Registration No. 199101012723 (223035-V)

AMMB Holdings Berhad

Pillar 3 Disclosure

30 September 2022

RWCAF- Pillar 3 Disclosure
(Applicable to the regulated banking subsidiaries of the Group)
For 30 September 2022

Contents

1.0 Scope of Application

The Risk Weighted Capital Adequacy Framework - (Basel II) Disclosure Requirements (Pillar 3) and Capital Adequacy Framework for Islamic Banks ("CAFIB") - Disclosure Requirements (Pillar 3) policy documents issued by Bank Negara Malaysia (“BNM”) aim to enhance the transparency of disclosures on the risk management practices and capital adequacy of banking institutions. The two policy documents are applicable to all banking institutions licensed under the Financial Services Act 2013 (“FSA”) and Islamic Financial Service Act 2013 ("IFSA").

The banking subsidiaries of AMMB Holdings Berhad (“AMMB”) to which the policy documents apply are AmBank (M) Berhad (“AmBank”), AmInvestment Bank Berhad (“AmInvestment Bank”) and AmBank Islamic Berhad (“AmBank Islamic”). AMMB is a financial holding company ("FHC") approved pursuant to Section 112(3) of the FSA.

The Pillar 3 Disclosure and regulatory capital ratio calculations are prepared at the consolidated AMMB Holdings Berhad level excluding investment in insurance entities and joint ventures ("the Group"). Investment in insurance entities is deducted from the regulatory capital. The information provided in this Pillar 3 Disclosure has been verified by the Group internal auditors and certified by the Group Chief Executive Officer.

Capital Adequacy

BNM's guidelines on capital adequacy seek to ensure that risk exposures of financial institutions are supported by adequate level of capital to withstand losses which may result from credit and other risks associated with its business operations.

The capital adequacy ratios are computed in accordance with BNM's policy document on Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework for Islamic Banks (Capital Components) issued on 9 December 2020. Pursuant to BNM's Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework for Islamic Banks (Capital Components), financial institution is required to maintain minimum Common Equity Tier 1 (“CET1”) Capital Ratio of 4.5%, Tier 1 Capital Ratio of 6.0% and Total Capital Ratio of 8.0% at all times. In addition, a financial institution is also required to maintain capital buffers which comprise the sum of the following:

(a) a Capital Conservation Buffer ("CCB") of 2.5%;

(b) a Countercyclical Capital Buffer ("CCyB") determined as the weighted-average of the prevailing CCyB rates applied in the jurisdictions in which the financial institution has credit exposures. BNM will communicate any decision on the CCyB rate by up to 12 months before the date from which the rate applies; and

(c) a Higher Loss Absorbency ("HLA") requirement for a financial institution that is designated as a domestic systemically important bank ("D-SIB").

The Group and banking group subsidiaries have adopted the Standardised Approach for Credit and Market Risks and the Basic Indicator Approach for Operational Risk, based on BNM's Guidelines on Capital Adequacy Framework (Basel II - Risk Weighted Assets) and Capital Adequacy Framework for Islamic Banks (Risk Weighted Assets).

1.0 Scope of Application (Cont'd.)

Frequency of Disclosure

Full disclosure requirements under the BNM guidelines are made on an annual and semi-annual basis except for disclosures under paragraph 10.1 of the guidelines and all qualitative disclosures which are made on an annual basis if there are no material changes in the interim reporting period.

Medium and Location of Disclosure

The Pillar 3 disclosure of the Group is available on the Group's corporate website at www.ambankgroup.com.

1.1 Basis of Consolidation

For statutory accounting purposes, the consolidated financial statements of AMMB comprise the financial statements of the Company and the financial statements of all its controlled entities (individually referred to as “group entities”) where it is determined that there is a capacity to control. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

For purposes of this Pillar 3 Disclosure, the consolidation basis used is the same as that used for regulatory capital adequacy purposes except for the exclusion of investment in insurance entities and joint ventures. The following table shows the differences between the scope of statutory and regulatory consolidation.

Type of entity	Accounting treatment	
	Statutory reporting	Basel III regulatory reporting
Subsidiaries licensed under FSA or IFSA or engaged in financial activities	Fully consolidated	Deducted from capital at the banking subsidiary entity level; Consolidated in the calculation of capital adequacy at the banking subsidiary consolidated level and FHC level
Subsidiaries engaged in non-financial activities	Fully consolidated	Risk weighted at the banking subsidiary entity level; Consolidated in the calculation of capital adequacy at the banking subsidiary consolidated level and FHC level
Associates and jointly controlled entities which are licensed under FSA or IFSA or engaged in financial activities	Equity accounted	Deducted in the calculation of capital
Associates and jointly controlled entities which are not licensed under FSA or IFSA or engaged in financial activities	Equity accounted	Risk weighted

Apart from regulatory requirements and statutory constraints, there is no current or foreseen material, practical or legal impediments to the transfer of funds or regulatory capital within the Group.

Any such transfers would require the approvals of the respective Board of Directors (“Board”), as well as the concurrence of BNM.

2.0 Capital Management

The Group's capital management approach is focused on maintaining a healthy capital position that supports the Group's strategic objectives and risk appetite. In line with the Group's annual 3-year strategy plan, a capital plan is developed to ensure that adequate level of capital and an optimum capital structure is maintained to meet regulatory requirements, the Group's strategic objectives and stakeholders' expectations.

The Group uses internal models and other quantitative techniques in its internal risk and capital assessment. They help to estimate potential future losses arising from credit, market and other material risks, and supplement the regulatory formulae to simulate the amount of capital required to support them.

Stress testing and scenario analysis are used to ensure that the Group’s internal capital assessment considers the impact of extreme but probable scenarios on its risk profile and capital position. They provide an insight into the potential impact of significant adverse events on the Group and how these events could be mitigated. The Group’s target capital levels are set taking into account its risk appetite and its risk profile under future expected and stressed economic scenarios.

The Group’s assessment of risk appetite is closely integrated with the Group’s strategy, business planning and capital assessment processes, and is used to inform senior management’s views on the level of capital required to support the Group’s business activities.

The capital that the Group is required to hold is determined by its risk exposures after applying collaterals and other risk mitigants. BNM has the right to impose further capital requirements on Malaysian financial institutions.

The Group has in place processes and controls to monitor and manage capital adequacy across the organisation. The Group Asset and Liability Committee ("GALCO") is responsible for overseeing and managing the Group’s capital and liquidity positions.

A strong governance and process framework is embedded in the capital planning and assessment methodology. Overall responsibility for the effective management of risk rests with the Board. The Risk Management Committee ("RMC") is specifically delegated the task of reviewing all risk management issues including oversight of the Group’s capital position and any actions impacting the capital levels.

On 9 December 2020, BNM issued revised policy documents, Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework for Islamic Banks (Capital Components). The key addition to the revised policy documents is the transitional arrangements for financial institutions on provisions for expected credit loss ("ECL"). Under these revised policy documents, a financial institution is allowed to add back a portion of the loss allowance for non-credit-impaired exposures (i.e. Stage 1 and Stage 2 provisions) to Common Equity Tier 1 ("CET1") Capital from financial year 2021 to financial year 2024.

Table 2.1: Capital Adequacy Ratios

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

	30 September 2022			
	AmBank	**AmBank Islamic**	**AmInvestment Bank**	**Group**
Under transitional arrangements, refer Note (1) below				
Before deducting proposed dividends:				
CET1 Capital Ratio	12.087%	12.340%	32.082%	12.738%
Tier 1 Capital Ratio	12.087%	12.340%	32.082%	12.738%
Total Capital Ratio	16.732%	17.074%	32.880%	15.958%
After deducting proposed dividends:				
CET1 Capital Ratio	12.087%	12.340%	32.082%	12.571%
Tier 1 Capital Ratio	12.087%	12.340%	32.082%	12.571%
Total Capital Ratio	16.732%	17.074%	32.880%	15.791%

	31 March 2022			
	AmBank	**AmBank Islamic**	**AmInvestment Bank**	**Group**
Under transitional arrangements, refer Note (1) below				
Before deducting proposed dividends:				
CET1 Capital Ratio	11.659%	12.489%	33.393%	12.342%
Tier 1 Capital Ratio	11.659%	12.489%	33.393%	12.342%
Total Capital Ratio	16.109%	17.292%	34.077%	15.456%
After deducting proposed dividends:				
CET1 Capital Ratio	11.659%	12.489%	25.771%	12.202%
Tier 1 Capital Ratio	11.659%	12.489%	25.771%	12.202%
Total Capital Ratio	16.109%	17.292%	26.456%	15.315%

Notes:

(1) Pursuant to the revised BNM policy documents, Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework for Islamic Banks (Capital Components) issued on 9 December 2020, the capital ratios of the Group and the banking subsidiaries had been computed applying transitional arrangements on provision for ECL. Had the transitional arrangements not been applied, the capital ratios of the Group and the banking subsidiaries as at 30 September 2022 and 31 March 2022 are as follows:

	30 September 2022			
	AmBank	**AmBank Islamic**	**AmInvestment Bank**	**Group**
Before deducting proposed dividends:				
CET1 Capital Ratio	11.742%	11.784%	32.082%	12.336%
Tier 1 Capital Ratio	11.742%	11.784%	32.082%	12.337%
Total Capital Ratio	16.570%	16.756%	32.880%	15.797%
After deducting proposed dividends:				
CET1 Capital Ratio	11.742%	11.784%	32.082%	12.169%
Tier 1 Capital Ratio	11.742%	11.784%	32.082%	12.169%
Total Capital Ratio	16.570%	16.756%	32.880%	15.630%

Table 2.1: Capital Adequacy Ratios (Cont'd.)

	31 March 2022			
	AmBank	**AmBank Islamic**	**AmInvestment Bank**	**Group**
Before deducting proposed dividends:				
CET1 Capital Ratio	11.168%	11.763%	33.393%	11.791%
Tier 1 Capital Ratio	11.168%	11.763%	33.393%	11.791%
Total Capital Ratio	15.967%	16.948%	34.077%	15.324%
After deducting proposed dividends:				
CET1 Capital Ratio	11.168%	11.763%	25.771%	11.651%
Tier 1 Capital Ratio	11.168%	11.763%	25.771%	11.651%
Total Capital Ratio	15.967%	16.948%	26.456%	15.184%

(2) The Company, being a financial holding company ("FHC") i.e. a financial holding company approved pursuant to Section 112(3) of the FSA or Section 124(3) of the IFSA and holds investment directly or indirectly in corporations that are engaged predominantly in banking business or Islamic banking business, has complied with BNM guidelines on minimum capital adequacy ratios and capital buffer requirements at the consolidated level effective 1 January 2019.

For regulatory capital reporting purposes, the consolidated level comprises the consolidation of all its financial and non-financial subsidiaries, excluding investments in insurance subsidiaries as per BNM's guidelines on Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework for Islamic Banks (Capital Components). Under the guidelines, investments in insurance subsidiaries shall be deducted in the calculation of CET1 Capital ratio.

The positions of each entity as presented above and Group (where applicable) are also published at www.ambankgroup.com.

