



# ALLIANCE INVESTMENT BANK

**Alliance Investment Bank Berhad** 197401004393 (21605-D)  
(A Participating Organisation of Bursa Malaysia Securities Berhad)

## **BASEL II PILLAR 3 REPORT**

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

**ALLIANCE INVESTMENT BANK BERHAD**  
**197401004393 (21605-D)**

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**Overview**

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

**1.0 Scope of Application**

The Pillar 3 Disclosure was prepared on a consolidated basis comprises information on Alliance Investment Bank Berhad ("the Bank") and its subsidiaries, associate and joint venture. The Bank offers Conventional and Islamic banking services. The latter includes accepting deposits and providing financing under Shariah principles via its Islamic window. The Islamic Banking portion is not material and the Bank does not use Profit-sharing Investment Account ("PSIA") as a risk absorbent mechanism.

The basis of consolidation for the use of regulatory capital purposes is similar to that for financial accounting purposes. Investments in subsidiaries, associate 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**

The capital management of Alliance Investment Bank and its subsidiaries is under the purview of the Alliance Bank Group's capital management with the objectives:

- (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;
- (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 ("CET1") capital from Financial Year 2021 to Financial Year 2024.

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

	<b>GROUP</b>		<b>BANK</b>	
	30 September	31 March	30 September	31 March
	2021	2021	2021	2021
<b>(i) <u>With transitional arrangements</u></b>				
<u>Before deducting proposed dividends</u>				
CET I capital ratio	74.947%	72.608%	74.971%	72.580%
Tier I capital ratio	74.947%	72.608%	74.971%	72.580%
Total capital ratio	75.860%	73.534%	75.885%	73.506%
<u>After deducting proposed dividends</u>				
CET I capital ratio	74.947%	69.026%	74.971%	69.000%
Tier I capital ratio	74.947%	69.026%	74.971%	69.000%
Total capital ratio	75.860%	69.953%	75.885%	69.926%
<b>(ii) <u>Without transitional arrangements</u></b>				
<u>Before deducting proposed dividends</u>				
CET I capital ratio	74.936%	72.578%	74.960%	72.550%
Tier I capital ratio	74.936%	72.578%	74.960%	72.550%
Total capital ratio	75.850%	73.504%	75.874%	73.476%
<u>After deducting proposed dividends</u>				
CET I capital ratio	74.936%	68.997%	74.960%	68.970%
Tier I capital ratio	74.936%	68.997%	74.960%	68.970%
Total capital ratio	75.850%	69.923%	75.874%	69.896%

