

HSBC BANK MALAYSIA BERHAD
(Company No.198401015221 (127776-V))
(Incorporated in Malaysia)
Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures
As at 30 June 2024

CHIEF EXECUTIVE OFFICER'S ATTESTATION

I, Dato' Omar Siddiq bin Amin Noer Rashid, being the Chief Executive Officer of HSBC Bank Malaysia Berhad, do hereby state that, in my opinion, the Pillar 3 Interim Disclosures set out on pages 2 to 39 have been prepared according to the Risk Weighted Capital Adequacy Framework (Basel II), and are accurate and complete.

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DATO' OMAR SIDDIQ BIN AMIN NOER RASHID

Chief Executive Officer
18 July 2024

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures

The Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures at 30 June 2024 do not include all of the information required for full (Basel II) Pillar 3 Disclosures, and should be read in conjunction with the unaudited condensed interim financial statements of HSBC Bank Malaysia Berhad (the Bank) and its subsidiaries (collectively known as the Group) for the financial period ended 30 June 2024 as well as its audited financial statements for the year ended 31 December 2023 and the Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Disclosures at 31 December 2023.

The tables attached in the Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures provide an understanding of the quantitative changes relating to Pillar 3 Disclosures of the Group since the financial year ended 31 December 2023. There are no material changes relating to qualitative disclosures during the interim reporting period.

Stress Testing

The Group operates a wide-ranging stress testing programme that is a key part of our risk management and capital and liquidity planning. Stress testing provides management with key insights into the impact of adverse events, and provides confidence to regulators on the Group's financial stability.

As well as undertaking regulatory-driven stress tests, the Group conducts internal stress tests, in order to understand the nature and level of all material risks, quantify the impact of such risks and develop plausible business-as-usual mitigating actions.

The stress testing programme assesses capital and liquidity strength through a rigorous examination of resilience to external shocks from a range of stress scenarios. They include potential adverse macroeconomic, geopolitical and operational risk events, and other potential events that are specific to the Group. Stress testing analysis helps management to understand the nature and extent of vulnerabilities to which the Group is exposed to and informed decisions about capital or liquidity levels.

Stress testing and scenario analysis form an integral part of Internal Capital Adequacy Assessment Process (ICAAP) to demonstrate that the Group's capital positions remains sufficient to sustain operations during an economic downturn.

Governance

The Stress Test Working Group (STWG) will actively manage and drive cohesion and consistency across all stress testing activities, including the execution of enterprise wide stress tests and enhancements to stress testing and data capability. Stress test results and the proposed mitigating actions will be recommended by Risk Management Meeting (RMM) or Executive Committee (EXCO) and Risk Committee (RC) to the Board for approval.

Capital structure

The Group's regulatory capital comprises of 2 categories - Tier 1 and Tier 2.

- Tier 1 capital ^[1] is divided into Common Equity Tier 1 (CET1) Capital and Additional Tier 1 (AT1) Capital. CET1 Capital includes ordinary share capital ^[2], retained earnings, reserves and other regulatory adjustments relating to items that are included in equity but are treated differently for capital adequacy purposes, while AT1 Capital includes qualifying preference shares.
- Tier 2 capital ^[1], which includes impairment allowances equal to 12-months and lifetime expected credit losses for non-credit impaired loans (commonly known as Stage 1 and 2 provisions), regulatory reserve, and the element of the fair value reserve relating to revaluation of property which are disclosed as regulatory adjustments.

Refer to Note 37 of the unaudited condensed interim financial statements at 30 June 2024 for the total capital ratio and Tier 1 capital ratio, and risk weighted assets and capital requirements for credit risk, market risk and operational risk.

^[1] Refer to Note 37 of the unaudited condensed interim financial statements as at 30 June 2024 for the amount and breakdown of capital components.

^[2] Refer to Note 28 of the unaudited condensed interim financial statements as at 30 June 2024 for further details on ordinary share and the Basel III compliant preference share capital. All ordinary shares in issue confer identical rights in respect of capital, dividends and voting.

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures (Cont'd)

1) RWA and Capital Requirement

The tables below disclose the gross and net exposures, risk weighted assets (RWA) and capital requirements for credit risk, market risk and operational risk of the Group and the Bank at reporting date.

As at 30 June 2024, the RWA risk absorbent for Syndicated Investment Account for Financing (SIAF)/ Investment Agency Account (IAA) in the Bank amounted to RM829m (31 December 2023: RM940m) with principal amount of RM1,925m (31 December 2023: RM2,070m). This amount is reported as asset under management in the books of the Bank's Islamic Subsidiary. At group level, the effect of the RWA risk absorbent profit sharing investment is eliminated.