Table 2.2 Risk-Weighted Assets and Capital Requirements

The breakdown of RWA by exposures in major risk category of the Group is as follows:

	30 SEPTEMBER 2022						
Exposure class	**RM'000**	**Gross exposures/ Exposure at default ("EAD") before credit risk mitigation ("CRM") RM'000**	**Net exposures/ EAD after CRM RM'000**	**Risk weighted assets RM'000**	**Risk Weighted Assets Absorbed by PSIA RM'000**	**Total Risk Weighted Assets after effects of PSIA RM'000**	**Minimum capital requirement at 8% RM'000**
1. **Credit risk**							
On-balance sheet exposures:							
Sovereigns/central banks		19,095,757	19,095,757	11,173	-	11,173	894
Public Sector Entities ("PSEs")		2,107	2,107	421	-	421	34
Banks, Development Financial Institutions ("DFIs") and Multilateral Development Banks ("MDBs")		7,975,863	7,975,863	1,619,822	-	1,619,822	129,586
Insurance companies, Securities firms and Fund managers		357,481	356,424	356,424	-	356,424	28,514
Corporates		69,135,643	67,057,106	51,847,914	-	51,847,914	4,147,833
Regulatory retail		40,466,041	35,023,222	27,839,385	14,538	27,824,847	2,225,988
Residential mortgages		28,354,638	28,351,125	11,095,743	-	11,095,743	887,659
Higher risk assets		696,840	696,831	1,045,247	-	1,045,247	83,620
Other assets		2,520,332	2,520,332	1,902,670	-	1,902,670	152,214
Securitisation exposures		90	90	1,125	-	1,125	90
Equity exposures		70	70	70	-	70	6
Defaulted exposures		1,533,604	1,520,000	1,479,493	-	1,479,493	118,359
Total for on-balance sheet exposures		**170,138,466**	**162,598,927**	**97,199,487**	**14,538**	**97,184,949**	**7,774,797**
Off-balance sheet exposures:							
Over the counter ("OTC") derivatives		2,553,472	2,191,953	1,691,833	-	1,691,833	135,347
Off-balance sheet exposures other than OTC derivatives or credit derivatives		21,253,857	16,524,738	8,600,773	-	8,600,773	688,062
Defaulted exposures		47,591	45,309	67,155	-	67,155	5,372
Total for off-balance sheet exposures		**23,854,920**	**18,762,000**	**10,359,761**	**-**	**10,359,761**	**828,781**
Total on and off-balance sheet exposures		**193,993,386**	**181,360,927**	**107,559,248**	**14,538**	**107,544,710**	**8,603,578**
2. **Large exposures risk requirement**				1,014,732	-	1,014,732	81,179
3. **Market risk**	**Long Position**	**Short Position**					
Interest rate risk/rate of return risk							
- General interest rate risk/rate of return risk	96,766,458	89,964,305		1,290,513	-	1,290,513	103,241
- Specific interest rate risk/rate of return risk	6,764,593	181,409		26,124	-	26,124	2,090
Foreign currency risk	782,240	889,192		1,541,403	-	1,541,403	123,312
Equity risk							
- General risk	49,837	2,156		47,681	-	47,681	3,814
- Specific risk	49,837	2,156		67,452	-	67,452	5,396
Option risk	183,424	186,876		39,064	-	39,064	3,125
Total	**104,596,389**	**91,226,094**		**3,012,237**	**-**	**3,012,237**	**240,978**
4. **Operational risk**				**7,432,488**	**-**	**7,432,488**	**594,599**
5. **Total RWA and capital requirements**				**119,018,705**	**14,538**	**119,004,167**	**9,520,334**

Table 2.2 Risk-Weighted Assets and Capital Requirements (Cont'd.)

The breakdown of RWA by exposures in major risk category of the Group is as follows: (cont'd.)

	31 MARCH 2022						
Exposure class	**RM'000**	**Gross exposures/ Exposure at default ("EAD") before credit risk mitigation ("CRM") RM'000**	**Net exposures/ EAD after CRM RM'000**	**Risk weighted assets RM'000**	**Risk Weighted Assets Absorbed by PSIA RM'000**	**Total Risk Weighted Assets after effects of PSIA RM'000**	**Minimum capital requirement at 8% RM'000**
1. **Credit risk**							
On-balance sheet exposures:							
Sovereigns/central banks		19,370,480	19,370,480	-	-	-	-
Public Sector Entities ("PSEs")		2,391	2,391	478	-	478	38
Banks, Development Financial Institutions ("DFIs") and Multilateral Development Banks ("MDBs")		9,024,654	9,024,654	1,881,234	-	1,881,234	150,499
Insurance companies, Securities firms and Fund managers		-	-	-	-	-	-
Corporates		64,706,105	62,344,751	51,638,720	-	51,638,720	4,131,098
Regulatory retail		40,750,084	35,823,071	28,710,853	361,288	28,349,565	2,267,965
Residential mortgages		26,550,853	26,546,213	10,339,413	-	10,339,413	827,153
Higher risk assets		692,625	692,615	1,038,922	-	1,038,922	83,114
Other assets		2,568,755	2,568,755	1,829,480	-	1,829,480	146,358
Securitisation exposures		90	90	1,125	-	1,125	90
Equity exposures		79	79	79	-	79	6
Defaulted exposures		1,242,890	1,236,743	1,228,688	-	1,228,688	98,295
Total for on-balance sheet exposures		**164,909,006**	**157,609,842**	**96,668,992**	**361,288**	**96,307,704**	**7,704,616**
Off-balance sheet exposures:							
Over the counter ("OTC") derivatives		1,860,867	1,637,225	1,096,035	-	1,096,035	87,683
Off-balance sheet exposures other than OTC derivatives or credit derivatives		13,410,296	9,562,490	8,284,969	-	8,284,969	662,798
Defaulted exposures		36,721	28,320	42,297	-	42,297	3,384
Total for off-balance sheet exposures		**15,307,884**	**11,228,035**	**9,423,301**	**-**	**9,423,301**	**753,865**
Total on and off-balance sheet exposures		**180,216,890**	**168,837,877**	**106,092,293**	**361,288**	**105,731,005**	**8,458,481**
2. **Large exposures risk requirement**				981,925	-	981,925	78,554
3. **Market risk**	**Long Position**	**Short Position**					
Interest rate risk/rate of return risk							
- General interest rate risk/rate of return risk	94,489,381	92,045,367		1,367,905	-	1,367,905	109,432
- Specific interest rate risk/rate of return risk	2,601,300	279,488		20,208	-	20,208	1,617
Foreign currency risk	1,008,576	1,973,119		2,464,919	-	2,464,919	197,193
Equity risk							
- General risk	36,868	9,928		26,939	-	26,939	2,155
- Specific risk	36,868	9,928		54,450	-	54,450	4,356
Option risk	162,356	167,677		39,048	-	39,048	3,124
Total	**98,335,349**	**94,485,507**		**3,973,469**	**-**	**3,973,469**	**317,877**
4. **Operational risk**				**7,114,901**	**-**	**7,114,901**	**569,192**
5. **Total RWA and capital requirements**				**118,162,588**	**361,288**	**117,801,300**	**9,424,104**

3.0 Capital Structure

Table 3.2 summarises the capital position and capital structure of the Group and its banking subsidiaries. The capital structure is made up of:

- Common Equity Tier 1 (“CET1”) Capital;
- Additional Tier 1 Capital; and
- Tier 2 Capital

3.1 CET1 Capital

CET1 Capital consists of the following:

(a) Paid-up Capital
Issued and paid-up capital that represents the most subordinated claim in liquidation of the financial institution.

(b) Retained Earnings
Retained earnings are included in CET1 Capital net of any interim and final dividend declared, and net of any interim losses. Quarterly interim profits that are reviewed or audited by external auditors are included in the computation of CET1 Capital.

(c) Fair Value Reserve
The fair value reserve comprises fair value gains (net of fair value losses) on financial investments measured at fair value through other comprehensive income ("FVOCI"). In addition, the loss allowance arising from the recognition of expected credit losses on financial investments measured at FVOCI is accumulated in fair value reserve instead of reducing the carrying amount of the assets. To the extent the balance in the fair value reserve is a net credit position, the Group can recognise 45% of the balance as part of CET1 Capital. Where the balance is a net debit position, the entire balance is deducted from CET1 Capital.

(d) Foreign Currency Translation Reserve/(Deficit)
Foreign exchange gains and losses arising from the translation of the financial statements of foreign operations, whose functional currencies are different from that of the Group's reporting currency.

(e) Regulatory Reserve
Regulatory reserve is maintained in accordance with paragraph 10.5 of the BNM's Policy Document on Financial Reporting and paragraph 10.9 of the BNM's Policy Document on Financial Reporting for Islamic Banking Institutions as an additional credit risk absorbent. The amount of the regulatory reserve is deducted from the calculation of CET1 Capital.

(f) Cash Flow Hedging Reserve/(Deficit)
Cash flow hedging reserve/(deficit) comprises the portion of the gains/(losses) on a hedging instrument in a cash flow hedge that is determined to be an effective hedge. Cash flow hedging gains as at the reporting period is classified as cash flow hedging reserve and cash flow hedging losses is classified as cash flow hedging deficit. The amount of the cash flow hedging reserve/(deficit) is derecognised in the calculation of CET1 Capital.

3.1 CET1 Capital (Cont'd.)

(g) Other disclosed reserves comprise

(i) Executive Share Scheme reserve

Executive Share Scheme ("ESS") reserve represents the equity-settled scheme shares granted to employees. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled scheme shares and is reduced by the expiry of the scheme shares.

(ii) Treasury shares

Treasury shares represent the shares of the Company listed on the Main Market of Bursa Malaysia bought back from the open market. Shares bought back are held as treasury shares in accordance with Section 127(4)(b) of the Companies Act, 2016. These shares have no rights to vote, dividends and participate in other distributions.

3.2 Additional Tier 1 Capital

No Additional Tier 1 ("AT1") issuance was made during the financial period under review.

3.3 Tier 2 Capital

The main components of Tier 2 Capital are Basel III compliant subordinated debt capital instruments and Stage 1 and Stage 2 loss allowances and regulatory reserve (subject to a maximum of 1.25% of total credit risk-weighted assets determined under the Standardised Approach).

Basel III Subordinated Notes

On 30 December 2013, AmBank established a Basel III compliant Subordinated Notes programme of RM4.0 billion ("Programme") to enable the issuance of Tier 2 capital instruments from time to time. The Programme has a tenure of 30 years from the date of the first issuance under the Programme. Each issuance of Tier 2 Subordinated Notes under the Programme shall have a tenure of at least 5 years from the issue date, and is callable on any coupon payment date after a minimum period of 5 years from the date of issuance.

On 19 December 2018, AmBank revised the terms of the Programme to include the non-viability trigger event referenced to the financial group. The revision is and will be applicable to all existing and future capital instruments issued under the Programme.

The salient features of the Subordinated Notes issued under this programme and outstanding as at 30 September 2022 are as follows:

Issue Date	First Call Date	Tenure	Interest Rate	Nominal value outstanding (RM million)
16 October 2017	17 October 2022	10 years Non-Callable 5 years	4.90% per annum	570
23 February 2018	23 February 2023	10 years Non-Callable 5 years	5.23% per annum	175
14 March 2018	14 March 2023	10 years Non-Callable 5 years	5.23% per annum	350
15 November 2018	15 November 2023	10 years Non-Callable 5 years	4.98% per annum	1,000
30 March 2021	30 March 2026	10 years Non-Callable 5 years	4.18% per annum	400
8 March 2022	8 March 2027	10 years Non-Callable 5 years	4.30% per annum	600
Total				**3,095**

3.3 Tier 2 Capital (Cont'd.)

Basel III Subordinated Sukuk Murabahah

On 28 February 2014, AmBank Islamic established a Basel III compliant Subordinated Sukuk Murabahah programme of RM3.0 billion ("Murabahah Programme") to enable the issuance of Tier 2 Capital from time to time.