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

2.0 Capital (cont'd.)

2.2 Capital Structure

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

	<u>GROUP</u>		<u>BANK</u>	
	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</u></b>				
Paid-up share capital	365,963	365,962	365,963	365,962
Retained profits	79,167	72,758	81,035	74,658
Financial investments at fair value through other comprehensive income ("FVOCI") reserves	11,097	21,105	11,097	21,105
Regulatory reserves (Note 2)	6,045	6,434	6,045	6,434
	<u>462,272</u>	<u>466,259</u>	<u>464,140</u>	<u>468,159</u>
(Less)/add: Regulatory adjustments				
- Goodwill and other intangibles	(21,952)	(22,332)	(24,512)	(24,892)
- Deferred tax assets	(323)	-	(323)	-
- 55% of FVOCI reserves	(6,103)	(11,608)	(6,103)	(11,608)
- Regulatory reserves (Note 2)	(6,045)	(6,434)	(6,045)	(6,434)
- Investment in associate and joint venture	(1,316)	(1,284)	(624)	(624)
- Transitional arrangements	62	175	62	175
Total CET I Capital/Total Tier I Capital	<u>426,595</u>	<u>424,776</u>	<u>426,595</u>	<u>424,776</u>
<b><u>Tier II Capital</u></b>				
Expected credit losses and regulatory reserves (Note 1 & Note 2)	5,199	5,421	5,199	5,421
Total Tier II Capital	<u>5,199</u>	<u>5,421</u>	<u>5,199</u>	<u>5,421</u>
<b>Total Capital</b>	<u>431,794</u>	<u>430,197</u>	<u>431,794</u>	<u>430,197</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> RM'000	<b>Net</b> <b>Exposures</b> RM'000	<b>Risk- Weighted</b> <b>Assets</b> RM'000	<b>Capital</b> <b>Requirements</b> RM'000
<b>(i) Credit Risk</b>				
On-balance sheet exposures:				
Sovereigns/Central banks	334,750	334,750	-	-
Public Sector Entities	875	875	175	14
Banks, Development Financial Institutions ("DFIs") and Multilateral Development Banks	76,645	76,645	32,724	2,618
Corporates	628,963	496,943	244,845	19,588
Regulatory retail	14,888	2,674	2,005	160
Residential mortgages	127	127	44	4
Other assets	143,456	143,456	98,127	7,850
Defaulted exposures	1,290	1,290	1,645	132
Total on-balance sheet exposures	<u>1,200,994</u>	<u>1,056,760</u>	<u>379,565</u>	<u>30,366</u>
Off-balance sheet exposures:				
Credit-related off-balance sheet exposures	73,220	38,845	36,368	2,909
Defaulted exposures	-	-	-	-
Total off-balance sheet exposures	<u>73,220</u>	<u>38,845</u>	<u>36,368</u>	<u>2,909</u>
Total on and off-balance sheet exposures	<u>1,274,214</u>	<u>1,095,605</u>	<u>415,933</u>	<u>33,275</u>
<b>(ii) Market Risk (Note 4.0)</b>				
	Long Position	Short Position		
Interest rate risk	-	-	-	-
Foreign currency risk	195	-	195	16
Option risk	195	-	-	-
Total			<u>195</u>	<u>16</u>
<b>(iii) Operational Risk</b>				
	-	-	153,067	12,245
Total	<u>1,274,214</u>	<u>1,095,605</u>	<u>569,195</u>	<u>45,536</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> RM'000	<b>Net</b> <b>Exposures</b> RM'000	<b>Risk- Weighted</b> <b>Assets</b> RM'000	<b>Capital</b> <b>Requirements</b> RM'000
(i) <u>Credit Risk</u>				
On-balance sheet exposures:				
Sovereigns/Central banks	334,750	334,750	-	-
Public Sector Entities	875	875	175	14
Banks, DFIs and Multilateral Development Banks	76,645	76,645	32,724	2,618
Corporates	628,963	496,943	244,845	19,588
Regulatory retail	14,888	2,674	2,005	160
Residential mortgages	127	127	44	4
Other assets	143,456	143,456	98,127	7,850
Defaulted exposures	1,290	1,290	1,645	132
Total on-balance sheet exposures	<u>1,200,994</u>	<u>1,056,760</u>	<u>379,565</u>	<u>30,366</u>
Off-balance sheet exposures:				
Credit-related off-balance sheet exposures	73,220	38,845	36,368	2,909
Defaulted exposures	-	-	-	-
Total off-balance sheet exposures	<u>73,220</u>	<u>38,845</u>	<u>36,368</u>	<u>2,909</u>
Total on and off-balance sheet exposures	<u>1,274,214</u>	<u>1,095,605</u>	<u>415,933</u>	<u>33,275</u>
(ii) Market Risk (Note 4.0)				
Interest rate risk			-	-
Foreign currency risk			195	16
Option risk			-	-
Total			<u>195</u>	<u>16</u>
(iii) Operational Risk	-	-	152,884	12,231
Total	<u>1,274,214</u>	<u>1,095,605</u>	<u>569,012</u>	<u>45,522</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> RM'000	<b>Net</b> <b>Exposures</b> RM'000	<b>Risk- Weighted</b> <b>Assets</b> RM'000	<b>Capital</b> <b>Requirements</b> RM'000
(i) <u>Credit Risk</u>				
On-balance sheet exposures:				
Sovereigns/Central banks	294,680	294,680	-	-
Public Sector Entities	125,418	125,418	2,115	169
Banks, DFIs and Multilateral Development Banks	61,262	61,262	26,998	2,160
Corporates	852,176	717,981	284,794	22,784
Regulatory retail	13,323	2,379	1,785	143
Residential mortgages	147	147	52	4
Other assets	83,817	83,817	83,817	6,705
Defaulted exposures	199	199	190	15
Total on-balance sheet exposures	<u>1,431,022</u>	<u>1,285,883</u>	<u>399,751</u>	<u>31,980</u>
Off-balance sheet exposures:				
Credit-related off-balance sheet exposures	72,143	36,260	33,949	2,716
Defaulted exposures	-	-	-	-
Total off-balance sheet exposures	<u>72,143</u>	<u>36,260</u>	<u>33,949</u>	<u>2,716</u>
Total on and off-balance sheet exposures	<u>1,503,165</u>	<u>1,322,143</u>	<u>433,700</u>	<u>34,696</u>
(ii) Market Risk (Note 4.0)				
Interest rate risk			-	-
Foreign currency risk			174	14
Option risk			-	-
Total			<u>174</u>	<u>14</u>
(iii) Operational Risk	-	-	151,155	12,092
Total	<u>1,503,165</u>	<u>1,322,143</u>	<u>585,029</u>	<u>46,802</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>Gross</b>	<b>Net</b>	<b>Risk-</b>	<b>Capital</b>
<b>31 March 2021</b>	<b>Exposures</b>	<b>Exposures</b>	<b>Weighted</b>	<b>Requirements</b>
<b>Exposure Class</b>	<b>RM'000</b>	<b>RM'000</b>	<b>Assets</b>	<b>RM'000</b>
			<b>RM'000</b>	
(i) <u>Credit Risk</u>				
On-balance sheet exposures:				
Sovereigns/Central banks	294,680	294,680	-	-
Public Sector Entities	125,418	125,418	2,115	169
Bank, DFIs and Multilateral Development Banks	61,262	61,262	26,998	2,160
Corporates	852,176	717,981	284,794	22,784
Regulatory retail	13,323	2,379	1,785	143
Residential mortgages	147	147	52	4
Other assets	83,817	83,817	83,817	6,705
Defaulted exposures	199	199	190	15
Total on-balance sheet exposures	<u>1,431,022</u>	<u>1,285,883</u>	<u>399,751</u>	<u>31,980</u>
Off-balance sheet exposures:				
Credit-related off-balance sheet exposures	72,143	36,260	33,949	2,716
Defaulted exposures	-	-	-	-
Total off-balance sheet exposures	<u>72,143</u>	<u>36,260</u>	<u>33,949</u>	<u>2,716</u>
Total on and off-balance sheet exposures	<u>1,503,165</u>	<u>1,322,143</u>	<u>433,700</u>	<u>34,696</u>
(ii) Market Risk (Note 4.0)				
Interest rate risk			-	-
Foreign currency risk			174	14
Option risk			-	-
Total			<u>174</u>	<u>14</u>
(iii) Operational Risk	-	-	151,379	12,110
Total	<u>1,503,165</u>	<u>1,322,143</u>	<u>585,253</u>	<u>46,820</u>