30 Jun 2024
(RM'000)

Group

Exposure Class	Gross Exposures	Net Exposures	Risk Weighted Assets (RWA)	Minimum Capital Requirement at 8%
Credit Risk (Standardised Approach)				
<i>On-Balance Sheet Exposures</i>				
Sovereigns/Central Banks	33,398,286	33,398,286	1,825,325	146,026
PSEs	2,133,063	2,124,607	742,858	59,429
Banks, DFIs & MDBs	11,045,770	3,814,111	1,402,067	112,165
Corporates	23,421,536	22,936,120	21,105,589	1,688,447
Regulatory Retail	5,345,276	5,292,277	4,051,974	324,158
Residential Mortgages	13,965,470	13,965,470	5,163,992	413,120
Higher Risk Assets	10,431	10,277	15,416	1,233
Other Assets	2,005,475	2,005,475	1,817,678	145,414
Equity Exposure	246,628	246,628	246,628	19,730
Defaulted Exposures	733,378	732,524	807,578	64,606
Total for On-Balance Sheet Exposures	92,305,313	84,525,775	37,179,105	2,974,328
<i>Off-Balance Sheet Exposures</i>				
OTC Derivatives	3,614,410	1,969,779	1,242,914	99,433
Off balance sheet exposures other than OTC derivatives or credit derivatives	18,608,009	18,068,271	13,292,492	1,063,399
Defaulted Exposures	9,797	9,797	13,578	1,087
Total for Off-Balance Sheet Exposures	22,232,216	20,047,847	14,548,984	1,163,919
Total On and Off-Balance Sheet Exposures ^[1]	114,537,529	104,573,622	51,728,089	4,138,247
Market Risk (Standardised Approach)				
	<u>Long Position</u>	<u>Short Position</u>		
Interest/Profit Rate Risk	52,131,403	49,616,925	2,514,478	1,599,345
Foreign Currency Risk	230,086	181,348	232,242	232,242
Equity Risk	-	-	-	3,598
Options Risk	-	-	-	20,317
	52,361,489	49,798,273	2,746,720	1,855,502
Operational Risk (Standardised Approach)	-	-	-	6,442,637
Total RWA and Capital Requirement	-	-	-	60,026,228

^[1] The variance between Gross Exposures and Net Exposures, represents the 'Total On and Off-Balance Sheet Exposures covered by Eligible Collateral'. Refer to Note (3) (ii) Credit risk mitigation (CRM) within this disclosure document.

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures (Cont'd)

1) RWA and Capital Requirement (Cont'd)

31 Dec 2023

Group

(RM'000)

Exposure Class	Gross Exposures	Net Exposures	Risk Weighted Assets (RWA)	Minimum Capital Requirement at 8%
Credit Risk (Standardised Approach)				
<i>On-Balance Sheet Exposures</i>				
Sovereigns/Central Banks	31,141,358	31,141,358	1,904,878	152,391
PSEs	1,922,321	1,916,682	505,470	40,437
Banks, DFIs & MDBs	15,350,210	4,992,629	1,646,868	131,749
Corporates	21,156,834	20,643,446	18,931,352	1,514,509
Regulatory Retail	5,517,156	5,453,553	4,179,870	334,389
Residential Mortgages	14,434,460	14,434,460	5,361,946	428,955
Higher Risk Assets	11,045	10,894	16,341	1,307
Other Assets	1,676,235	1,676,235	1,453,446	116,275
Equity Exposure	234,854	234,854	234,854	18,788
Defaulted Exposures	781,028	780,695	828,078	66,246
Total for On-Balance Sheet Exposures	92,225,501	81,284,806	35,063,103	2,805,046
<i>Off-Balance Sheet Exposures</i>				
OTC Derivatives	3,746,503	1,867,903	1,135,350	90,829
Off balance sheet exposures other than OTC derivatives or credit derivatives	17,595,504	17,015,277	12,765,116	1,021,210
Defaulted Exposures	10,205	10,205	13,881	1,111
Total for Off-Balance Sheet Exposures	21,352,212	18,893,385	13,914,347	1,113,150
Total On and Off-Balance Sheet Exposures ^[1]	113,577,713	100,178,191	48,977,450	3,918,196
Market Risk (Standardised Approach)				
	<u>Long Position</u>	<u>Short Position</u>		
Interest/Profit Rate Risk	37,870,909	39,349,672	(1,478,763)	1,427,295
Foreign Currency Risk	115,155	10,702	116,654	116,654
Equity Risk	-	-	-	10,656
Options Risk	-	-	-	657,877
	37,986,064	39,360,374	(1,362,109)	2,212,482
Operational Risk (Standardised Approach)	-	-	-	6,004,624
Total RWA and Capital Requirement	-	-	-	57,194,556

Note:

MDBs - Multilateral Development Banks

DFIs - Development Financial Institutions

PSEs - Public Sector Entities

OTC - Over the counter

^[1] The variance between Gross Exposures and Net Exposures, represents the 'Total On and Off-Balance Sheet Exposures covered by Eligible Collateral'. Refer to Note (3) (ii) CRM within this disclosure document.

Refer to Note 37 of the unaudited condensed interim financial statements as at 30 June 2024 for disclosure on RWA breakdown by various risk categories.

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures (Cont'd)

1) RWA and Capital Requirement (Cont'd)

30 Jun 2024

Bank

(RM'000)

Exposure Class	Gross Exposures	Net Exposures	Risk Weighted Assets (RWA)	Minimum Capital Requirement at 8%
Credit Risk (Standardised Approach)				
<i>On-Balance Sheet Exposures</i>				
Sovereigns/Central Banks	28,006,007	28,006,007	1,674,293	133,943
PSEs	1,368,751	1,360,295	425,708	34,057
Banks, DFIs & MDBs	11,594,673	4,363,014	1,284,379	102,750
Corporates	15,953,164	15,557,526	14,353,285	1,148,263
Regulatory Retail	3,261,796	3,221,163	2,419,532	193,563
Residential Mortgages	10,430,073	10,430,073	3,850,794	308,064
Higher Risk Assets	7,293	7,293	10,940	875
Other Assets	1,869,970	1,869,970	1,767,603	141,408
Equity Exposure	246,628	246,628	246,628	19,730
Defaulted Exposures	482,255	481,401	539,010	43,121
Total for On-Balance Sheet Exposures	73,220,610	65,543,370	26,572,172	2,125,774
<i>Off-Balance Sheet Exposures</i>				
OTC Derivatives	3,752,864	1,912,920	1,052,949	84,236
Off balance sheet exposures other than OTC derivatives or credit derivatives	14,953,485	14,521,541	10,906,999	872,560
Defaulted Exposures	4,636	4,636	5,969	478
Total for Off-Balance Sheet Exposures	18,710,985	16,439,097	11,965,917	957,274
Total On and Off-Balance Sheet Exposures ^[1]	91,931,595	81,982,467	38,538,089	3,083,048
Market Risk (Standardised Approach)				
	<u>Long Position</u>	<u>Short Position</u>		
Interest/Profit Rate Risk	49,943,452	45,705,844	4,237,608	116,144
Foreign Currency Risk	227,881	176,987	227,881	18,230
Equity Risk	-	-	-	288
Options Risk	-	-	-	1,625
	50,171,333	45,882,831	4,465,489	136,287
Operational Risk (Standardised Approach)	-	-	-	450,480
Total RWA and Capital Requirement	-	-	-	3,669,815

