)**

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

	<u><b>Alliance Islamic Bank Berhad</b></u>		<u><b>Alliance Investment Bank Berhad</b></u>	
	30 September 2021	31 March 2021	30 September 2021	31 March 2021
(i) With transitional arrangements				
<u>Before deducting proposed dividends</u>				
CET I capital ratio	15.879%	15.035%	74.971%	72.580%
Tier I capital ratio	17.007%	16.158%	74.971%	72.580%
Total capital ratio	19.634%	18.783%	75.885%	73.506%
<u>After deducting proposed dividends</u>				
CET I capital ratio	15.639%	15.035%	74.971%	69.000%
Tier I capital ratio	16.768%	16.158%	74.971%	69.000%
Total capital ratio	19.395%	18.783%	75.885%	69.926%
(ii) Without transitional arrangements				
<u>Before deducting proposed dividends</u>				
CET I capital ratio	13.535%	13.065%	74.960%	72.550%
Tier I capital ratio	14.664%	14.188%	74.960%	72.550%
Total capital ratio	17.291%	16.813%	75.874%	73.476%
<u>After deducting proposed dividends</u>				
CET I capital ratio	13.296%	13.065%	74.960%	68.970%
Tier I capital ratio	14.424%	14.188%	74.960%	68.970%
Total capital ratio	17.051%	16.813%	75.874%	69.896%

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 CET I, Tier I and Tier II capital.

	<b>GROUP</b>		<b>BANK</b>	
	30 September 2021 RM'000	31 March 2021 RM'000	30 September 2021 RM'000	31 March 2021 RM'000
<b><u>CET I Capital/Tier 1 Capital</u></b>				
Paid-up share capital	1,548,106	1,548,106	1,548,106	1,548,106
Retained profits	4,739,645	4,471,771	4,203,150	3,985,966
Regulatory reserves (Note 2)	47,686	86,440	41,641	80,006
Hedging reserves	37	-	37	-
Financial investments at fair value through other comprehensive income ("FVOCI") reserves	2,481	50,993	(31,170)	(5,082)
Capital reserves	100,150	100,150	15,515	15,515
	<u>6,438,105</u>	<u>6,257,460</u>	<u>5,777,279</u>	<u>5,624,511</u>
(Less)/add: Regulatory adjustments				
- Goodwill and other intangibles	(430,281)	(431,259)	(328,315)	(329,004)
- Deferred tax assets	(146,248)	(130,100)	(100,673)	(95,200)
- 55% of FVOCI reserves	(1,365)	(28,046)	-	-
- Regulatory reserves (Note 2)	(47,686)	(86,440)	(41,641)	(80,006)
- Investment in subsidiaries, associate and joint venture	(1,025)	(994)	(1,109,102)	(1,109,102)
- Transitional arrangements	521,292	451,004	314,402	276,161
Total CET I capital	<u>6,332,792</u>	<u>6,031,625</u>	<u>4,511,950</u>	<u>4,287,360</u>
Additional Tier 1 Capital Securities	349,928	349,899	249,809	249,732
Total Additional Tier 1 Capital	<u>349,928</u>	<u>349,899</u>	<u>249,809</u>	<u>249,732</u>
Total Tier I Capital	<u>6,682,720</u>	<u>6,381,524</u>	<u>4,761,759</u>	<u>4,537,092</u>
<b><u>Tier II Capital</u></b>				
Subordinated obligations	1,199,170	1,199,077	1,198,700	1,198,554
Expected credit losses and regulatory reserves (Note 1 & Note 2)	373,502	412,255	258,031	296,396
Less: Regulatory adjustments				
- Investment in Tier II capital instruments	-	-	(130,000)	(130,000)
Total Tier II Capital	<u>1,572,672</u>	<u>1,611,332</u>	<u>1,326,731</u>	<u>1,364,950</u>
<b>Total Capital</b>	<u>8,255,392</u>	<u>7,992,856</u>	<u>6,088,490</u>	<u>5,902,042</u>

Note 1: Expected credit losses for S1 and S2 only.

Note 2: The Bank maintained its prudent stand in relation of maintaining the regulatory reserves to preserve the potential deterioration of credit quality, taking into consideration of this unprecedented pandemic impact and the economic slowdown.

## 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 requirements of the Group and the Bank:

<b>GROUP</b> <b>30 September 2021</b> <b>Exposure Class</b>	<b>Gross</b> <b>Exposures</b> <b>RM'000</b>	<b>Net</b> <b>Exposures</b> <b>RM'000</b>	<b>Risk-Weighted</b> <b>Assets</b> <b>RM'000</b>	<b>Capital</b> <b>Requirements</b> <b>RM'000</b>
(i) <u>Credit Risk</u>				
On-balance sheet exposures:				
Sovereigns/Central banks	9,063,986	9,063,986	-	-
Public sector entities	683,347	683,347	44,863	3,589
Banks, Development Financial Institutions ("DFIs") and Multilateral Development Banks	963,079	963,079	223,146	17,852
Insurance companies, securities firms and fund managers	15,745	15,745	15,561	1,245
Corporates	19,908,510	18,540,000	14,334,690	1,146,775
Regulatory retail	10,642,707	9,666,286	7,122,327	569,786
Residential mortgages	16,382,221	16,372,569	6,541,980	523,359
Higher risk assets	5,680	5,677	8,516	681
Other assets	1,088,004	1,088,004	745,883	59,671
Defaulted exposures	740,553	739,165	754,437	60,355
Total on-balance sheet exposures	<u>59,493,832</u>	<u>57,137,858</u>	<u>29,791,403</u>	<u>2,383,313</u>
Off-balance sheet exposures:				
Credit-related off-balance sheet exposures	3,835,118	3,259,567	2,821,648	225,732
Derivative financial instruments	422,631	422,631	163,101	13,048
Defaulted exposures	1,612	1,607	2,405	192
Total off-balance sheet exposures	<u>4,259,361</u>	<u>3,683,805</u>	<u>2,987,154</u>	<u>238,972</u>
Total on and off-balance sheet exposures	<u>63,753,193</u>	<u>60,821,663</u>	<u>32,778,557</u>	<u>2,622,285</u>
(ii) <u>Market Risk (Note 4.0)</u>				
	Long Position	Short Position		
Interest rate risk	18,424,250	(18,366,675)	247,532	19,803
Foreign exchange risk	32,230	(43,079)	43,081	3,447
	18,456,480	(18,409,754)		
Option risk			86	7
Total			<u>290,699</u>	<u>23,257</u>
(iii) <u>Operational Risk</u>	-	-	3,319,590	265,567
Total	<u>63,753,193</u>	<u>60,821,663</u>	<u>36,388,846</u>	<u>2,911,109</u>



## 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 requirements of the Group and the Bank (cont'd.):

<b>BANK</b> <b>30 September 2021</b> <b>Exposure Class</b>	<b>Gross</b> <b>Exposures</b> <b>RM'000</b>	<b>Net</b> <b>Exposures</b> <b>RM'000</b>	<b>Risk- Weighted</b> <b>Assets</b> <b>RM'000</b>	<b>Capital</b> <b>Requirements</b> <b>RM'000</b>
(i) <u>Credit Risk</u>				
On-balance sheet exposures:				
Sovereigns/Central banks	6,898,787	6,898,787	-	-
Public sector entities	364,835	364,835	26,174	2,094
Banks, DFIs and Multilateral Development Banks	1,184,906	1,184,906	325,268	26,021
Insurance companies, securities firms and fund managers	11,991	11,991	11,807	945
Corporates	14,817,251	13,640,318	10,734,137	858,731
Regulatory retail	8,087,042	7,246,551	5,180,267	414,421
Residential mortgages	11,763,766	11,754,362	4,512,747	361,020
Higher risk assets	4,797	4,794	7,191	575
Other assets	953,578	953,578	656,786	52,543
Defaulted exposures	536,659	535,804	569,282	45,543
Total on-balance sheet exposures	<u>44,623,612</u>	<u>42,595,926</u>	<u>22,023,659</u>	<u>1,761,893</u>
Off-balance sheet exposures:				
Credit-related off-balance sheet exposures	3,030,057	2,537,159	2,188,552	175,084
Derivative financial instruments	422,631	422,631	163,101	13,048
Defaulted exposures	1,587	1,582	2,370	190
Total off-balance sheet exposures	<u>3,454,275</u>	<u>2,961,372</u>	<u>2,354,023</u>	<u>188,322</u>
Total on and off-balance sheet exposures	<u>48,077,887</u>	<u>45,557,298</u>	<u>24,377,682</u>	<u>1,950,215</u>
(ii) <u>Market Risk (Note 4.0)</u>				
	Long Position	Short Position		
Interest rate risk	18,424,250	(18,366,675)	247,532	19,803
Foreign exchange risk	32,058	(43,019)	43,021	3,442
	18,456,308	(18,409,694)		
Option risk			86	7
Total			<u>290,639</u>	<u>23,252</u>
(iii) <u>Operational Risk</u>	-	-	2,499,564	199,965
Total	<u>48,077,887</u>	<u>45,557,298</u>	<u>27,167,885</u>	<u>2,173,432</u>

**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 requirements of the Group and the Bank (cont'd.):

<b>GROUP</b> <b>31 March 2021</b> <b>Exposure Class</b>	<b>Gross</b> <b>Exposures</b> <b>RM'000</b>	<b>Net</b> <b>Exposures</b> <b>RM'000</b>	<b>Risk-</b> <b>Weighted</b> <b>Assets</b> <b>RM'000</b>	<b>Capital</b> <b>Requirements</b> <b>RM'000</b>
(i) <u>Credit Risk</u>				
On-balance sheet exposures:				
Sovereigns/Central banks	10,122,388	10,122,388	-	-
Public sector entities	817,768	817,768	57,876	4,630
Banks, Development Financial Institutions ("DFIs") and Multilateral Development Banks	631,456	631,456	141,563	11,325
Insurance companies, securities firms and fund managers	6,284	6,284	6,077	486
Corporates	19,977,037	18,656,375	14,581,901	1,166,552
Regulatory retail	10,635,671	9,690,282	7,352,897	588,232
Residential mortgages	16,603,585	16,594,047	6,581,212	526,497
Higher risk assets	5,998	5,994	8,990	719
Other assets	1,013,569	1,013,569	692,930	55,434
Defaulted exposures	756,160	754,327	757,615	60,609
Total on-balance sheet exposures	<u>60,569,916</u>	<u>58,292,490</u>	<u>30,181,061</u>	<u>2,414,484</u>
Off-balance sheet exposures:				
Credit-related off-balance sheet exposures	3,638,735	3,084,997	2,680,348	214,428
Derivative financial instruments	495,459	495,459	201,071	16,086
Defaulted exposures	2,130	2,125	3,112	249
Total off-balance sheet exposures	<u>4,136,324</u>	<u>3,582,581</u>	<u>2,884,531</u>	<u>230,763</u>
Total on and off-balance sheet exposures	<u>64,706,240</u>	<u>61,875,071</u>	<u>33,065,592</u>	<u>2,645,247</u>
(ii) <u>Market Risk (Note 4.0)</u>				
	Long Position	Short Position		
Interest rate risk	17,983,281	(17,935,086)	252,425	20,194
Foreign exchange risk	69,779	(42,917)	69,927	5,594
	18,053,060	(17,978,003)		
Option risk			300	24
Total			<u>322,652</u>	<u>25,812</u>
(iii) <u>Operational Risk</u>	-	-	3,249,393	259,951
Total	<u>64,706,240</u>	<u>61,875,071</u>	<u>36,637,637</u>	<u>2,931,010</u>

