



ALLIANCE BANK

Alliance Bank Malaysia Berhad 198201008390 (88103-W)

BASEL II PILLAR 3 REPORT

FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

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BASEL II PILLAR 3 REPORT
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

1.0 Overview

Bank Negara Malaysia's ("BNM") Capital Adequacy Frameworks require Alliance Bank Malaysia Berhad ("the Bank") and its subsidiaries ("the Group") to maintain an adequate level of capital to withstand potential losses arising from its operations. BNM's Capital Adequacy Frameworks cover three main aspects:

- (a) Pillar 1 - covers the calculation of risk-weighted assets for credit risk, market risk and operational risk;
- (b) Pillar 2 - involves assessment of other risks (e.g. interest rate risk in the banking book, liquidity risk and concentration risk) not covered under Pillar 1. This promotes the adoption of forward-looking approaches to capital management and stress testing/risk simulation techniques; and
- (c) Pillar 3 - covers disclosure and external communication of risk and capital information by banks.

The Pillar 3 Disclosure for the financial period ended 30 September 2022 for the Bank and the Group is in accordance with BNM's Risk-Weighted Capital Adequacy Framework ("RWCAF") – Disclosure Requirements (Pillar 3) and Capital Adequacy Framework for Islamic Banks ("CAFIB") – Disclosures Requirements (Pillar 3).

The Group has adopted the Standardised Approach for credit risk and market risk; and the Basic Indicator Approach for operational risk in determining the capital requirements of Pillar 1.

1.1 Medium and Location of Disclosure

The Pillar 3 Disclosure will be made available under the Investor Relations section of the Group's website at www.alliancebank.com.my and as a separate report in the annual and half-yearly financial reports.

1.2 Basis of Disclosure

The Group's Pillar 3 Disclosure is governed by the Bank's Pillar 3 Disclosure Policy. This policy outlines the minimum disclosure standards, the approach for determining the appropriateness of information disclosed and the internal controls over the disclosure process. Pillar 3 Disclosure is to be read in conjunction with the Group's and Bank's financial statements for the financial period ended 30 September 2022. Whilst this document discloses the Group's assets both in terms of exposures and capital requirements, the information disclosed herein may not be directly comparable with the information in the financial statements for the financial period ended 30 September 2022 published by the Group.

These disclosures have been reviewed and verified by an independent internal party and approved by the Group Risk Management Committee ("GRMC"), as delegated by the Board of Directors ("Board") of the Group.

1.3 Comparative Information

The corresponding Pillar 3 Disclosure in the preceding reporting period would be as at 31 March 2022.

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FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

1.0 Overview (cont'd.)

1.4 Scope of Application

The Pillar 3 Disclosure was prepared on a consolidated basis comprising information on Alliance Bank Malaysia Berhad ("the Bank"), its subsidiaries, associate companies and joint ventures. 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 quantitative information as at 30 September 2022 also reflects the following events which occurred within the reporting period:

- (a) Alliance Investment Bank Berhad ("AIBB"), a wholly-owned subsidiary of the Bank, has completed the transfer of its stockbroking business to Phillip Capital Sdn. Bhd. (formerly known as Phillip Futures Sdn. Bhd.) on 30 July 2022.
- (b) On 26 September 2022, AIBB obtained an Order in Kuala Lumpur High Court confirming AIBB's proposed share capital reduction under Sections 115(a) and 116 of the Companies Act 2016 where the share capital and issued number of shares of AIBB shall be reduced from RM365,962,500 comprising 365,000,000 ordinary shares to RM215,962,500 comprising 215,000,000 ordinary shares, vide cancellation of 150,000,000 ordinary shares held by the Bank. The amount of RM150,000,000 arising from the said shares cancellation was returned to the Bank on 29 September 2022.

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 ventures are deducted from regulatory capital.

The Bank did not experience any 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 end of financial period.

2.0 Capital

The Group maintains a strong capital base to support its current activities and future growth, to meet regulatory capital requirements at all times and to buffer against potential losses.

The Group's Internal Capital Adequacy Assessment Process ("ICAAP") covers the following:

- (a) Assesses inherent risks in the business against risk captured under Pillar 1, and risks not sufficiently or not captured under Pillar 1;
- (b) Estimates the potential impact of extreme but plausible events on the Group's earnings, balance sheet and capital via stress testing;
- (c) Sets internal capital targets which include buffers to cushion potential stress losses and contingency plan(s) where warranted; and
- (d) Regularly monitors and reports portfolio risk profiles, required capital and available capital.

ICAAP results are regularly reported to GRMC and the Board to facilitate proactive capital management.

2.0 Capital (cont'd.)

2.1 Capital Adequacy Ratios

BNM's Transitional Arrangements for Regulatory Capital Treatment of Accounting Provisions took effect on 9 December 2020. This allows 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. The Group and the Bank have sufficient capital under both conditions with or without the Transitional Arrangement.

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

	<u>GROUP</u>		<u>BANK</u>	
	30 September 2022	31 March 2022	30 September 2022	31 March 2022
(i) With transitional arrangements				
<u>Before deducting proposed dividends</u>				
CET I capital ratio	15.581%	16.372%	15.226%	15.614%
Tier I capital ratio	16.848%	17.287%	16.569%	16.489%
Total capital ratio	21.017%	21.401%	21.283%	21.134%
<u>After deducting proposed dividends</u>				
CET I capital ratio	15.110%	15.959%	14.603%	15.061%
Tier I capital ratio	16.377%	16.874%	15.945%	15.936%
Total capital ratio	20.546%	20.988%	20.659%	20.581%
(ii) Without transitional arrangements				
<u>Before deducting proposed dividends</u>				
CET I capital ratio	14.599%	14.993%	14.381%	14.397%
Tier I capital ratio	15.866%	15.908%	15.724%	15.272%
Total capital ratio	20.035%	20.173%	20.438%	20.137%
<u>After deducting proposed dividends</u>				
CET I capital ratio	14.128%	14.580%	13.758%	13.844%
Tier I capital ratio	15.395%	15.495%	15.100%	14.719%
Total capital ratio	19.564%	19.760%	19.814%	19.584%

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>Alliance Islamic Bank Berhad</u>		<u>Alliance Investment Bank Berhad</u>	
	30 September 2022	31 March 2022	30 September 2022	31 March 2022
(i) With transitional arrangements				
<u>Before deducting proposed dividends</u>				
CET I capital ratio	13.979%	14.904%	118.869%	87.301%
Tier I capital ratio	15.005%	15.966%	118.869%	87.301%
Total capital ratio	17.500%	18.510%	119.402%	88.174%
<u>After deducting proposed dividends</u>				
CET I capital ratio	13.534%	14.463%	118.869%	87.301%
Tier I capital ratio	14.561%	15.525%	118.869%	87.301%
Total capital ratio	17.055%	18.069%	119.402%	88.174%
(ii) Without transitional arrangements				
<u>Before deducting proposed dividends</u>				
CET I capital ratio	12.581%	12.995%	118.869%	87.240%
Tier I capital ratio	13.608%	14.057%	118.869%	87.240%
Total capital ratio	16.102%	16.601%	119.402%	88.113%
<u>After deducting proposed dividends</u>				
CET I capital ratio	12.136%	12.554%	118.869%	87.240%
Tier I capital ratio	13.163%	13.616%	118.869%	87.240%
Total capital ratio	15.658%	16.160%	119.402%	88.113%

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.

	<u>GROUP</u>		<u>BANK</u>	
	30 September 2022 RM'000	31 March 2022 RM'000	30 September 2022 RM'000	31 March 2022 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	5,077,887	4,865,214	4,429,067	4,270,419
Regulatory reserves (Note 1)	47,686	47,686	41,641	41,641
Hedging reserves	-	(253)	-	(253)
Financial investments at fair value through other comprehensive income ("FVOCI") reserves	(289,781)	(145,150)	(244,643)	(138,660)
Capital reserves	100,150	100,150	15,515	15,515
	<u>6,484,048</u>	<u>6,415,753</u>	<u>5,789,686</u>	<u>5,736,768</u>
(Less)/add: Regulatory adjustments				
- Goodwill and other intangibles	(434,855)	(432,205)	(332,979)	(330,151)
- Deferred tax assets	(240,844)	(203,285)	(171,461)	(143,544)
- Regulatory reserves (Note 1)	(47,686)	(47,686)	(41,641)	(41,641)
- Investment in subsidiaries and joint venture	(1,074)	(1,048)	(959,102)	(1,109,102)
- Transitional arrangements	387,316	527,033	251,754	347,580
Total CET I capital	<u>6,146,905</u>	<u>6,258,562</u>	<u>4,536,257</u>	<u>4,459,910</u>
Additional Tier 1 Capital Securities	499,833	349,753	399,970	249,888
Total Additional Tier 1 Capital	<u>499,833</u>	<u>349,753</u>	<u>399,970</u>	<u>249,888</u>
Total Tier I Capital	<u>6,646,738</u>	<u>6,608,315</u>	<u>4,936,227</u>	<u>4,709,798</u>
<u>Tier II Capital</u>				
Subordinated obligations	1,199,362	1,199,264	1,199,000	1,198,848
Expected credit losses and regulatory reserves (Note 1 & Note 2)	445,466	373,502	335,502	258,031
Less: Regulatory adjustments				
- Investment in Tier II capital instruments	-	-	(130,000)	(130,000)
Total Tier II Capital	<u>1,644,828</u>	<u>1,572,766</u>	<u>1,404,502</u>	<u>1,326,879</u>
Total Capital	<u>8,291,566</u>	<u>8,181,081</u>	<u>6,340,729</u>	<u>6,036,677</u>

Note 1: The Bank maintained its prudent stand in relation to maintaining the regulatory reserves to preserve the potential deterioration of credit quality, taking into consideration the impact of the unprecedented pandemic and the economic slowdown.