The Murabahah Programme has a tenure of 30 years from the date of the first issuance under the programme. Each issuance of Tier 2 Subordinated Sukuk under the programme shall have a tenure of at least five (5) years from the issue date, and is callable on any profit payment date after a minimum period of five (5) years from the date of issuance of each tranche.

On 19 December 2018, AmBank Islamic revised the terms of the Programme to include the non-viability trigger event referenced to the financial group. The revision is and will be applicable to all existing and future capital instruments issued under the Programme.

The salient features of the Sukuk Murabahah issued under this programme and outstanding as at 30 September 2022 are as follows:

Issue Date	First Call Date	Tenure	Profit Rate	Nominal value outstanding (RM million)
23 February 2018	23 February 2023	10 years Non-Callable 5 years	5.23% per annum	150
18 October 2018	18 October 2023	10 years Non-Callable 5 years	4.88% per annum	500
8 December 2020	8 December 2025	10 years Non-Callable 5 years	3.13% per annum	400
8 March 2022	8 March 2027	10 years Non-Callable 5 years	4.25% per annum	250
Total				**1,300**

Table 3.2: Capital Structure

The components of CET1 Capital, Additional Tier 1 Capital, Tier 2 Capital and Total Capital of the Group and banking subsidiaries are as follows:

	30 September 2022			
	AmBank RM'000	AmBank Islamic RM'000	AmInvestment Bank RM'000	Group RM'000
CET1 Capital				
Ordinary share capital	3,040,465	1,387,107	330,000	6,376,240
Retained earnings	7,025,653	2,763,757	89,117	10,141,345
Fair value reserve	138,641	(46,433)	1,503	290,410
Foreign exchange translation reserve	119,060	-	-	125,653
Treasury shares	-	-	-	(9,622)
Regulatory reserve	149,928	-	9,038	158,966
Cash flow hedging deficit	(6,653)	-	-	(6,653)
Other remaining disclosed reserves	-	-	-	21,110
Less: Regulatory adjustments applied on CET1 Capital				
Goodwill	-	-	-	(303,492)
Other intangible assets	(201,993)	(338)	(2,918)	(206,763)
Deferred tax assets	(194,183)	(71,709)	(3,837)	(259,097)
55% of cumulative gains in fair value reserve	(76,253)	-	(827)	(159,726)
Cash flow hedging deficit	6,653	-	-	6,653
Regulatory reserve	(149,928)	-	(9,038)	(158,966)
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	(11)	-	(49,809)	(1,334,000)
Unrealised fair value gains on financial liabilities due to changes in own credit risk	(1,498)	(78)	-	(1,507)
Other CET1 regulatory adjustments specified by BNM	289,055	190,032	1	478,189
CET1 Capital	**10,138,936**	**4,222,338**	**363,230**	**15,158,740**
Additional Tier 1 Capital				
Qualifying CET1, Additional Tier 1 Capital instruments held by third parties	-	-	-	428
Tier 1 Capital	**10,138,936**	**4,222,338**	**363,230**	**15,159,168**
Tier 2 Capital				
Tier 2 Capital instruments meeting all relevant criteria for inclusion	3,095,000	1,300,000	-	-
Qualifying CET1, Additional Tier 1 and Tier 2 Capital instruments held by third parties	-	-	-	2,700,950
General provisions*	801,898	319,867	9,042	1,130,422
Tier 2 Capital	**3,896,898**	**1,619,867**	**9,042**	**3,831,372**
Total Capital	**14,035,834**	**5,842,205**	**372,272**	**18,990,540**

The breakdown of the risk-weighted assets ("RWA") in various categories of risk are as follows:

	AmBank RM'000	AmBank Islamic RM'000	AmInvestment Bank RM'000	Group RM'000
Credit RWA	76,415,550	33,657,465	787,863	107,559,248
Less: Credit RWA absorbed by Profit Sharing Investment Account	-	(1,570,035)	-	(14,538)
Total Credit RWA	76,415,550	32,087,430	787,863	107,544,710
Market RWA	1,468,063	267,148	3,234	3,012,237
Operational RWA	4,987,424	1,862,854	341,110	7,432,488
Large exposure risk RWA for equity holdings	1,013,810	-	-	1,014,732
Total RWA	**83,884,847**	**34,217,432**	**1,132,207**	**119,004,167**

Table 3.2: Capital Structure (Cont'd.)

The components of CET1 Capital, Additional Tier 1 Capital, Tier 2 Capital and Total Capital of the the Group and banking subsidiaries are as follows: (cont'd.)

	31 March 2022			
	AmBank RM'000	**AmBank Islamic RM'000**	**AmInvestment Bank RM'000**	**Group RM'000**
CET1 Capital				
Ordinary share capital	3,040,465	1,387,107	330,000	6,376,240
Retained earnings	6,524,068	2,490,692	139,315	9,251,065
Fair value reserve	293,346	(3,893)	1,703	485,759
Foreign exchange translation reserve	92,301	-	-	98,871
Treasury shares	-	-	-	(11,041)
Regulatory reserve	94,463	-	8,457	102,920
Cash flow hedging deficit	(9,062)	-	-	(9,062)
Other remaining disclosed reserves	-	-	-	36,472
Less: Regulatory adjustments applied on CET1 Capital				
Goodwill	-	-	-	(303,492)
Other intangible assets	(221,538)	(495)	(2,063)	(225,116)
Deferred tax assets	(158,227)	(61,249)	(5,446)	(216,855)
55% of cumulative gains in fair value reserve	(161,340)	-	(937)	(267,168)
Cash flow hedging deficit	9,062	-	-	9,062
Regulatory reserve	(94,463)	-	(8,457)	(102,920)
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	(8,488)	-	(49,809)	(1,334,000)
Unrealised fair value gains on financial liabilities due to changes in own credit risk	(648)	(92)	-	(681)
Other CET1 regulatory adjustments specified by BNM	413,471	235,578	1	649,031
CET1 Capital	**9,813,410**	**4,047,648**	**412,764**	**14,539,085**
Additional Tier 1 Capital				
Qualifying CET1, Additional Tier 1 Capital instruments held by third parties	-	-	-	431
Tier 1 Capital	**9,813,410**	**4,047,648**	**412,764**	**14,539,516**
Tier 2 Capital				
Tier 2 Capital instruments meeting all relevant criteria for inclusion	3,095,000	1,300,000	-	-
Qualifying CET1, Additional Tier 1 and Tier 2 Capital instruments held by third parties	-	-	-	2,752,328
General provisions*	650,081	256,523	8,460	914,980
Tier 2 Capital	**3,745,081**	**1,556,523**	**8,460**	**3,667,308**
Total Capital	**13,558,491**	**5,604,171**	**421,224**	**18,206,824**

The breakdown of the risk-weighted assets ("RWA") in various categories of risk are as follows:

	AmBank	AmBank Islamic	AmInvestment Bank	Group
Credit RWA	75,535,958	32,508,336	891,418	106,092,293
Less: Credit RWA absorbed by Profit Sharing Investment Account	-	(2,075,074)	-	(361,288)
Total Credit RWA	75,535,958	30,433,262	891,418	105,731,005
Market RWA	2,859,665	215,113	17,652	3,973,469
Operational RWA	4,792,198	1,760,237	327,009	7,114,901
Large exposure risk RWA for equity holdings	980,771	-	-	981,925
Total RWA	**84,168,592**	**32,408,612**	**1,236,079**	**117,801,300**

* Consists of Stage 1 and Stage 2 loss allowances and regulatory reserve.

4.0 General Risk Management

The Risk Management Framework takes its lead from the Board's Approved Risk Appetite Framework which forms the foundation of the Group to set its risk/reward profile.

The Risk Appetite Framework is reviewed and approved annually by the Board taking into account the Group's desired external rating and targeted profitability/return on capital employed ("ROCE") and is reviewed periodically throughout the financial year by both the executive management and the Board to consider any fine tuning/enhancements taking into consideration the prevailing or in anticipation of challenges to the environment that the Group operates in.

The Risk Appetite Framework provides portfolio limits/controls for Credit Risk, Traded Market Risk, Non-Traded Market Risk, Operational Risk and Technology Risk incorporating, inter alia, limits/controls for countries, industries, single counterparty group, products, value at risk, stop loss, stable funding ratio, liquidity and Operational Risk Management ("ORM") tools.

The Group Risk Direction

The Group's FY2021 to 2024 Strategy blueprint is to focus on 8 key areas, namely, (1) Attaining a Return on Equity ("ROE") of ≥10%, (2) Sharpening Our Segment Play, (3) Harnessing expertise across the Group to deliver AmBank Holistic Customer Value Proposition, (4) Offers differentiated and profitable products, (5) Building capacity and efficiency through Digital Initiatives, (6) Retaining and Embedding Principled, Proactive, Appreciative, Collaborative and Experimental ("P^2ACE") DNA, (7) Integrating Environmental, Social, and Governance ("ESG") focusing on Responsible banking and (8) Exploring Digital Bank option.

1. The Group aspires to have a minimum financial institution external rating of AA2 based on reference ratings by RAM Rating Services Berhad ("RAM").
2. The Group aims to maintain a minimum ROCE of 12% and RWA efficiency ("CRWA/EAD") in the range of 40% to 50%, both based on Foundation Internal Ratings-Based ("FIRB").
3. The Group aims to maintain its Total Capital Ratio at the Group's Internal Capital Target under normal conditions.
4. The Group aims to maintain Available Financial Resources in excess of the capital requirements as estimated in the Internal Capital Adequacy Assessment Process ("ICAAP").
5. The Group recognises the importance of funding its own business. It aims to maintain the following:
    a. Liquidity Coverage Ratio ("LCR") (both consolidated and entity level) at least 10 percentage points above prevailing regulatory minimum;
    b. Stressed LCR (both consolidated and entity level) above the regulatory requirement; and
    c. Net Stable Funding Ratio ("NSFR") (Financial Holding Company ("FHC") level) above the prevailing regulatory minimum (effective July 2020).
6. The Group aims to maintain adequate controls for all key operational risks (including but not limited to regulatory, compliance, technology, conduct and reputational risks).
    a. Keep operational losses and regulatory penalties below 2% of Profit After Tax and Non-controlling interests ("PATMI"); and
    b. Remain vigilant in risk identification and management to protect its reputation and business franchise.
7. The Group aims for at least 70% of its loan/financing portfolio to constitute exposures with low Environmental, Social and Governance Risk Grade ("ESG-RG") by FY2030.
8. The Group aims to maintain its IRRBB/RORBB Internal Capital Adequacy Assessment Programme ("ICAAP") Pillar 2 over total capital ratio at entity level as follows:
    a. ICAAP IRRBB/RORBB at below 8.5% of its Total Capital for AmBank and AmBank Islamic (entity level);
    b. ICAAP IRRBB/RORBB at below 5% of its Total Capital for AmInvestment (entity level).

Risk Management Governance

The Board is ultimately accountable for the management of risks within the Group. The RMC is formed to assist the Board in discharging its duties in overseeing the overall management of all risks including but not limited to market risk, liquidity risk, credit risk, operational risk, technology and cyber risk.

The Board has also established Management Committees to assist in managing the risks and businesses of the Group. The management committees address all classes of risk within its Board delegated mandate: balance sheet risk, credit risk, legal risk, operational risk, technology risk, market risk, Shariah risk, compliance risk, reputational risk, product and business risk, IT project risk and ESG risk.