^[1] The variance between Gross Exposures and Net Exposures, represents the 'Total On and Off-Balance Sheet Exposures covered by Eligible Collateral'. Refer to Note (3) (ii) CRM within this disclosure document.

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures (Cont'd)

1) RWA and Capital Requirement (Cont'd)

31 Dec 2023

Bank

(RM'000)

Exposure Class	Gross Exposures	Net Exposures	Risk Weighted Assets (RWA)	Minimum Capital Requirement at 8%
Credit Risk (Standardised Approach)				
<i>On-Balance Sheet Exposures</i>				
Sovereigns/Central Banks	24,960,171	24,960,171	1,601,820	128,146
PSEs	1,266,113	1,260,474	291,580	23,326
Banks, DFIs & MDBs	16,120,100	5,762,519	1,556,815	124,545
Corporates	14,003,376	13,599,075	12,532,308	1,002,585
Regulatory Retail	3,338,554	3,287,455	2,466,090	197,287
Residential Mortgages	10,866,466	10,866,466	4,030,830	322,466
Higher Risk Assets	7,875	7,875	11,812	945
Other Assets	1,532,960	1,532,960	1,409,953	112,796
Equity Exposure	234,854	234,854	234,854	18,788
Defaulted Exposures	501,379	501,046	538,300	43,064
Total for On-Balance Sheet Exposures	72,831,848	62,012,895	24,674,362	1,973,948
<i>Off-Balance Sheet Exposures</i>				
OTC Derivatives	3,919,976	2,041,375	1,065,546	85,244
Off balance sheet exposures other than OTC derivatives or credit derivatives	13,888,593	13,411,528	10,172,815	813,825
Defaulted Exposures	5,081	5,081	6,359	509
Total for Off-Balance Sheet Exposures	17,813,650	15,457,984	11,244,720	899,578
Total On and Off-Balance Sheet Exposures ^[1]	90,645,498	77,470,879	35,919,082	2,873,526
Market Risk (Standardised Approach)				
	<u>Long Position</u>	<u>Short Position</u>		
Interest/Profit Rate Risk	35,869,831	35,390,496	479,335	101,715
Foreign Currency Risk	113,786	7,834	113,786	9,103
Equity Risk	-	-	-	852
Options Risk	-	-	-	52,630
	35,983,617	35,398,330	593,121	164,300
Operational Risk (Standardised Approach)	-	-	-	418,321
Total RWA and Capital Requirement	-	-	-	3,456,147

Note:

MDBs - Multilateral Development Banks

DFIs - Development Financial Institutions

PSEs - Public Sector Entities

OTC - Over the counter

^[1] The variance between Gross Exposures and Net Exposures, represents the 'Total On and Off-Balance Sheet Exposures covered by Eligible Collateral'. Refer to Note (3) (ii) CRM within this disclosure document.

Refer to Note 37 of the unaudited condensed interim financial statements as at 30 June 2024 for disclosure on RWA breakdown by various risk categories.

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures (Cont'd)

2) Risk Weight Profile and RWA

The tables below are disclosures on risk weights profile and RWA for credit risk of the Group and the Bank at reporting date.

30 Jun 2024

Group

(RM'000)

Risk Weights	Exposures after Netting and Credit Risk Mitigation										Total Exposures after Netting & Credit Risk Mitigation	Total Risk Weighted Assets
	Sovereigns & Central Banks	PSEs	Banks, DFIs & MDBs	Insurance Cos, Securities Firms & Fund Managers	Corporates	Regulatory Retail	Residential Mortgages	Higher Risk Assets	Other Assets	Equity		
0%	24,292,147	-	-	-	111,849	34,980	-	-	187,796	-	24,626,772	-
20%	9,170,660	2,017,420	3,176,090	-	3,336,106	6,935	-	-	-	-	17,707,211	3,541,442
35%	-	-	-	-	-	-	15,323,073	-	-	-	15,323,073	5,363,075
50%	-	116,217	2,681,568	-	585,563	9,338	941,501	-	-	-	4,334,187	2,167,094
75%	-	-	-	-	-	7,682,119	414,627	-	-	-	8,096,746	6,072,559
100%	-	947,161	285,091	-	29,922,805	545,368	524,329	-	1,817,679	246,628	34,289,061	34,289,061
150%	-	-	-	-	8,703	87,766	87,139	12,964	-	-	196,572	294,858
Total											104,573,622	51,728,089
Average Risk Weight	5%	46%	37%	0%	91%	77%	39%	150%	91%	100%	49%	

31 Dec 2023

Group

(RM'000)