Note 2: Expected credit losses ("ECL") for S1 and S2 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 requirements of the Group and the Bank:

GROUP 30 September 2022 Exposure Class	Gross Exposures RM'000	Net Exposures RM'000	Risk-Weighted Assets RM'000	Capital Requirements RM'000
(a) <u>Credit Risk</u>				
On-Balance Sheet Exposures:				
Sovereigns/Central Banks	9,845,748	9,845,748	-	-
Public Sector Entities	658,809	658,809	23,723	1,898
Banks, Development Financial Institutions ("DFIs") and Multilateral Development Banks	1,551,055	1,551,055	383,270	30,662
Insurance Companies, Securities Firms and Fund Managers	57,593	57,070	54,826	4,386
Corporates	21,126,832	19,801,899	15,769,274	1,261,542
Regulatory Retail	12,031,376	11,062,323	8,068,893	645,511
Residential Mortgages	16,215,666	16,205,995	6,481,117	518,489
Higher Risk Assets	5,188	5,188	7,782	623
Other Assets	1,173,558	1,173,558	671,284	53,703
Defaulted Exposures	567,548	564,216	540,790	43,263
Total On-Balance Sheet Exposures	<u>63,233,373</u>	<u>60,925,861</u>	<u>32,000,959</u>	<u>2,560,077</u>
Off-Balance Sheet Exposures:				
Credit-Related Off-Balance Sheet Exposures	4,600,636	3,991,763	3,288,396	263,072
Derivative Financial Instruments	1,042,546	1,042,546	346,016	27,681
Defaulted Exposures	1,311	1,302	1,939	155
Total Off-Balance Sheet Exposures	<u>5,644,493</u>	<u>5,035,611</u>	<u>3,636,351</u>	<u>290,908</u>
Total On and Off-Balance Sheet Exposures	<u>68,877,866</u>	<u>65,961,472</u>	<u>35,637,310</u>	<u>2,850,985</u>
(b) <u>Market Risk (Note 4.0)</u>				
	Long Position	Short Position		
Interest Rate Risk	26,115,385	(26,018,948)	243,713	19,497
Foreign Exchange Risk	95,641	(44,595)	95,680	7,654
	26,211,026	(26,063,543)		
Option Risk			-	-
Total			<u>339,393</u>	<u>27,151</u>
(c) <u>Operational Risk</u>	-	-	3,474,937	277,995
Total	<u>68,877,866</u>	<u>65,961,472</u>	<u>39,451,640</u>	<u>3,156,131</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.):

BANK 30 September 2022 Exposure Class	Gross Exposures RM'000	Net Exposures RM'000	Risk- Weighted Assets RM'000	Capital Requirements RM'000
(a) <u>Credit Risk</u>				
On-Balance Sheet Exposures:				
Sovereigns/Central Banks	7,099,707	7,099,707	-	-
Public Sector Entities	373,224	373,224	16,042	1,283
Banks, DFIs and Multilateral Development Banks	2,235,492	2,235,492	591,339	47,307
Insurance Companies, Securities Firms and Fund Managers	55,708	55,185	52,941	4,235
Corporates	16,032,739	14,885,274	12,040,655	963,252
Regulatory Retail	8,753,460	7,862,804	5,498,986	439,919
Residential Mortgages	11,726,976	11,717,785	4,588,797	367,104
Higher Risk Assets	4,267	4,267	6,401	512
Other Assets	1,179,491	1,179,491	677,217	54,177
Defaulted Exposures	382,954	380,155	382,108	30,569
Total On-Balance Sheet Exposures	<u>47,844,018</u>	<u>45,793,384</u>	<u>23,854,486</u>	<u>1,908,358</u>
Off-Balance Sheet Exposures:				
Credit-Related Off-Balance Sheet Exposures	3,765,037	3,217,294	2,631,659	210,533
Derivative Financial Instruments	1,054,703	1,054,703	352,095	28,168
Defaulted Exposures	1,282	1,273	1,909	153
Total Off-Balance Sheet Exposures	<u>4,821,022</u>	<u>4,273,270</u>	<u>2,985,663</u>	<u>238,854</u>
Total On and Off-Balance Sheet Exposures	<u>52,665,040</u>	<u>50,066,654</u>	<u>26,840,149</u>	<u>2,147,212</u>
(b) <u>Market Risk (Note 4.0)</u>				
	Long Position	Short Position		
Interest Rate Risk	26,115,385	(26,018,948)	243,713	19,497
Foreign Exchange Risk	95,658	(44,548)	95,655	7,652
	26,211,043	(26,063,496)		
Option Risk			-	-
Total			<u>339,368</u>	<u>27,149</u>
(c) <u>Operational Risk</u>	-	-	2,612,867	209,029
Total	<u>52,665,040</u>	<u>50,066,654</u>	<u>29,792,384</u>	<u>2,383,390</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.):

GROUP 31 March 2022 Exposure Class	Gross Exposures RM'000	Net Exposures RM'000	Risk- Weighted Assets RM'000	Capital Requirements RM'000
(a) <u>Credit Risk</u>				
On-Balance Sheet Exposures:				
Sovereigns/Central Banks	9,060,236	9,060,236	-	-
Public Sector Entities	684,403	684,403	42,664	3,413
Banks, Development Financial Institutions ("DFIs") and Multilateral Development Banks	1,060,610	1,060,610	249,651	19,972
Insurance Companies, Securities Firms and Fund Managers	6,090	5,904	5,744	460
Corporates	21,432,987	20,008,464	15,838,533	1,267,083
Regulatory Retail	11,290,118	10,301,771	7,562,357	604,989
Residential Mortgages	16,334,950	16,325,189	6,575,078	526,006
Higher Risk Assets	5,237	5,235	7,853	628
Other Assets	1,103,582	1,103,582	644,543	51,563
Defaulted Exposures	523,225	522,274	523,930	41,914
Total On-Balance Sheet Exposures	<u>61,501,438</u>	<u>59,077,668</u>	<u>31,450,353</u>	<u>2,516,028</u>
Off-Balance Sheet Exposures:				
Credit-Related Off-Balance Sheet Exposures	3,970,570	3,396,539	2,875,266	230,021
Derivative Financial Instruments	486,471	486,471	165,831	13,266
Defaulted Exposures	908	904	1,347	108
Total Off-Balance Sheet Exposures	<u>4,457,949</u>	<u>3,883,914</u>	<u>3,042,444</u>	<u>243,395</u>
Total On and Off-Balance Sheet Exposures	<u>65,959,387</u>	<u>62,961,582</u>	<u>34,492,797</u>	<u>2,759,423</u>
(b) <u>Market Risk (Note 4.0)</u>				
	Long Position	Short Position		
Interest Rate Risk	20,468,534	(20,157,895)	293,037	23,443
Foreign Exchange Risk	51,453	(60,578)	60,571	4,846
	20,519,987	(20,218,473)		
Option Risk			-	-
Total			<u>353,608</u>	<u>28,289</u>
(c) <u>Operational Risk</u>	-	-	3,381,129	270,490
Total	<u>65,959,387</u>	<u>62,961,582</u>	<u>38,227,534</u>	<u>3,058,202</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.):

BANK 31 March 2022 Exposure Class	Gross Exposures RM'000	Net Exposures RM'000	Risk- Weighted Assets RM'000	Capital Requirements RM'000
(a) <u>Credit Risk</u>				
On-Balance Sheet Exposures:				
Sovereigns/Central Banks	6,548,855	6,548,855	-	-
Public Sector Entities	340,855	340,855	18,275	1,462
Banks, DFIs and Multilateral Development Banks	1,363,913	1,363,913	379,406	30,352
Insurance Companies, Securities Firms and Fund Managers	2,297	2,111	1,952	156
Corporates	16,073,457	14,859,109	11,914,015	953,121
Regulatory Retail	8,345,008	7,492,812	5,300,991	424,079
Residential Mortgages	11,755,878	11,746,366	4,589,848	367,188
Higher Risk Assets	4,362	4,360	6,540	523
Other Assets	1,011,154	1,011,154	558,445	44,676
Defaulted Exposures	368,064	367,646	385,887	30,871
Total On-Balance Sheet Exposures	<u>45,813,843</u>	<u>43,737,181</u>	<u>23,155,359</u>	<u>1,852,428</u>
Off-Balance Sheet Exposures:				
Credit-Related Off-Balance Sheet Exposures	3,259,816	2,765,112	2,339,915	187,193
Derivative Financial Instruments	486,471	486,471	165,831	13,266
Defaulted Exposures	853	849	1,271	102
Total Off-Balance Sheet Exposures	<u>3,747,140</u>	<u>3,252,432</u>	<u>2,507,017</u>	<u>200,561</u>
Total On and Off-Balance Sheet Exposures	<u>49,560,983</u>	<u>46,989,613</u>	<u>25,662,376</u>	<u>2,052,989</u>
(b) <u>Market Risk (Note 4.0)</u>				
	Long Position	Short Position		
Interest Rate Risk	20,468,534	(20,157,895)	293,037	23,443
Foreign Exchange Risk	51,553	(60,543)	60,537	4,843
	20,520,087	(20,218,438)		
Option Risk			-	-
Total			<u>353,574</u>	<u>28,286</u>
(c) <u>Operational Risk</u>	-	-	2,547,781	203,822
Total	<u>49,560,983</u>	<u>46,989,613</u>	<u>28,563,731</u>	<u>2,285,097</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 (cont'd.)

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 any collateral held or other credit enhancements and after allowance for impairment, where appropriate.

GROUP 30 September 2022	Geographical region						Total RM'000
	Northern RM'000	Central RM'000	Southern RM'000	Sabah RM'000	Sarawak RM'000	Outside Malaysia RM'000	
Exposure Class							
Sovereigns/Central Banks	-	9,845,748	-	-	-	-	9,845,748
Public Sector Entities	-	648,780	-	10,029	-	-	658,809
Banks, DFIs and Multilateral Development Banks	-	1,362,988	-	100,168	6,213	81,686	1,551,055
Insurance Companies, Securities Firms and Fund Managers	28	57,555	-	-	10	-	57,593
Corporates	1,632,990	15,763,071	1,715,284	1,395,772	619,715	-	21,126,832
Regulatory Retail	1,263,686	7,772,167	1,572,153	1,001,444	421,926	-	12,031,376
Residential Mortgages	652,911	12,615,411	2,078,702	740,457	128,185	-	16,215,666
Higher Risk Assets	161	905	2,951	-	1,171	-	5,188
Other Assets	-	1,173,558	-	-	-	-	1,173,558
Defaulted Exposures	34,990	442,065	68,137	18,472	3,884	-	567,548
Total On-Balance Sheet Exposures	3,584,766	49,682,248	5,437,227	3,266,342	1,181,104	81,686	63,233,373
Credit-Related Off-Balance Sheet Exposures	363,128	3,382,478	400,075	291,203	163,751	-	4,600,635
Derivative Financial Instruments	-	1,042,547	-	-	-	-	1,042,547
Defaulted Exposures	353	402	155	395	6	-	1,311
Total Off-Balance Sheet Exposures	363,481	4,425,427	400,230	291,598	163,757	-	5,644,493
Total Credit Exposures	3,948,247	54,107,675	5,837,457	3,557,940	1,344,861	81,686	68,877,866