**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 requirements of the Group and the Bank (cont'd.):

<b>BANK</b> <b>31 March 2021</b> <b>Exposure Class</b>	<b>Gross</b> <b>Exposures</b> <b>RM'000</b>	<b>Net</b> <b>Exposures</b> <b>RM'000</b>	<b>Risk-</b> <b>Weighted</b> <b>Assets</b> <b>RM'000</b>	<b>Capital</b> <b>Requirements</b> <b>RM'000</b>
(i) <u>Credit Risk</u>				
On-balance sheet exposures:				
Sovereigns/Central banks	7,241,310	7,241,310	-	-
Public sector entities	312,291	312,291	19,746	1,580
Banks, DFIs and Multilateral Development Banks	940,828	940,828	271,999	21,760
Insurance companies, securities firms and fund managers	2,535	2,535	2,328	186
Corporates	14,817,564	13,676,450	10,931,204	874,496
Regulatory retail	8,092,353	7,290,730	5,389,239	431,139
Residential mortgages	11,916,912	11,907,641	4,525,487	362,039
Higher risk assets	5,100	5,096	7,644	612
Other assets	942,752	942,752	622,113	49,769
Defaulted exposures	539,010	537,709	561,963	44,957
Total on-balance sheet exposures	<u>44,810,655</u>	<u>42,857,342</u>	<u>22,331,723</u>	<u>1,786,538</u>
Off-balance sheet exposures:				
Credit-related off-balance sheet exposures	2,880,297	2,411,176	2,076,379	166,110
Derivative financial instruments	495,459	495,459	201,071	16,086
Defaulted exposures	1,585	1,580	2,307	185
Total off-balance sheet exposures	<u>3,377,341</u>	<u>2,908,215</u>	<u>2,279,757</u>	<u>182,381</u>
Total on and off-balance sheet exposures	<u>48,187,996</u>	<u>45,765,557</u>	<u>24,611,480</u>	<u>1,968,919</u>
(ii) <u>Market Risk (Note 4.0)</u>				
	Long Position	Short Position		
Interest rate risk	17,983,281	(17,935,086)	252,425	20,194
Foreign exchange risk	69,613	(42,771)	69,606	5,568
	18,052,894	(17,977,857)		
Option risk			300	24
Total			<u>322,331</u>	<u>25,786</u>
(iii) <u>Operational Risk</u>	-	-	2,454,737	196,379
Total	<u>48,187,996</u>	<u>45,765,557</u>	<u>27,388,548</u>	<u>2,191,084</u>

Note:

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

The Group and the Bank 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 Group's and the Bank'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.

<b>GROUP</b>	<b>Geographical region</b>						<b>Total</b>
	<b>Northern</b>	<b>Central</b>	<b>Southern</b>	<b>Sabah</b>	<b>Sarawak</b>	<b>Outside</b>	
<b>30 September 2021</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>Malaysia</b>	<b>RM'000</b>
Cash and short-term funds (exclude cash in hand)	-	2,634,191	-	-	-	36,017	2,670,208
Deposits and placements with banks and other financial institutions	-	83,736	-	-	-	-	83,736
Amounts due from clients and brokers	17,649	102,851	5,675	-	-	-	126,175
Financial assets at fair value through profit or loss (exclude equity securities)	-	42,340	-	-	-	-	42,340
Financial investments at fair value through other comprehensive income (exclude equity securities)	-	9,666,346	-	-	-	-	9,666,346
Financial investments at amortised cost	-	2,236,602	-	-	-	-	2,236,602
Derivative financial assets	-	94,896	-	-	-	-	94,896
Loans, advances and financing (exclude sales commissions and handling fees)	3,189,794	30,775,189	5,383,576	3,069,307	1,150,460	-	43,568,326
Statutory deposits with Bank Negara Malaysia	-	92,158	-	-	-	-	92,158
<b>Total on-balance sheet</b>	<b>3,207,443</b>	<b>45,728,309</b>	<b>5,389,251</b>	<b>3,069,307</b>	<b>1,150,460</b>	<b>36,017</b>	<b>58,580,787</b>
Contingent liabilities	88,847	1,110,900	72,765	73,078	41,194	-	1,386,784
Commitments	1,326,637	8,563,543	1,360,266	1,037,887	432,696	-	12,721,029
<b>Total off-balance sheet</b>	<b>1,415,484</b>	<b>9,674,443</b>	<b>1,433,031</b>	<b>1,110,965</b>	<b>473,890</b>	<b>-</b>	<b>14,107,813</b>
<b>Total credit exposure</b>	<b>4,622,927</b>	<b>55,402,752</b>	<b>6,822,282</b>	<b>4,180,272</b>	<b>1,624,350</b>	<b>36,017</b>	<b>72,688,600</b>

<b>BANK</b>	<b>Geographical region</b>						<b>Total</b>
	<b>Northern</b>	<b>Central</b>	<b>Southern</b>	<b>Sabah</b>	<b>Sarawak</b>	<b>Outside</b>	
<b>30 September 2021</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>Malaysia</b>	<b>RM'000</b>
Cash and short-term funds (exclude cash in hand)	-	1,680,672	-	-	-	36,017	1,716,689
Deposits and placements with banks and other financial institutions	-	83,736	-	-	-	-	83,736
Financial assets at fair value through profit or loss (exclude equity securities)	-	42,340	-	-	-	-	42,340
Financial investments at fair value through other comprehensive income (exclude equity securities)	-	6,942,566	-	-	-	-	6,942,566
Financial investments at amortised cost	-	2,274,968	-	-	-	-	2,274,968
Derivative financial assets	-	94,896	-	-	-	-	94,896
Loans, advances and financing (exclude sales commissions and handling fees)	2,155,923	23,468,434	4,129,538	2,061,107	774,316	-	32,589,318
Statutory deposits with Bank Negara Malaysia	-	70,620	-	-	-	-	70,620
<b>Total on-balance sheet</b>	<b>2,155,923</b>	<b>34,658,232</b>	<b>4,129,538</b>	<b>2,061,107</b>	<b>774,316</b>	<b>36,017</b>	<b>43,815,133</b>
Contingent liabilities	63,655	894,701	57,478	63,759	38,530	-	1,118,123
Commitments	851,139	7,171,307	960,947	734,110	348,467	-	10,065,970
<b>Total off-balance sheet</b>	<b>914,794</b>	<b>8,066,008</b>	<b>1,018,425</b>	<b>797,869</b>	<b>386,997</b>	<b>-</b>	<b>11,184,093</b>
<b>Total credit exposure</b>	<b>3,070,717</b>	<b>42,724,240</b>	<b>5,147,963</b>	<b>2,858,976</b>	<b>1,161,313</b>	<b>36,017</b>	<b>54,999,226</b>

### 3.0 Credit Risk (cont'd.)

#### 3.1 Distribution of Credit Exposures (cont'd.)

##### (a) Geographical Distribution (cont'd.)

The following tables represent the Group's and Bank'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.).

<b>GROUP</b>	<b>Geographical region</b>						<b>Total</b>
	<b>Northern</b>	<b>Central</b>	<b>Southern</b>	<b>Sabah</b>	<b>Sarawak</b>	<b>Outside</b>	
<b>31 March 2021</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>Malaysia</b>	<b>RM'000</b>
Cash and short-term funds							
(exclude cash in hand)	-	2,748,208	-	-	-	19,417	2,767,625
Deposits and placements with banks							
and other financial institutions	-	41,481	-	-	-	-	41,481
Amounts due from clients and brokers	22,108	75,700	7,233	-	-	-	105,041
Financial assets at fair value through							
profit or loss (exclude equity securities)	-	13,246	-	-	-	-	13,246
Financial investments at fair value through							
other comprehensive income	-	10,424,654	-	-	-	-	10,424,654
(exclude equity securities)	-	2,270,927	-	-	-	-	2,270,927
Financial investments at amortised cost	-	153,735	-	-	-	-	153,735
Derivative financial assets	-						
Loans, advances and financing (exclude							
sales commissions and handling fees)	3,148,817	31,028,629	5,418,154	3,164,458	1,109,880	-	43,869,938
Statutory deposits with Bank Negara Malaysia	-	88,012	-	-	-	-	88,012
<b>Total on-balance sheet</b>	<b>3,170,925</b>	<b>46,844,592</b>	<b>5,425,387</b>	<b>3,164,458</b>	<b>1,109,880</b>	<b>19,417</b>	<b>59,734,659</b>
Contingent liabilities	75,834	1,111,791	85,226	72,275	42,403	-	1,387,529
Commitments	1,325,928	7,901,302	1,291,634	868,272	445,902	-	11,833,038
<b>Total off-balance sheet</b>	<b>1,401,762</b>	<b>9,013,093</b>	<b>1,376,860</b>	<b>940,547</b>	<b>488,305</b>	<b>-</b>	<b>13,220,567</b>
<b>Total credit exposure</b>	<b>4,572,687</b>	<b>55,857,685</b>	<b>6,802,247</b>	<b>4,105,005</b>	<b>1,598,185</b>	<b>19,417</b>	<b>72,955,226</b>