Risk Weights	Exposures after Netting and Credit Risk Mitigation										Total Exposures after Netting & Credit Risk Mitigation	Total Risk Weighted Assets
	Sovereigns & Central Banks	PSEs	Banks, DFIs & MDBs	Insurance Cos, Securities Firms & Fund Managers	Corporates	Regulatory Retail	Residential Mortgages	Higher Risk Assets	Other Assets	Equity		
0%	21,637,162	-	-	-	102,375	31,099	-	-	230,736	-	22,001,372	-
20%	9,537,073	2,044,514	4,316,825	-	3,231,342	9,821	-	-	-	-	19,139,575	3,827,915
35%	-	-	-	-	-	-	15,622,594	-	-	-	15,622,594	5,467,907
50%	-	116,151	2,002,330	-	518,019	41,582	918,687	-	-	-	3,596,769	1,798,385
75%	-	-	-	-	-	7,733,083	396,304	-	-	-	8,129,387	6,097,040
100%	-	704,927	407,628	2,262	27,571,392	567,197	575,212	-	1,444,809	234,854	31,508,281	31,508,281
150%	-	-	-	-	15,612	46,856	103,560	13,494	-	-	179,522	269,284
1250%	-	-	-	-	-	-	-	-	691	-	691	8,638
Total											100,178,191	48,977,450
Average Risk Weight	6%	41%	34%	100%	91%	77%	39%	150%	87%	100%	49%	

Note:

MDBs - Multilateral Development Banks

DFIs - Development Financial Institutions

PSEs - Public Sector Entities

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures (Cont'd)

2) Risk Weight Profile and RWA (Cont'd)

30 Jun 2024

Bank

(RM'000)

Risk Weights	Exposures after Netting and Credit Risk Mitigation										Total Exposures after Netting & Credit Risk Mitigation	Total Risk Weighted Assets
	Sovereigns & Central Banks	PSEs	Banks, DFIs & MDBs	Insurance Cos, Securities Firms & Fund Managers	Corporates	Regulatory Retail	Residential Mortgages	Higher Risk Assets	Other Assets	Equity		
0%	19,635,028	-	-	-	62,418	17,502	-	-	102,367	-	19,817,315	-
20%	8,415,500	1,266,252	4,552,348	-	2,404,543	6,935	-	-	-	-	16,645,578	3,329,116
35%	-	-	-	-	-	-	11,658,752	-	-	-	11,658,752	4,080,563
50%	-	116,217	1,826,056	-	240,121	1,883	639,925	-	-	-	2,824,202	1,412,101
75%	-	-	-	-	-	5,276,443	283,236	-	-	-	5,559,679	4,169,759
100%	-	551,509	282,716	-	22,003,796	101,998	383,473	-	1,767,603	246,628	25,337,723	25,337,723
150%	-	-	-	-	6,268	63,770	60,564	8,616	-	-	139,218	208,827
Total											81,982,467	38,538,089
Average Risk Weight	6%	45%	32%	0%	91%	76%	39%	150%	95%	100%	47%	

31 Dec 2023

Bank

(RM'000)

Risk Weights	Exposures after Netting and Credit Risk Mitigation										Total Exposures after Netting & Credit Risk Mitigation	Total Risk Weighted Assets
	Sovereigns & Central Banks	PSEs	Banks, DFIs & MDBs	Insurance Cos, Securities Firms & Fund Managers	Corporates	Regulatory Retail	Residential Mortgages	Higher Risk Assets	Other Assets	Equity		
0%	16,951,263	-	-	-	52,318	17,205	-	-	130,953	-	17,151,739	-
20%	8,021,785	1,368,905	5,985,684	-	2,352,617	9,821	-	-	-	-	17,738,812	3,547,762
35%	-	-	-	-	-	-	11,971,607	-	-	-	11,971,607	4,190,062
50%	-	116,151	1,184,402	-	249,452	16,890	644,663	-	-	-	2,211,558	1,105,779
75%	-	-	-	-	-	5,266,079	276,308	-	-	-	5,542,387	4,156,790
100%	-	445,359	370,523	2,262	19,766,467	111,303	410,070	-	1,401,316	234,854	22,742,154	22,742,154
150%	-	-	-	-	5,509	24,382	73,042	8,998	-	-	111,931	167,897
1250%	-	-	-	-	-	-	-	-	691	-	691	8,638
Total											77,470,879	35,919,082
Average Risk Weight	6%	40%	29%	100%	91%	75%	39%	150%	92%	100%	46%	

Note:

MDBs - Multilateral Development Banks

DFIs - Development Financial Institutions

PSEs - Public Sector Entities

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures (Cont'd)

3) Credit Risk

Table 1: Geographical distribution of loans/financing and advances breakdown by type

		30 Jun 2024				
Group (RM'000)	Northern	Southern	Central	Eastern	Total	
Overdrafts/Cash line-i	86,514	64,997	345,838	24,726	522,075	
Term loans/financing						
Housing loans/financing	2,402,549	1,812,525	9,024,029	625,306	13,864,409	
Syndicated term loan/financing	128,964	16,471	2,358,746	-	2,504,181	
Factoring receivables	576,942	126,445	2,376,735	1,350	3,081,472	
Hire purchase receivables	41,147	75,500	33,185	17,733	167,565	
Other term loans/financing	707,884	1,170,000	5,628,550	256,449	7,762,883	
Bills receivables	288,229	803,325	2,490,457	22,442	3,604,453	
Trust receipts	812,063	1,103,074	2,312,878	76,274	4,304,289	
Claims on customers under acceptance credits	315,807	175,025	219,624	5,529	715,985	
Staff loans/financing	3,793	2,471	32,748	1,188	40,200	
Credit/charge cards	662,905	574,855	2,437,412	262,587	3,937,759	
Revolving financing	400,973	570,575	5,870,605	8,141	6,850,294	
Other loans/financing	1,533	1,427	6,194	250	9,404	
	6,429,303	6,496,690	33,137,001	1,301,975	47,364,969	