BANK 30 September 2022	Geographical region						Total RM'000
	Northern RM'000	Central RM'000	Southern RM'000	Sabah RM'000	Sarawak RM'000	Outside Malaysia RM'000	
Exposure Class							
Sovereigns/Central Banks	-	7,099,707	-	-	-	-	7,099,707
Public Sector Entities	-	373,219	-	5	-	-	373,224
Banks, DFIs and Multilateral Development Banks	-	2,052,433	-	100,169	1,204	81,686	2,235,492
Insurance Companies, Securities Firms and Fund Managers	28	55,671	-	-	9	-	55,708
Corporates	994,241	12,321,326	1,325,677	912,814	478,681	-	16,032,739
Regulatory Retail	766,700	5,773,636	1,137,946	738,083	337,095	-	8,753,460
Residential Mortgages	504,025	9,014,157	1,638,137	477,190	93,467	-	11,726,976
Higher Risk Assets	-	348	2,748	-	1,171	-	4,267
Other Assets	-	1,179,491	-	-	-	-	1,179,491
Defaulted Exposures	19,444	305,421	48,236	6,976	2,877	-	382,954
Total On-Balance Sheet Exposures	2,284,438	38,175,409	4,152,744	2,235,237	914,504	81,686	47,844,018
Credit-Related Off-Balance Sheet Exposures	235,610	2,924,941	309,160	188,384	106,942	-	3,765,037
Derivative Financial Instruments	-	1,054,703	-	-	-	-	1,054,703
Defaulted Exposures	353	373	155	395	6	-	1,282
Total Off-Balance Sheet Exposures	235,963	3,980,017	309,315	188,779	106,948	-	4,821,022
Total Credit Exposures	2,520,401	42,155,426	4,462,059	2,424,016	1,021,452	81,686	52,665,040

3.0 Credit Risk (cont'd.)

3.1 Distribution of Credit Exposures (cont'd.)

(a) Geographical Distribution (cont'd.)

<u>GROUP</u> 31 March 2022	Geographical region						Total RM'000
	Northern RM'000	Central RM'000	Southern RM'000	Sabah RM'000	Sarawak RM'000	Outside Malaysia RM'000	
Exposure Class							
Sovereigns/Central Banks	-	9,060,236	-	-	-	-	9,060,236
Public Sector Entities	-	594,080	-	90,323	-	-	684,403
Banks, DFIs and Multilateral Development Banks	-	902,509	-	100,186	5,007	52,908	1,060,610
Insurance Companies, Securities Firms and Fund Managers	32	6,043	-	-	15	-	6,090
Corporates	1,500,513	16,165,760	1,638,673	1,408,271	719,770	-	21,432,987
Regulatory Retail	1,212,581	7,134,295	1,574,675	954,753	413,814	-	11,290,118
Residential Mortgages	666,248	12,686,577	2,104,733	743,237	134,155	-	16,334,950
Higher Risk Assets	159	922	2,966	-	1,190	-	5,237
Other Assets	4,960	1,098,251	371	-	-	-	1,103,582
Defaulted Exposures	30,196	389,230	77,930	21,858	4,011	-	523,225
Total On-Balance Sheet Exposures	3,414,689	48,037,903	5,399,348	3,318,628	1,277,962	52,908	61,501,438
Credit-Related Off-Balance Sheet Exposures	360,474	2,854,171	354,498	275,674	125,753	-	3,970,570
Derivative Financial Instruments	-	486,471	-	-	-	-	486,471
Defaulted Exposures	-	787	63	30	28	-	908
Total Off-Balance Sheet Exposures	360,474	3,341,429	354,561	275,704	125,781	-	4,457,949
Total Credit Exposures	3,775,163	51,379,332	5,753,909	3,594,332	1,403,743	52,908	65,959,387

<u>BANK</u> 31 March 2022	Geographical region						Total RM'000
	Northern RM'000	Central RM'000	Southern RM'000	Sabah RM'000	Sarawak RM'000	Outside Malaysia RM'000	
Exposure Class							
Sovereigns/Central Banks	-	6,548,855	-	-	-	-	6,548,855
Public Sector Entities	-	340,695	-	160	-	-	340,855
Banks, DFIs and Multilateral Development Banks	-	1,210,819	-	100,186	-	52,908	1,363,913
Insurance Companies, Securities Firms and Fund Managers	31	2,251	-	-	15	-	2,297
Corporates	922,612	12,501,355	1,262,871	931,737	454,882	-	16,073,457
Regulatory Retail	765,039	5,408,202	1,123,594	721,673	326,500	-	8,345,008
Residential Mortgages	509,381	9,018,458	1,655,272	475,384	97,383	-	11,755,878
Higher Risk Assets	-	367	2,805	-	1,190	-	4,362
Other Assets	-	1,011,154	-	-	-	-	1,011,154
Defaulted Exposures	15,767	283,007	55,743	10,473	3,074	-	368,064
Total On-Balance Sheet Exposures	2,212,830	36,325,163	4,100,285	2,239,613	883,044	52,908	45,813,843
Credit-Related Off-Balance Sheet Exposures	237,674	2,463,128	262,456	192,315	104,243	-	3,259,816
Derivative Financial Instruments	-	486,471	-	-	-	-	486,471
Defaulted Exposures	-	752	43	30	28	-	853
Total Off-Balance Sheet Exposures	237,674	2,950,351	262,499	192,345	104,271	-	3,747,140
Total Credit Exposures	2,450,504	39,275,514	4,362,784	2,431,958	987,315	52,908	49,560,983

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	Financial, Insurance, Business Services & Real Estate	Transport, Storage & Communication	Agriculture, Manufacturing, Wholesale & Retail Trade	Construction	Household	Others	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
GROUP								
30 September 2022								
Exposure Class								
Sovereigns/Central Banks	9,845,748	-	-	-	-	-	-	9,845,748
Public Sector Entities	-	588,787	-	-	-	-	70,022	658,809
Banks, DFIs and Multilateral Development Banks	-	1,551,055	-	-	-	-	-	1,551,055
Insurance Companies, Securities Firms and Fund Managers	-	57,593	-	-	-	-	-	57,593
Corporates	-	6,664,022	2,129,282	9,829,919	1,597,867	656,192	249,550	21,126,832
Regulatory Retail	-	1,123,471	167,919	4,568,199	361,276	5,691,023	119,488	12,031,376
Residential Mortgages	-	-	-	-	-	16,215,666	-	16,215,666
Higher Risk Assets	-	3	-	-	-	5,185	-	5,188
Other Assets	-	257,221	-	-	-	-	916,337	1,173,558
Defaulted Exposures	-	61,573	1,390	64,662	3,460	431,774	4,689	567,548
Total On-Balance Sheet Exposures	9,845,748	10,303,725	2,298,591	14,462,780	1,962,603	22,999,840	1,360,086	63,233,373
Credit-Related Off-Balance Sheet Exposures	-	585,460	60,679	1,770,522	553,379	1,544,452	86,143	4,600,635
Derivative Financial Instruments	144,785	665,101	-	-	-	-	232,661	1,042,547
Defaulted Exposures	-	414	-	700	-	196	1	1,311
Total Off-Balance Sheet Exposures	144,785	1,250,975	60,679	1,771,222	553,379	1,544,648	318,805	5,644,493
Total Credit Exposures	9,990,533	11,554,700	2,359,270	16,234,002	2,515,982	24,544,488	1,678,891	68,877,866
BANK								
30 September 2022								
Exposure Class								
Sovereigns/Central Banks	7,099,707	-	-	-	-	-	-	7,099,707
Public Sector Entities	-	303,202	-	-	-	-	70,022	373,224
Banks, DFIs and Multilateral Development Banks	-	2,235,492	-	-	-	-	-	2,235,492
Insurance Companies, Securities Firms and Fund Managers	-	55,708	-	-	-	-	-	55,708
Corporates	-	5,179,662	1,544,428	7,356,758	1,121,479	649,889	180,523	16,032,739
Regulatory Retail	-	875,304	137,773	3,410,675	255,435	3,978,565	95,708	8,753,460
Residential Mortgages	-	-	-	-	-	11,726,976	-	11,726,976
Higher Risk Assets	-	3	-	-	-	4,264	-	4,267
Other Assets	-	257,221	-	-	-	-	922,270	1,179,491
Defaulted Exposures	-	61,446	1,161	57,221	1,705	259,841	1,580	382,954
Total On-Balance Sheet Exposures	7,099,707	8,968,038	1,683,362	10,824,654	1,378,619	16,619,535	1,270,103	47,844,018
Credit-Related Off-Balance Sheet Exposures	-	487,220	44,775	1,276,458	492,212	1,386,093	78,279	3,765,037
Derivative Financial Instruments	144,785	677,257	-	-	-	-	232,661	1,054,703
Defaulted Exposures	-	415	-	700	-	167	-	1,282
Total Off-Balance Sheet Exposures	144,785	1,164,892	44,775	1,277,158	492,212	1,386,260	310,940	4,821,022
Total Credit Exposures	7,244,492	10,132,930	1,728,137	12,101,812	1,870,831	18,005,795	1,581,043	52,665,040

3.0 Credit Risk (cont'd.)

3.1 Distribution of Credit Exposures (cont'd.)

(b) Industry Distribution (cont'd.)