Note:

Under Islamic Banking, the Group does not use 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/BANK</b>	<b>Geographical region</b>			
	<b>Northern</b>	<b>Central</b>	<b>Southern</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>
Cash and short-term funds (exclude cash in hand)	-	64,484	-	64,484
Deposits and placements with banks and other financial institutions	-	6,970	-	6,970
Amounts due from clients and brokers	17,649	102,851	5,675	126,175
Financial investments at fair value through other comprehensive income (exclude equity securities)	-	651,730	-	651,730
Financial investments at amortised cost	-	16	-	16
Loans, advances and financing	45,595	186,754	28,523	260,872
<b>Total on-balance sheet</b>	<b>63,244</b>	<b>1,012,805</b>	<b>34,198</b>	<b>1,110,247</b>
Contingent liabilities	-	1,050	-	1,050
Commitments	80,496	206,808	44,158	331,462
<b>Total off-balance sheet</b>	<b>80,496</b>	<b>207,858</b>	<b>44,158</b>	<b>332,512</b>
<b>Total credit exposure</b>	<b>143,740</b>	<b>1,220,663</b>	<b>78,356</b>	<b>1,442,759</b>

<b>GROUP/BANK</b>	<b>Geographical region</b>			
	<b>Northern</b>	<b>Central</b>	<b>Southern</b>	<b>Total</b>
<b>31 March 2021</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)	-	56,058	-	56,058
Deposits and placements with banks and other financial institutions	-	-	-	-
Amounts due from clients and brokers	22,108	75,700	7,233	105,041
Financial investments at fair value through other comprehensive income (exclude equity securities)	-	921,075	-	921,075
Financial investments at amortised cost	-	16	-	16
Loans, advances and financing	35,415	198,215	29,800	263,430
<b>Total on-balance sheet</b>	<b>57,523</b>	<b>1,251,064</b>	<b>37,033</b>	<b>1,345,620</b>
Contingent liabilities	-	1,050	-	1,050
Commitments	85,789	196,620	43,668	326,077
<b>Total off-balance sheet</b>	<b>85,789</b>	<b>197,670</b>	<b>43,668</b>	<b>327,127</b>
<b>Total credit exposure</b>	<b>143,312</b>	<b>1,448,734</b>	<b>80,701</b>	<b>1,672,747</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/BANK</b>								
<b>30 September 2021</b>								
Cash and short-term funds (exclude cash in hand)	31	64,453	-	-	-	-	-	64,484
Deposits and placements with banks and other financial institutions	-	6,970	-	-	-	-	-	6,970
Amounts due from clients and brokers	-	56,661	-	-	-	-	69,514	126,175
Financial investments at fair value through other comprehensive income (exclude equity securities)	334,719	87,583	132,027	76,640	20,761	-	-	651,730
Financial investments at amortised cost	-	16	-	-	-	-	-	16
Loans, advances and financing	-	49,196	-	492	51,701	157,762	1,721	260,872
<b>Total on-balance sheet</b>	<b>334,750</b>	<b>264,879</b>	<b>132,027</b>	<b>77,132</b>	<b>72,462</b>	<b>157,762</b>	<b>71,235</b>	<b>1,110,247</b>
Contingent liabilities	-	1,050	-	-	-	-	-	1,050
Commitments	-	57,782	-	3,508	21,976	242,917	5,279	331,462
<b>Total off-balance sheet</b>	<b>-</b>	<b>58,832</b>	<b>-</b>	<b>3,508</b>	<b>21,976</b>	<b>242,917</b>	<b>5,279</b>	<b>332,512</b>
<b>Total credit exposure</b>	<b>334,750</b>	<b>323,711</b>	<b>132,027</b>	<b>80,640</b>	<b>94,438</b>	<b>400,679</b>	<b>76,514</b>	<b>1,442,759</b>
<b>GROUP/BANK</b>								
<b>31 March 2021</b>								
Cash and short-term funds (exclude cash in hand)	43	56,015	-	-	-	-	-	56,058
Deposits and placements with banks and other financial institutions	-	-	-	-	-	-	-	-
Amounts due from clients and brokers	-	-	-	-	-	-	105,041	105,041
Financial investments at fair value through other comprehensive income (exclude equity securities)	201,627	230,413	384,378	47,159	57,498	-	-	921,075
Financial investments at amortised cost	-	16	-	-	-	-	-	16
Loans, advances and financing	-	23,543	-	34,848	52,030	151,275	1,734	263,430
<b>Total on-balance sheet</b>	<b>201,670</b>	<b>309,987</b>	<b>384,378</b>	<b>82,007</b>	<b>109,528</b>	<b>151,275</b>	<b>106,775</b>	<b>1,345,620</b>
Contingent liabilities	-	1,050	-	-	-	-	-	1,050
Commitments	-	52,460	-	2,012	21,638	244,701	5,266	326,077
<b>Total off-balance sheet</b>	<b>-</b>	<b>53,510</b>	<b>-</b>	<b>2,012</b>	<b>21,638</b>	<b>244,701</b>	<b>5,266</b>	<b>327,127</b>
<b>Total credit exposure</b>	<b>201,670</b>	<b>363,497</b>	<b>384,378</b>	<b>84,019</b>	<b>131,166</b>	<b>395,976</b>	<b>112,041</b>	<b>1,672,747</b>