<b>BANK</b>	<b>Geographical region</b>						<b>Total</b>
	<b>Northern</b>	<b>Central</b>	<b>Southern</b>	<b>Sabah</b>	<b>Sarawak</b>	<b>Outside</b>	
<b>31 March 2021</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>Malaysia</b>	<b>RM'000</b>
Cash and short-term funds							
(exclude cash in hand)	-	1,439,207	-	-	-	19,417	1,458,624
Deposits and placements with banks							
and other financial institutions	-	41,481	-	-	-	-	41,481
Financial assets at fair value through							
profit or loss (exclude equity securities)	-	13,246	-	-	-	-	13,246
Financial investments at fair value through							
other comprehensive income	-	7,303,851	-	-	-	-	7,303,851
(exclude equity securities)	-	2,295,132	-	-	-	-	2,295,132
Financial investments at amortised cost	-	153,735	-	-	-	-	153,735
Derivative financial assets	-						
Loans, advances and financing (exclude							
sales commissions and handling fees)	2,148,651	23,615,076	4,139,629	2,088,939	762,754	-	32,755,049
Statutory deposits with Bank Negara Malaysia	-	69,574	-	-	-	-	69,574
<b>Total on-balance sheet</b>	<b>2,148,651</b>	<b>34,931,302</b>	<b>4,139,629</b>	<b>2,088,939</b>	<b>762,754</b>	<b>19,417</b>	<b>44,090,692</b>
Contingent liabilities	58,264	892,153	66,099	66,664	39,315	-	1,122,495
Commitments	844,580	6,578,858	937,232	667,441	339,446	-	9,367,557
<b>Total off-balance sheet</b>	<b>902,844</b>	<b>7,471,011</b>	<b>1,003,331</b>	<b>734,105</b>	<b>378,761</b>	<b>-</b>	<b>10,490,052</b>
<b>Total credit exposure</b>	<b>3,051,495</b>	<b>42,402,313</b>	<b>5,142,960</b>	<b>2,823,044</b>	<b>1,141,515</b>	<b>19,417</b>	<b>54,580,744</b>

### 3.0 Credit Risk (cont'd.)

#### 3.1 Distribution of Credit Exposures (cont'd.)

##### (b) Industry Distribution

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

	Government & Central Bank RM'000	Financial, Insurance, Business Services & Real Estate RM'000	Transport, Storage & Communication RM'000	Agriculture, Manufacturing, Wholesale & Retail Trade RM'000	Construction RM'000	Household RM'000	Others RM'000	Total RM'000
<b>GROUP</b>								
<b>30 September 2021</b>								
Cash and short-term funds (exclude cash in hand)	2,046,031	624,177	-	-	-	-	-	2,670,208
Deposits and placements with banks and other financial institutions	-	83,736	-	-	-	-	-	83,736
Amounts due from clients and brokers	-	56,661	-	-	-	-	69,514	126,175
Financial assets at fair value through profit or loss (exclude equity securities)	36,240	3	2,694	3,403	-	-	-	42,340
Financial investments at fair value through other comprehensive income (exclude equity securities)	4,791,273	2,841,237	1,504,309	295,283	234,244	-	-	9,666,346
Financial investments at amortised cost	2,134,525	91,809	-	-	-	-	10,268	2,236,602
Derivative financial assets	-	76,494	-	-	-	-	18,402	94,896
Loans, advances and financing (exclude sales commissions and handling fees)	-	5,003,388	692,346	13,329,129	1,324,063	22,864,919	354,481	43,568,326
Statutory deposits with Bank Negara Malaysia	92,158	-	-	-	-	-	-	92,158
<b>Total on-balance sheet</b>	<b>9,100,227</b>	<b>8,777,505</b>	<b>2,199,349</b>	<b>13,627,815</b>	<b>1,558,307</b>	<b>22,864,919</b>	<b>452,665</b>	<b>58,580,787</b>
Contingent liabilities	-	298,111	18,191	645,633	410,292	4,522	10,035	1,386,784
Commitments	-	1,509,585	95,525	5,327,294	1,334,797	4,375,938	77,890	12,721,029
<b>Total off-balance sheet</b>	<b>-</b>	<b>1,807,696</b>	<b>113,716</b>	<b>5,972,927</b>	<b>1,745,089</b>	<b>4,380,460</b>	<b>87,925</b>	<b>14,107,813</b>
<b>Total credit risk</b>	<b>9,100,227</b>	<b>10,585,201</b>	<b>2,313,065</b>	<b>19,600,742</b>	<b>3,303,396</b>	<b>27,245,379</b>	<b>540,590</b>	<b>72,688,600</b>
<b>BANK</b>								
<b>30 September 2021</b>								
Cash and short-term funds (exclude cash in hand)	1,141,058	575,631	-	-	-	-	-	1,716,689
Deposits and placements with banks and other financial institutions	-	83,736	-	-	-	-	-	83,736
Financial assets at fair value through profit or loss (exclude equity securities)	36,240	3	2,694	3,403	-	-	-	42,340
Financial investments at fair value through other comprehensive income (exclude equity securities)	3,763,890	1,866,048	1,050,697	143,110	118,821	-	-	6,942,566
Financial investments at amortised cost	1,923,219	341,481	-	-	-	-	10,268	2,274,968
Derivative financial assets	-	76,494	-	-	-	-	18,402	94,896
Loans, advances and financing (exclude sales commissions and handling fees)	-	3,998,519	568,671	10,111,942	996,345	16,639,657	274,184	32,589,318
Statutory deposits with Bank Negara Malaysia	70,620	-	-	-	-	-	-	70,620
<b>Total on-balance sheet</b>	<b>6,935,027</b>	<b>6,941,912</b>	<b>1,622,062</b>	<b>10,258,455</b>	<b>1,115,166</b>	<b>16,639,657</b>	<b>302,854</b>	<b>43,815,133</b>
Contingent liabilities	-	188,554	12,620	542,397	360,152	4,499	9,901	1,118,123
Commitments	-	1,169,379	75,870	3,798,265	1,161,683	3,795,541	65,232	10,065,970
<b>Total off-balance sheet</b>	<b>-</b>	<b>1,357,933</b>	<b>88,490</b>	<b>4,340,662</b>	<b>1,521,835</b>	<b>3,800,040</b>	<b>75,133</b>	<b>11,184,093</b>
<b>Total credit risk</b>	<b>6,935,027</b>	<b>8,299,845</b>	<b>1,710,552</b>	<b>14,599,117</b>	<b>2,637,001</b>	<b>20,439,697</b>	<b>377,987</b>	<b>54,999,226</b>

### 3.0 Credit Risk (cont'd.)

#### 3.1 Distribution of Credit Exposures (cont'd.)

##### (b) Industry Distribution (cont'd.)

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

<b>GROUP</b>	Government & Central Bank RM'000	Financial, Insurance, Business Services & Real Estate RM'000	Transport, Storage & Communication RM'000	Agriculture, Manufacturing, Wholesale & Retail Trade RM'000	Construction RM'000	Household RM'000	Others RM'000	Total RM'000
<b>31 March 2021</b>								
Cash and short-term funds (exclude cash in hand)	2,405,723	361,902	-	-	-	-	-	2,767,625
Deposits and placements with banks and other financial institutions	-	41,481	-	-	-	-	-	41,481
Amounts due from clients and brokers	-	-	-	-	-	-	105,041	105,041
Financial assets at fair value through profit or loss (exclude equity securities)	13,246	-	-	-	-	-	-	13,246
Financial investments at fair value through other comprehensive income (exclude equity securities)	3,659,989	2,664,134	2,702,953	443,069	954,509	-	-	10,424,654
Financial investments at amortised cost	472,725	100,980	1,316,187	-	360,507	-	20,528	2,270,927
Derivative financial assets	-	93,388	-	-	-	-	60,347	153,735
Loans, advances and financing (exclude sales commissions and handling fees)	-	4,747,204	710,901	13,501,216	1,386,066	23,151,801	372,750	43,869,938
Statutory deposits with Bank Negara Malaysia	88,012	-	-	-	-	-	-	88,012
<b>Total on-balance sheet</b>	<b>6,639,695</b>	<b>8,009,089</b>	<b>4,730,041</b>	<b>13,944,285</b>	<b>2,701,082</b>	<b>23,151,801</b>	<b>558,666</b>	<b>59,734,659</b>
Contingent liabilities	-	299,037	18,065	636,861	413,716	5,050	14,800	1,387,529
Commitments	20,800	1,227,680	124,164	5,226,376	1,234,511	3,896,995	102,512	11,833,038
<b>Total off-balance sheet</b>	<b>20,800</b>	<b>1,526,717</b>	<b>142,229</b>	<b>5,863,237</b>	<b>1,648,227</b>	<b>3,902,045</b>	<b>117,312</b>	<b>13,220,567</b>
<b>Total credit risk</b>	<b>6,660,495</b>	<b>9,535,806</b>	<b>4,872,270</b>	<b>19,807,522</b>	<b>4,349,309</b>	<b>27,053,846</b>	<b>675,978</b>	<b>72,955,226</b>

  

<b>BANK</b>								
<b>31 March 2021</b>								
Cash and short-term funds (exclude cash in hand)	1,032,600	426,024	-	-	-	-	-	1,458,624
Deposits and placements with banks and other financial institutions	-	41,481	-	-	-	-	-	41,481
Financial assets at fair value through profit or loss (exclude equity securities)	13,246	-	-	-	-	-	-	13,246
Financial investments at fair value through other comprehensive income (exclude equity securities)	3,093,593	1,777,177	1,635,555	341,073	456,453	-	-	7,303,851
Financial investments at amortised cost	451,894	337,653	1,155,336	-	329,721	-	20,528	2,295,132
Derivative financial assets	-	93,388	-	-	-	-	60,347	153,735
Loans, advances and financing (exclude sales commissions and handling fees)	-	3,642,129	567,932	10,336,568	1,086,610	16,829,961	291,849	32,755,049
Statutory deposits with Bank Negara Malaysia	69,574	-	-	-	-	-	-	69,574
<b>Total on-balance sheet</b>	<b>4,660,907</b>	<b>6,317,852</b>	<b>3,358,823</b>	<b>10,677,641</b>	<b>1,872,784</b>	<b>16,829,961</b>	<b>372,724</b>	<b>44,090,692</b>
Contingent liabilities	-	188,209	12,493	538,298	363,829	5,028	14,638	1,122,495
Commitments	20,800	988,361	90,750	3,765,371	1,085,428	3,327,566	89,281	9,367,557
<b>Total off-balance sheet</b>	<b>20,800</b>	<b>1,176,570</b>	<b>103,243</b>	<b>4,303,669</b>	<b>1,449,257</b>	<b>3,332,594</b>	<b>103,919</b>	<b>10,490,052</b>
<b>Total credit risk</b>	<b>4,681,707</b>	<b>7,494,422</b>	<b>3,462,066</b>	<b>14,981,310</b>	<b>3,322,041</b>	<b>20,162,555</b>	<b>476,643</b>	<b>54,580,744</b>

### 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 Group and the Bank:

<b>GROUP</b>	<b>Up to 1 month</b>	<b>&gt;1-3 months</b>	<b>&gt;3-6 months</b>	<b>&gt;6-12 months</b>	<b>&gt;1 year</b>	<b>Total</b>
<b>30 September 2021</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Cash and short-term funds (exclude cash in hand)	2,670,208	-	-	-	-	2,670,208
Deposits and placements with banks and other financial institutions	-	83,736	-	-	-	83,736
Amounts due from clients and brokers	126,175	-	-	-	-	126,175
Financial assets at fair value through profit or loss (exclude equity securities)	-	-	-	-	42,340	42,340
Financial investments at fair value through other comprehensive income (exclude equity securities)	61,293	170,000	176,221	476,572	8,782,260	9,666,346
Financial investments at amortised cost	-	-	16	21,394	2,215,192	2,236,602
Derivative financial assets	4,326	11,658	12,923	6,991	58,998	94,896
Loans, advances and financing (exclude sales commissions and handling fees)	7,269,677	1,888,444	1,207,919	177,515	33,024,771	43,568,326
Statutory deposits with Bank Negara Malaysia	-	-	-	-	92,158	92,158
<b>Total on-balance sheet exposure</b>	<b>10,131,679</b>	<b>2,153,838</b>	<b>1,397,079</b>	<b>682,472</b>	<b>44,215,719</b>	<b>58,580,787</b>