		31 Dec 2023				
Group (RM'000)	Northern	Southern	Central	Eastern	Total	
Overdrafts/Cash line-i	91,966	62,909	304,050	21,179	480,104	
Term loans/financing						
Housing loans/financing	2,474,879	1,916,997	9,280,962	647,118	14,319,956	
Syndicated term loan/financing	130,460	21,404	2,363,742	-	2,515,606	
Factoring receivables	559,079	107,365	1,569,591	1,617	2,237,652	
Hire purchase receivables	49,625	87,781	42,973	18,196	198,575	
Other term loans/financing	668,421	1,085,271	5,966,260	278,918	7,998,870	
Bills receivables	225,841	505,518	4,299,430	18,417	5,049,206	
Trust receipts	489,406	871,026	1,937,125	47,396	3,344,953	
Claims on customers under acceptance credits	308,771	341,990	252,487	8,204	911,452	
Staff loans/financing	4,460	2,867	34,274	1,465	43,066	
Credit/charge cards	692,315	594,220	2,523,438	275,063	4,085,036	
Revolving financing	379,347	569,929	5,039,459	11,961	6,000,696	
Other loans/financing	1,734	1,788	6,441	224	10,187	
	6,076,304	6,169,065	33,620,232	1,329,758	47,195,359	

Concentration by location for loans, advances and financing is based on the location of branches where facilities were captured.

The Northern region consists of the states of Perlis, Kedah, Penang, Perak, Pahang, Kelantan and Terengganu.

The Southern region consists of the states of Johor, Melaka and Negeri Sembilan.

The Central region consists of the state of Selangor, the Federal Territory of Kuala Lumpur and the Federal Territory of Putrajaya.

The Eastern region consists of the states of Sabah, Sarawak and the Federal Territory of Labuan.

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures (Cont'd)

3) Credit Risk (Cont'd)

Table 1: Geographical distribution loans/financing and advances breakdown by type (Cont'd)

Bank (RM'000)	30 Jun 2024				
	Northern	Southern	Central	Eastern	Total
Overdrafts	63,763	42,100	308,733	24,726	439,322
Term loans/financing					
Housing loans/financing	1,956,739	1,419,692	6,350,895	530,392	10,257,718
Syndicated term loan/financing	97,411	16,471	1,013,431	-	1,127,313
Factoring receivables	576,942	126,445	2,376,735	1,350	3,081,472
Other term loans/financing	440,927	700,630	2,386,969	148,748	3,677,274
Bills receivables	177,797	472,281	1,983,145	22,442	2,655,665
Trust receipts	729,688	1,077,794	1,638,868	76,274	3,522,624
Claims on customers under acceptance credits	234,905	140,069	145,112	5,165	525,251
Staff loans/financing	3,507	2,471	32,097	1,188	39,263
Credit/charge cards	454,255	376,446	1,710,288	212,693	2,753,682
Revolving financing	339,493	354,142	4,048,594	8,141	4,750,370
Other loans/financing	1,375	1,149	4,036	221	6,781
	5,076,802	4,729,690	21,998,903	1,031,340	32,836,735

Bank (RM'000)	31 Dec 2023				
	Northern	Southern	Central	Eastern	Total
Overdrafts	70,006	41,159	264,552	21,179	396,896
Term loans/financing					
Housing loans/financing	2,017,914	1,509,843	6,584,765	550,275	10,662,797
Syndicated term loan/financing	97,097	21,404	1,017,897	-	1,136,398
Factoring receivables	559,079	107,365	1,569,591	1,617	2,237,652
Other term loans/financing	393,732	655,280	2,811,933	163,423	4,024,368
Bills receivables	177,576	191,595	3,579,721	18,417	3,967,309
Trust receipts	442,766	836,457	1,385,331	47,396	2,711,950
Claims on customers under acceptance credits	218,791	308,335	170,785	7,375	705,286
Staff loans/financing	4,149	2,866	33,329	1,465	41,809
Credit/charge cards	470,907	383,923	1,756,061	221,631	2,832,522
Revolving financing	273,843	345,293	3,469,644	11,961	4,100,741
Other loans/financing	1,433	1,546	4,362	213	7,554
	4,727,293	4,405,066	22,647,971	1,044,952	32,825,282

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures (Cont'd)

3) Credit Risk (Cont'd)

Table 2: Geographical distribution of impaired loans/financing breakdown by type

		30 Jun 2024				
Group (RM'000)	Northern	Southern	Central	Eastern	Total	
Overdrafts/Cash line-i	3,281	5,247	9,921	1,253	19,702	
Term loans/financing						
Housing loans/financing	125,392	136,033	582,981	34,583	878,989	
Syndicated term loan/financing	-	-	96,268	-	96,268	
Factoring receivables	-	-	963	-	963	
Hire purchase receivables	5,468	-	-	-	5,468	
Other term loans/financing	26,482	65,952	358,553	8,217	459,204	
Bills receivables	-	980	8,744	-	9,724	
Trust receipts	2,303	4,138	54,992	-	61,433	
Staff loans/financing	-	-	683	-	683	
Credit/charge cards	3,971	3,738	12,672	1,343	21,724	
Revolving financing	-	16,768	62,165	-	78,933	
Other loans/financing	1,366	1,233	5,298	130	8,027	
	168,263	234,089	1,193,240	45,526	1,641,118	

		31 Dec 2023				
Group (RM'000)	Northern	Southern	Central	Eastern	Total	
Overdrafts/Cash line-i	9,092	4,604	9,477	1,134	24,307	
Term loans/financing						
Housing loans/financing	146,681	152,636	656,973	37,216	993,506	
Syndicated term loan/financing	-	-	96,268	-	96,268	
Factoring receivables	-	-	925	-	925	
Hire purchase receivables	6,074	-	172	-	6,246	
Other term loans/financing	29,305	78,665	376,488	11,852	496,310	
Bills receivables	-	980	13,305	-	14,285	
Trust receipts	2,362	4,119	52,793	-	59,274	
Staff loans/financing	-	-	694	-	694	
Credit/charge cards	4,391	4,374	16,648	1,783	27,196	
Revolving financing	-	17,452	60,499	-	77,951	
Other loans/financing	1,475	1,433	5,567	138	8,613	
	199,380	264,263	1,289,809	52,123	1,805,575	