4.0 General Risk Management (Cont'd.)

Risk Management Governance (Cont'd.)

The Group has an independent risk management function, headed by the Group Chief Risk Officer who:

- is responsible for establishing an enterprise wide risk management framework in all areas including financial, credit, market, operational, reputational, security, technology, emerging risks and ESG risk;
- essentially champions and embeds a positive risk culture across the Group to ensure that risk taking activities across the Group are aligned to the Group's risk appetite and strategies; and
- through the RMC, has access to the Board and the Boards of the respective banking subsidiaries to facilitate suitable escalation of issues of concern across the organisation.

5.0 Credit Risk Management

The credit risk management process is depicted in the table below:

Identification	• Identify/recognise credit risk on transactions and/or positions • Select asset and portfolio mix
Assessment/ Measurement	• Internal credit rating system • Probability of default ("PD") • Loss given default ("LGD") • Exposure at default ("EAD")
Control/ Mitigation	• Portfolio Limits, Counterparty Limits • Non-Retail Pricing and Risk-based pricing for Retail • Collateral and tailored facility structures (discretionary lending) • Pre-set assessment criteria and acceptance criteria (program lending)
Monitoring/ Review	• Monitor and report portfolio mix • Review Classified Accounts • Review Rescheduled and Restructured Accounts • Undertake post mortem credit review • Annual refresh of customers' credit risk rating

Credit risk is the risk of loss due to the inability or unwillingness of a counterparty to meet its payment obligations. Exposure to credit risk arises from lending/financing, securities and derivative exposures. The identification of credit risk is done by assessing the potential impact of internal and external factors on the Group's transactions and/or positions as well as Shariah compliance risk (please refer to section 14 for discussion on Shariah Governance Structure).

The primary objective of credit risk management is to maintain accurate risk recognition - identification and measurement, to ensure that credit risk exposure is in line with the Group's Risk Appetite Framework ("GRAF") and related credit policies.

For non-retail credit, risk assessment is a combination of both qualitative and quantitative assessment (including the financial standing of the customer or counterparty using the banking subsidiaries' credit rating model where the scores are translated into rating grade) on the customer or counterparty. The assigned credit rating grade forms a crucial part of the credit analysis undertaken for each of the banking subsidiaries' credit exposures and the overall credit assessment is conducted either through a program lending or discretionary lending approach.

For retail credit, credit-scoring systems to better differentiate the quality of borrowers are being used to complement the credit assessment and approval processes.

To support credit risk management, our rating models for major portfolios have been upgraded to facilitate:

- improvement in the accuracy of individual obligor risk ratings;
- enhancement to pricing models;
- loan/financing loss provision calculation;
- stress-testing; and
- enhancement to portfolio management.

5.0 Credit Risk Management (Cont'd.)

Lending/financing activities are guided by internal credit policies and GRAF that are approved by the Board. The GRAF is refreshed at least annually and with regard to credit risk, provides direction as to portfolio management strategies and internal limits designed to deliver the Group's optimal portfolio mix. Credit risk portfolio management strategies include, amongst others:

- Concentration threshold/review triggers:
  - single counterparty credit exposure;
  - industry sector exposure; and
  - country risk exposure;
- Setting Loan/Financing to Value limits for asset backed loans/financing;
- Non-Retail Credit Policy ("NRCP") and Retail Credit Policy ("RCP") which sets out the credit principles and requirements for managing credit risk in the Wholesale Banking ("WB"), Business Banking ("BB") and Retail Banking ("RB") portfolios;
- Classified Account Management processes for identifying, monitoring and managing customers exhibiting signs of weakness and higher risk customers;
- Rescheduled and Restructured ("R&R") Account Management (embedded within the NRCP for WB and BB, and RCP for RB) sets out the controls in managing R&R loans/financing;
- Setting Retail risk controls capping for higher risk segment to ensure credit approval practice is aligned with the credit policies and GRAF.

Exposure outside the approval discretions of individual Credit Approval Delegation ("CAD") holders are escalated to the Credit and Commitments Committee ("CACC") for approval. In the event such exposure exceeds a stipulated customer group threshold within the Group, the letter of offer shall not be issued until the credit is reviewed by the Board Credit Committee ("BCC"). Portfolio credit risk is reported to the relevant management and board committees.

The Group Management Risk Committee ("GMRC") regularly meets to review the quality and diversification of the Group's loan/financing portfolio and review the portfolio risk profile against the GRAF and recommend or approve new and amended credit risk policies or guidelines.

Group Risk Management prepares monthly Risk Reports which detail important portfolio composition and trend analysis incorporating asset growth, asset quality, impairment, flow rates of loan/financing delinquency buckets and exposures by industry sectors are reported monthly to executive management and to all meetings of the Board.

5.1 Impairment

The relevant governance for the respective Line of Businesses are established to align with the Malaysian Financial Reporting Standards ("MFRS") and related BNM's standards/guidelines. In general, an asset is considered impaired when:

a. the Group considers that an obligor is "unlikely to repay" in full its credit obligations to the Group;
b. the obligor has breached its contractual payment obligations and past due for more than 90 days; and
c. other indicators stipulated in the relevant guidelines indicating the unlikeliness to repay are hit.

Where exposures are being restructured, such restructuring is guided by the definition and requirements of R&R provided by BNM Credit Risk Policy.

5.1.1 Group Provisioning Methodology

The Group's provisioning methodology complies with MFRS 9 where the Group recognises Expected Credit Loss ("ECL") at all time to reflect changes in the credit risk of a financial instrument. The methodology incorporates historical, current and forecasted information into ECL estimation. Consequently, more timely information is required to be provided about ECL.

MFRS 9 applies to all financial assets classified as amortised cost and FVOCI, lease receivables, trade receivables, and commitments to lend money and financial guarantee contracts.

Under MFRS 9, financial instruments are segregated into 3 stages depending on the changes in credit quality since initial recognition. The Group calculates 12-month ECL for Stage 1 and lifetime ECL for Stage 2 and Stage 3 exposures.

i. Stage 1: For performing financial instruments which credit risk had not been significantly increased since initial recognition.

ii. Stage 2: For underperforming financial instruments which credit risk had significantly increased since initial recognition.

iii. Stage 3: For financial instruments which are credit impaired.

The following diagram summarises the impairment requirements under MFRS 9 (other than purchased or originated credit-impaired financial assets):

Changes in credit quality since initial recognition

Stage 1	Stage 2	Stage 3
(Initial recognition)	(Significant increase in credit risk since initial recognition)	(Credit-impaired assets)
12-month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses

ECL can be assessed individually or collectively. Financial assets that are not individually significant or not individually credit impaired are collectively assessed. For financial assets that are individually significant, an assessment is performed to determine whether objective evidence of impairment exists individually.

Individual assessment is divided into two main processes - trigger assessment and measurement of impairment loss. Financial assets which are triggered by the impairment triggers will be measured for evidence of high likelihood of impairment, i.e. estimated recoveries (based on the discounted cash flow projection method and taking into account economic conditions) is less than carrying value.

Table 5.1: Distribution of gross credit exposures by sector
The distribution of credit exposures by sector of the Group is as follows:

30 SEPTEMBER 2022															
	Agriculture RM'000	Mining and Quarrying RM'000	Manufacturing RM'000	Electricity, Gas and Water RM'000	Construction RM'000	Wholesale and Retail Trade and Hotels and Restaurants RM'000	Transport, Storage and Communication RM'000	Finance and Insurance RM'000	Government and Central Banks RM'000	Real Estate RM'000	Business Activities RM'000	Education and Health RM'000	Household RM'000	Others RM'000	Total RM'000
On-balance sheet exposures															
Sovereigns/Central banks	-	-	-	-	-	-	-	-	19,095,757	-	-	-	-	-	19,095,757
PSEs	-	-	-	-	-	-	-	-	2,107	-	-	-	-	-	2,107
Banks, DFIs and MDBs	-	-	-	-	-	-	-	7,975,863	-	-	-	-	-	-	7,975,863
Insurance companies, Securities firms and Fund managers	-	-	-	-	-	-	-	357,481	-	-	-	-	-	-	357,481
Corporates	3,787,294	2,603,158	14,474,617	3,224,764	6,388,461	10,303,043	6,798,137	8,545,091	-	7,286,011	2,158,436	2,475,281	1,076,541	14,809	69,135,643
Regulatory retail	63,665	18,293	768,030	82,681	515,784	1,451,866	278,037	28,995	-	140,596	464,923	98,506	36,551,065	3,600	40,466,041
Residential mortgages	-	-	-	-	-	-	-	-	-	-	-	-	28,354,638	-	28,354,638
Higher risk assets	-	-	-	-	-	-	-	-	-	-	-	-	13,947	682,893	696,840
Other assets	-	889	-	-	-	-	-	96,104	170,013	182	20,402	-	71,778	2,160,964	2,520,332
Securitisation exposures	-	-	-	-	-	-	-	90	-	-	-	-	-	-	90
Equity exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	70	70
Defaulted exposures	7,380	156,005	134,763	3,306	74,216	128,052	16,255	7,846	-	184,201	36,765	6,849	777,966	-	1,533,604
Total for on-balance sheet exposures	**3,858,339**	**2,778,345**	**15,377,410**	**3,310,751**	**6,978,461**	**11,882,961**	**7,092,429**	**17,011,470**	**19,267,877**	**7,610,990**	**2,680,526**	**2,580,636**	**66,845,935**	**2,862,336**	**170,138,466**
Off-balance sheet exposures															
OTC derivatives	11,378	237,666	528,378	518	11	29,165	7,784	1,598,424	77,011	-	30,404	3,899	28,834	-	2,553,472
Off-balance sheet exposures other than OTC derivatives or Credit derivatives	197,642	87,482	2,618,039	412,042	2,688,465	1,304,729	393,374	4,081,151	5,831,902	572,986	173,363	156,097	2,735,978	607	21,253,857
Defaulted exposures	-	1,731	7,617	-	16,789	139	2	-	-	3,819	81	-	17,413	-	47,591
Total for off-balance sheet exposures	**209,020**	**326,879**	**3,154,034**	**412,560**	**2,705,265**	**1,334,033**	**401,160**	**5,679,575**	**5,908,913**	**576,805**	**203,848**	**159,996**	**2,782,225**	**607**	**23,854,920**
Total on and off-balance sheet exposures	**4,067,359**	**3,105,224**	**18,531,444**	**3,723,311**	**9,683,726**	**13,216,994**	**7,493,589**	**22,691,045**	**25,176,790**	**8,187,795**	**2,884,374**	**2,740,632**	**69,628,160**	**2,862,943**	**193,993,386**

Table 5.1: Distribution of gross credit exposures by sector (cont'd.)
The distribution of credit exposures by sector of the Group is as follows: (con'td.)