##### **BANK**

**30 September 2021**

Cash and short-term funds (exclude cash in hand)	1,716,689	-	-	-	-	1,716,689
Deposits and placements with banks and other financial institutions	-	83,736	-	-	-	83,736
Financial assets at fair value through profit or loss (exclude equity securities)	-	-	-	-	42,340	42,340
Financial investments at fair value through other comprehensive income (exclude equity securities)	40,843	98,813	65,366	317,498	6,420,046	6,942,566
Financial investments at amortised cost	-	-	-	140,307	2,134,661	2,274,968
Derivative financial assets	4,326	11,658	12,923	6,991	58,998	94,896
Loans, advances and financing (exclude sales commissions and handling fees)	5,099,603	1,365,962	944,824	141,103	25,037,826	32,589,318
Statutory deposits with Bank Negara Malaysia	-	-	-	-	70,620	70,620
<b>Total on-balance sheet exposure</b>	<b>6,861,461</b>	<b>1,560,169</b>	<b>1,023,113</b>	<b>605,899</b>	<b>33,764,491</b>	<b>43,815,133</b>



### 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 Group and the Bank (cont'd.):

<b>GROUP</b>	<u>Up to 1 month</u>	<u>&gt;1-3 months</u>	<u>&gt;3-6 months</u>	<u>&gt;6-12 months</u>	<u>&gt;1 year</u>	<u>Total</u>
<b>31 March 2021</b>	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cash and short-term funds (exclude cash in hand)	2,767,625	-	-	-	-	2,767,625
Deposits and placements with banks and other financial institutions	-	41,481	-	-	-	41,481
Amounts due from clients and brokers	105,041	-	-	-	-	105,041
Financial assets at fair value through profit or loss (exclude equity securities)	-	-	-	-	13,246	13,246
Financial investments at fair value through other comprehensive income (exclude equity securities)	407,653	61,106	131,811	446,123	9,377,961	10,424,654
Financial investments at amortised cost	10,262	-	-	16	2,260,649	2,270,927
Derivative financial assets	8,980	17,888	31,658	15,334	79,875	153,735
Loans, advances and financing (exclude sales commissions and handling fees)	7,793,227	2,054,074	910,181	333,529	32,778,927	43,869,938
Statutory deposits with Bank Negara Malaysia	-	-	-	-	88,012	88,012
<b>Total on-balance sheet exposure</b>	<b>11,092,788</b>	<b>2,174,549</b>	<b>1,073,650</b>	<b>795,002</b>	<b>44,598,670</b>	<b>59,734,659</b>

##### **BANK**

**31 March 2021**

Cash and short-term funds (exclude cash in hand)	1,458,624	-	-	-	-	1,458,624
Deposits and placements with banks and other financial institutions	-	41,481	-	-	-	41,481
Financial assets at fair value through profit or loss (exclude equity securities)	-	-	-	-	13,246	13,246
Financial investments at fair value through other comprehensive income (exclude equity securities)	321,000	56,006	131,811	236,523	6,558,511	7,303,851
Financial investments at amortised cost	10,261	-	-	-	2,284,871	2,295,132
Derivative financial assets	8,980	17,888	31,658	15,334	79,875	153,735
Loans, advances and financing (exclude sales commissions and handling fees)	5,400,749	1,498,762	670,636	309,106	24,875,796	32,755,049
Statutory deposits with Bank Negara Malaysia	-	-	-	-	69,574	69,574
<b>Total on-balance sheet exposure</b>	<b>7,199,614</b>	<b>1,614,137</b>	<b>834,105</b>	<b>560,963</b>	<b>33,881,873</b>	<b>44,090,692</b>

### 3.0 Credit Risk (cont'd.)

#### 3.2 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.

Past due but not impaired loans, advances and financing analysed by sector:

	<b>GROUP</b>		<b>BANK</b>	
	30 September 2021 RM'000	31 March 2021 RM'000	30 September 2021 RM'000	31 March 2021 RM'000
Financial, insurance & business services and real estate	84,889	60,655	77,979	49,423
Transport, storage & communication	14,525	18,288	14,053	15,795
Agriculture, manufacturing, wholesale & retail trade	316,625	287,091	271,557	216,475
Construction	165,373	212,783	139,485	153,623
Household	1,062,505	1,015,998	679,612	667,359
Others	2,440	1,151	2,434	1,144
	<u>1,646,357</u>	<u>1,595,966</u>	<u>1,185,120</u>	<u>1,103,819</u>

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

	<b>GROUP</b>		<b>BANK</b>	
	30 September 2021 RM'000	31 March 2021 RM'000	30 September 2021 RM'000	31 March 2021 RM'000
Northern region	82,434	100,942	60,450	61,820
Central region	1,284,460	1,226,567	928,442	869,734
Southern region	191,025	157,342	149,842	113,578
Sabah region	72,955	95,584	35,558	45,755
Sarawak region	15,483	15,531	10,828	12,932
	<u>1,646,357</u>	<u>1,595,966</u>	<u>1,185,120</u>	<u>1,103,819</u>

### 3.0 Credit Risk (cont'd.)

#### 3.3 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:

	<b>GROUP</b>		<b>BANK</b>	
	30 September 2021 RM'000	31 March 2021 RM'000	30 September 2021 RM'000	31 March 2021 RM'000
Financial, insurance & business services and real estate	73,308	74,203	72,742	73,017
Transport, storage & communication	4,624	4,683	4,222	4,179
Agriculture, manufacturing, wholesale & retail trade	148,503	154,405	128,714	129,087
Construction	34,336	32,416	19,688	19,705
Household	749,841	762,451	504,196	505,303
Others	6,960	4,278	3,076	4,277
	<u>1,017,572</u>	<u>1,032,436</u>	<u>732,638</u>	<u>735,568</u>

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

		Lifetime ECL	Lifetime ECL	ECL charged/ (write-back)	Stage 3 write-off
	12 months ECL (Stage 1)	Not-credit impaired (Stage 2)	Credit impaired (Stage 3)	for the period (net)	for the period
<b>GROUP</b>	<b>(Stage 1)</b>	<b>(Stage 2)</b>	<b>(Stage 3)</b>	<b>period (net)</b>	<b>for the period</b>
<b>30 September 2021</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Financial, insurance & business services and real estate	10,627	21,233	6,639	(629)	(452)
Transport, storage & communication	3,222	3,583	3,315	96	(118)
Agriculture, manufacturing, wholesale & retail trade	48,421	119,715	75,579	6,600	(6,320)
Construction	2,984	52,933	26,949	(22)	-
Household	178,659	356,176	165,095	46,675	(40,922)
Others	602	5,033	1,702	1,268	(1,109)
	<u>244,515</u>	<u>558,673</u>	<u>279,279</u>	<u>53,988</u>	<u>(48,921)</u>

#### **BANK**

**30 September 2021**

Financial, insurance & business services and real estate	8,204	15,573	6,291	(719)	(452)
Transport, storage & communication	2,906	3,350	2,952	119	(118)
Agriculture, manufacturing, wholesale & retail trade	38,459	98,127	67,109	5,923	(6,310)
Construction	2,221	30,962	13,591	(376)	-
Household	110,249	195,768	106,257	30,210	(25,869)
Others	406	3,525	928	495	(1,109)
	<u>162,445</u>	<u>347,305</u>	<u>197,128</u>	<u>35,652</u>	<u>(33,858)</u>

### 3.0 Credit Risk (cont'd.)

#### 3.3 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.):

<b>GROUP</b>	<b>12 months ECL (Stage 1)</b>	<b>Lifetime ECL Not-credit impaired (Stage 2)</b>	<b>Lifetime ECL Credit impaired (Stage 3)</b>	<b>ECL charged/ (write-back) for the period (net)</b>	<b>Stage 3 write-off for the period</b>
<b>31 March 2021</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Financial, insurance & business services and real estate	10,297	17,723	7,865	(241)	(611)
Transport, storage & communication	3,254	3,362	3,383	224	(2,073)
Agriculture, manufacturing, wholesale & retail trade	50,344	116,695	76,543	19,531	(37,811)
Construction	2,938	68,329	26,132	1,628	(13,829)
Household	162,606	289,704	161,694	100,356	(75,521)
Others	1,586	2,963	1,788	182	(5)
	<u>231,025</u>	<u>498,776</u>	<u>277,405</u>	<u>121,680</u>	<u>(129,850)</u>

#### **BANK**

**31 March 2021**

Financial, insurance & business services and real estate	7,593	12,565	7,607	(191)	(611)
Transport, storage & communication	2,988	2,943	2,996	167	(365)
Agriculture, manufacturing, wholesale & retail trade	40,368	98,232	68,080	18,293	(34,007)
Construction	2,335	44,121	14,124	(1,037)	(10,708)
Household	99,531	155,721	103,095	56,817	(44,666)
Others	1,426	1,087	1,787	182	(5)
	<u>154,241</u>	<u>314,669</u>	<u>197,689</u>	<u>74,231</u>	<u>(90,362)</u>

### 3.0 Credit Risk (cont'd.)

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

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

	<u>GROUP</u>		<u>BANK</u>	
	30 September 2021	31 March 2021	30 September 2021	31 March 2021
	RM'000	RM'000	RM'000	RM'000
Northern region	83,040	77,759	53,491	52,270
Central region	742,678	764,325	545,946	543,371
Southern region	143,891	142,789	105,685	107,890
Sabah region	38,809	37,812	20,628	24,456
Sarawak region	9,154	9,751	6,888	7,581
	<u>1,017,572</u>	<u>1,032,436</u>	<u>732,638</u>	<u>735,568</u>

Allowance for expected credit losses on financing and advances analysed by significant geographical areas:

	<u>12 months ECL (Stage 1) RM'000</u>	<u>Lifetime ECL Not-credit Impaired (Stage 2) RM'000</u>	<u>Lifetime ECL Credit Impaired (Stage 3) RM'000</u>
<b><u>GROUP</u></b>			
<b>30 September 2021</b>			
Northern region	22,532	35,116	38,946
Central region	176,657	433,376	192,810
Southern region	26,482	53,935	37,218
Sabah region	13,823	30,662	7,156
Sarawak region	5,021	5,584	3,149
	<u>244,515</u>	<u>558,673</u>	<u>279,279</u>