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures (Cont'd)

3) Credit Risk (Cont'd)

Table 2: Geographical distribution of impaired loans/financing breakdown by type (Cont'd)

	30 Jun 2024				
Bank (RM'000)	Northern	Southern	Central	Eastern	Total
Overdrafts	3,281	1,049	5,739	1,253	11,322
Term loans/financing					
Housing loans/financing	100,727	100,072	381,621	30,242	612,662
Syndicated term loan/financing	-	-	96,268	-	96,268
Factoring receivables	-	-	963	-	963
Other term loans/financing	20,973	59,250	176,984	6,136	263,343
Bills receivables	-	-	4,764	-	4,764
Trust receipts	2,303	4,138	54,992	-	61,433
Staff loans/financing	-	-	683	-	683
Credit/charge cards	2,455	2,282	8,096	1,122	13,955
Revolving financing	-	16,768	1,990	-	18,758
Other loans/financing	1,227	1,036	3,401	121	5,785
	130,966	184,595	735,501	38,874	1,089,936

	31 Dec 2023				
Bank (RM'000)	Northern	Southern	Central	Eastern	Total
Overdrafts	9,092	1,507	4,804	1,134	16,537
Term loans/financing					
Housing loans/financing	121,611	114,848	426,985	32,497	695,941
Syndicated term loan/financing	-	-	96,268	-	96,268
Factoring receivables	-	-	925	-	925
Other term loans/financing	22,585	70,900	181,220	6,410	281,115
Trust receipts	2,362	4,119	52,793	-	59,274
Staff loans/financing	-	-	694	-	694
Credit/charge cards	2,513	2,317	9,419	1,211	15,460
Revolving financing	-	17,452	1,990	-	19,442
Other loans/financing	1,237	1,305	3,795	133	6,470
	159,400	212,448	778,893	41,385	1,192,126

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures (Cont'd)

3) Credit Risk (Cont'd)

Table 3: Residual contractual maturity loans/financing and advances breakdown by type

		30 Jun 2024			
Group (RM'000)	Maturing within one year	More than one year to three years	More than three years to five years	More than five years	Total
Overdrafts/Cash line-i	522,075	-	-	-	522,075
Term loans/financing					
Housing loans/financing	68,113	54,967	144,243	13,597,086	13,864,409
Syndicated term loan/financing	1,458,339	412,399	522,021	111,422	2,504,181
Factoring receivables	3,028,699	52,773	-	-	3,081,472
Hire purchase receivables	9,289	64,847	90,754	2,675	167,565
Other term loans/financing	332,292	2,438,223	2,537,497	2,454,871	7,762,883
Bills receivables	3,604,453	-	-	-	3,604,453
Trust receipts	4,304,289	-	-	-	4,304,289
Claims on customers under acceptance credits	715,985	-	-	-	715,985
Staff loans/financing	672	4,353	8,244	26,931	40,200
Credit/charge cards	3,937,759	-	-	-	3,937,759
Revolving financing	6,850,294	-	-	-	6,850,294
Other loans/financing	9,404	-	-	-	9,404
	24,841,663	3,027,562	3,302,759	16,192,985	47,364,969

		31 Dec 2023			
Group (RM'000)	Maturing within one year	More than one year to three years	More than three years to five years	More than five years	Total
Overdrafts/Cash line-i	480,104	-	-	-	480,104
Term loans/financing					
Housing loans/financing	67,063	53,234	156,979	14,042,680	14,319,956
Syndicated term loan/financing	1,193,582	973,686	234,008	114,330	2,515,606
Factoring receivables	2,191,729	45,923	-	-	2,237,652
Hire purchase receivables	10,089	72,561	113,576	2,349	198,575
Other term loans/financing	1,223,334	2,263,220	1,921,302	2,591,014	7,998,870
Bills receivables	5,049,206	-	-	-	5,049,206
Trust receipts	3,344,953	-	-	-	3,344,953
Claims on customers under acceptance credits	911,452	-	-	-	911,452
Staff loans/financing	994	4,149	9,043	28,880	43,066
Credit/charge cards	4,085,036	-	-	-	4,085,036
Revolving financing	6,000,696	-	-	-	6,000,696
Other loans/financing	10,187	-	-	-	10,187
	24,568,425	3,412,773	2,434,908	16,779,253	47,195,359

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures (Cont'd)

3) Credit Risk (Cont'd)

Table 3: Residual contractual maturity loans/financing and advances breakdown by type (Cont'd)

		30 Jun 2024			
Bank (RM'000)	Maturing within one year	More than one year to three years	More than three years to five years	More than five years	Total
Overdrafts	439,322	-	-	-	439,322
Term loans/financing					
Housing loans/financing	46,800	46,123	125,446	10,039,349	10,257,718
Syndicated term loan/financing	505,200	131,645	490,468	-	1,127,313
Factoring receivables	3,028,699	52,773	-	-	3,081,472
Other term loans/financing	149,012	1,492,671	637,862	1,397,729	3,677,274
Bills receivables	2,655,665	-	-	-	2,655,665
Trust receipts	3,522,624	-	-	-	3,522,624
Claims on customers under acceptance credits	525,251	-	-	-	525,251
Staff loans/financing	656	4,246	8,085	26,276	39,263
Credit/charge cards	2,753,682	-	-	-	2,753,682
Revolving financing	4,750,370	-	-	-	4,750,370
Other loans/financing	6,781	-	-	-	6,781
	18,384,062	1,727,458	1,261,861	11,463,354	32,836,735