31 MARCH 2022	Agriculture RM'000	Mining and Quarrying RM'000	Manufacturing RM'000	Electricity, Gas and Water RM'000	Construction RM'000	Wholesale and Retail Trade and Hotels and Restaurants RM'000	Transport, Storage and Communication RM'000	Finance and Insurance RM'000	Government and Central Banks RM'000	Real Estate RM'000	Business Activities RM'000	Education and Health RM'000	Household RM'000	Others RM'000	Total RM'000
On-balance sheet exposures															
Sovereigns/Central banks	-	-	-	-	-	-	-	-	19,370,480	-	-	-	-	-	19,370,480
PSEs	-	-	-	-	-	-	-	-	2,391	-	-	-	-	-	2,391
Banks, DFIs and MDBs	-	-	-	-	-	-	-	9,024,654	-	-	-	-	-	-	9,024,654
Insurance companies, Securities firms and Fund managers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corporates	2,500,161	1,944,893	14,867,468	2,507,244	5,582,485	10,046,287	6,136,010	5,114,910	-	7,645,759	2,772,775	4,670,696	912,039	5,378	64,706,105
Regulatory retail	58,442	18,252	780,335	84,358	500,487	1,370,450	269,073	26,077	-	136,852	446,861	101,726	36,956,489	682	40,750,084
Residential mortgages	-	-	-	-	-	-	-	-	-	-	-	-	26,550,853	-	26,550,853
Higher risk assets	-	-	-	-	-	-	-	-	-	-	-	-	17,501	675,124	692,625
Other assets	-	-	-	-	-	-	-	18,315	170,000	10	31,472	-	74,342	2,274,616	2,568,755
Securitisation exposures	-	-	-	-	-	-	-	90	-	-	-	-	-	-	90
Equity exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	79	79
Defaulted exposures	7,969	42,733	147,358	1,928	57,454	100,891	125,374	1,144	-	181,372	22,677	5,872	548,118	-	1,242,890
Total for on-balance sheet exposures	**2,566,572**	**2,005,878**	**15,795,161**	**2,593,530**	**6,140,426**	**11,517,628**	**6,530,457**	**14,185,190**	**19,542,871**	**7,963,993**	**3,273,785**	**4,778,294**	**65,059,342**	**2,955,879**	**164,909,006**
Off-balance sheet exposures															
OTC derivatives	13,428	22,511	329,996	476	-	11,466	227,341	1,207,599	6,308	-	12,712	5,821	23,209	-	1,860,867
Off-balance sheet exposures other than OTC derivatives or Credit derivatives	304,533	105,596	2,700,600	473,331	2,857,720	1,099,771	418,776	2,020,463	-	774,923	141,155	160,709	2,351,858	861	13,410,296
Defaulted exposures	-	3,012	7,891	-	10,896	133	-	-	-	484	81	-	14,224	-	36,721
Total for off-balance sheet exposures	**317,961**	**131,119**	**3,038,487**	**473,807**	**2,868,616**	**1,111,370**	**646,117**	**3,228,062**	**6,308**	**775,407**	**153,948**	**166,530**	**2,389,291**	**861**	**15,307,884**
Total on and off-balance sheet exposures	**2,884,533**	**2,136,997**	**18,833,648**	**3,067,337**	**9,009,042**	**12,628,998**	**7,176,574**	**17,413,252**	**19,549,179**	**8,739,400**	**3,427,733**	**4,944,824**	**67,448,633**	**2,956,740**	**180,216,890**

Table 5.2: Impaired and past due loans, advances and financing, and impairment allowances by sector
The impaired and past due loans, advances and financing, impairment allowances, charges for individual impairment allowances and write offs during the financial period/year by sector of the Group is as follow:

30 SEPTEMBER 2022	Agriculture	Mining and Quarrying	Manufacturing	Electricity, Gas and Water	Construction	Wholesale and Retail Trade and Hotels and Restaurants	Transport, Storage and Communication	Finance and Insurance	Real Estate	Business Activities	Education and Health	Household	Others	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Impaired loans, advances and financing	9,879	44,092	177,348	6,082	145,436	200,885	17,808	9,332	183,109	47,151	8,501	1,042,450	-	**1,892,073**
Past due but not impaired loans/financing	93,036	30,196	102,049	20,527	181,948	219,650	54,393	8,383	26,612	78,369	24,464	5,850,359	-	**6,689,986**
Allowances for Expected Credit Losses	6,413	6,253	240,945	9,044	104,948	125,499	155,218	82,934	33,468	29,560	6,356	1,033,105	4,364	**1,838,107**
(Writeback)/Charges for individual allowance	(494)	7,440	(6,539)	(79)	(11,969)	44,437	(115)	-	(302)	(378)	16	(10)	-	**32,007**
Write-offs against individual allowance and other movements	-	139,394	28,697	-	(26,010)	46,156	-	-	-	445	-	-	-	**188,682**

31 MARCH 2022	Agriculture	Mining and Quarrying	Manufacturing	Electricity, Gas and Water	Construction	Wholesale and Retail Trade and Hotels and Restaurants	Transport, Storage and Communication	Finance and Insurance	Real Estate	Business Activities	Education and Health	Household	Others	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Impaired loans, advances and financing	8,834	175,741	226,687	4,639	112,676	170,049	18,518	1,494	188,167	37,595	6,218	725,426	-	**1,676,044**
Past due but not impaired loans/financing	167,317	10,345	52,439	3,222	138,862	147,445	33,997	2,504	27,942	58,449	23,451	4,854,319	-	**5,520,292**
Allowances for Expected Credit Losses	11,482	139,070	314,061	11,147	86,636	132,313	146,239	60,480	36,881	29,206	7,230	948,436	4,325	**1,927,506**
(Writeback)/Charges for individual allowance	(1,523)	266,515	12,032	471	34,182	16,052	(4,456)	-	13,137	2,819	264	(323)	-	**339,170**
Write-offs against individual allowance and other movements	-	165,519	8,597	-	30,814	55,902	-	-	15,536	-	-	-	-	**276,368**

Table 5.3: Geographical distribution of credit exposures
The geographic distribution of credit exposures of the Group is as follows:

	30 SEPTEMBER 2022		
	In Malaysia RM'000	**Outside Malaysia RM'000**	**Total RM'000**
On-balance sheet exposures			
Sovereigns/Central banks	19,095,757	-	19,095,757
PSEs	2,107	-	2,107
Banks, DFIs and MDBs	4,458,204	3,517,659	7,975,863
Insurance companies, Securities firms and Fund managers	357,481	-	357,481
Corporates	68,802,984	332,659	69,135,643
Regulatory retail	40,459,449	6,592	40,466,041
Residential mortgages	28,354,638	-	28,354,638
Higher risk assets	696,075	765	696,840
Other assets	2,377,196	143,136	2,520,332
Securitisation exposures	90	-	90
Equity exposures	70	-	70
Defaulted exposures	1,533,604	-	1,533,604
Total for on-balance sheet exposures	**166,137,655**	**4,000,811**	**170,138,466**
Off-balance sheet exposures			
OTC derivatives	1,825,846	727,626	2,553,472
Off-balance sheet exposures other than OTC derivatives or Credit derivatives	21,213,515	40,342	21,253,857
Defaulted exposures	47,591	-	47,591
Total for off-balance sheet exposures	**23,086,952**	**767,968**	**23,854,920**
Total on and off-balance sheet exposures	**189,224,607**	**4,768,779**	**193,993,386**

	31 MARCH 2022		
	In Malaysia RM'000	**Outside Malaysia RM'000**	**Total RM'000**
On-balance sheet exposures			
Sovereigns/Central banks	19,370,480	-	19,370,480
PSEs	2,391	-	2,391
Banks, DFIs and MDBs	6,054,899	2,969,755	9,024,654
Insurance companies, Securities firms and Fund managers	-	-	-
Corporates	63,803,199	902,906	64,706,105
Regulatory retail	40,743,743	6,341	40,750,084
Residential mortgages	26,550,853	-	26,550,853
Higher risk assets	691,988	637	692,625
Other assets	2,452,071	116,684	2,568,755
Securitisation exposures	90	-	90
Equity exposures	79	-	79
Defaulted exposures	1,242,862	28	1,242,890
Total for on-balance sheet exposures	**160,912,655**	**3,996,351**	**164,909,006**
Off-balance sheet exposures			
OTC derivatives	1,330,057	530,810	1,860,867
Off-balance sheet exposures other than OTC derivatives or Credit derivatives	13,365,927	44,369	13,410,296
Defaulted exposures	36,721	-	36,721
Total for off-balance sheet exposures	**14,732,705**	**575,179**	**15,307,884**
Total on and off-balance sheet exposures	**175,645,360**	**4,571,530**	**180,216,890**

Table 5.4: Geographical distribution of impaired and past due loans, advances and financing and impairment allowances

The impaired and past due loans, advances and financing and impairment allowances by geographic distribution of the Group is as follows:

	30 SEPTEMBER 2022		
	In Malaysia RM'000	**Outside Malaysia RM'000**	**Total RM'000**
Impaired loans, advances and financing	1,892,073	-	1,892,073
Past due but not impaired loans/financing	6,689,986	-	6,689,986
Allowances for Expected Credit Losses	1,837,938	169	1,838,107

	31 MARCH 2022		
	In Malaysia RM'000	**Outside Malaysia RM'000**	**Total RM'000**
Impaired loans, advances and financing	1,666,873	9,171	1,676,044
Past due but not impaired loans/financing	5,520,292	-	5,520,292
Allowances for Expected Credit Losses	1,915,629	11,877	1,927,506

Table 5.5: Residual contractual maturity by major types of credit exposure

The residual contractual maturity by major types of gross credit exposures of the Group is as follows:

30 SEPTEMBER 2022	Up to 1 month RM'000	>1 month to 3 months RM'000	>3 months to 6 months RM'000	>6 months to 12 months RM'000	>1 year to 3 years RM'000	>3 years to 5 years RM'000	> 5 years RM'000	No maturity specified RM'000	Total RM'000
On-balance sheet exposures									
Sovereigns/Central banks	2,161,590	649,524	160,686	2,630,419	3,950,860	1,541,795	8,000,883	-	19,095,757
PSEs	-	-	-	-	225	1,882	-	-	2,107
Banks, DFIs and MDBs	5,369,223	676,472	-	737,370	496,203	136,365	560,230	-	7,975,863
Insurance companies, Securities firms and Fund managers	200,944	-	-	466	55,969	100,102	-	-	357,481
Corporates	20,476,493	6,162,877	5,840,569	7,987,758	6,154,678	6,966,682	15,546,586	-	69,135,643
Regulatory retail	179,649	155,412	229,603	2,790,320	1,699,746	4,309,004	31,102,307	-	40,466,041
Residential mortgages	1,285	359	835	3,606	55,180	158,508	28,134,865	-	28,354,638
Higher risk assets	40	10	3	176	390	293	13,035	682,893	696,840
Other assets	1,129,592	1,067	-	-	-	-	-	1,389,673	2,520,332
Securitisation exposures	-	-	-	-	-	-	90	-	90
Equity exposures	-	-	-	-	-	-	-	70	70
Defaulted exposures	315,337	3,345	3,488	84,819	66,364	88,492	971,759	-	1,533,604
Total for on-balance sheet exposures	**29,834,153**	**7,649,066**	**6,235,184**	**14,234,934**	**12,479,615**	**13,303,123**	**84,329,755**	**2,072,636**	**170,138,466**
Off-balance sheet exposures									
OTC derivatives	107,791	172,567	259,219	427,551	366,377	500,715	719,252	-	2,553,472
Off-balance sheet exposures other than OTC derivatives or Credit derivatives	2,540,372	5,267,430	5,697,533	6,352,298	2,181	5,449	1,388,594	-	21,253,857
Defaulted exposures	8,541	1,788	58	22,234	341	522	14,107	-	47,591
Total for off-balance sheet exposures	**2,656,704**	**5,441,785**	**5,956,810**	**6,802,083**	**368,899**	**506,686**	**2,121,953**	**-**	**23,854,920**
Total on and off-balance sheet exposures	**32,490,857**	**13,090,851**	**12,191,994**	**21,037,017**	**12,848,514**	**13,809,809**	**86,451,708**	**2,072,636**	**193,993,386**

Table 5.5: Residual contractual maturity by major types of credit exposure (cont'd.)