GROUP	Government & Central Bank	Financial, Insurance, Business Services & Real Estate	Transport, Storage & Communication	Agriculture, Manufacturing, Wholesale & Retail Trade	Construction	Household	Others	Total
31 March 2022	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Exposure Class								
Sovereigns/Central Banks	9,060,236	-	-	-	-	-	-	9,060,236
Public Sector Entities	-	579,344	23,846	-	-	-	81,213	684,403
Banks, DFIs and Multilateral Development Banks	-	1,060,610	-	-	-	-	-	1,060,610
Insurance Companies, Securities Firms and Fund Managers	-	6,090	-	-	-	-	-	6,090
Corporates	-	6,778,325	2,085,952	10,068,942	1,531,621	712,624	255,523	21,432,987
Regulatory Retail	-	1,032,279	168,259	4,365,130	321,437	5,307,491	95,522	11,290,118
Residential Mortgages	-	-	-	-	-	16,334,950	-	16,334,950
Higher Risk Assets	-	3	-	-	-	5,234	-	5,237
Other Assets	-	253,765	-	-	-	-	849,817	1,103,582
Defaulted Exposures	-	58,999	1,718	69,141	3,743	384,356	5,268	523,225
Total On-Balance Sheet Exposures	9,060,236	9,769,415	2,279,775	14,503,213	1,856,801	22,744,655	1,287,343	61,501,438
Credit-Related Off-Balance Sheet Exposures	-	407,336	34,819	1,535,221	495,604	1,465,079	32,511	3,970,570
Derivative Financial Instruments	18,379	382,125	-	-	-	-	85,967	486,471
Defaulted Exposures	-	30	-	778	22	78	-	908
Total Off-Balance Sheet Exposures	18,379	789,491	34,819	1,535,999	495,626	1,465,157	118,478	4,457,949
Total Credit Exposures	9,078,615	10,558,906	2,314,594	16,039,212	2,352,427	24,209,812	1,405,821	65,959,387
BANK								
31 March 2022								
Exposure Class								
Sovereigns/Central Banks	6,548,855	-	-	-	-	-	-	6,548,855
Public Sector Entities	-	245,525	14,117	-	-	-	81,213	340,855
Banks, DFIs and Multilateral Development Banks	-	1,363,913	-	-	-	-	-	1,363,913
Insurance Companies, Securities Firms and Fund Managers	-	2,297	-	-	-	-	-	2,297
Corporates	-	5,197,829	1,508,471	7,470,058	1,130,263	621,310	145,526	16,073,457
Regulatory Retail	-	807,524	138,810	3,302,928	242,726	3,779,293	73,727	8,345,008
Residential Mortgages	-	-	-	-	-	11,755,878	-	11,755,878
Higher Risk Assets	-	3	-	-	-	4,359	-	4,362
Other Assets	-	171,499	-	-	-	-	839,655	1,011,154
Defaulted Exposures	-	58,863	1,475	55,715	2,643	247,225	2,143	368,064
Total On-Balance Sheet Exposures	6,548,855	7,847,453	1,662,873	10,828,701	1,375,632	16,408,065	1,142,264	45,813,843
Credit-Related Off-Balance Sheet Exposures	-	337,887	26,325	1,149,180	438,925	1,277,779	29,720	3,259,816
Derivative Financial Instruments	18,379	382,125	-	-	-	-	85,967	486,471
Defaulted Exposures	-	30	-	778	-	45	-	853
Total Off-Balance Sheet Exposures	18,379	720,042	26,325	1,149,958	438,925	1,277,824	115,687	3,747,140
Total Credit Exposures	6,567,234	8,567,495	1,689,198	11,978,659	1,814,557	17,685,889	1,257,951	49,560,983

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:

<u>GROUP</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 2022	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Exposure Class						
Sovereigns/Central Banks	3,111,089	30,453	-	182,910	6,521,296	9,845,748
Public Sector Entities	23,316	-	25,186	101,030	509,277	658,809
Banks, DFIs and Multilateral Development Banks	1,399,469	1,204	-	572	149,810	1,551,055
Insurance Companies, Securities Firms and Fund Managers	50,808	-	-	-	6,785	57,593
Corporates	3,993,603	2,415,495	722,735	347,162	13,647,837	21,126,832
Regulatory Retail	2,187,677	304,005	118,692	85,653	9,335,349	12,031,376
Residential Mortgages	888,055	381	812	2,481	15,323,937	16,215,666
Higher Risk Assets	-	-	-	-	5,188	5,188
Other Assets	633,909	9,687	7,003	4,012	518,947	1,173,558
Defaulted Exposures	52,736	4,339	239	29,458	480,776	567,548
Total On-Balance Sheet Exposures	12,340,662	2,765,564	874,667	753,278	46,499,202	63,233,373

BANK

30 September 2022

Exposure Class						
Sovereigns/Central Banks	1,490,563	30,453	-	132,030	5,446,661	7,099,707
Public Sector Entities	5	-	10,092	-	363,127	373,224
Banks, DFIs and Multilateral Development Banks	1,770,612	1,204	98,832	-	364,844	2,235,492
Insurance Companies, Securities Firms and Fund Managers	50,808	-	-	-	4,900	55,708
Corporates	3,014,015	1,902,753	562,499	262,797	10,290,675	16,032,739
Regulatory Retail	1,850,544	227,387	83,852	65,976	6,525,701	8,753,460
Residential Mortgages	357,423	368	749	2,233	11,366,203	11,726,976
Higher Risk Assets	-	-	-	-	4,267	4,267
Other Assets	645,386	8,338	5,913	3,869	515,985	1,179,491
Defaulted Exposures	37,044	4,312	173	29,197	312,228	382,954
Total On-Balance Sheet Exposures	9,216,400	2,174,815	762,110	496,102	35,194,591	47,844,018

3.0 Credit Risk (cont'd.)

3.1 Distribution of Credit Exposures (cont'd.)

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

<u>GROUP</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 2022	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Exposure Class						
Sovereigns/Central Banks	2,472,855	-	-	30,777	6,556,604	9,060,236
Public Sector Entities	112,074	5,088	-	25,243	541,998	684,403
Banks, DFIs and Multilateral Development Banks	709,113	190,360	-	-	161,137	1,060,610
Insurance Companies, Securities Firms and Fund Managers	336	-	-	-	5,754	6,090
Corporates	4,452,215	2,044,374	754,914	706,267	13,475,217	21,432,987
Regulatory Retail	2,250,699	262,005	128,101	87,918	8,561,395	11,290,118
Residential Mortgages	947,820	456	1,053	3,160	15,382,461	16,334,950
Higher Risk Assets	-	-	-	15	5,222	5,237
Other Assets	581,234	8,091	8,781	6,567	498,909	1,103,582
Defaulted Exposures	53,268	143	288	2,925	466,601	523,225
Total On-Balance Sheet Exposures	11,579,614	2,510,517	893,137	862,872	45,655,298	61,501,438

BANK

31 March 2022

Exposure Class						
Sovereigns/Central Banks	1,055,016	-	-	30,777	5,463,062	6,548,855
Public Sector Entities	10,357	-	-	10,104	320,394	340,855
Banks, DFIs and Multilateral Development Banks	740,402	190,360	60,106	-	373,045	1,363,913
Insurance Companies, Securities Firms and Fund Managers	336	-	-	-	1,961	2,297
Corporates	3,211,825	1,500,012	537,832	588,102	10,235,686	16,073,457
Regulatory Retail	1,807,346	200,707	104,330	63,092	6,169,533	8,345,008
Residential Mortgages	380,749	334	906	2,708	11,371,181	11,755,878
Higher Risk Assets	-	-	-	15	4,347	4,362
Other Assets	558,174	7,553	8,008	5,964	431,455	1,011,154
Defaulted Exposures	33,051	130	218	2,783	331,882	368,064
Total On-Balance Sheet Exposures	7,797,256	1,899,096	711,400	703,545	34,702,546	45,813,843

3.0 Credit Risk (cont'd.)

3.2 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 three 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.

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 three months. Under MFRS 9, 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 intervals or longer, a default of payment will trigger an impairment.

Impaired and Past Due Loans, Advances and Financing and Allowance for Expected Credit Losses - Industry Analysis

	Impaired Loans, Advances and Financing	Past Due Loan	12 months ECL (Stage 1)	Lifetime ECL Not-credit Impaired (Stage 2)	Lifetime ECL Credit Impaired (Stage 3)	ECL charged/ (write-back) for the period (net)	Stage 3 write-off for the period
GROUP	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
30 September 2022							
Financial, Insurance & Business Services and Real Estate	83,292	59,857	12,285	17,821	21,771	13,931	(398)
Transport, Storage & Communication	3,746	28,679	1,840	3,056	2,356	305	0
Agriculture, Manufacturing, Wholesale & Retail Trade	156,506	296,431	35,277	87,635	91,961	16,903	(18,464)
Construction	33,345	236,809	2,601	88,380	29,906	4,105	(40,815)
Household	592,938	1,163,682	181,564	379,919	161,317	36,856	(34,369)
Others	6,409	3,915	629	4,901	1,708	151	(267)
Total	876,236	1,789,373	234,196	581,712	309,019	72,251	(94,313)

BANK

30 September 2022

Financial, Insurance & Business Services and Real Estate	82,745	49,745	9,137	14,074	21,335	13,931	(399)
Transport, Storage & Communication	3,209	25,596	1,528	2,669	2,048	307	0
Agriculture, Manufacturing, Wholesale & Retail Trade	131,019	264,439	28,593	77,072	73,905	14,412	(14,369)
Construction	20,364	179,459	1,918	83,958	18,665	3,977	(531)
Household	359,676	747,027	105,607	202,499	100,106	11,656	(18,865)
Others	2,528	3,443	510	1,764	946	81	(267)
Total	599,541	1,269,709	147,293	382,036	217,005	44,364	(34,431)

3.0 Credit Risk (cont'd.)

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

Impaired and Past Due Loans, Advances and Financing and Allowance for Expected Credit Losses - Industry Analysis (cont'd.)

	Impaired Loans, Advances and <u>Financing</u>	Past Due <u>Loan</u>	12 months ECL (Stage 1)	Lifetime ECL Not-credit Impaired (Stage 2)	Lifetime ECL Credit Impaired (Stage 3)	ECL charged/ (write-back) for the period (net)	Stage 3 write-off for the period
GROUP	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
31 March 2022							
Financial, Insurance & Business Services and Real Estate	67,538	151,422	11,370	29,629	8,555	1,486	(452)
Transport, Storage & Communication	3,797	19,695	3,367	4,248	2,076	(1,122)	(118)
Agriculture, Manufacturing, Wholesale & Retail Trade	162,233	236,651	48,119	96,000	93,147	30,786	(13,964)
Construction	69,603	154,504	3,550	59,573	66,645	40,054	(812)
Household	542,925	851,572	203,621	363,840	159,194	60,855	(65,245)
Others	7,170	14,082	647	4,360	1,901	1,576	(1,109)
Total	853,266	1,427,926	270,674	557,650	331,518	133,635	(81,700)

BANK

31 March 2022

Financial, Insurance & Business Services and Real Estate	66,983	140,432	8,510	23,761	8,118	1,306	(452)
Transport, Storage & Communication	3,244	17,379	2,973	3,950	1,766	(1,046)	(118)
Agriculture, Manufacturing, Wholesale & Retail Trade	129,234	208,666	37,918	85,334	73,575	17,740	(12,876)
Construction	17,912	139,260	2,563	56,273	15,269	1,654	(812)
Household	354,098	556,880	122,017	197,526	107,541	44,513	(42,114)
Others	3,286	14,081	505	1,698	1,143	750	(1,109)
Total	574,757	1,076,698	174,486	368,542	207,412	64,917	(57,481)