		31 Dec 2023			
Bank (RM'000)	Maturing within one year	More than one year to three years	More than three years to five years	More than five years	Total
Overdrafts	396,896	-	-	-	396,896
Term loans/financing					
Housing loans/financing	46,508	46,425	132,967	10,436,897	10,662,797
Syndicated term loan/financing	783,500	255,801	97,097	-	1,136,398
Factoring receivables	2,191,729	45,923	-	-	2,237,652
Other term loans/financing	677,811	1,452,498	497,923	1,396,136	4,024,368
Bills receivables	3,967,309	-	-	-	3,967,309
Trust receipts	2,711,950	-	-	-	2,711,950
Claims on customers under acceptance credits	705,286	-	-	-	705,286
Staff loans/financing	971	4,062	8,748	28,028	41,809
Credit/charge cards	2,832,522	-	-	-	2,832,522
Revolving financing	4,100,741	-	-	-	4,100,741
Other loans/financing	7,554	-	-	-	7,554
	18,422,777	1,804,709	736,735	11,861,061	32,825,282

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures (Cont'd)

3) Credit Risk (Cont'd)

Table 4: Distribution loans/financing and advances by sector, breakdown by type

30 Jun 2024 Group (RM'000)														
	Overdraft/ Cash line-i	Housing loans/ financing	Syndicated term loans/ financing	Factoring receivables	Hire purchase receivables	Other term loans/ financing	Bills receivables	Trust receipts	Claims on customers under acceptance credits	Staff loans/ financing	Credit/ charge cards	Revolving financing	Other loans/ financing	Total
Agricultural, hunting, forestry and fishing	14,212	-	-	-	1,502	12,173	-	-	5,791	-	382	-	3	34,063
Mining and quarrying	8,550	-	114,214	-	118	8,836	19,696	1,815	3,452	-	227	108,283	-	265,191
Manufacturing	148,821	-	220,201	869,782	100,895	1,740,857	1,476,156	2,421,620	419,540	-	22,668	1,078,237	175	8,498,952
Electricity, gas and water	955	-	-	-	-	25,230	4,764	2,809	5,097	-	197	262,427	-	301,479
Construction	77,243	-	561,951	15,327	457	408,961	62,832	148,968	17,801	-	2,008	1,161,509	76	2,457,133
Real estate	2,109	-	510,188	-	-	1,084,063	-	26,094	675	-	205	491,286	16	2,114,636
Wholesale & retail trade and restaurants & hotels	151,014	-	38,054	456,297	12,782	537,495	468,169	1,377,154	248,995	-	10,949	940,372	78	4,241,359
Transport, storage and communication	15,309	-	-	51,975	28,714	301,630	80,982	31,521	8,151	-	620	122,595	16	641,513
Finance, insurance/takaful and business services	31,351	-	96,268	173,075	768	980,439	22,269	40,851	5,358	-	5,733	1,968,285	14	3,324,411
Household-retail	66,398	13,864,409	-	-	-	1,772,490	-	-	-	40,200	3,893,225	-	9,026	19,645,748
Others	6,113	-	963,305	1,515,016	22,329	890,709	1,469,585	253,457	1,125	-	1,545	717,300	-	5,840,484
	522,075	13,864,409	2,504,181	3,081,472	167,565	7,762,883	3,604,453	4,304,289	715,985	40,200	3,937,759	6,850,294	9,404	47,364,969

31 Dec 2023 Group (RM'000)														
	Overdraft/ Cash line-i	Housing loans/ financing	Syndicated term loans/ financing	Factoring receivables	Hire purchase receivables	Other term loans/ financing	Bills receivables	Trust receipts	Claims on customers under acceptance credits	Staff loans/ financing	Credit/ charge cards	Revolving financing	Other loans/ financing	Total
Agricultural, hunting, forestry and fishing	11,206	-	-	-	1,751	14,556	-	-	2,406	-	849	-	3	30,771
Mining and quarrying	10,961	-	124,931	-	3,753	2,172	21,560	918	4,674	-	206	106,310	-	275,485
Manufacturing	155,895	-	246,008	853,505	119,759	1,732,458	1,111,135	1,850,223	417,642	-	31,832	1,088,440	136	7,607,033
Electricity, gas and water	1,070	-	-	1,109	-	9,756	-	8,019	5,691	-	96	260,797	-	286,538
Construction	84,014	-	568,194	15,484	116	403,281	81,599	126,842	21,736	-	1,668	1,087,645	58	2,390,637
Real estate	1,806	-	510,192	-	-	1,243,031	-	27,479	250	-	117	410,682	-	2,193,557
Wholesale & retail trade and restaurants & hotels	89,518	-	27,389	489,087	15,866	538,337	494,376	1,171,124	441,486	-	8,342	514,880	50	3,790,455
Transport, storage and communication	10,364	-	-	33,500	29,711	320,973	104,490	22,177	8,156	-	702	131,884	8	661,965
Finance, insurance/takaful and business services	40,158	-	96,268	164,896	1,487	912,953	35,884	35,228	6,719	-	5,539	1,900,125	10	3,199,267
Household-retail	60,265	14,319,956	-	-	-	1,880,498	-	-	-	43,066	4,034,477	-	9,922	20,348,184
Others	14,847	-	942,624	680,071	26,132	940,855	3,200,162	102,943	2,692	-	1,208	499,933	-	6,411,467
	480,104	14,319,956	2,515,606	2,237,652	198,575	7,998,870	5,049,206	3,344,953	911,452	43,066	4,085,036	6,000,696	10,187	47,195,359

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures (Cont'd)

3) Credit Risk (Cont'd)