The residual contractual maturity by major types of gross credit exposures of the Group is as follows: (cont'd.)

	31 MARCH 2022								
	Up to 1 month RM'000	>1 month to 3 months RM'000	>3 months to 6 months RM'000	>6 months to 12 months RM'000	>1 year to 3 years RM'000	>3 years to 5 years RM'000	> 5 years RM'000	No maturity specified RM'000	Total RM'000
On-balance sheet exposures									
Sovereigns/Central banks	8,271,542	-	344,891	295,916	2,372,790	2,226,089	5,859,252	-	19,370,480
PSEs	-	-	-	-	-	2,391	-	-	2,391
Banks, DFIs and MDBs	5,788,557	1,282,878	15,063	-	1,166,935	149,115	622,106	-	9,024,654
Insurance companies, Securities firms and Fund managers	-	-	-	-	-	-	-	-	-
Corporates	20,458,725	6,208,212	3,901,574	5,821,948	7,607,240	6,599,594	14,108,812	-	64,706,105
Regulatory retail	243,742	106,633	146,143	2,694,472	1,713,959	4,222,113	31,623,022	-	40,750,084
Residential mortgages	1,173	216	1,172	4,446	53,006	152,649	26,338,191	-	26,550,853
Higher risk assets	12	5	44	18	537	562	16,323	675,124	692,625
Other assets	1,409,549	-	-	-	-	-	-	1,159,206	2,568,755
Securitisation exposures	-	-	-	-	-	-	90	-	90
Equity exposures	-	-	-	-	-	-	-	79	79
Defaulted exposures	302,833	3,509	2,030	97,164	69,365	57,760	710,229	-	1,242,890
Total for on-balance sheet exposures	**36,476,133**	**7,601,453**	**4,410,917**	**8,913,964**	**12,983,832**	**13,410,273**	**79,278,025**	**1,834,409**	**164,909,006**
Off-balance sheet exposures									
OTC derivatives	42,384	84,182	87,121	342,818	313,437	142,172	848,753	-	1,860,867
Off-balance sheet exposures other than OTC derivatives or Credit derivatives	2,794,241	1,852,997	650,222	6,944,903	8,867	65,554	1,093,512	-	13,410,296
Defaulted exposures	8,097	99	1,854	14,909	312	406	11,044	-	36,721
Total for off-balance sheet exposures	**2,844,722**	**1,937,278**	**739,197**	**7,302,630**	**322,616**	**208,132**	**1,953,309**	**-**	**15,307,884**
Total on and off-balance sheet exposures	**39,320,855**	**9,538,731**	**5,150,114**	**16,216,594**	**13,306,448**	**13,618,405**	**81,231,334**	**1,834,409**	**180,216,890**

Table 5.6: Reconciliation of changes to loans/financing impairment allowances

The disclosure on reconciliation of loan loss allowances can be found in Note A13 of the interim financial statements. Charge offs and recoveries that have been taken up directly to the statement of profit or loss are as follows:

FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022	
	(Charge off)/ Recoveries
	RM'000
Bad debts written off during the financial period	(19,500)
Bad debt recoveries during the financial period	173,889

FINANCIAL YEAR ENDED 31 MARCH 2022	
	(Charge off)/ Recoveries
	RM'000
Bad debts written off during the financial year	(39,770)
Bad debt recoveries during the financial year	280,154

6.0 Credit Risk Exposure under Standardised Approach

The Group uses external ratings for credit exposures to assign risk weights under the Standardised Approach where relevant. The ratings from the following external credit assessment institutions (ECAIs) are used:

- Moody's Investors Service ("Moody's")
- Fitch Rating ("Fitch")
- RAM Rating Services Berhad ("RAM")
- Malaysian Rating Corporation Berhad ("MARC")

Table 6.1: Credit exposures by risk weights under the Standardised Approach

The breakdown of credit risk exposures by risk weights of the Group is as follows:

30 SEPTEMBER 2022													
	Exposures after Netting and Credit Risk Mitigation												
Risk Weights	Sovereigns and Central Banks	PSEs	Banks, DFIs and MDBs	Insurance Companies, Securities Firms and Fund Managers	Corporates	Regulatory Retail	Residential Mortgages	Higher Risk Assets	Other Assets	Securitisation Exposures	Equity Exposures	Total Exposures after Netting and Credit Risk Mitigation	Total 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	RM'000	RM'000
0%	25,676,375	-	335,416	-	9,096,566	150,839	-	-	397,247	-	-	35,656,443	-
20%	-	2,107	8,023,224	-	8,153,413	1,239,298	-	-	275,519	-	-	17,693,561	3,538,712
35%	-	-	-	-	-	-	20,622,046	-	-	-	-	20,622,046	7,217,716
50%	77,011	-	830,682	-	199,623	24,059	7,946,242	-	-	-	-	9,077,617	4,538,808
75%	-	-	-	-	-	26,748,682	-	-	-	-	-	26,748,682	20,061,512
100%	11,173	-	-	386,337	58,127,577	9,723,154	188,838	-	1,847,566	-	70	70,284,715	70,284,715
150%	-	-	-	-	337,539	227,017	-	713,217	-	-	-	1,277,773	1,916,660
1250%	-	-	-	-	-	-	-	-	-	90	-	90	1,125
Total	**25,764,559**	**2,107**	**9,189,322**	**386,337**	**75,914,718**	**38,113,049**	**28,757,126**	**713,217**	**2,520,332**	**90**	**70**	**181,360,927**	**107,559,248**

31 MARCH 2022													
	Exposures after Netting and Credit Risk Mitigation												
Risk Weights	Sovereigns and Central Banks	PSEs	Banks, DFIs and MDBs	Insurance Companies, Securities Firms and Fund Managers	Corporates	Regulatory Retail	Residential Mortgages	Higher Risk Assets	Other Assets	Securitisation Exposures	Equity Exposures	Total Exposures after Netting and Credit Risk Mitigation	Total 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	RM'000	RM'000
0%	19,370,480	-	355,748	-	4,981,599	125,008	-	-	415,716	-	-	25,248,551	-
20%	-	2,391	8,823,039	-	7,883,332	1,300,457	-	-	404,449	-	-	18,413,668	3,682,734
35%	-	-	-	-	-	-	19,632,063	-	-	-	-	19,632,063	6,871,222
50%	6,308	-	909,060	-	250,039	16,560	7,078,830	-	-	-	-	8,260,797	4,130,399
75%	-	-	-	-	-	25,919,455	-	-	-	-	-	25,919,455	19,439,591
100%	-	-	-	8,210	57,456,268	10,822,498	119,668	-	1,748,590	-	79	70,155,313	70,155,313
150%	-	-	-	-	344,116	154,018	-	709,806	-	-	-	1,207,940	1,811,909
1250%	-	-	-	-	-	-	-	-	-	90	-	90	1,125
Total	**19,376,788**	**2,391**	**10,087,847**	**8,210**	**70,915,354**	**38,337,996**	**26,830,561**	**709,806**	**2,568,755**	**90**	**79**	**168,837,877**	**106,092,293**

Table 6.2: Rated Exposures according to Ratings by ECAIs

		30 SEPTEMBER 2022				
		Ratings of Corporate by Approved ECAIs				
Moody's		**Aaa to Aa3**	**A1 to A3**	**Baa1 to Ba3**	**B1 to C**	**Unrated**
Fitch		**AAA to AA-**	**A+ to A-**	**BBB+ to BB-**	**B+ to D**	**Unrated**
RAM		**AAA to AA3**	**A to A3**	**BBB1 to BB3**	**B1 to D**	**Unrated**
MARC		**AAA to AA-**	**A+ to A-**	**BBB+ to BB-**	**B+ to D**	**Unrated**
Group						
Exposure class	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
On and off-balance sheet exposures						
Credit exposures (using corporate risk weights)						
PSE (applicable for entities risk weighted based on their external ratings as corporates)	2,107	-	-	-	-	2,107
Insurance companies, Securities firms and Fund managers	387,853	-	-	-	-	387,853
Corporates	79,820,220	6,299,268	-	13,374	-	73,507,578
Total	**80,210,180**	**6,299,268**	-	**13,374**	-	**73,897,538**

		31 MARCH 2022				
		Ratings of Corporate by Approved ECAIs				
Moody's		**Aaa to Aa3**	**A1 to A3**	**Baa1 to Ba3**	**B1 to C**	**Unrated**
Fitch		**AAA to AA-**	**A+ to A-**	**BBB+ to BB-**	**B+ to D**	**Unrated**
RAM		**AAA to AA3**	**A to A3**	**BBB1 to BB3**	**B1 to D**	**Unrated**
MARC		**AAA to AA-**	**A+ to A-**	**BBB+ to BB-**	**B+ to D**	**Unrated**
Group						
Exposure class	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
On and off-balance sheet exposures						
Credit exposures (using corporate risk weights)						
PSE (applicable for entities risk weighted based on their external ratings as corporates)	2,391	-	-	-	-	2,391
Insurance companies, Securities firms and Fund managers	8,210	-	-	-	-	8,210
Corporates	75,423,301	5,939,373	-	13,672	-	69,470,256
Total	**75,433,902**	**5,939,373**	-	**13,672**	-	**69,480,857**

Table 6.2: Rated Exposures according to Ratings by ECAIs (Cont'd.)

	30 SEPTEMBER 2022					
		Ratings of Sovereigns and Central Banks by Approved ECAIs				
Moody's		**Aaa to Aa3**	**A1 to A3**	**Baa1 to Baa3**	**Ba1 to B3**	**Unrated**
Fitch		**AAA to AA-**	**A+ to A-**	**BBB+ to BBB-**	**BB+ to B-**	**Unrated**
Group						
Exposure Class	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
On and off-balance sheet exposures						
Sovereigns and Central banks	25,764,559	-	-	25,764,559	-	-
Total	**25,764,559**	**-**	**-**	**25,764,559**	**-**	**-**

	31 MARCH 2022					
		Ratings of Sovereigns and Central Banks by Approved ECAIs				
Moody's		**Aaa to Aa3**	**A1 to A3**	**Baa1 to Baa3**	**Ba1 to B3**	**Unrated**
Fitch		**AAA to AA-**	**A+ to A-**	**BBB+ to BBB-**	**BB+ to B-**	**Unrated**
Group						
Exposure Class	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
On and off-balance sheet exposures						
Sovereigns and Central banks	19,376,788	-	-	19,376,788	-	-
Total	**19,376,788**	**-**	**-**	**19,376,788**	**-**	**-**

	30 SEPTEMBER 2022					
		Ratings of Banking Institutions by Approved ECAIs				
Moody's		**Aaa to Aa3**	**A1 to A3**	**Baa1 to Baa3**	**Ba1 to B3**	**Unrated**
Fitch		**AAA to AA-**	**A+ to A-**	**BBB+ to BBB-**	**BB+ to B-**	**Unrated**
RAM		**AAA to AA3**	**A1 to A3**	**BBB1 to BBB3**	**BB1 to B3**	**Unrated**
MARC		**AAA to AA-**	**A+ to A-**	**BBB+ to BBB-**	**BB+ to B-**	**Unrated**
Group						
Exposure class	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
On and off-balance sheet exposures						
Banks, DFIs and MDBs	12,204,635	3,899,859	1,573,199	1,947	-	6,729,630
Total	**12,204,635**	**3,899,859**	**1,573,199**	**1,947**	**-**	**6,729,630**