3.0 Credit Risk (cont'd.)

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

Impaired and Past Due Loans, Advances and Financing and Allowance for Expected Credit Losses - Geographical

	Impaired Loans, Advances and Financing	Past Due Loan	12 months ECL (Stage 1)	Lifetime ECL Not-credit Impaired (Stage 2)	Lifetime ECL Credit Impaired (Stage 3)	ECL charged/ (write-back) for the period (net)	Stage 3 write-off for the period
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
GROUP							
30 September 2022							
Northern Region	73,748	110,168	20,610	35,954	38,882	9,106	(5,963)
Central Region	643,040	1,324,821	171,503	464,030	201,102	48,680	(76,263)
Southern Region	117,031	198,976	25,122	49,576	48,958	2,734	(10,184)
Sabah Region	35,318	123,823	12,865	26,921	16,862	11,531	(1,831)
Sarawak Region	7,099	31,585	4,096	5,231	3,215	200	(72)
Total	876,236	1,789,373	234,196	581,712	309,019	72,251	(94,313)

BANK

30 September 2022

Northern Region	44,546	81,677	14,005	24,337	25,237	6,821	(4,987)
Central Region	453,279	930,001	103,253	303,203	148,052	24,913	(21,631)
Southern Region	75,812	148,673	17,193	33,150	27,646	2,200	(7,606)
Sabah Region	20,416	85,896	9,430	17,284	13,459	10,462	(161)
Sarawak Region	5,488	23,462	3,412	4,062	2,611	(32)	(46)
Total	599,541	1,269,709	147,293	382,036	217,005	44,364	(34,431)

3.0 Credit Risk (cont'd.)

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

Impaired and Past Due Loans, Advances and Financing and Allowance for Expected Credit Losses - Geographical (cont'd.)

	Impaired Loans, Advances and Financing	Past Due Loan	12 months ECL (Stage 1)	Lifetime ECL Not-credit Impaired (Stage 2)	Lifetime ECL Credit Impaired (Stage 3)	ECL charged/ (write-back) for the period (net)	Stage 3 write-off for the period
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
GROUP							
31 March 2022							
Northern Region	66,114	88,483	23,572	34,707	36,009	6,018	(5,248)
Central Region	616,851	1,001,220	197,663	438,546	228,925	95,583	(60,296)
Southern Region	134,400	238,306	29,144	48,416	56,540	30,163	(13,330)
Sabah Region	28,823	82,894	15,086	31,167	6,976	1,677	(1,404)
Sarawak Region	7,078	17,023	5,209	4,814	3,068	194	(1,422)
Total	853,266	1,427,926	270,674	557,650	331,518	133,635	(81,700)
BANK							
31 March 2022							
Northern Region	39,156	70,521	16,235	24,841	23,481	2,400	(3,459)
Central Region	427,522	751,174	123,875	286,467	145,047	48,083	(40,623)
Southern Region	88,780	200,579	19,899	32,605	33,121	14,807	(10,916)
Sabah Region	13,574	44,032	10,398	20,880	3,112	(464)	(1,146)
Sarawak Region	5,725	10,392	4,079	3,749	2,651	91	(1,337)
Total	574,757	1,076,698	174,486	368,542	207,412	64,917	(57,481)

3.0 Credit Risk (cont'd.)

3.2 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
GROUP				
At 1 April 2022	270,674	557,650	331,518	1,159,842
Transfer to Stage 1	86,577	(134,893)	(19,081)	(67,397)
Transfer to Stage 2	(101,926)	222,216	(50,426)	69,864
Transfer to Stage 3	(1,025)	(112,306)	138,207	24,876
New financial assets originated or purchased	37,663	107,473	4,514	149,650
Financial assets derecognised other than write-off	(30,531)	(112,011)	(8,712)	(151,254)
Changes due to change in credit risk	(27,297)	54,836	7,749	35,288
Other adjustment	61	73	-	134
	(36,478)	25,388	72,251	61,161
Unwinding of discount	-	-	(437)	(437)
Total (write-back from)/charge to income statement	(36,478)	25,388	71,814	60,724
Write-off	-	(1,326)	(94,313)	(95,639)
At 30 September 2022	234,196	581,712	309,019	1,124,927
At 1 April 2021	231,025	498,776	277,405	1,007,206
Transfer to Stage 1	139,012	(500,239)	(1,598)	(362,825)
Transfer to Stage 2	(85,699)	730,176	(206,437)	438,040
Transfer to Stage 3	(627)	(308,235)	288,619	(20,243)
New financial assets originated or purchased	93,426	228,198	14,727	336,351
Financial assets derecognised other than write-off	(69,683)	(250,735)	(23,389)	(343,807)
Changes due to change in credit risk	(36,790)	161,540	61,713	186,463
Other adjustment	11	5	-	16
	39,650	60,710	133,635	233,995
Unwinding of discount	-	-	2,178	2,178
Total charge to income statement	39,650	60,710	135,813	236,173
Write-off	(1)	(1,836)	(81,700)	(83,537)
At 31 March 2022	270,674	557,650	331,518	1,159,842

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

3.0 Credit Risk (cont'd.)

3.2 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
<u>BANK</u>				
At 1 April 2022	174,486	368,542	207,412	750,440
Transfer to Stage 1	51,056	(83,925)	(19,067)	(51,936)
Transfer to Stage 2	(57,191)	131,858	(33,209)	41,458
Transfer to Stage 3	(453)	(69,195)	90,265	20,617
New financial assets originated or purchased	24,390	101,012	2,349	127,751
Financial assets derecognised other than write-off	(20,997)	(102,789)	(5,252)	(129,038)
Changes due to change in credit risk	(24,059)	37,096	9,278	22,315
Other adjustment	61	73	-	134
	(27,193)	14,130	44,364	31,301
Unwinding of discount	-	-	(340)	(340)
Total (write-back from)/charge to income statement	(27,193)	14,130	44,024	30,961
Write-off	-	(636)	(34,431)	(35,067)
At 30 September 2022	147,293	382,036	217,005	746,334
At 1 April 2021	154,241	314,669	197,689	666,599
Transfer to Stage 1	86,573	(314,557)	(1,581)	(229,565)
Transfer to Stage 2	(52,603)	442,526	(124,959)	264,964
Transfer to Stage 3	(446)	(157,496)	156,394	(1,548)
New financial assets originated or purchased	61,935	165,809	9,067	236,811
Financial assets derecognised other than write-off	(46,658)	(190,470)	(13,382)	(250,510)
Changes due to change in credit risk	(28,566)	108,957	39,378	119,769
Other adjustments	11	5	-	16
	20,246	54,774	64,917	139,937
Unwinding of discount	-	-	2,287	2,287
Total charge to income statement	20,246	54,774	67,204	142,224
Write-off	(1)	(901)	(57,481)	(58,383)
At 31 March 2022	174,486	368,542	207,412	750,440

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

3.0 Credit Risk (cont'd.)

3.3 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:

<div> <div>←-----</div> <div>Exposures after netting and credit risk mitigation</div> <div>-----→</div> </div>											
GROUP				Insurance						Total	
30 September 2022	Sovereigns	Public	Banks, DFIs and	Companies, Securities						Exposures	Total
<u>Risk-Weights</u>	/Central Banks	Sector Entities	Multilateral Development Banks	Firms and Fund Managers	Corporates	Regulatory Retail	Residential Mortgages	Higher Risk Assets	Other Assets	Netting and Credit Risk Mitigation	Risk-Weighted Assets
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
0%	9,845,748	540,196	4,863	2,180	1,795,848	214,166	-	-	265,626	12,668,627	-
20%	144,785	281,693	1,873,293	167	2,839,239	1,005,901	2,291	-	295,810	6,443,179	1,288,636
35%	-	-	-	-	-	-	13,609,499	-	-	13,609,499	4,763,325
50%	-	-	397,445	-	7,503	31,004	2,109,335	-	-	2,545,287	1,272,643
75%	-	-	-	-	-	9,719,048	8,009	-	-	9,727,057	7,295,293
100%	-	-	105	77,589	17,177,287	2,005,852	995,688	-	612,122	20,868,643	20,868,643
150%	-	-	-	-	70,253	22,045	380	6,502	-	99,180	148,770
Total Exposures	9,990,533	821,889	2,275,706	79,936	21,890,130	12,998,016	16,725,202	6,502	1,173,558	65,961,472	35,637,310
Risk-Weighted assets by Exposures	28,957	56,339	573,486	77,622	17,854,266	9,544,888	6,820,715	9,753	671,284	35,637,310	
Average Risk-Weight	0%	7%	25%	97%	82%	73%	41%	150%	57%	54%	
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	-	

3.0 Credit Risk (cont'd.)

3.3 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				Insurance Banks, Companies, DFIs and Securities						Total Exposures after Netting and Credit Risk Mitigation	Total Risk- Weighted Assets
30 September 2022	Sovereigns	Public	Multilateral	Firms and		Regulatory	Residential	Higher	Other		
<u>Risk-Weights</u>	<u>/Central</u>	<u>Sector</u>	<u>Development</u>	<u>Fund</u>		<u>Retail</u>	<u>Mortgages</u>	<u>Assets</u>	<u>Assets</u>		
	<u>Banks</u>	<u>Entities</u>	<u>Banks</u>	<u>Managers</u>	<u>Corporates</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
0%	7,099,707	293,015	-	2,180	1,256,651	186,224	-	-	265,626	9,103,403	-
20%	144,785	211,289	2,328,563	167	2,020,669	812,612	1,557	-	295,810	5,815,452	1,163,090
35%	-	-	-	-	-	-	10,271,943	-	-	10,271,943	3,595,180
50%	-	-	642,736	-	5,517	20,484	1,131,957	-	-	1,800,694	900,347
75%	-	-	-	-	-	7,755,827	5,995	-	-	7,761,822	5,821,367
100%	-	-	105	71,685	13,111,417	792,163	626,265	-	618,055	15,219,690	15,219,690
150%	-	-	-	-	70,163	17,997	-	5,490	-	93,650	140,475
Total Exposures	7,244,492	504,304	2,971,404	74,032	16,464,417	9,585,307	12,037,717	5,490	1,179,491	50,066,654	26,840,149
Risk-Weighted Assets by Exposures	28,957	42,258	787,186	71,718	13,623,554	6,808,793	4,792,231	8,235	677,217	26,840,149	
Average Risk-Weight	0%	8%	26%	97%	83%	71%	40%	150%	57%	54%	
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	-	