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**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/Bank</u>	<u>Up to 1 month</u> RM'000	<u>&gt;1-3 months</u> RM'000	<u>&gt;3-6 months</u> RM'000	<u>&gt;6-12 months</u> RM'000	<u>&gt;1 year</u> RM'000	<u>Total</u> RM'000
<b>30 September 2021</b>						
Cash and short-term funds (exclude cash in hand)	64,484	-	-	-	-	64,484
Deposits and placements of banks and other financial institutions	-	6,970	-	-	-	6,970
Amounts due from clients and brokers	126,175	-	-	-	-	126,175
Financial investments at fair value through other comprehensive income (exclude equity securities)	20,450	15,252	-	-	616,028	651,730
Financial investments at amortised cost	-	-	16	-	-	16
Loans, advances and financing	228,084	1,490	-	-	31,298	260,872
<b>Total on-balance sheet</b>	<b>439,193</b>	<b>23,712</b>	<b>16</b>	<b>-</b>	<b>647,326</b>	<b>1,110,247</b>
<b>31 March 2021</b>						
Cash and short-term funds (exclude cash in hand)	56,058	-	-	-	-	56,058
Amounts due from clients and brokers	105,041	-	-	-	-	105,041
Financial investments at fair value through other comprehensive income (exclude equity securities)	50,967	-	-	51,285	818,823	921,075
Financial investments at amortised cost	-	-	-	16	-	16
Loans, advances and financing	214,710	13,990	-	-	34,730	263,430
<b>Total on-balance sheet</b>	<b>426,776</b>	<b>13,990</b>	<b>-</b>	<b>51,301</b>	<b>853,553</b>	<b>1,345,620</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. For loans that are structured to pay principal and/or interest at quarterly interval or longer, a default of payment will trigger an impairment. Under MFRS9, exposures more than 30 days past due are transferred to Stage 2.

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

	<u>GROUP/BANK</u> 30 September 2021 RM'000	<u>GROUP/BANK</u> 31 March 2021 RM'000
Household	- <u>                    </u>	- <u>                    </u>

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

	<u>GROUP/BANK</u> 30 September 2021 RM'000	<u>GROUP/BANK</u> 31 March 2021 RM'000
Central region	- <u>                    </u>	- <u>                    </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/BANK</b>	
	30 September 2021 RM'000	31 March 2021 RM'000
Household	184	182
	<u>184</u>	<u>182</u>

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

<b>GROUP/BANK</b>	12 months ECL <u>(Stage 1)</u> RM'000	Lifetime ECL Not-credit Impaired <u>(Stage 2)</u> RM'000	Lifetime ECL Credit Impaired <u>(Stage 3)</u> RM'000	ECL charged/ (write-back) for the period (net) RM'000	Stage 3 write-off for the period RM'000
Financial, insurance & business services services and real estate	126	-	-	-	-
Agriculture, manufacturing, wholesale & retail trade	-	-	-	-	-
Construction	-	365	-	-	-
Household	-	-	-	-	-
Others	-	-	-	-	-
	<u>126</u>	<u>365</u>	<u>-</u>	<u>-</u>	<u>-</u>