#### **BANK** **30 September 2021**

Northern region	15,750	24,419	27,175
Central region	115,678	261,036	136,918
Southern region	17,670	36,779	26,186
Sabah region	9,379	20,451	4,089
Sarawak region	3,968	4,620	2,760
	<u>162,445</u>	<u>347,305</u>	<u>197,128</u>

	<u>12 months ECL (Stage 1) RM'000</u>	<u>Lifetime ECL Not-credit Impaired (Stage 2) RM'000</u>	<u>Lifetime ECL Credit Impaired (Stage 3) RM'000</u>
<b><u>GROUP</u></b>			
<b>31 March 2021</b>			
Northern region	21,409	30,947	35,268
Central region	167,174	387,962	191,565
Southern region	24,970	47,568	39,611
Sabah region	13,147	27,450	6,670
Sarawak region	4,325	4,849	4,291
	<u>231,025</u>	<u>498,776</u>	<u>277,405</u>

#### **BANK** **31 March 2021**

Northern region	15,373	21,196	24,253
Central region	110,068	239,613	136,186
Southern region	16,727	30,883	28,883
Sabah region	8,674	19,104	4,490
Sarawak region	3,399	3,873	3,877
	<u>154,241</u>	<u>314,669</u>	<u>197,689</u>

### 3.0 Credit Risk (cont'd.)

#### 3.3 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:

	12 months ECL (Stage 1) RM'000	Lifetime ECL Not-credit Impaired (Stage 2) RM'000	Lifetime ECL Credit Impaired (Stage 3) RM'000	Total RM'000
<b>GROUP</b>				
At 1 April 2021	231,025	498,776	277,405	1,007,206
Transfer to Stage 1	69,614	(277,091)	(191)	(207,668)
Transfer to Stage 2	(46,822)	387,628	(50,441)	290,365
Transfer to Stage 3	(206)	(130,134)	102,694	(27,646)
New financial assets originated or purchased	46,845	132,485	7,824	187,154
Financial assets derecognised other than write-off	(37,592)	(146,654)	(12,179)	(196,425)
Changes due to change in credit risk	(18,357)	94,356	6,281	82,280
Other adjustments	8	-	-	8
	13,490	60,590	53,988	128,068
Unwinding of discount	-	-	(3,193)	(3,193)
Total charge to income statement	13,490	60,590	50,795	124,875
Write-off	-	(693)	(48,921)	(49,614)
At 30 September 2021	244,515	558,673	279,279	1,082,467
At 1 April 2020	96,553	269,287	293,428	659,268
Transfer to Stage 1	153,279	(303,936)	(4,481)	(155,138)
Transfer to Stage 2	(101,032)	483,008	(76,882)	305,094
Transfer to Stage 3	(738)	(158,088)	233,223	74,397
New financial assets originated or purchased	77,896	178,021	15,316	271,233
Financial assets derecognised other than write-off	(64,721)	(189,434)	(35,550)	(289,705)
Changes due to change in credit risk	69,812	220,087	(9,933)	279,966
Other adjustments	(21)	(37)	(13)	(71)
	134,475	229,621	121,680	485,776
Unwinding of discount	-	-	(7,853)	(7,853)
Total charge to income statement	134,475	229,621	113,827	477,923
Write-off	(3)	(132)	(129,850)	(129,985)
At 31 March 2021	231,025	498,776	277,405	1,007,206

Note:

The transfer between stages are inclusive of net remeasurement of allowances.

3.3 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):

	12 months ECL (Stage 1) RM'000	Lifetime ECL Not-credit Impaired (Stage 2) RM'000	Lifetime ECL Credit Impaired (Stage 3) RM'000	Total RM'000
<b>BANK</b>				
At 1 April 2021	154,241	314,669	197,689	666,599
Transfer to Stage 1	44,877	(173,188)	(183)	(128,494)
Transfer to Stage 2	(29,825)	236,849	(28,171)	178,853
Transfer to Stage 3	(131)	(74,108)	63,150	(11,089)
New financial assets originated or purchased	31,859	97,148	4,838	133,845
Financial assets derecognised other than write-off	(24,965)	(107,544)	(6,795)	(139,304)
Changes due to change in credit risk	(13,619)	53,830	2,813	43,024
Other adjustments	8	-	-	8
	8,204	32,987	35,652	76,843
Unwinding of discount	-	-	(2,355)	(2,355)
Total charge to income statement	8,204	32,987	33,297	74,488
Write-off	-	(351)	(33,858)	(34,209)
At 30 September 2021	162,445	347,305	197,128	706,878
At 1 April 2020	63,677	177,196	218,370	459,243
Transfer to Stage 1	94,945	(199,432)	(2,495)	(106,982)
Transfer to Stage 2	(62,825)	300,659	(50,694)	187,140
Transfer to Stage 3	(606)	(90,925)	142,613	51,082
New financial assets originated or purchased	53,856	139,571	11,287	204,714
Financial assets derecognised other than write-off	(42,782)	(141,429)	(24,205)	(208,416)
Changes due to change in credit risk	48,000	129,081	(2,262)	174,819
Other adjustments	(21)	(37)	(13)	(71)
	90,567	137,488	74,231	302,286
Unwinding of discount	-	-	(4,550)	(4,550)
Total charge to income statement	90,567	137,488	69,681	297,736
Write-off	(3)	(15)	(90,362)	(90,380)
At 31 March 2021	154,241	314,669	197,689	666,599

Note:

The transfer between stages are inclusive of net remeasurement of allowances.

### 3.0 Credit Risk (cont'd.)

#### 3.4 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:

GROUP 30 September 2021 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 Multilateral Development Banks 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			
0%	9,065,845	459,034	5,043	-	1,671,507	142,159	-	-	296,792	11,640,380	-	
20%	3,140	300,696	1,103,745	230	3,167,734	782,466	909	-	56,661	5,415,581	1,083,116	
35%	-	-	-	-	-	-	13,796,620	-	-	13,796,620	4,828,817	
50%	-	-	194,924	-	52,299	33,198	2,038,915	-	-	2,319,336	1,159,668	
75%	-	-	-	-	-	8,085,040	9,728	-	-	8,094,768	6,071,076	
100%	-	-	113	35,066	15,766,932	1,694,854	1,161,657	-	734,551	19,393,173	19,393,173	
150%	-	-	-	-	94,706	57,664	2,240	7,195	-	161,805	242,707	
Total exposures	9,068,985	759,730	1,303,825	35,296	20,753,178	10,795,381	17,010,069	7,195	1,088,004	60,821,663	32,778,557	
Risk-weighted assets by exposures	628	60,139	318,324	35,112	16,568,687	8,018,222	7,020,769	10,793	745,883	32,778,557		
Average risk-weight	0%	8%	24%	99%	80%	74%	41%	150%	69%	54%		
Deduction from Capital base	-	-	-	-	-	-	-	-	-	-		



3.0 Credit Risk (cont'd.)

3.4 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.):

←----- Exposures after netting and credit risk mitigation -----→											
<b>BANK</b>				Insurance						Total	
<b>30 September 2021</b>	Sovereigns	Public	Banks,	Companies,				Higher		Exposures	Total
Risk-	/Central	Sector	DFIs and	Securities		Regulatory	Residential	Risk	Other	after	Risk-
<u>Weights</u>	<u>Banks</u>	<u>Entities</u>	<u>Banks</u>	<u>Firms and</u>	<u>Corporates</u>	<u>Retail</u>	<u>Mortgages</u>	<u>Assets</u>	<u>Assets</u>	<u>Mitigation</u>	<u>Weighted</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	Assets
											RM'000
0%	6,900,647	233,966	-	-	1,165,858	113,606	-	-	296,792	8,710,869	-
20%	3,140	183,252	1,141,458	230	2,182,738	692,149	783	-	-	4,203,750	840,750
35%	-	-	-	-	-	-	10,450,516	-	-	10,450,516	3,657,681
50%	-	-	383,428	-	35,487	20,703	1,085,563	-	-	1,525,181	762,591
75%	-	-	-	-	-	6,489,453	6,214	-	-	6,495,667	4,871,750
100%	-	-	113	27,291	11,827,248	892,689	619,998	-	656,786	14,024,125	14,024,125
150%	-	-	-	-	90,728	48,058	2,167	6,237	-	147,190	220,785
Total exposures	6,903,787	417,218	1,524,999	27,521	15,302,059	8,256,658	12,165,241	6,237	953,578	45,557,298	24,377,682
Risk-weighted assets by exposures	628	36,650	420,119	27,337	12,417,631	5,980,647	4,828,528	9,356	656,786	24,377,682	
Average risk-weight	0%	9%	28%	99%	81%	72%	40%	150%	69%	54%	
Deduction from Capital base	-	-	-	-	-	-	-	-	-	-	

### 3.0 Credit Risk (cont'd.)

#### 3.4 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 31 March 2021 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 Multilateral Development Banks RM'000	Insurance Companies, Securities Firms and Fund Managers RM'000	Regulatory Corporates RM'000	Residential Retail Mortgages RM'000	Higher Risk Assets RM'000	Other Assets RM'000				
0%	10,143,188	528,387	5,074	-	1,536,728	-	-	-	320,640	12,534,017	-	
20%	-	397,898	824,263	259	3,154,045	587,556	629	-	-	4,964,650	992,930	
35%	-	-	-	-	-	-	14,060,990	-	-	14,060,990	4,921,347	
50%	-	-	156,326	-	51,266	34,261	2,099,630	-	-	2,341,483	1,170,742	
75%	-	-	-	-	-	8,285,570	7,412	-	-	8,292,982	6,219,736	
100%	-	-	81	28,584	16,008,804	1,686,297	1,104,481	-	692,926	19,521,173	19,521,173	
150%	-	-	-	-	92,993	58,573	728	7,479	3	159,776	239,664	
Total exposures	10,143,188	926,285	985,744	28,843	20,843,836	10,652,257	17,273,870	7,479	1,013,569	61,875,071	33,065,592	
Risk-weighted assets by exposures	-	79,580	243,097	28,636	16,804,735	8,122,976	7,082,419	11,218	692,931	33,065,592		
Average risk-weight	0%	9%	25%	99%	81%	76%	41%	150%	68%	53%		
Deduction from Capital base	-	-	-	-	-	-	-	-	-	-		