	31 MARCH 2022					
		Ratings of Banking Institutions by Approved ECAIs				
Moody's		**Aaa to Aa3**	**A1 to A3**	**Baa1 to Baa3**	**Ba1 to B3**	**Unrated**
Fitch		**AAA to AA-**	**A+ to A-**	**BBB+ to BBB-**	**BB+ to B-**	**Unrated**
RAM		**AAA to AA3**	**A1 to A3**	**BBB1 to BBB3**	**BB1 to B3**	**Unrated**
MARC		**AAA to AA-**	**A+ to A-**	**BBB+ to BBB-**	**BB+ to B-**	**Unrated**
Group						
Exposure class	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
On and off-balance sheet exposures						
Banks, DFIs and MDBs	11,770,389	3,675,902	461,029	129,295	-	7,504,163
Total	**11,770,389**	**3,675,902**	**461,029**	**129,295**	**-**	**7,504,163**

Table 6.3: Securitisation according to Ratings by ECAIs

		30 SEPTEMBER 2022		
		Ratings of Securitisation by Approved ECAIs		
Moody's		**Aaa to Aa3**	**A1 to A3**	**Unrated**
Fitch		**AAA to AA-**	**A+ to A-**	**Unrated**
RAM		**AAA to AA3**	**A1 to A3**	**Unrated**
MARC		**AAA to AA-**	**A+ to A-**	**Unrated**
Group				
Exposure class	**RM'000**	**RM'000**	**RM'000**	**RM'000**
On and off-balance sheet exposures				
Securitisation exposures	90	-	-	90
Total	**90**	**-**	**-**	**90**

		31 MARCH 2022		
		Ratings of Securitisation by Approved ECAIs		
Moody's		**Aaa to Aa3**	**A1 to A3**	**Unrated**
Fitch		**AAA to AA-**	**A+ to A-**	**Unrated**
RAM		**AAA to AA3**	**A1 to A3**	**Unrated**
MARC		**AAA to AA-**	**A+ to A-**	**Unrated**
Group				
Exposure class	**RM'000**	**RM'000**	**RM'000**	**RM'000**
On and off-balance sheet exposures				
Securitisation exposures	90	-	-	90
Total	**90**	**-**	**-**	**90**

7.0 Credit Risk Mitigation

Table 7.1: Credit Risk Mitigation
The total exposures and eligible guarantees, credit derivatives and collateral of the Group are as follows:

Exposure Class	30 SEPTEMBER 2022		
	Exposures before CRM RM'000	Exposures covered by Guarantees RM'000	Exposures covered by Eligible Financial Collateral RM'000
Credit risk			
On-balance sheet exposures			
Sovereigns/Central banks	19,095,757	-	-
PSEs	2,107	-	-
Banks, DFIs And MDBs	7,975,863	-	-
Insurance companies, Securities firms and Fund managers	357,481	-	5,009
Corporates	69,135,643	3,147,314	4,143,094
Regulatory retail	40,466,041	1,317,435	7,252,346
Residential mortgages	28,354,638	-	22,665
Higher risk assets	696,840	-	10
Other assets	2,520,332	-	-
Securitisation exposures	90	-	-
Equity exposures	70	-	-
Defaulted exposures	1,533,604	93,207	20,816
Total for on-balance sheet exposures	**170,138,466**	**4,557,956**	**11,443,940**
Off-balance sheet exposures			
OTC derivatives	2,553,472	-	543,633
Off-balance sheet exposures other than OTC derivatives or Credit derivatives	21,253,857	201,817	5,542,120
Defaulted exposures	47,591	-	3,256
Total for off-balance sheet exposures	**23,854,920**	**201,817**	**6,089,009**
Total on and off-balance sheet exposures	**193,993,386**	**4,759,773**	**17,532,949**

Exposure Class	31 MARCH 2022		
	Exposures before CRM RM'000	Exposures covered by Guarantees RM'000	Exposures covered by Eligible Financial Collateral RM'000
Credit risk			
On-balance sheet exposures			
Sovereigns/Central banks	19,370,480	-	-
PSEs	2,391	-	-
Banks, DFIs And MDBs	9,024,654	-	-
Insurance companies, Securities firms and Fund managers	-	-	-
Corporates	64,706,105	709,117	4,716,471
Regulatory retail	40,750,084	1,381,361	6,490,947
Residential mortgages	26,550,853	-	25,577
Higher risk assets	692,625	-	10
Other assets	2,568,755	-	-
Securitisation exposures	90	-	-
Equity exposures	79	-	-
Defaulted exposures	1,242,890	54,760	18,495
Total for on-balance sheet exposures	**164,909,006**	**2,145,238**	**11,251,500**
Off-balance sheet exposures			
OTC derivatives	1,860,867	-	412,595
Off-balance sheet exposures other than OTC derivatives or Credit derivatives	13,410,296	382,077	4,763,881
Defaulted exposures	36,721	-	14,387
Total for off-balance sheet exposures	**15,307,884**	**382,077**	**5,190,863**
Total on and off-balance sheet exposures	**180,216,890**	**2,527,315**	**16,442,363**

8.0 Off-Balance Sheet Exposures and Counterparty Credit Risk

Table 8.1: Off-Balance Sheet Exposures
The off-balance sheet exposures and counterparty credit risk of the Group are as follows:

	30 SEPTEMBER 2022			
	Principal Amount RM'000	Positive Fair Value of Derivative Contracts RM'000	Credit Equivalent Amount RM'000	Risk Weighted Assets RM'000
Direct Credit Substitutes	2,729,177		2,621,635	2,476,530
Transaction related contingent Items	4,353,097		2,075,400	1,727,370
Short-term self-liquidating trade-related contingencies	1,092,782		195,124	185,394
Forward Asset Purchases	408,196		22,565	9,661
Obligations under on-going underwriting agreements	180,000		-	-
Lending of banks' securities or the posting of securities as collateral by banks, including instances where these arise out of repo-style transactions	9,586,300		9,656,207	77,763
Foreign exchange related contracts				
One year or less	23,887,886	315,072	378,934	292,473
Over one year to five years	4,385,909	220,457	460,888	414,502
Over five years	1,364,788	17,528	181,250	164,716
Interest/Profit rate related contracts				
One year or less	791,310	3,088	6,316	2,821
Over one year to five years	3,788,233	142,486	200,730	55,118
Over five years	2,694,032	196,658	395,198	129,116
Equity and commodity related contracts				
One year or less	1,508,862	25,099	74,056	53,074
Over one year to five years	3,300	70	149	30
Other Commodity Contracts				
One year or less	6,730	172	845	577
Over one year to five years	78,656	5,700	10,481	-
OTC Derivative transactions and credit derivative contracts subject to valid bilateral netting agreements	51,463,580	618,017	844,625	579,406
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	16,036,910		1,476,964	1,111,724
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	3,090,195		4,182,000	2,282,654
Unutilised credit card lines	5,357,764		1,071,553	796,832
Total	**132,807,707**	**1,544,347**	**23,854,920**	**10,359,761**

Table 8.1: Off-Balance Sheet Exposures (Cont'd.)
The off-balance sheet exposures and counterparty credit risk of the Group are as follows: (cont'd.)

	31 MARCH 2022			
	Principal Amount RM'000	Positive Fair Value of Derivative Contracts RM'000	Credit Equivalent Amount RM'000	Risk Weighted Assets RM'000
Direct Credit Substitutes	2,972,783		2,896,505	2,522,218
Transaction related contingent Items	4,295,291		2,038,081	1,592,769
Short-term self-liquidating trade-related contingencies	604,427		99,199	89,086
Forward Asset Purchases	60,257		3,500	2,500
Obligations under an on-going underwriting agreements	130,000		-	-
Lending of banks' securities or the posting of securities as collateral by banks, including instances where these arise out of repo-style transactions	1,687,548		1,729,929	40,560
Foreign exchange related contracts				
One year or less	19,845,570	28,549	183,577	143,375
Over one year to five years	4,312,476	111,905	406,445	341,260
Over five years	1,114,259	992	144,921	126,483
Interest/Profit rate related contracts				
One year or less	789,332	6,587	7,839	3,311
Over one year to five years	2,898,059	63,609	105,215	36,826
Over five years	2,346,446	97,146	280,462	137,862
Equity and commodity related contracts				
One year or less	1,463,602	38,395	71,670	36,810
Over one year to five years	75,367	8,214	180	36
Other Commodity Contracts				
One year or less	106,784	8,861	4,196	2,759
Over one year to five years	71,367	8,264	12,546	2,151
OTC Derivative transactions and credit derivative contracts subject to valid bilateral netting agreements	56,447,261	448,851	643,816	265,162
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	17,485,076		1,252,625	968,274
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	2,516,528		4,401,879	2,348,850
Unutilised credit card lines	5,126,496		1,025,299	763,009
Total	**124,348,929**	**821,373**	**15,307,884**	**9,423,301**

8.2: Credit Derivatives Counterparty Credit Risk ("CCR")

The Group did not have any counterparty credit risk exposure as at 30 September 2022 and 31 March 2022.

9.0 Securitisation

Table 9.1: Securitisation (Trading and Banking Book)
The securitised exposures of the Group is as follows:

	30 SEPTEMBER 2022			
Underlying Asset	**Total Exposures Securitised RM'000**	**Past Due RM'000**	**Impaired RM'000**	**Gains/Losses recognised during the financial period RM'000**
Traditional Securitisation				
Originated by the Group				
Banking Book				
Mortgage loans	1,100,169	-	1,089,039	-
Total Traditional Securitisation	**1,100,169**	**-**	**1,089,039**	**-**

	31 MARCH 2022			
Underlying Asset	**Total Exposures Securitised RM'000**	**Past Due RM'000**	**Impaired RM'000**	**Gains/Losses recognised during the financial year RM'000**
Traditional Securitisation				
Originated by the Group				
Banking Book				
Mortgage loans	1,078,947	-	1,069,023	-
Total Traditional Securitisation	**1,078,947**	**-**	**1,069,023**	**-**

The Group did not have any exposures under synthetic securitisation as at 30 September 2022 and 31 March 2022.

Table 9.2: Securitisation under the Standardised Approach for Banking Book Exposures

30 SEPTEMBER 2022							
Group Securitisation Exposures by Exposure Type	Exposure Value of Positions Purchased or Retained	Exposure after CRM	Exposures subject to deduction	Distribution of Exposures after CRM according to Applicable Risk Weights Rated Securitisation Exposures or Risk Weights of Guarantees/Credit Derivatives 20%	50%	1250%	Risk Weighted Assets
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Traditional Securitisation Originated by the Group On-Balance Sheet Exposures	90	90	-	-	-	90	1,125
Total Traditional Securitisation	**90**	**90**	**-**	**-**	**-**	**90**	**1,125**

31 MARCH 2022							
Group Securitisation Exposures by Exposure Type	Exposure Value of Positions Purchased or Retained	Exposure after CRM	Exposures subject to deduction	Distribution of Exposures after CRM according to Applicable Risk Weights Rated Securitisation Exposures or Risk weights of Guarantees/Credit Derivatives 20%	50%	1250%	Risk Weighted Assets
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Traditional Securitisation Originated by the Group On-Balance Sheet Exposures	90	90	-	-	-	90	1,125
Total Traditional Securitisation	**90**	**90**	**-**	**-**	**-**	**90**	**1,125**

There is no securitisation exposure under trading book as at 30 September 2022 and 31 March 2022.