<b>GROUP/BANK</b>	12 months ECL <u>(Stage 1)</u> RM'000	Lifetime ECL Not-credit Impaired <u>(Stage 2)</u> RM'000	Lifetime ECL Credit Impaired <u>(Stage 3)</u> RM'000	ECL charged/ (write-back) for the year (net) RM'000	Stage 3 write-off for the year RM'000
Financial, insurance & business services services and real estate	28	-	-	-	-
Agriculture, manufacturing, wholesale & retail trade	190	-	-	-	-
Construction	-	462	-	-	-
Household	2	-	0	(264)	(78)
Others	-	-	-	-	-
	<u>220</u>	<u>462</u>	<u>0</u>	<u>(264)</u>	<u>(78)</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 analysed by significant geographical areas:

<u>GROUP/BANK</u>	12 months ECL (Stage 1)	Lifetime ECL Not-credit Impaired (Stage 2)	Lifetime ECL Credit Impaired (Stage 3)
<b>30 September 2021</b>	RM'000	RM'000	RM'000
Northern region	-	-	-
Central region	126	365	-
	<u>126</u>	<u>365</u>	<u>-</u>

<u>GROUP/BANK</u>	12 months ECL (Stage 1)	Lifetime ECL Not-credit Impaired (Stage 2)	Lifetime ECL Credit Impaired (Stage 3)
<b>31 March 2021</b>	RM'000	RM'000	RM'000
Northern region	2	-	-
Central region	218	462	0
	<u>220</u>	<u>462</u>	<u>0</u>



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:

<b>GROUP/BANK</b>	12 months ECL	Lifetime ECL	Lifetime ECL	<b>Total</b>
	9 - 22	Not-credit Impaired (Stage 2)	Credit Impaired (Stage 3)	
	RM'000	RM'000	RM'000	RM'000
At 1 April 2021	220	462	-	682
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
New financial assets originated or purchased	-	-	-	-
Financial assets derecognised other than write-off	(33)	-	-	(33)
Changes due to change in credit risk	(61)	(97)	-	(158)
Total (write-back from)/charge to income statement	(94)	(97)	-	(191)
Write-off	-	-	-	-
At 30 September 2021	126	365	-	491

<b>GROUP/BANK</b>	12 months ECL	Lifetime ECL	Lifetime ECL	<b>Total</b>
	(Stage 1)	Not-credit Impaired (Stage 2)	Credit Impaired (Stage 3)	
	RM'000	RM'000	RM'000	RM'000
At 1 April 2020	701	-	342	1,043
Transfer to Stage 2	(222)	787	-	565
Transfer to Stage 3	-	(2)	-	(2)
New financial assets originated or purchased	48	-	-	48
Financial assets derecognised other than write-off	(181)	-	(81)	(262)
Changes due to change in credit risk	(126)	(323)	(183)	(632)
Total (write-back from)/charge to income statement	(481)	462	(264)	(283)
Write-off	-	-	(78)	(78)
At 31 March 2021	220	462	-	682

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/BANK 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	Public Sector Entities	Banks, DFIs and Multilateral Development Banks	Corporates	Regulatory Retail	Residential mortgages	Other Assets		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
0%	334,750	-	-	36,209	-	-	-	370,959	-
20%	-	875	18,661	260,329	-	-	56,661	336,526	67,305
35%	-	-	-	-	-	127	-	127	44
50%	-	-	57,983	15,451	-	-	-	73,434	36,717
75%	-	-	-	-	12,585	-	-	12,585	9,439
100%	-	-	-	214,087	-	184	86,795	301,066	301,066
150%	-	-	-	908	-	-	-	908	1,362
Total exposures	334,750	875	76,644	526,984	12,585	311	143,456	1,095,605	415,933
Risk-weighted assets by exposures	-	175	32,724	275,240	9,439	228	98,127	415,933	
Average risk-weight	-	20%	43%	52%	75%	73%	68%	38%	
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.):

<b>GROUP/BANK</b> <b>31 March 2021</b>	<b>Exposures after netting and Credit risk mitigation</b>							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	Corporates RM'000	Regulatory Retail RM'000	Residential mortgages RM'000	Other Assets RM'000		
0%	294,680	114,841	-	205,571	-	-	-	615,092	-
20%	-	10,578	12,109	274,971	-	-	-	297,658	59,532
35%	-	-	-	-	-	147	-	147	51
50%	-	-	49,153	15,295	-	-	-	64,448	32,224
75%	-	-	-	-	11,622	-	-	11,622	8,717
100%	-	-	-	249,177	-	182	83,817	333,176	333,176
150%	-	-	-	-	-	-	-	-	-
<b>Total exposures</b>	<b>294,680</b>	<b>125,419</b>	<b>61,262</b>	<b>745,014</b>	<b>11,622</b>	<b>329</b>	<b>83,817</b>	<b>1,322,143</b>	<b>433,700</b>
Risk-weighted assets by exposures	-	2,116	26,998	311,819	8,717	233	83,817	433,700	
Average risk-weight	-	2%	44%	42%	75%	71%	100%	33%	
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" [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 Eligible Credit Assessment Institutions ("ECAIs"):