### 3.0 Credit Risk (cont'd.)

#### 3.4 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.):

Exposures after netting and credit risk mitigation											
BANK 31 March 2021 Risk- Weights	Sovereigns	Public	Banks,	Insurance						Total	
	/Central	Sector	DFIs and	Companies,						Exposures	Total
	Banks	Entities	Multilateral	Securities						after	Risk-
	RM'000	RM'000	Banks	Firms and	Corporates	Regulatory	Residential	Risk	Other	Netting and	Weighted
				Managers	RM'000	Retail	Mortgages	Assets	Assets	Credit Risk	Assets
										Mitigation	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
0%	7,262,110	213,559	-	-	984,348	-	-	-	320,640	8,780,657	-
20%	-	201,253	913,551	259	2,192,535	533,676	571	-	-	3,841,845	768,369
35%	-	-	-	-	-	-	10,682,405	-	-	10,682,405	3,738,842
50%	-	-	381,466	-	34,943	23,169	1,086,696	-	-	1,526,274	763,137
75%	-	-	-	-	-	6,654,343	4,124	-	-	6,658,467	4,993,850
100%	-	-	81	20,814	12,029,958	893,653	566,549	-	622,109	14,133,164	14,133,164
150%	-	-	-	-	84,444	51,138	654	6,506	3	142,745	214,118
Total exposures	7,262,110	414,812	1,295,098	21,073	15,326,228	8,155,979	12,340,999	6,506	942,752	45,765,557	24,611,480
Risk-weighted assets by exposures	-	40,251	373,524	20,866	12,612,602	6,079,437	4,852,927	9,759	622,114	24,611,480	
Average risk-weight	0%	10%	29%	99%	82%	75%	39%	150%	66%	54%	
Deduction from Capital base	-	-	-	-	-	-	-	-	-	-	

### 3.0 Credit Risk (cont'd.)

#### 3.4 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"):

#### **GROUP** **30 September 2021**

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 (Note 1)	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
<b>On and Off Balance-Sheet Exposures</b>						
<b>(i) Exposures risk-weighted using Sovereigns and Central Banks rating</b>						
Public Sector Entities	-	459,034	-	-	-	459,034
Sovereigns and Central Banks (See Note 2)	-	9,068,985	-	-	-	9,068,985
Corporates	-	1,474,056	-	-	-	1,474,056
Banks, DFIs and Multilateral Development Banks	-	5,043	-	-	-	5,043
<b>Total</b>	-	11,007,118	-	-	-	11,007,118
<b>(ii) Exposures risk-weighted using Banking Institutions long-term rating</b>						
Banks, DFIs and Multilateral Development Banks	536,122	484,288	2,497	-	275,875	1,298,782
<b>Exposures risk-weighted using Banking Institutions short-term rating</b>						
Banks, DFIs and Multilateral Development Banks	-	-	-	-	-	-
<b>Total</b>	536,122	484,288	2,497	-	275,875	1,298,782
<b>(iii) Exposures risk-weighted using Corporate long-term rating</b>						
Public Sector Entities	35,720	-	-	-	235,239	270,959
Corporates	2,975,719	48,553	-	-	17,892,776	20,917,048
Insurance Companies, Securities Firms & Fund Managers	-	-	-	-	35,300	35,300
<b>Exposures risk-weighted using Corporate short-term rating</b>						
Public Sector Entities	29,737	-	-	-	-	29,737
Corporates	-	-	-	-	-	-
Insurance Companies, Securities Firms & Fund Managers	-	-	-	-	-	-
<b>Total</b>	3,041,176	48,553	-	-	18,163,315	21,253,044

Note 1: "R&I" rating is not recognised for Islamic debt securities.

Note 2: 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

### 3.0 Credit Risk (cont'd.)

#### 3.4 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**  
**30 September 2021**

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 (Note 1)	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
<b>On and Off Balance-Sheet Exposures</b>							
<b>(i) Exposures risk-weighted using Sovereigns and Central Banks rating</b>							
Public Sector Entities	-	233,966	-	-	-	-	233,966
Sovereigns and Central Banks (See Note 2)	-	6,903,787	-	-	-	-	6,903,787
Corporates	-	998,802	-	-	-	-	998,802
Banks, DFIs and Multilateral Development Banks	-	-	-	-	-	-	-
<b>Total</b>	-	8,136,555	-	-	-	-	8,136,555
<b>(ii) Exposures risk-weighted using Banking Institutions long-term rating</b>							
Banks, DFIs and Multilateral Development Banks	524,431	729,103	2,497	-	268,967	-	1,524,998
<b>Exposures risk-weighted using Banking Institutions short-term rating</b>							
Banks, DFIs and Multilateral Development Banks	-	-	-	-	-	-	-
<b>Total</b>	524,431	729,103	2,497	-	268,967	-	1,524,998
<b>(iii) Exposures risk-weighted using Corporate long-term rating</b>							
Public Sector Entities	30,594	-	-	-	132,821	-	163,415
Corporates	2,020,321	33,301	-	-	13,644,538	-	15,698,160
Insurance Companies, Securities Firms & Fund Managers	-	-	-	-	27,526	-	27,526
<b>Exposures risk-weighted using Corporate short-term rating</b>							
Public Sector Entities	19,837	-	-	-	-	-	19,837
Corporates	-	-	-	-	-	-	-
Insurance Companies, Securities Firms & Fund Managers	-	-	-	-	-	-	-
<b>Total</b>	2,070,752	33,301	-	-	13,804,885	-	15,908,938

Note 1: "R&I" rating is not recognised for Islamic debt securities.

Note 2: 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

### 3.0 Credit Risk (cont'd.)

#### 3.4 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 2021**

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 (Note 1)	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
<b>On and Off Balance-Sheet Exposures</b>							
<b>(i) Exposures risk-weighted using Sovereigns and Central Banks rating</b>							
Public Sector Entities	-	528,387	-	-	-	-	528,387
Sovereigns and Central Banks (See Note 2)	-	10,143,188	-	-	-	-	10,143,188
Corporates	-	1,536,728	-	-	-	-	1,536,728
Banks, DFIs and Multilateral Development Banks	-	5,074	-	-	-	-	5,074
<b>Total</b>	-	12,213,377	-	-	-	-	12,213,377
<b>(ii) Exposures risk-weighted using Banking Institutions long-term rating</b>							
Banks, DFIs and Multilateral Development Banks	499,125	285,218	4,200	-	192,127	-	980,670
<b>Exposures risk-weighted using Banking Institutions short-term rating</b>							
Banks, DFIs and Multilateral Development Banks	-	-	-	-	-	-	-
<b>Total</b>	499,125	285,218	4,200	-	192,127	-	980,670
<b>(iii) Exposures risk-weighted using Corporate long-term rating</b>							
Public Sector Entities	46,381	-	-	-	351,517	-	397,898
Corporates	2,981,540	48,638	-	-	17,853,753	-	20,883,931
Insurance Companies, Securities Firms & Fund Managers	-	-	-	-	28,848	-	28,848
<b>Exposures risk-weighted using Corporate short-term rating</b>							
Public Sector Entities	-	-	-	-	-	-	-
Corporates	-	-	-	-	-	-	-
Insurance Companies, Securities Firms & Fund Managers	-	-	-	-	-	-	-
<b>Total</b>	3,027,921	48,638	-	-	18,234,118	-	21,310,677

Note 1: "R&I" rating is not recognised for Islamic debt securities.

Note 2: 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

### 3.0 Credit Risk (cont'd.)

#### 3.4 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 2021**

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 (Note 1)	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
<b>On and Off Balance-Sheet Exposures</b>							
<b>(i) Exposures risk-weighted using Sovereigns and Central Banks rating</b>							
Public Sector Entities	-	213,559	-	-	-	-	213,559
Sovereigns and Central Banks (See Note 2)	-	7,262,110	-	-	-	-	7,262,110
Corporates	-	984,348	-	-	-	-	984,348
Banks, DFIs and Multilateral Development Banks	-	-	-	-	-	-	-
<b>Total</b>	-	8,460,017	-	-	-	-	8,460,017
<b>(ii) Exposures risk-weighted using Banking Institutions long-term rating</b>							
Banks, DFIs and Multilateral Development Banks	493,396	614,831	4,200	-	182,671	-	1,295,098
<b>Exposures risk-weighted using Banking Institutions short-term rating</b>							
Banks, DFIs and Multilateral Development Banks	-	-	-	-	-	-	-
<b>Total</b>	493,396	614,831	4,200	-	182,671	-	1,295,098
<b>(iii) Exposures risk-weighted using Corporate long-term rating</b>							
Public Sector Entities	30,714	-	-	-	170,539	-	201,253
Corporates	2,046,259	33,359	-	-	13,609,141	-	15,688,759
Insurance Companies, Securities Firms & Fund Managers	-	-	-	-	21,079	-	21,079
<b>Exposures risk-weighted using Corporate short-term rating</b>							
Public Sector Entities	-	-	-	-	-	-	-
Corporates	-	-	-	-	-	-	-
Insurance Companies, Securities Firms & Fund Managers	-	-	-	-	-	-	-
<b>Total</b>	2,076,973	33,359	-	-	13,800,759	-	15,911,091

Note 1: "R&I" rating is not recognised for Islamic debt securities.

Note 2: 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.)

#### 3.5 Credit Risk Mitigation ("CRM")

As a practical approach towards mitigating credit risk, the Group accepts a wide range of collaterals. Main types of collateral acceptable to the Group include cash, guarantees, commercial and residential real estate, and physical collateral/financial collateral, e.g. motor vehicles or shares. Guarantees are accepted only when the financial standing of the guarantors have been ascertained.

However, for capital computation purposes, the BNM guidelines apply more restrictive rules on collaterals that qualify as credit risk mitigants. As a result, not all of the collaterals accepted by the Group can be used to reduce our capital adequacy requirement.

The following tables represent the Group's/Bank'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.

<b>GROUP</b>		<b>Exposures</b>	<b>Exposures</b>	<b>Exposures</b>	<b>Exposures</b>
<b>30 September 2021</b>		<b>covered by</b>	<b>covered by</b>	<b>covered by</b>	
<b>Exposure Class</b>	<b>before CRM</b>	<b>guarantees/</b>	<b>eligible</b>	<b>other eligible</b>	
	<b>RM'000</b>	<b>credit</b>	<b>financial</b>	<b>collateral</b>	<b>RM'000</b>
		<b>derivatives</b>	<b>collateral</b>	<b>collateral</b>	
		<b>(Note 1)</b>			
		<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Credit Risk</b>					
On-balance sheet exposures:					
Sovereigns/Central banks	9,063,986	-	-	-	-
Public sector entities	683,347	-	-	-	-
Banks, DFIs and Multilateral					
Development Banks	963,079	-	-	-	-
Insurance companies, securities					
firms and fund managers	15,745	230	-	-	-
Corporates	19,908,510	380,929	1,368,510	-	-
Regulatory retail	10,642,707	918,824	976,421	-	-
Residential mortgages	16,382,221	909	9,652	-	-
Higher risk assets	5,680	-	3	-	-
Other assets	1,088,004	-	-	-	-
Defaulted exposures	740,553	3,918	1,388	-	-
Total on-balance sheet exposures	59,493,832	1,304,810	2,355,974	-	-
Off-balance sheet exposures:					
Off-balance sheet exposures other than					
OTC derivatives or credit derivatives	4,257,749	10,418	575,551	-	-
Defaulted exposures	1,612	-	5	-	-
Total off-balance sheet exposures	4,259,361	10,418	575,556	-	-
Total on and off-balance sheet					
exposures	63,753,193	1,315,228	2,931,530	-	-

Note 1: The Exposures covered by guarantees/credit derivative refers to the exposures guaranteed by eligible guarantor.