3.0 Credit Risk (cont'd.)

3.3 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 -----→											
GROUP				Insurance						Total	
31 March 2022	Sovereigns	Public	Banks, DFIs and	Companies, Securities						Exposures	Total
<u>Risk-Weights</u>	/Central Banks	Sector Entities	Multilateral Development Banks	Firms and Fund Managers	Corporates	Regulatory Retail	Residential Mortgages	Higher Risk Assets	Other Assets	Netting and Credit Risk Mitigation	Risk-Weighted Assets
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
0%	9,060,236	471,082	4,938	-	1,627,191	139,040	-	-	272,810	11,575,297	-
20%	18,379	276,606	1,234,100	199	3,199,981	914,931	1,795	-	232,788	5,878,779	1,175,756
35%	-	-	-	-	-	-	13,642,847	-	-	13,642,847	4,774,996
50%	-	-	217,315	-	8,996	20,977	2,107,171	-	-	2,354,459	1,177,230
75%	-	-	-	-	-	8,803,071	12,010	-	-	8,815,081	6,611,311
100%	-	-	31	28,031	17,045,747	1,846,186	1,060,370	-	597,985	20,578,350	20,578,350
150%	-	-	-	-	82,642	26,976	563	6,588	-	116,769	175,154
Total Exposures	9,078,615	747,688	1,456,384	28,230	21,964,557	11,751,181	16,824,756	6,588	1,103,583	62,961,582	34,492,797
Risk-Weighted Assets by Exposures	3,676	55,321	355,509	28,071	17,814,204	8,682,428	6,899,163	9,882	644,543	34,492,797	
Average Risk-Weight	0%	7%	24%	99%	81%	74%	41%	150%	58%	55%	
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	-	

3.0 Credit Risk (cont'd.)

3.3 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.):

<div> <div>←-----</div> <div>Exposures after netting and credit risk mitigation</div> <div>-----→</div> </div>											
BANK				Insurance						Total	
31 March 2022	Sovereigns	Public	Banks,	Companies,						Exposures	Total
Risk-	/Central	Sector	DFIs and	Securities		Regulatory	Residential	Higher	Other	Netting and	Risk-
<u>Weights</u>	<u>Banks</u>	<u>Entities</u>	<u>Development</u>	<u>Fund</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%	6,548,855	249,477	-	-	1,120,268	114,681	-	-	272,810	8,306,091	-
20%	18,379	138,662	1,315,320	199	2,297,379	784,037	1,278	-	224,875	4,780,129	956,026
35%	-	-	-	-	-	-	10,308,601	-	-	10,308,601	3,608,011
50%	-	-	443,448	-	7,363	16,045	1,128,948	-	-	1,595,804	797,902
75%	-	-	-	-	-	7,007,664	8,807	-	-	7,016,471	5,262,353
100%	-	-	31	20,219	12,884,587	841,059	612,018	-	513,470	14,871,384	14,871,384
150%	-	-	-	-	82,517	22,416	563	5,637	-	111,133	166,700
Total Exposures	6,567,234	388,139	1,758,799	20,418	16,392,114	8,785,902	12,060,215	5,637	1,011,155	46,989,613	25,662,376
Risk-Weighted Assets by Exposures	3,676	27,732	484,819	20,259	13,471,520	6,295,261	4,792,208	8,456	558,445	25,662,376	
Average Risk-Weight	0%	7%	28%	99%	82%	72%	40%	150%	55%	55%	
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	-	

3.0 Credit Risk (cont'd.)

3.3 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 Berhad ("MARC"), Standard and Poor's ("S&P"), Moody's, Fitch Ratings, and Rating and Investment Information, Inc. ("R&I" [See Note 1]). 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 External Credit Assessment Institutions ("ECAIs"):

Long-Term Rating

Rating Category	S&P	Moody's	Fitch	RAM	MARC	R&I*
1	AAA to AA-	Aaa to Aa3	AAA to AA-	AAA to AA3	AAA to AA-	AAA to AA-
2	A+ to A-	A1 to A3	A+ to A-	A+ to A3	A+ to A-	A+ to A-
3	BBB+ to BB-	Baa1 to Ba3	BBB+ to BB-	BBB1 to BB3	BBB+ to BB-	BBB+ to BB-
4	B+ to D	B1 to C	B+ to D	B to D	B+ to D	B+ to D
5	Unrated					

Short-Term Rating

Rating Category	S&P	Moody's	Fitch	RAM	MARC	R&I*
1	A-1	P-1	F1+, F1	P-1	MARC-1	a-1+, a-1
2	A-2	P-2	F2+, F2	P-2	MARC-2	a-2+, a-2
3	A-3	P-3	F3	P-3	MARC-3	a-3
4	Others	Others	B+ to D	NP	MARC-4	b, c
5	Unrated					

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

GROUP

30 September 2022

Exposure Class	Rating Categories					Total
	1	2	3	4	5	
	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						
Public Sector Entities	-	540,196	-	-	-	540,196
Sovereigns and Central Banks (See Note 2)	-	9,990,532	-	-	-	9,990,532
Corporates	-	1,517,354	-	-	-	1,517,354
Banks, DFIs and Multilateral Development Banks	-	4,863	-	-	-	4,863
Total	-	12,052,945	-	-	-	12,052,945
(ii) Exposures risk-weighted using Banking Institutions long-term rating						
Banks, DFIs and Multilateral Development Banks	1,067,529	750,703	1,063	-	451,548	2,270,843
Exposures risk-weighted using Banking Institutions short-term rating						
Banks, DFIs and Multilateral Development Banks	-	-	-	-	-	-
Total	1,067,529	750,703	1,063	-	451,548	2,270,843
(iii) Exposures risk-weighted using Corporate long-term rating						
Public Sector Entities	25,185	-	-	-	256,507	281,692
Corporates	2,609,353	-	-	-	19,388,692	21,998,045
Insurance Companies, Securities Firms & Fund Managers	-	-	-	-	80,478	80,478
Exposures risk-weighted using Corporate short-term rating						
Public Sector Entities	-	-	-	-	-	-
Corporates	-	-	-	-	-	-
Insurance Companies, Securities Firms & Fund Managers	-	-	-	-	-	-
Total	2,634,538	-	-	-	19,725,677	22,360,215

Note 2: The Federal Government and Central Bank of Malaysia are accorded 0% risk weight as provided under the Capital Adequacy Framework.

3.0 Credit Risk (cont'd.)

3.3 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 2022

Exposure Class	Rating Categories					Total
	1	2	3	4	5	
	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						
Public Sector Entities	-	293,015	-	-	-	293,015
Sovereigns and Central Banks (See Note 2)	-	7,244,491	-	-	-	7,244,491
Corporates	-	1,048,763	-	-	-	1,048,763
Banks, DFIs and Multilateral Development Banks	-	-	-	-	-	-
Total	-	8,586,269	-	-	-	8,586,269
(ii) Exposures risk-weighted using Banking						
Institutions long-term rating						
Banks, DFIs and Multilateral Development Banks	1,052,636	1,472,168	1,063	-	445,538	2,971,405
Exposures risk-weighted using Banking						
Institutions short-term rating						
Banks, DFIs and Multilateral Development Banks	-	-	-	-	-	-
Total	1,052,636	1,472,168	1,063	-	445,538	2,971,405
(iii) Exposures risk-weighted using Corporate long-term						
rating						
Public Sector Entities	10,092	-	-	-	201,196	211,288
Corporates	1,852,382	-	-	-	14,957,696	16,810,078
Insurance Companies, Securities Firms & Fund Managers	-	-	-	-	74,573	74,573
Exposures risk-weighted using Corporate short-term						
rating						
Public Sector Entities	-	-	-	-	-	-
Corporates	-	-	-	-	-	-
Insurance Companies, Securities Firms & Fund Managers	-	-	-	-	-	-
Total	1,862,474	-	-	-	15,233,465	17,095,939

Note 2: The Federal Government and Central Bank of Malaysia are accorded 0% risk weight as provided under the Capital Adequacy Framework.

3.0 Credit Risk (cont'd.)

3.3 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

31 March 2022

Exposure Class	Rating Categories					Total
	1	2	3	4	5	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>On and Off Balance-Sheet Exposures</u>						
(i) Exposures risk-weighted using Sovereigns and Central Banks rating						
Public Sector Entities	-	471,082	-	-	-	471,082
Sovereigns and Central Banks (See Note 2)	-	9,078,615	-	-	-	9,078,615
Corporates	-	1,408,099	-	-	-	1,408,099
Banks, DFIs and Multilateral Development Banks	-	4,938	-	-	-	4,938
Total	-	10,962,734	-	-	-	10,962,734
(ii) Exposures risk-weighted using Banking Institutions long-term rating						
Banks, DFIs and Multilateral Development Banks	664,369	580,810	521	-	185,780	1,431,480
Exposures risk-weighted using Banking Institutions short-term rating						
Banks, DFIs and Multilateral Development Banks	19,966	-	-	-	-	19,966
Total	684,335	580,810	521	-	185,780	1,451,446
(iii) Exposures risk-weighted using Corporate long-term rating						
Public Sector Entities	30,331	-	-	-	246,275	276,606
Corporates	2,963,100	-	10,263	-	19,264,739	22,238,102
Insurance Companies, Securities Firms & Fund Managers	-	-	-	-	28,504	28,504
Exposures risk-weighted using Corporate short-term rating						
Public Sector Entities	-	-	-	-	-	-
Corporates	-	-	-	-	-	-
Insurance Companies, Securities Firms & Fund Managers	-	-	-	-	-	-
Total	2,993,431	-	10,263	-	19,539,518	22,543,212

Note 2: The Federal Government and Central Bank of Malaysia are accorded 0% risk weight as provided under the Capital Adequacy Framework.

3.0 Credit Risk (cont'd.)

3.3 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 2022

Exposure Class	Rating Categories					Total
	1	2	3	4	5	
	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						
Public Sector Entities	-	249,477	-	-	-	249,477
Sovereigns and Central Banks (See Note 2)	-	6,567,233	-	-	-	6,567,233
Corporates	-	942,826	-	-	-	942,826
Banks, DFIs and Multilateral Development Banks	-	-	-	-	-	-
Total	-	7,759,536	-	-	-	7,759,536
(ii) Exposures risk-weighted using Banking Institutions long-term rating						
Banks, DFIs and Multilateral Development Banks	649,103	909,378	521	-	179,831	1,738,833
Exposures risk-weighted using Banking Institutions short-term rating						
Banks, DFIs and Multilateral Development Banks	19,966	-	-	-	-	19,966
Total	669,069	909,378	521	-	179,831	1,758,799
(iii) Exposures risk-weighted using Corporate long-term rating						
Public Sector Entities	10,104	-	-	-	128,558	138,662
Corporates	2,103,558	-	10,263	-	14,758,774	16,872,595
Insurance Companies, Securities Firms & Fund Managers	-	-	-	-	20,692	20,692
Exposures risk-weighted using Corporate short-term rating						
Public Sector Entities	-	-	-	-	-	-
Corporates	-	-	-	-	-	-
Insurance Companies, Securities Firms & Fund Managers	-	-	-	-	-	-
Total	2,113,662	-	10,263	-	14,908,024	17,031,949

Note 2: The Federal Government and Central Bank of Malaysia are accorded 0% risk weight as provided under the Capital Adequacy Framework.