**GROUP/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		-	-	-	-	-	-
Sovereigns and Central Banks (See Note 2)		-	334,750	-	-	-	334,750
Corporates		-	36,209	-	-	-	36,209
Banks, DFIs and Multilateral Development Banks		-	-	-	-	-	-
		-	370,959	-	-	-	370,959
<b>(ii) Exposures risk-weighted using Banking Institutions long-term rating</b>							
Banks, DFIs and Multilateral Development Banks		11,691	64,954	-	-	-	76,645
<b>Exposures risk-weighted using Banking Institutions short-term rating</b>							
Banks, DFIs and Multilateral Development Banks		-	-	-	-	-	-
		11,691	64,954	-	-	-	76,645
<b>(iii) Exposures risk-weighted using Corporate long-term rating</b>							
Public Sector Entities		-	-	-	-	875	875
Corporates		260,329	15,252	-	-	371,071	646,652
Insurance Companies, Securities Firms & Fund Managers		-	-	-	-	-	-
<b>Exposures risk-weighted using Corporate short-term rating</b>							
Public Sector Entities		-	-	-	-	-	-
Corporates		-	-	-	-	-	-
Insurance Companies, Securities Firms & Fund Managers		-	-	-	-	-	-
		260,329	15,252	-	-	371,946	647,527

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/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	
<b>On and Off Balance-Sheet Exposures</b>							
<b>(i) Exposures risk-weighted using Sovereigns and Central Banks rating</b>							
Public Sector Entities	-	114,841	-	-	-	114,841	
Sovereigns and Central Banks (See Note 2)	-	294,680	-	-	-	294,680	
Corporates	-	205,571	-	-	-	205,571	
Banks, DFIs and Multilateral Development Banks	-	-	-	-	-	-	
	-	615,092	-	-	-	615,092	
<b>(ii) Exposures risk-weighted using Banking Institutions long-term rating</b>							
Banks, DFIs and Multilateral Development Banks	5,729	55,533	-	-	-	61,262	
<b>Exposures risk-weighted using Banking Institutions short-term rating</b>							
Banks, DFIs and Multilateral Development Banks	-	-	-	-	-	-	
	5,729	55,533	-	-	-	61,262	
<b>(iii) Exposures risk-weighted using Corporate long-term rating</b>							
Public Sector Entities	10,531	-	-	-	47	10,578	
Corporates	274,971	15,279	-	-	409,693	699,943	
Insurance Companies, Securities Firms & Fund Managers	-	-	-	-	-	-	
<b>Exposures risk-weighted using Corporate short-term rating</b>							
Public Sector Entities	-	-	-	-	-	-	
Corporates	-	-	-	-	-	-	
Insurance Companies, Securities Firms & Fund Managers	-	-	-	-	-	-	
	285,502	15,279	-	-	409,740	710,521	

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 Group and 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 estates, 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/BANK</b> <b>30 September 2021</b> <b>Exposure Class</b>	<b>Exposures</b> <b>before CRM</b> RM'000	<b>Exposures</b> <b>covered by</b> <b>guarantees/</b> <b>credit</b> <b>derivatives</b> RM'000	<b>Exposures</b> <b>covered by</b> <b>eligible</b> <b>financial</b> <b>collateral</b> RM'000	<b>Exposures</b> <b>covered by</b> <b>other eligible</b> <b>collateral</b> RM'000
<u>Credit Risk</u>				
On-balance sheet exposures:				
Sovereigns/Central banks	334,750	-	-	-
Public Sector Entities	875	-	-	-
Banks, DFIs and Multilateral				
Development Banks	76,645	-	-	-
Corporates	628,963	-	132,020	-
Regulatory retail	14,888	-	12,214	-
Residential mortgages	127	-	-	-
Other assets	143,456	-	-	-
Defaulted exposures	1,290	-	-	-
<b>Total on-balance sheet exposures</b>	<b>1,200,994</b>	<b>-</b>	<b>144,234</b>	<b>-</b>
Off-balance sheet exposures:				
Off-balance sheet exposures other than OTC derivatives or credit derivatives				
Defaulted exposures	73,220	-	34,375	-
<b>Total off-balance sheet exposures</b>	<b>73,220</b>	<b>-</b>	<b>34,375</b>	<b>-</b>
<b>Total on and off-balance sheet exposures</b>	<b>1,274,214</b>	<b>-</b>	<b>178,609</b>	<b>-</b>