3.0 Credit Risk (cont'd.)

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

<b>BANK</b> <b>30 September 2021</b> <b>Exposure Class</b>	<b>Exposures</b> <b>before CRM</b> <b>RM'000</b>	<b>Exposures</b> <b>covered by</b> <b>guarantees/</b> <b>credit</b> <b>derivatives</b> <b>(Note 1)</b> <b>RM'000</b>	<b>Exposures</b> <b>covered by</b> <b>eligible</b> <b>financial</b> <b>collateral</b> <b>RM'000</b>	<b>Exposures</b> <b>covered by</b> <b>other eligible</b> <b>collateral</b> <b>RM'000</b>
<b><u>Credit Risk</u></b>				
On-balance sheet exposures:				
Sovereigns/Central banks	6,898,787	-	-	-
Public sector entities	364,835	-	-	-
Banks, DFIs and Multilateral				
Development Banks	1,184,906	-	-	-
Insurance companies, securities				
firms and fund managers	11,991	230	-	-
Corporates	14,817,251	323,081	1,176,933	-
Regulatory retail	8,087,042	803,261	840,491	-
Residential mortgages	11,763,766	783	9,404	-
Higher risk assets	4,797	-	3	-
Other assets	953,578	-	-	-
Defaulted exposures	536,659	1,722	855	-
Total on-balance sheet exposures	<u>44,623,612</u>	<u>1,129,077</u>	<u>2,027,686</u>	<u>-</u>
Off-balance sheet exposures:				
Off-balance sheet exposures other than				
OTC derivatives or credit derivatives	3,452,688	7,164	492,898	-
Defaulted exposures	1,587	-	5	-
Total off-balance sheet exposures	<u>3,454,275</u>	<u>7,164</u>	<u>492,903</u>	<u>-</u>
Total on and off-balance sheet				
exposures	<u>48,077,887</u>	<u>1,136,241</u>	<u>2,520,589</u>	<u>-</u>

Note 1: The Exposures covered by guarantees/credit derivative refers to the exposures guaranteed by eligible guarantor.

3.0 Credit Risk (cont'd.)

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

<b>GROUP</b> <b>31 March 2021</b> <b>Exposure Class</b>	<b>Exposures</b> <b>before CRM</b> <b>RM'000</b>	<b>Exposures</b> <b>covered by</b> <b>guarantees/</b> <b>credit</b> <b>derivatives</b> <b>RM'000</b>	<b>Exposures</b> <b>covered by</b> <b>eligible</b> <b>financial</b> <b>collateral</b> <b>RM'000</b>	<b>Exposures</b> <b>covered by</b> <b>other eligible</b> <b>collateral</b> <b>RM'000</b>
<b><u>Credit Risk</u></b>				
On-balance sheet exposures:				
Sovereigns/Central banks	10,122,388	-	-	-
Public sector entities	817,768	-	-	-
Banks, DFIs and Multilateral Development Banks	631,456	-	-	-
Insurance companies, securities firms and fund managers	6,284	259	-	-
Corporates	19,977,037	172,367	1,320,662	-
Regulatory retail	10,635,671	586,151	945,389	-
Residential mortgages	16,603,585	629	9,538	-
Higher risk assets	5,998	-	4	-
Other assets	1,013,569	-	-	-
Defaulted exposures	756,160	1,267	1,833	-
Total on-balance sheet exposures	<u>60,569,916</u>	<u>760,673</u>	<u>2,277,426</u>	<u>-</u>
Off-balance sheet exposures:				
Off-balance sheet exposures other than OTC derivatives or credit derivatives	4,134,194	275	553,738	-
Defaulted exposures	2,130	-	5	-
Total off-balance sheet exposures	<u>4,136,324</u>	<u>275</u>	<u>553,743</u>	<u>-</u>
Total on and off-balance sheet exposures	<u>64,706,240</u>	<u>760,948</u>	<u>2,831,169</u>	<u>-</u>

3.0 Credit Risk (cont'd.)

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

<b>BANK</b> <b>31 March 2021</b> <b>Exposure Class</b>	<b>Exposures</b> <b>before CRM</b> <b>RM'000</b>	<b>Exposures</b> <b>covered by</b> <b>guarantees/</b> <b>credit</b> <b>derivatives</b> <b>RM'000</b>	<b>Exposures</b> <b>covered by</b> <b>eligible</b> <b>financial</b> <b>collateral</b> <b>RM'000</b>	<b>Exposures</b> <b>covered by</b> <b>other eligible</b> <b>collateral</b> <b>RM'000</b>
<b><u>Credit Risk</u></b>				
On-balance sheet exposures:				
Sovereigns/Central banks	7,241,310	-	-	-
Public sector entities	312,291	-	-	-
Banks, DFIs and Multilateral				
Development Banks	940,828	-	-	-
Insurance companies, securities				
firms and fund managers	2,535	259	-	-
Corporates	14,817,564	146,138	1,141,114	-
Regulatory retail	8,092,353	532,271	801,623	-
Residential mortgages	11,916,912	571	9,271	-
Higher risk assets	5,100	-	4	-
Other assets	942,752	-	-	-
Defaulted exposures	539,010	1,267	1,301	-
Total on-balance sheet exposures	<u>44,810,655</u>	<u>680,506</u>	<u>1,953,313</u>	<u>-</u>
Off-balance sheet exposures:				
Off-balance sheet exposures other than				
OTC derivatives or credit derivatives	3,375,756	275	469,121	-
Defaulted exposures	1,585	-	5	-
Total off-balance sheet exposures	<u>3,377,341</u>	<u>275</u>	<u>469,126</u>	<u>-</u>
Total on and off-balance sheet exposures	<u>48,187,996</u>	<u>680,781</u>	<u>2,422,439</u>	<u>-</u>

### 3.0 Credit Risk (cont'd.)

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

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

<b>GROUP</b>	<b>Principal Amount</b>	<b>Positive Fair Value of Derivative Contracts</b>	<b>Credit Equivalent Amount</b>	<b>Risk-Weighted Assets</b>
<b>30 September 2021</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<u>Credit-related exposures</u>				
Direct credit substitutes	672,906	-	672,906	586,459
Transaction-related contingent items	554,033	-	274,824	178,793
Short-term self-liquidating trade-related contingencies	159,845	-	31,969	27,878
Forward asset purchase	-	-	-	-
Obligations under an on-going underwriting agreement	20,000	-	10,000	10,000
Irrevocable commitments to extend credit:				
- maturity exceeding 1 year	1,024,335	-	511,692	361,123
- maturity not exceeding 1 year	10,387,798	-	2,077,560	1,461,777
Unutilised credit card lines	1,288,896	-	257,779	198,023
	<u>14,107,813</u>	<u>-</u>	<u>3,836,730</u>	<u>2,824,053</u>
<u>Derivative financial instruments</u>				
Foreign exchange related contracts:				
- one year or less	7,943,522	23,551	110,743	37,462
- over one year to three years	783,880	4,278	56,830	34,993
- over three years	459,821	2,263	46,137	26,212
Interest rate related contracts:				
- one year or less	2,471,883	9,177	13,525	4,057
- over one year to three years	3,392,041	39,500	84,439	28,608
- over three years	1,609,505	12,405	70,315	20,036
Equity related contracts:				
- one year or less	351,904	3,170	24,284	8,157
- over one year to three years	197,570	552	16,358	3,576
	<u>17,210,126</u>	<u>94,896</u>	<u>422,631</u>	<u>163,101</u>
	<u>31,317,939</u>	<u>94,896</u>	<u>4,259,361</u>	<u>2,987,154</u>

3.0 Credit Risk (cont'd.)

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

<b>BANK</b>	<b>Principal Amount RM'000</b>	<b>Positive Fair Value of Derivative Contracts RM'000</b>	<b>Credit Equivalent Amount RM'000</b>	<b>Risk-Weighted Assets RM'000</b>
<b>30 September 2021</b>				
<u>Credit-related exposures</u>				
Direct credit substitutes	499,653	-	499,653	421,317
Transaction-related contingent items	493,925	-	244,770	158,529
Short-term self-liquidating trade-related contingencies	124,545	-	24,909	21,342
Forward asset purchase	-	-	-	-
Obligations under an on-going underwriting agreement	-	-	-	-
Irrevocable commitments to extend credit:				
- maturity exceeding 1 year	831,979	-	415,514	292,234
- maturity not exceeding 1 year	7,945,095	-	1,589,019	1,099,802
Unutilised credit card lines	1,288,896	-	257,779	197,698
	<u>11,184,093</u>	<u>-</u>	<u>3,031,644</u>	<u>2,190,922</u>
<u>Derivative financial instruments</u>				
Foreign exchange related contracts:				
- one year or less	7,943,522	23,551	110,743	37,462
- over one year to three years	783,880	4,278	56,830	34,993
- over three years	459,821	2,263	46,137	26,212
Interest rate related contracts:				
- one year or less	2,471,883	9,177	13,525	4,057
- over one year to three years	3,392,041	39,500	84,439	28,608
- over three years	1,609,505	12,405	70,315	20,036
Equity related contracts:				
- one year or less	351,904	3,170	24,284	8,157
- over one year to three years	197,570	552	16,358	3,576
	<u>17,210,126</u>	<u>94,896</u>	<u>422,631</u>	<u>163,101</u>
	<u>28,394,219</u>	<u>94,896</u>	<u>3,454,275</u>	<u>2,354,023</u>

3.0 Credit Risk (cont'd.)

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

<b>GROUP</b>	<b>Principal Amount RM'000</b>	<b>Positive Fair Value of Derivative Contracts RM'000</b>	<b>Credit Equivalent Amount RM'000</b>	<b>Risk-Weighted Assets RM'000</b>
<b>31 March 2021</b>				
<u>Credit-related exposures</u>				
Direct credit substitutes	687,790	-	687,790	602,424
Transaction-related contingent items	554,612	-	275,113	176,464
Short-term self-liquidating trade-related contingencies	145,128	-	29,026	24,654
Forward asset purchase	20,800	-	20,800	-
Obligations under an on-going underwriting agreement	20,000	-	10,000	10,000
Irrevocable commitments to extend credit:				
- maturity exceeding 1 year	867,310	-	433,151	303,857
- maturity not exceeding 1 year	9,625,561	-	1,925,112	1,365,327
Unutilised credit card lines	1,299,366	-	259,873	200,734
	<u>13,220,567</u>	<u>-</u>	<u>3,640,865</u>	<u>2,683,460</u>
<u>Derivative financial instruments</u>				
Foreign exchange related contracts:				
- one year or less	7,718,029	50,451	133,091	45,375
- over one year to three years	681,661	2,417	47,467	32,489
- over three years	661,606	8,061	73,516	36,832
Interest rate related contracts:				
- one year or less	2,099,218	11,054	14,569	4,508
- over one year to three years	3,984,245	52,302	110,926	37,059
- over three years	1,492,030	16,428	67,968	20,746
Equity related contracts:				
- one year or less	295,184	12,355	30,209	20,333
- over one year to three years	214,860	667	17,713	3,729
	<u>17,146,833</u>	<u>153,735</u>	<u>495,459</u>	<u>201,071</u>
	<u>30,367,400</u>	<u>153,735</u>	<u>4,136,324</u>	<u>2,884,531</u>