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.)

3.4 Credit Risk Mitigation ("CRM")

As a practical approach towards mitigating credit risk, the Group accepts a wide range of collaterals. The 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's Capital Adequacy Framework 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.

GROUP	Exposures before CRM	Exposures covered by guarantees/ credit derivatives (Note 1)	Exposures covered by eligible financial collateral	Exposures covered by other eligible collateral
30 September 2022	RM'000	RM'000	RM'000	RM'000
<u>Credit Risk</u>				
<u>Exposure Class</u>				
On-Balance Sheet Exposures:				
Sovereigns/Central Banks	9,845,748	-	-	-
Public Sector Entities	658,809	-	-	-
Banks, DFIs and Multilateral Development Banks	1,551,055	-	-	-
Insurance Companies, Securities Firms and Fund Managers	57,593	2,277	523	-
Corporates	21,126,832	491,675	1,324,933	-
Regulatory Retail	12,031,376	1,208,877	969,053	-
Residential Mortgages	16,215,666	2,291	9,671	-
Higher Risk Assets	5,188	-	-	-
Other Assets	1,173,558	-	-	-
Defaulted Exposures	567,548	8,082	3,332	-
Total On-Balance Sheet Exposures	63,233,373	1,713,202	2,307,512	-
Off-Balance Sheet Exposures:				
Off-Balance Sheet Exposures other than Over The Counter ("OTC") Derivatives or Credit				
Derivatives	5,643,182	19,884	608,873	-
Defaulted Exposures	1,311	-	9	-
Total Off-Balance Sheet Exposures	5,644,493	19,884	608,882	-
Total On and Off-Balance Sheet Exposures	68,877,866	1,733,086	2,916,394	-

Note 1: The exposures covered by guarantees/credit derivative refer to the exposures guaranteed by eligible guarantors.

3.0 Credit Risk (cont'd.)

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

<u>BANK</u> 30 September 2022	Exposures before CRM RM'000	Exposures covered by guarantees/ credit derivatives (Note 1) RM'000	Exposures covered by eligible financial collateral RM'000	Exposures covered by other eligible collateral RM'000
<u>Credit Risk</u>				
<u>Exposure Class</u>				
On-Balance Sheet Exposures:				
Sovereigns/Central Banks	7,099,707	-	-	-
Public Sector Entities	373,224	-	-	-
Banks, DFIs and Multilateral Development Banks	2,235,492	-	-	-
Insurance Companies, Securities Firms and Fund Managers	55,708	2,277	523	-
Corporates	16,032,739	365,517	1,147,465	-
Regulatory Retail	8,753,460	989,666	890,656	-
Residential Mortgages	11,726,976	1,557	9,191	-
Higher Risk Assets	4,267	-	-	-
Other Assets	1,179,491	-	-	-
Defaulted Exposures	382,954	7,734	2,799	-
Total On-Balance Sheet Exposures	<u>47,844,018</u>	<u>1,366,751</u>	<u>2,050,634</u>	<u>-</u>
Off-Balance Sheet Exposures:				
Off-Balance Sheet Exposures other than OTC Derivatives or Credit Derivatives	4,819,740	12,164	547,743	-
Defaulted Exposures	1,282	-	9	-
Total Off-Balance Sheet Exposures	<u>4,821,022</u>	<u>12,164</u>	<u>547,752</u>	<u>-</u>
Total On and Off-Balance Sheet Exposures	<u>52,665,040</u>	<u>1,378,915</u>	<u>2,598,386</u>	<u>-</u>

Note 1: The exposures covered by guarantees/credit derivative refer to the exposures guaranteed by eligible guarantors.

3.0 Credit Risk (cont'd.)

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

GROUP	Exposures before CRM RM'000	Exposures covered by guarantees/ credit derivatives (Note 1) RM'000	Exposures covered by eligible financial collateral RM'000	Exposures covered by other eligible collateral RM'000
31 March 2022				
<u>Credit Risk</u>				
Exposure Class				
On-Balance Sheet Exposures:				
Sovereigns/Central Banks	9,060,236	-	-	-
Public Sector Entities	684,403	-	-	-
Banks, DFIs and Multilateral Development Banks	1,060,610	-	-	-
Insurance Companies, Securities Firms and Fund Managers	6,090	199	186	-
Corporates	21,432,987	448,479	1,424,523	-
Regulatory Retail	11,290,118	1,049,811	988,347	-
Residential Mortgages	16,334,950	1,795	9,761	-
Higher Risk Assets	5,237	-	2	-
Other Assets	1,103,582	-	-	-
Defaulted Exposures	523,225	3,181	951	-
Total On-Balance Sheet Exposures	<u>61,501,438</u>	<u>1,503,465</u>	<u>2,423,770</u>	<u>-</u>
Off-Balance Sheet Exposures:				
Off-Balance Sheet Exposures other than OTC Derivatives or Credit Derivatives	4,457,041	8,472	574,031	-
Defaulted Exposures	908	-	4	-
Total Off-Balance Sheet Exposures	<u>4,457,949</u>	<u>8,472</u>	<u>574,035</u>	<u>-</u>
Total On and Off-Balance Sheet Exposures	<u>65,959,387</u>	<u>1,511,937</u>	<u>2,997,805</u>	<u>-</u>

Note 1: The exposures covered by guarantees/credit derivative refer to the exposures guaranteed by eligible guarantors.

3.0 Credit Risk (cont'd.)

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

BANK	Exposures before CRM	Exposures covered by guarantees/ credit derivatives (Note 1)	Exposures covered by eligible financial collateral	Exposures covered by other eligible collateral
31 March 2022	RM'000	RM'000	RM'000	RM'000
<u>Credit Risk</u>				
Exposure Class				
On-Balance Sheet Exposures:				
Sovereigns/Central Banks	6,548,855	-	-	-
Public Sector Entities	340,855	-	-	-
Banks, DFIs and Multilateral Development Banks	1,363,913	-	-	-
Insurance Companies, Securities Firms and Fund Managers	2,297	199	186	-
Corporates	16,073,457	367,937	1,214,348	-
Regulatory Retail	8,345,008	895,361	852,196	-
Residential Mortgages	11,755,878	1,278	9,512	-
Higher Risk Assets	4,362	-	2	-
Other Assets	1,011,154	-	-	-
Defaulted Exposures	368,064	3,181	418	-
Total On-Balance Sheet Exposures	45,813,843	1,267,956	2,076,662	-
Off-Balance Sheet Exposures:				
Off-Balance Sheet Exposures other than OTC Derivatives or Credit Derivatives				
Defaulted Exposures	853	-	4	-
Total Off-Balance Sheet Exposures	3,747,140	3,500	494,708	-
Total On and Off-Balance Sheet Exposures	49,560,983	1,271,456	2,571,370	-

Note 1: The exposures covered by guarantees/credit derivative refer to the exposures guaranteed by eligible guarantors.

3.0 Credit Risk (cont'd.)

3.5 Off-Balance Sheet Exposures and Counterparty Credit Risk

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

GROUP	Principal Amount RM'000	Positive Fair Value of Derivative Contracts RM'000	Credit Equivalent Amount RM'000	Risk- Weighted Assets RM'000
30 September 2022				
<u>Credit-Related Exposures</u>				
Direct Credit Substitutes	511,249	-	511,249	411,683
Transaction-Related Contingent Items	597,552	-	298,776	170,949
Short-Term Self-Liquidating Trade- Related Contingencies	149,010	-	29,802	26,296
Forward Asset Purchase	46,280	-	46,280	9,256
Irrevocable Commitments to Extend Credit:				
- Maturity exceeding one year	2,587,015	-	1,292,696	937,374
- Maturity not exceeding one year	10,688,499	-	2,137,662	1,516,654
Unutilised Credit Card Lines	1,427,458	-	285,482	218,123
	<u>16,007,063</u>	<u>-</u>	<u>4,601,947</u>	<u>3,290,335</u>
<u>Derivative Financial Instruments</u>				
Foreign Exchange Related Contracts:				
- One year or less	15,374,206	255,002	435,895	124,759
- Over one year to three years	997,974	13,275	79,219	50,594
- Over three years	539,262	4,476	52,446	34,563
Interest Rate Related Contracts:				
- One year or less	2,527,021	9,691	18,676	4,963
- Over one year to three years	2,365,294	44,936	108,951	27,632
- Over three years	6,023,521	41,440	308,426	91,741
Equity Related Contracts:				
- One year or less	433,374	498	26,556	8,234
- Over one year to three years	154,720	-	12,377	3,530
	<u>28,415,372</u>	<u>369,318</u>	<u>1,042,546</u>	<u>346,016</u>
	<u>44,422,435</u>	<u>369,318</u>	<u>5,644,493</u>	<u>3,636,351</u>

3.0 Credit Risk (cont'd.)

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

BANK	Principal	Positive	Credit	Risk-
30 September 2022	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	431,408	-	431,408	345,631
Transaction-Related Contingent Items	531,155	-	265,577	150,879
Short-Term Self-Liquidating Trade-Related Contingencies	129,845	-	25,969	23,440
Forward Asset Purchase	46,280	-	46,280	9,256
Irrevocable Commitments to Extend Credit:				
- Maturity exceeding one year	2,145,196	-	1,071,885	766,538
- Maturity not exceeding one year	8,198,712	-	1,639,718	1,119,992
Unutilised Credit Card Lines	1,427,458	-	285,482	217,832
	<u>12,910,055</u>	<u>-</u>	<u>3,766,319</u>	<u>2,633,568</u>
<u>Derivative Financial Instruments</u>				
Foreign Exchange Related Contracts:				
- One year or less	15,374,206	255,002	435,895	124,759
- Over one year to three years	997,974	13,275	79,219	50,594
- Over three years	539,262	4,476	52,446	34,563
Interest Rate Related Contracts:				
- One year or less	2,527,021	9,691	18,676	4,963
- Over one year to three years	2,365,294	44,936	108,951	27,633
- Over three years	6,321,521	41,676	320,582	97,819
Equity Related Contracts:				
- One year or less	433,374	498	26,556	8,234
- Over one year to three years	154,720	-	12,378	3,530
	<u>28,713,372</u>	<u>369,554</u>	<u>1,054,703</u>	<u>352,095</u>
	<u>41,623,427</u>	<u>369,554</u>	<u>4,821,022</u>	<u>2,985,663</u>