3.0 Credit Risk (cont'd.)

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

<u>GROUP/BANK</u> 31 March 2021 Exposure Class	<u>Exposures</u> <u>before CRM</u> RM'000	<u>Exposures</u> <u>covered by</u> <u>guarantees/</u> <u>credit</u> <u>derivatives</u> RM'000	<u>Exposures</u> <u>covered by</u> <u>eligible</u> <u>financial</u> <u>collateral</u> RM'000	<u>Exposures</u> <u>covered by</u> <u>other eligible</u> <u>collateral</u> RM'000
<u>Credit Risk</u>				
On-balance sheet exposures:				
Sovereigns/Central banks	294,680	-	-	-
Public Sector Entities	125,418	-	-	-
Banks, DFIs and Multilateral				
Development Banks	61,262	-	-	-
Corporates	852,176	-	134,195	-
Regulatory retail	13,323	-	10,944	-
Residential mortgages	147	-	-	-
Other assets	83,817	-	-	-
Defaulted exposures	199	-	-	-
Total on-balance sheet exposures	1,431,022	-	145,139	-
Off-balance sheet exposures:				
Off-balance sheet exposures other than OTC derivatives or credit derivatives	72,143	-	35,883	-
Defaulted exposures	-	-	-	-
Total off-balance sheet exposures	72,143	-	35,883	-
Total on and off-balance sheet exposures	1,503,165	-	181,022	-

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

**3.6 Off-Balance Sheet Exposures and Counterparty Credit Risk**

Off-balance sheet exposures of the Group and the Bank are mainly from the commitments to extend credit including the unutilised or undrawn portions of credit facilities.

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

<b>GROUP/ BANK</b>	<b>Principal Amount</b>	<b>Credit Equivalent Amount</b>	<b>Risk- Weighted Assets</b>
	RM'000	RM'000	RM'000
<b>30 September 2021</b>			
<u>Credit-related exposures</u>			
Transaction-related contingent items	1,050	525	525
Irrevocable commitments to extend credit:			
• maturity not exceeding 1 year	310,121	62,024	25,172
• maturity exceeding 1 year	1,341	671	671
Obligations under an on going underwriting agreement	20,000	10,000	10,000
	<u>332,512</u>	<u>73,220</u>	<u>36,368</u>

**GROUP/ BANK**

**31 March 2021**

Credit-related exposures

Transaction-related contingent items	1,050	525	525
Irrevocable commitments to extend credit:			
• maturity not exceeding 1 year	304,736	60,947	22,753
• maturity exceeding 1 year	1,341	671	671
Obligations under an on going underwriting agreement	20,000	10,000	10,000
	<u>327,127</u>	<u>72,143</u>	<u>33,949</u>



**4.0 Market Risk (cont'd.)**

**Regulatory capital requirements**

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

	<u>GROUP/BANK</u>	
	Risk- Weighted Assets RM'000	Capital Requirements RM'000
<b>30 September 2021</b>		
Interest rate risk		
• General interest rate risk	-	-
• Specific interest rate risk	-	-
	-	-
Foreign exchange risk	195	16
Option risk	-	-
	195	16
<b>31 March 2021</b>		
Interest rate risk		
• General interest rate risk	-	-
• Specific interest rate risk	-	-
	-	-
Foreign exchange risk	174	14
Option risk	-	-
	174	14

## 5.0 Equity Exposures in Banking Book

The following table shows the equity exposures in banking book:

<u>GROUP/ BANK</u>	30 September 2021		31 March 2021	
	Gross credit exposures	Risk-weighted assets	Gross credit exposures	Risk-weighted assets
	RM'000	RM'000	RM'000	RM'000
<b>Privately held</b>				
For socio-economic purposes	74,353	74,353	70,194	70,194

### Gains and losses on equity exposures in the banking book

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

<u>GROUP/ BANK</u>	30 September 2021	31 March 2021
	RM'000	RM'000
Unrealised gains recognised in revaluation reserve		
• Privately held equity investments	4,159	5,802

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

Group Risk Management performs independent monitoring of the interest rate/profit rate benchmarks to ensure compliance. Any exceptions are reported and appropriate remedial actions are taken, where necessary. Schedule reporting via risk dashboards are provided to senior management, GRMC and Board. The risk dashboards provide a visual gauge ("dashboard view") on the IRR/RORBB of the Group.

The Group is guided by BNM's guidelines and Basel standards on management of 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	Others FCY RM'000	Total RM'000
<b>GROUP/BANK</b>					
<b>30 September 2021</b>					
<b>Impact on net interest income ("NII")</b>					
Parallel 200 bps up	(4,914)	3	-	11	(4,900)
Parallel 200 bps down	4,914	(3)	-	(11)	4,900
<b>Impact on Economic Value ("EV")</b>					
Parallel 200 bps up	(56,481)	-	-	-	(56,481)
Parallel 200 bps down	56,481	-	-	-	56,481
Steeper	(17,256)	-	-	-	(17,256)
Flattener	11,206	-	-	-	11,206
Short Rate Up	(31,262)	-	-	-	(31,262)
Short Rate Down	31,262	-	-	-	31,262