10.0 Non-Traded Market Risk ("NTMR")

Table 10.1: Interest Rate Risk/Rate of Return Risk Sensitivity in the Banking Book ("IRR/RORBB")
The IRR/RORBB sensitivity for the Group is as follows:

	30 SEPTEMBER 2022	
	Interest Rate/ Rate of Return +100 bps RM'000	Interest Rate/ Rate of Return -100 bps RM'000
Impact on Profit Before Zakat and Taxation	60,375	(60,375)
Impact on Equity	(1,376,852)	1,523,332

	31 MARCH 2022	
	Interest Rate/ Rate of Return +100 bps RM'000	Interest Rate/ Rate of Return -100 bps RM'000
Impact on Profit Before Zakat and Taxation	197,177	(197,177)
Impact on Equity	(1,060,900)	1,178,793

11.0 Equities (Banking Book Positions)

Measurement of equity securities - Upon adoption of MFRS 9, management has elected at initial recognition to irrevocably designate certain equity investment not held for trading at financial assets at fair value through profit or loss ("FVTPL") and FVOCI. When this election is used, fair value gains and losses for equity investment at FVTPL are recognised in profit or loss and equity investment at FVOCI are recognised in other comprehensive income.

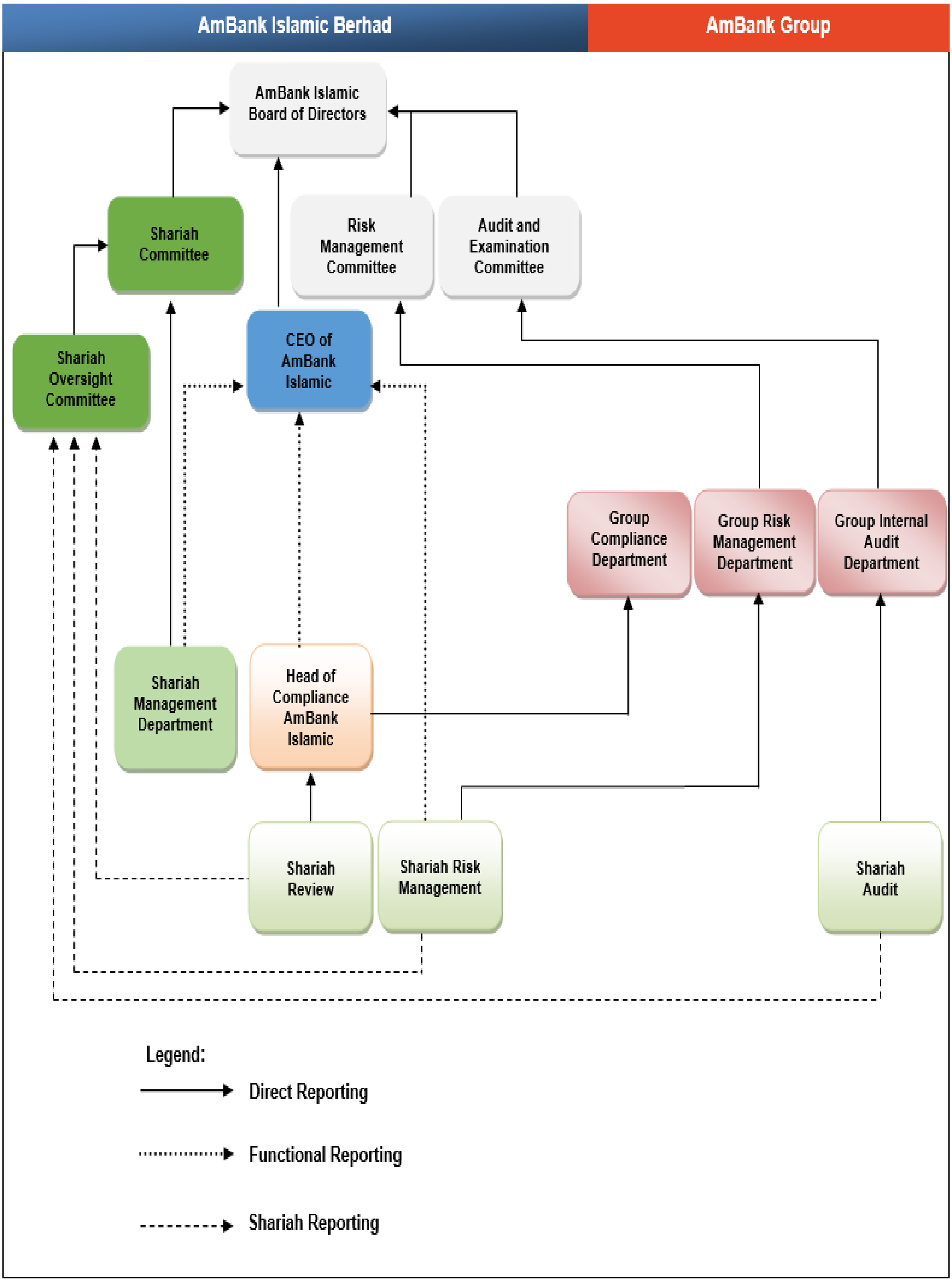
Table 11.1: Equity investments and capital requirement
An analysis of equity investments by appropriate equity groupings and risk weighted assets of the Group is as follows:

	30 SEPTEMBER 2022 RM'000	31 MARCH 2022 RM'000
Non-traded equity investments		
Value of quoted (publicly traded) equities	1,212	1,207
Value of unquoted (privately held) equities	682,893	675,124
Total	**684,105**	**676,331**
Net realised and unrealised gains		
Cumulative realised gains from sales and liquidations	-	8,871
Total unrealised gains	7,761	3,151
Total	**7,761**	**12,022**
Risk Weighted Assets		
Equity investments subject to a 100% risk weight	1,212	1,207
Equity investments subject to a 150% risk weight	1,024,340	1,012,686
Total	**1,025,552**	**1,013,893**
Total minimum capital requirement (8%)	**82,044**	**81,111**

12.0 Liquidity Risk and Funding Management

The liquidity risk management of the Group is aligned to the Liquidity Coverage Ratio ("LCR") policy and Net Stable Funding Ratio ("NSFR") policy issued by BNM.

13.0 Shariah Governance Structure



13.0 Shariah Governance Structure (Cont'd.)

AmBank Islamic has established its Shariah governance structure in accordance with the requirements of the Islamic Financial Services Act 2013 ("IFSA") and BNM’s Policy Document on Shariah Governance. This is to ensure that the operations and business activities of AmBank Islamic comply with Shariah principles and requirements.

Apart from the Shariah Management Department, Shariah Risk Management and Shariah Review functions which reside in AmBank Islamic, AmBank Islamic’s Shariah governance structure leverages on the Group Internal Audit Department for the Shariah Audit function.

Board of Directors
The Board is responsible for the overall oversight on the Shariah governance and Shariah compliance, including the performance assessment, appointment and remuneration of the Shariah Committee members. The Board performs its oversight role through various committees such as the Audit and Examination Committee, Risk Management Committee and the Shariah Committee.

Audit and Examination Committee ("AEC")
AEC is a Board committee responsible for assisting the Board in ensuring that AmBank Islamic's operations are Shariah compliant through the independent assurance from the Shariah Audit function. The reports from the Shariah Review Section are also presented to the AEC for information.

Risk Management Committee ("RMC")
RMC is a Board committee responsible for assisting the Board in ensuring that risk management (including Shariah risk management) controls and processes are in place.

Shariah Committee
The Shariah Committee is responsible on matters related to Shariah. This includes advising the Board and Senior Management on Shariah matters as well as endorsing products and services, Shariah policies and the relevant documentation in relation to AmBank Islamic's business and operations. In addition to endorsing the zakat computation mechanism and the proposed recipients for zakat distribution, the Shariah Committee provides advice and guidance on the management of the zakat fund, charity and other social programmes or activities.

Shariah Oversight Committee
The Shariah Oversight Committee, which is a sub-committee to the Shariah Committee, performs an oversight function via the Shariah Control Functions (i.e. Shariah Review, Shariah Risk Management, and Shariah Audit). The Shariah Oversight Committee provides guidance and advice on matters pertaining to Shariah non-compliant incidents as well as treatment of any Shariah non-compliant income.

Senior Management
The Chief Executive Officer ("CEO") and senior officers of AmBank Islamic and the Group are responsible to make reference to the Shariah Committee and/or Shariah Oversight Committee on Shariah matters and to take the necessary measures for implementation. The Senior Management is also responsible in establishing the infrastructure and adequate resources to support the Shariah governance structure. This includes putting in place adequate systems and controls in order to ensure compliance with Shariah and to mitigate Shariah non-compliance risk.

Shariah Management Department
The Shariah Management Department is accountable to the Shariah Committee with functional reporting to the CEO and is responsible for providing operational support for the effective functioning of the Shariah Committee including day-to-day Shariah advisory, conducting Shariah research, formulating Shariah policies and acting as the Secretariat to the Shariah Committee and the Shariah Oversight Committee.

13.0 Shariah Governance Structure (Cont'd.)

Shariah Risk Management

The Shariah Risk Management ("SRM") is accountable to the Group Risk Management Department and the CEO of AmBank Islamic and has Shariah reporting to the Shariah Oversight Committee. SRM is a function that systematically identifies, assesses, monitors and reports Shariah non-compliance risks in the businesses, operations, affairs and activities of AmBank Islamic.

The management of Shariah risk is executed through the three lines of defence, which are: 1st - The Business Units/Functional Lines and Shariah Management Department; 2nd - Shariah Risk Management and Shariah Review; 3rd - Shariah Audit.

Shariah Review

The Shariah Review Section is accountable to AmBank Islamic's Head of Compliance with Shariah reporting to the Shariah Oversight Committee. Shariah Review refers to a function that conducts regular assessment on the compliance of the operations, business, affairs and activities of AmBank Islamic which are predominantly transactional in nature, with Shariah requirements.

Shariah Audit

The Shariah Audit Section is accountable to the Audit and Examination Committee with Shariah reporting to the Shariah Oversight Committee. The Shariah Audit Section is a dedicated team within the Group Internal Audit Department, and is responsible to conduct independent assessment on the quality and effectiveness of AmBank Islamic's internal control, risk management systems, governance processes as well as the overall compliance of AmBank Islamic's operations, business, affairs and activities with Shariah requirements. The Shariah Audit's scope includes but is not limited to activities undertaken by departments and functions that relate to Islamic products and services.

13.1 Shariah Non-Compliant Incident

For the financial period ended 30 September 2022, there was no Shariah non-compliant ("SNC") incident.

For the financial year ended 31 March 2022, there was no SNC incident.

13.2 Profit Sharing Investment Account ("PSIA")

Mudarabah Term Investment Account ("MTIA") Performance

As at 30 September 2022, balance of MTIA stood at RM14.5 million (31 March 2022: RM361.3 million). The performance of MTIA is as described in the table below :

As at 30 September 2022	%
Return on Assets ("ROA")	4.02
Average Net Distributable Income Attributable to IAH*	2.22
Average Profit Sharing Ratio to IAH*	55.35

As at 31 March 2022	%
Return on Assets ("ROA")	4.00
Average Net Distributable Income Attributable to IAH*	2.12
Average Profit Sharing Ratio to IAH*	53.23

* Investment Account Holder