3.0 Credit Risk (cont'd.)

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

GROUP	Principal Amount RM'000	Positive Fair Value of Derivative Contracts RM'000	Credit Equivalent Amount RM'000	Risk- Weighted Assets RM'000
31 March 2022				
<u>Credit-Related Exposures</u>				
Direct Credit Substitutes	498,689	-	498,689	411,241
Transaction-Related Contingent Items	561,778	-	280,889	187,696
Short-Term Self-Liquidating Trade- Related Contingencies	211,549	-	42,310	36,429
Forward Asset Purchase	-	-	-	-
Irrevocable Commitments to Extend Credit:				
- Maturity exceeding one year	1,747,771	-	873,160	619,872
- Maturity not exceeding one year	10,049,097	-	2,009,819	1,417,040
Unutilised Credit Card Lines	1,333,057	-	266,611	204,335
	<u>14,401,941</u>	<u>-</u>	<u>3,971,478</u>	<u>2,876,613</u>
<u>Derivative Financial Instruments</u>				
Foreign Exchange Related Contracts:				
- One year or less	10,370,880	16,936	130,778	41,269
- Over one year to three years	917,134	2,903	66,040	36,371
- Over three years	257,757	899	25,650	13,648
Interest Rate Related Contracts:				
- One year or less	2,158,436	9,743	16,296	4,882
- Over one year to three years	3,307,815	37,099	108,492	29,368
- Over three years	1,948,660	18,280	101,421	29,534
Equity Related Contracts:				
- One year or less	332,492	345	20,418	6,623
- Over one year to three years	216,080	89	17,376	4,136
	<u>19,509,254</u>	<u>86,294</u>	<u>486,471</u>	<u>165,831</u>
	<u>33,911,195</u>	<u>86,294</u>	<u>4,457,949</u>	<u>3,042,444</u>

3.0 Credit Risk (cont'd.)

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

BANK	Principal	Positive	Credit	Risk-
31 March 2022	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	428,454	-	428,454	350,050
Transaction-Related Contingent Items	499,745	-	249,872	167,139
Short-Term Self-Liquidating Trade-Related Contingencies	192,299	-	38,460	33,478
Forward Asset Purchase	-	-	-	-
Irrevocable Commitments to Extend Credit:				
- Maturity exceeding one year	1,462,876	-	730,715	515,958
- Maturity not exceeding one year	7,732,786	-	1,546,557	1,070,536
Unutilised Credit Card Lines	1,333,057	-	266,611	204,025
	<u>11,649,217</u>	<u>-</u>	<u>3,260,669</u>	<u>2,341,186</u>
<u>Derivative Financial Instruments</u>				
Foreign Exchange Related Contracts:				
- One year or less	10,370,880	16,936	130,778	41,269
- Over one year to three years	917,134	2,903	66,040	36,371
- Over three years	257,757	899	25,650	13,648
Interest Rate Related Contracts:				
- One year or less	2,158,436	9,743	16,296	4,882
- Over one year to three years	3,307,815	37,099	108,492	29,368
- Over three years	1,948,660	18,280	101,421	29,534
Equity Related Contracts:				
- One year or less	332,492	345	20,418	6,623
- Over one year to three years	216,080	89	17,376	4,136
	<u>19,509,254</u>	<u>86,294</u>	<u>486,471</u>	<u>165,831</u>
	<u>31,158,471</u>	<u>86,294</u>	<u>3,747,140</u>	<u>2,507,017</u>

4.0 Market Risk

4.1 Traded Market Risk

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

	GROUP		BANK	
	Risk-Weighted Assets	Capital Requirements	Risk-Weighted Assets	Capital Requirements
	RM'000	RM'000	RM'000	RM'000
30 September 2022				
Interest Rate Risk				
- General Interest Rate Risk	242,400	19,392	242,400	19,392
- Specific Interest Rate Risk	1,313	105	1,313	105
	<u>243,713</u>	<u>19,497</u>	<u>243,713</u>	<u>19,497</u>
Foreign Exchange Risk	95,680	7,654	95,655	7,652
Option Risk	-	-	-	-
	<u>339,393</u>	<u>27,151</u>	<u>339,368</u>	<u>27,149</u>
31 March 2022				
Interest Rate Risk				
- General Interest Rate Risk	291,525	23,322	291,525	23,322
- Specific Interest Rate Risk	1,512	121	1,512	121
	<u>293,037</u>	<u>23,443</u>	<u>293,037</u>	<u>23,443</u>
Foreign Exchange Risk	60,571	4,846	60,537	4,843
Option Risk	-	-	-	-
	<u>353,608</u>	<u>28,289</u>	<u>353,574</u>	<u>28,286</u>

4.0 Market Risk (cont'd.)

4.2 Non-Traded Market Risk

4.2.1 Interest Rate Risk/Rate of Return Risk in the Banking Book ("IRR/RORBB")

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	Other Foreign Currencies ("FCY") RM'000	Total RM'000
GROUP					
30 September 2022					
Impact on Net Interest Income ("NII")					
Parallel 200 bps up	272,084	20,950	(1,065)	(7,892)	284,077
Parallel 200 bps down	(272,084)	(20,950)	1,065	7,892	(284,077)
Impact on Economic Value ("EV")					
Parallel 200 bps up	(161,323)	10,451	2,001	6,329	(142,542)
Parallel 200 bps down	161,323	(10,451)	(2,001)	(6,329)	142,542
Steepener	(435,899)	(4,685)	(684)	(3,135)	(444,403)
Flattener	382,834	7,036	984	4,559	395,413
Short Rate Up	80,981	10,672	1,441	6,734	99,828
Short Rate Down	(80,981)	(10,672)	(1,441)	(6,734)	(99,828)
BANK					
30 September 2022					
Impact on NII					
Parallel 200 bps up	222,752	20,950	(1,065)	(7,892)	234,745
Parallel 200 bps down	(222,752)	(20,950)	1,065	7,892	(234,745)
Impact on EV					
Parallel 200 bps up	(51,031)	10,451	2,001	6,329	(32,250)
Parallel 200 bps down	51,031	(10,451)	(2,001)	(6,329)	32,250
Steepener	(312,274)	(4,685)	(684)	(3,135)	(320,778)
Flattener	280,623	7,036	984	4,559	293,202
Short Rate Up	103,578	10,672	1,441	6,734	122,425
Short Rate Down	(103,578)	(10,672)	(1,441)	(6,734)	(122,425)
	MYR RM'000	USD RM'000	SGD RM'000	Other FCY RM'000	Total RM'000
GROUP					
31 March 2022					
Impact on NII					
Parallel 200 bps up	218,322	9,519	(1,180)	(3,041)	223,620
Parallel 200 bps down	(218,322)	(9,519)	1,180	3,041	(223,620)
Impact on EV					
Parallel 200 bps up	(481,876)	10,359	2,301	4,063	(465,153)
Parallel 200 bps down	481,876	(10,359)	(2,301)	(4,063)	465,153
Steepener	(525,979)	(4,725)	(764)	(2,003)	(533,471)
Flattener	430,205	7,055	1,109	2,917	441,286
Short Rate Up	(98,830)	10,652	1,636	4,314	(82,228)
Short Rate Down	98,830	(10,652)	(1,636)	(4,314)	82,228
BANK					
31 March 2022					
Impact on NII					
Parallel 200 bps up	175,959	9,515	(1,181)	(3,044)	181,249
Parallel 200 bps down	(175,959)	(9,515)	1,181	3,044	(181,249)
Impact on EV					
Parallel 200 bps up	(324,978)	10,359	2,301	4,063	(308,255)
Parallel 200 bps down	324,978	(10,359)	(2,301)	(4,063)	308,255
Steepener	(396,297)	(4,725)	(764)	(2,003)	(403,789)
Flattener	327,465	7,055	1,109	2,917	338,546
Short Rate Up	(48,518)	10,652	1,636	4,314	(31,916)
Short Rate Down	48,518	(10,652)	(1,636)	(4,314)	31,916

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, 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 cash-flows 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 NII and 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.

4.0 Market Risk (cont'd)

4.3 Equity Exposures in Banking Book

The Group and the Bank hold 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:

	GROUP		BANK	
	Gross credit exposures	Risk-weighted assets	Gross credit exposures	Risk-weighted assets
	RM'000	RM'000	RM'000	RM'000
30 September 2022				
Publicly Traded				
Holding of equity investments	15	15	15	15
Privately Held				
For socio-economic purposes	257,206	257,206	257,206	257,206
Not for socio-economic purposes	3	5	3	5
	<u>257,224</u>	<u>257,226</u>	<u>257,224</u>	<u>257,226</u>
31 March 2022				
Publicly Traded				
Holding of equity investments	13	13	13	13
Privately Held				
For socio-economic purposes	245,839	245,839	171,485	171,485
Not for socio-economic purposes	3	5	3	5
	<u>245,855</u>	<u>245,857</u>	<u>171,501</u>	<u>171,503</u>

Gains and Losses on Equity Exposures in the Banking Book

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

	GROUP		BANK	
	30 September 2022	31 March 2022	30 September 2022	31 March 2022
	RM'000	RM'000	RM'000	RM'000
Unrealised gains/(losses) recognised in revaluation reserve				
- Publicly traded equity investments	<u>2</u>	<u>(2)</u>	<u>2</u>	<u>(2)</u>
	<u>2</u>	<u>(2)</u>	<u>2</u>	<u>(2)</u>
Unrealised gains recognised in statement of income				
- Privately held equity investments	<u>14,686</u>	<u>21,166</u>	<u>14,686</u>	<u>17,006</u>
	<u>14,686</u>	<u>21,166</u>	<u>14,686</u>	<u>17,006</u>

5.0 Shariah Governance Disclosures

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. Immediate actions had been taken to rectify the Shariah non-compliance event, which was tracked and escalated to the Shariah Committee and the AIS Board. The Shariah non-compliant income of RM14 has been donated to charity in accordance with Shariah Committee's decision.