3.0 Credit Risk (cont'd.)

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

<b>BANK</b>	<b>Principal</b>	<b>Positive</b>	<b>Credit</b>	<b>Risk-</b>
<b>31 March 2021</b>	<b>Amount</b>	<b>Fair Value</b>	<b>Equivalent</b>	<b>Weighted</b>
	<b>RM'000</b>	<b>of Derivative</b>	<b>Amount</b>	<b>Assets</b>
		<b>Contracts</b>	<b>RM'000</b>	<b>RM'000</b>
		<b>RM'000</b>		
<u>Credit-related exposures</u>				
Direct credit substitutes	511,039	-	511,039	434,180
Transaction-related contingent items	492,119	-	243,867	155,287
Short-term self-liquidating trade-related contingencies	119,337	-	23,867	19,768
Forward asset purchase	20,800	-	20,800	-
Obligations under an on-going underwriting agreement	-	-	-	-
Irrevocable commitments to extend credit:				
- maturity exceeding 1 year	711,536	-	355,265	248,901
- maturity not exceeding 1 year	7,335,855	-	1,467,171	1,020,082
Unutilised credit card lines	1,299,366	-	259,873	200,468
	<u>10,490,052</u>	<u>-</u>	<u>2,881,882</u>	<u>2,078,686</u>
<u>Derivative financial instruments</u>				
Foreign exchange related contracts:				
- one year or less	7,718,029	50,451	133,091	45,375
- over one year to three years	681,661	2,417	47,467	32,489
- over three years	661,606	8,061	73,516	36,832
Interest rate related contracts:				
- one year or less	2,099,218	11,054	14,569	4,508
- over one year to three years	3,984,245	52,302	110,926	37,059
- over three years	1,492,030	16,428	67,968	20,746
Equity related contracts:				
- one year or less	295,184	12,355	30,209	20,333
- over one year to three years	214,860	667	17,713	3,729
	<u>17,146,833</u>	<u>153,735</u>	<u>495,459</u>	<u>201,071</u>
	<u>27,636,885</u>	<u>153,735</u>	<u>3,377,341</u>	<u>2,279,757</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><b>GROUP</b></u>		<u><b>BANK</b></u>	
	<b>Risk-Weighted Assets</b>	<b>Capital Requirements</b>	<b>Risk-Weighted Assets</b>	<b>Capital Requirements</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>30 September 2021</b>				
Interest rate risk				
- General interest rate risk	246,607	19,729	246,607	19,729
- Specific interest rate risk	925	74	925	74
	<u>247,532</u>	<u>19,803</u>	<u>247,532</u>	<u>19,803</u>
Foreign exchange risk	43,081	3,447	43,021	3,442
Option risk	86	7	86	7
	<u>290,699</u>	<u>23,257</u>	<u>290,639</u>	<u>23,252</u>
<b>31 March 2021</b>				
Interest rate risk				
- General interest rate risk	252,425	20,194	252,425	20,194
- Specific interest rate risk	-	-	-	-
	<u>252,425</u>	<u>20,194</u>	<u>252,425</u>	<u>20,194</u>
Foreign exchange risk	69,927	5,594	69,606	5,568
Option risk	300	24	300	24
	<u>322,652</u>	<u>25,812</u>	<u>322,331</u>	<u>25,786</u>



## 5.0 Equity Exposures in Banking Book

The Group and the Bank holds equity positions in the banking book as a result of debt to equity conversion, for social-economic purposes, or to maintain strategic relationships. All equities are held at fair value. For quoted equities, fair value is estimated based on quoted or observable market price at the end of the reporting period. For unquoted equities, the fair value is estimated using approved valuation techniques.

Any gains and losses arising from the returns and changes in fair value of these equities holdings are reflected in the revaluation reserve and statement of income accordingly.

The following table shows the equity exposures in banking book:

	<b>GROUP</b>		<b>BANK</b>	
	<b>Gross credit exposures</b>	<b>Risk-weighted assets</b>	<b>Gross credit exposures</b>	<b>Risk-weighted assets</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>30 September 2021</b>				
<b>Publicly traded</b>				
Holding of equity investments	21	21	21	21
<b>Privately held</b>				
For socio-economic purposes	244,347	244,347	169,993	169,993
Not for socio-economic purposes	3	5	3	5
	<u>244,371</u>	<u>244,373</u>	<u>170,017</u>	<u>170,019</u>
<b>31 March 2021</b>				
<b>Publicly traded</b>				
Holding of equity investments	15	15	15	15
<b>Privately held</b>				
For socio-economic purposes	224,673	224,673	154,479	154,479
Not for socio-economic purposes	3	5	3	5
	<u>224,691</u>	<u>224,693</u>	<u>154,497</u>	<u>154,499</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:

	<b>GROUP</b>		<b>BANK</b>	
	<b>30 September 2021</b>	<b>31 March 2021</b>	<b>30 September 2021</b>	<b>31 March 2021</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Unrealised gains/(losses) recognised in revaluation reserve				
- Publicly traded equity investments	6	10	6	10
	<u>6</u>	<u>10</u>	<u>6</u>	<u>10</u>
Unrealised gains recognised in statement of income				
- Privately held equity investments	19,674	22,759	15,514	16,957
	<u>19,674</u>	<u>22,759</u>	<u>15,514</u>	<u>16,957</u>

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

The following tables present the Group's and the Bank's projected sensitivity shock based on standard scenario as outlined in BNM's Reporting Requirements for Interest Rate/ Rate of Return Risk in the Banking Book Policy Document issued on 30 June 2020 across all maturities applied on the Group's and the Bank's interest sensitivity gap as at reporting date.

	MYR RM'000	USD RM'000	SGD RM'000	Others FCY RM'000	Total RM'000
<b>GROUP</b>					
<b>30 September 2021</b>					
<b>Impact on net interest income ("NII")</b>					
Parallel 200 bps up	276,407	12,530	(789)	(3,703)	284,445
Parallel 200 bps down	(276,407)	(12,530)	789	3,703	(284,445)
<b>Impact on Economic Value ("EV")</b>					
Parallel 200 bps up	(482,814)	8,852	1,429	3,958	(468,575)
Parallel 200 bps down	482,814	(8,852)	(1,429)	(3,958)	468,575
Steepener	(638,869)	(4,100)	(489)	(1,974)	(645,432)
Flattener	530,538	6,092	703	2,865	540,198
Short Rate Up	(54,743)	9,159	1,029	4,224	(40,331)
Short Rate Down	54,743	(9,159)	(1,029)	(4,224)	40,331
<b>BANK</b>					
<b>30 September 2021</b>					
<b>Impact on net interest income ("NII")</b>					
Parallel 200 bps up	199,662	12,527	(789)	(3,714)	207,686
Parallel 200 bps down	(199,662)	(12,527)	789	3,714	(207,686)
<b>Impact on Economic Value ("EV")</b>					
Parallel 200 bps up	(374,303)	8,852	1,429	3,958	(360,064)
Parallel 200 bps down	374,303	(8,852)	(1,429)	(3,958)	360,064
Steepener	(477,203)	(4,100)	(489)	(1,975)	(483,767)
Flattener	397,398	6,092	703	2,865	407,058
Short Rate Up	(49,092)	9,159	1,029	4,224	(34,680)
Short Rate Down	49,092	(9,159)	(1,029)	(4,224)	34,680

**6.0 Interest Rate Risk/Rate of Return Risk in the Banking Book (cont'd.)**

	MYR RM'000	USD RM'000	SGD RM'000	Others FCY RM'000	Total RM'000
<b>GROUP</b>					
<b>31 March 2021</b>					
<b>Impact on net interest income ("NII")</b>					
Parallel 200 bps up	255,429	9,984	(697)	(3,450)	261,266
Parallel 200 bps down	(255,429)	(9,984)	697	3,450	(261,266)
<b>Impact on Economic Value ("EV")</b>					
Parallel 200 bps up	(595,827)	7,302	1,152	4,144	(583,229)
Parallel 200 bps down	595,827	(7,302)	(1,152)	(4,144)	583,229
Steepener	(687,285)	(3,191)	(400)	(2,050)	(692,926)
Flattener	566,974	4,834	573	2,982	575,363
Short Rate Up	(109,478)	7,382	835	4,406	(96,855)
Short Rate Down	109,478	(7,382)	(835)	(4,406)	96,855
<b>BANK</b>					
<b>31 March 2021</b>					
<b>Impact on net interest income ("NII")</b>					
Parallel 200 bps up	191,301	9,961	(697)	(3,452)	197,113
Parallel 200 bps down	(191,301)	(9,961)	697	3,452	(197,113)
<b>Impact on Economic Value ("EV")</b>					
Parallel 200 bps up	(453,614)	7,303	1,152	4,144	(441,015)
Parallel 200 bps down	453,614	(7,303)	(1,152)	(4,144)	441,015
Steepener	(522,235)	(3,192)	(400)	(2,050)	(527,877)
Flattener	433,626	4,835	573	2,982	442,016
Short Rate Up	(82,922)	7,383	835	4,406	(70,298)
Short Rate Down	82,922	(7,383)	(835)	(4,406)	70,298

The reported amounts do not capture the impact of business growth or of management actions as the impact is based on the balance sheet as at reporting date. In reality, Group Asset and Liability Committee ("GALCO") seeks to proactively change the profit attributable to interest rate risk to minimise losses and maximise revenue.

Actual dates may differ from contractual dates for both financing and deposit owing to prepayments / premature withdrawals. When possible and material, financing prepayments and deposit premature withdrawals are generally estimated based on past statistics and trends. The impact on Net Interest Income ("NII") and Economic Value ("EV") are measured on a monthly basis for the Bank and quarterly for the Group, both of which are reported to GALCO and the Group Risk Management Committee.

## **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 policy document 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 AIS' 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. The Shariah non-compliant income of RM831.94 had been refunded to the affected customers in accordance with Shariah Committee's decision.