	MYR RM'000	USD RM'000	SGD RM'000	Others FCY RM'000	Total RM'000
<b>GROUP/BANK</b>					
<b>31 March 2021</b>					
<b>Impact on NII</b>					
Parallel 200 bps up	(9,525)	23	-	2	(9,500)
Parallel 200 bps down	9,525	(23)	-	(2)	9,500
<b>Impact on EV</b>					
Parallel 200 bps up	(82,413)	-	-	-	(82,413)
Parallel 200 bps down	82,413	-	-	-	82,413
Steeper	(24,041)	-	-	-	(24,041)
Flattener	16,102	-	-	-	16,102
Short Rate Up	(45,761)	-	-	-	(45,761)
Short Rate Down	45,761	-	-	-	45,761

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

### Islamic Banking Business (Islamic window)

#### (a) Capital Adequacy Ratios

The capital adequacy ratios of the Islamic window are as follows:

	<u>GROUP/ BANK</u>	
	30 September 2021	31 March 2021
<b><u>With and without transitional arrangements</u></b>		
<u>Before deducting proposed dividends</u>		
CET I capital ratio	812.127%	776.781%
Tier I capital ratio	812.127%	776.781%
Total capital ratio	812.127%	776.781%
<u>After deducting proposed dividends</u>		
CET I capital ratio	812.127%	767.231%
Tier I capital ratio	812.127%	767.231%
Total capital ratio	812.127%	767.231%

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

	<u>GROUP/ BANK</u>	
	30 September 2021 RM'000	31 March 2021 RM'000
<b><u>CET I Capital</u></b>		
Funds allocated from Head Office	56,000	56,000
Retained profits	18,509	18,418
FVOCI reserves	(133)	(114)
Regulatory reserves (Note 2)	-	-
	74,376	74,304
Less: Regulatory adjustments		
- 55% of FVOCI reserves	-	-
- Deferred tax assets	(42)	(36)
- Regulatory reserves (Note 2)	-	-
- Additional Tier 1 Sukuk Wakalah	-	-
Total CET I Capital/Total Tier I Capital	74,334	74,268
<b><u>Tier II Capital</u></b>		
Expected credit losses and regulatory reserves (Note 1 & Note 2)	-	-
<b>Total Capital Base</b>	<b>74,334</b>	<b>74,268</b>

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.

7.0 Shariah Governance Disclosures (cont'd.)

Islamic Banking Business (Islamic window) (cont'd.)

(b) Regulatory Capital Requirements

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

<b>GROUP/ BANK</b> <b>30 September 2021</b> <b>Exposure Class</b>	<b>Gross</b> <b>Exposures</b> RM'000	<b>Net</b> <b>Exposures</b> RM'000	<b>Risk-</b> <b>Weighted</b> <b>Assets</b> RM'000	<b>Capital</b> <b>Requirements</b> RM'000
(i) <u>Credit Risk</u>				
On-balance sheet exposures:				
Sovereigns/Central banks	63,378	63,378	-	-
Banks, DFIs and Multilateral Development Banks	6,970	6,970	1,394	112
Corporates	9,884	9,884	-	-
Other assets	17	17	17	1
Total on-balance sheet exposures	<u>80,249</u>	<u>80,249</u>	<u>1,411</u>	<u>113</u>
Off-balance sheet exposures:				
Credit-related off-balance sheet exposures	-	-	-	-
Total off-balance sheet exposures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total on and off-balance sheet exposures	<u>80,249</u>	<u>80,249</u>	<u>1,411</u>	<u>113</u>
(ii) Operational Risk	-	-	7,742	619
Total RWA and capital requirements	<u>80,249</u>	<u>80,249</u>	<u>9,153</u>	<u>732</u>

<b>GROUP/ BANK</b> <b>31 March 2021</b> <b>Exposure Class</b>	<b>Gross</b> <b>Exposures</b> RM'000	<b>Net</b> <b>Exposures</b> RM'000	<b>Risk-</b> <b>Weighted</b> <b>Assets</b> RM'000	<b>Capital</b> <b>Requirements</b> RM'000
(i) <u>Credit Risk</u>				
On-balance sheet exposures:				
Sovereigns/Central banks	63,577	63,577	-	-
Banks, DFIs and Multilateral Development Banks	6,380	6,380	1,276	102
Corporates	9,893	9,893	-	-
Other assets	15	15	15	1
Total on-balance sheet exposures	<u>79,865</u>	<u>79,865</u>	<u>1,291</u>	<u>103</u>
Off-balance sheet exposures:				
Credit-related off-balance sheet exposures	-	-	-	-
Total off-balance sheet exposures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total on and off-balance sheet exposures	<u>79,865</u>	<u>79,865</u>	<u>1,291</u>	<u>103</u>
(ii) Operational Risk	-	-	8,270	662
Total RWA and capital requirements	<u>79,865</u>	<u>79,865</u>	<u>9,561</u>	<u>765</u>

(c) Shariah Non-Compliant Income And Events

During the financial period, there were no Shariah non-compliance events detected from the ongoing reviews of the Bank's operational processes.