Table 4: Distribution loans/financing and advances by sector, breakdown by type (Cont'd)

30 Jun 2024													
Bank (RM'000)													
	Overdraft	Housing loans/ financing	Syndicated term loans/ financing	Factoring receivables	Other term loans/ financing	Bills receivables	Trust receipts	Claims on customers under acceptance credits	Staff loans/ financing	Credit/ charge cards	Revolving financing	Other loans/ financing	Total
Agricultural, hunting, forestry and fishing	14,211	-	-	-	8,975	-	-	5,791	-	382	-	3	29,362
Mining and quarrying	6,428	-	114,214	-	8,833	-	1,815	1,044	-	227	83,254	-	215,815
Manufacturing	128,981	-	98,371	869,782	1,108,506	985,573	2,309,591	319,950	-	22,668	976,297	175	6,819,894
Electricity, gas and water	955	-	-	-	21,268	4,764	2,809	5,097	-	197	202,251	-	237,341
Construction	50,643	-	371,473	15,327	131,859	14,964	148,916	13,817	-	2,008	658,929	76	1,408,012
Real estate	2,109	-	160,059	-	245,424	-	26,094	675	-	205	450,539	16	885,121
Wholesale & retail trade and restaurants & hotels	138,117	-	38,054	456,297	375,591	238,894	845,904	165,070	-	10,949	778,836	34	3,047,746
Transport, storage and communication	11,365	-	-	51,975	159,925	77,470	6,486	8,000	-	620	54,749	8	370,598
Finance, insurance/takaful and business services	17,077	-	96,268	173,075	621,830	16,733	40,851	4,682	-	5,733	1,274,698	14	2,250,961
Household-retail	66,349	10,257,718	-	-	803,719	-	-	-	39,263	2,709,148	-	6,455	13,882,652
Others	3,087	-	248,874	1,515,016	191,344	1,317,267	140,158	1,125	-	1,545	270,817	-	3,689,233
	439,322	10,257,718	1,127,313	3,081,472	3,677,274	2,655,665	3,522,624	525,251	39,263	2,753,682	4,750,370	6,781	32,836,735

31 Dec 2023													
Bank (RM'000)													
	Overdraft	Housing loans/ financing	Syndicated term loans/ financing	Factoring receivables	Other term loans/ financing	Bills receivables	Trust receipts	Claims on customers under acceptance credits	Staff loans/ financing	Credit/ charge cards	Revolving financing	Other loans/ financing	Total
Agricultural, hunting, forestry and fishing	11,206	-	-	-	10,770	-	-	2,405	-	849	-	3	25,233
Mining and quarrying	7,262	-	124,931	-	2,169	-	918	2,101	-	206	75,277	-	212,864
Manufacturing	138,683	-	103,097	853,505	1,181,057	703,262	1,752,577	322,739	-	31,832	967,809	106	6,054,667
Electricity, gas and water	1,070	-	-	1,109	5,652	-	8,019	5,691	-	96	202,288	-	223,925
Construction	61,747	-	382,667	15,484	145,714	9,963	126,292	12,448	-	1,668	596,525	47	1,352,555
Real estate	1,806	-	160,060	-	441,721	-	27,479	250	-	117	293,904	-	925,337
Wholesale & retail trade and restaurants & hotels	80,673	-	27,389	489,087	365,691	257,501	708,884	344,271	-	8,342	397,099	40	2,678,977
Transport, storage and communication	9,831	-	-	33,500	150,761	97,288	12,845	8,000	-	702	85,988	-	398,915
Finance, insurance/takaful and business services	22,259	-	96,268	164,896	567,983	18,447	35,228	4,689	-	5,539	1,332,130	10	2,247,449
Household-retail	60,262	10,662,797	-	-	871,077	-	-	-	41,809	2,781,963	-	7,348	14,425,256
Others	2,097	-	241,986	680,071	281,773	2,880,848	39,708	2,692	-	1,208	149,721	-	4,280,104
	396,896	10,662,797	1,136,398	2,237,652	4,024,368	3,967,309	2,711,950	705,286	41,809	2,832,522	4,100,741	7,554	32,825,282

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures (Cont'd)

3) Credit Risk (Cont'd)

Table 5: Distribution of impaired loans/financing and advances by sector, breakdown by type

	30 Jun 2024											
	Group (RM'000)											
Overdraft/ Cash line-i	Housing loans/ financing	Syndicated term loans/ financing	Factoring receivables	Hire purchase receivables	Other term loans/ financing	Bills receivables	Trust receipts	Staff loans/ financing	Credit/ charge cards	Revolving financing	Other loans/ financing	Total
Agricultural, hunting, forestry and fishing	1,062	-	-	-	-	3,006	-	-	-	-	6	4,074
Manufacturing	8,131	-	-	-	-	3,777	-	6,156	-	-	173	18,237
Electricity, gas and water	955	-	-	-	1	4,764	2,809	-	-	60,175	-	68,704
Construction	5,315	-	-	-	-	9,592	11	47,750	-	1,990	76	64,734
Real estate	-	-	-	-	-	48,879	-	-	-	16,768	16	65,663
Wholesale & retail trade and restaurants & hotels	944	-	-	963	5,468	10,420	980	1,073	-	-	78	19,926
Transport, storage and communication	162	-	-	-	-	2,101	1,034	-	-	-	16	3,313
Finance, insurance/takaful and business services	2,132	-	96,268	-	-	466	2,935	3,645	-	-	14	105,460
Household-retail	1,001	878,989	-	-	-	380,962	-	-	683	21,724	7,648	1,291,007
	19,702	878,989	96,268	963	5,468	459,204	9,724	61,433	683	21,724	78,933	1,641,118

	31 Dec 2023											
	Group (RM'000)											
Overdraft/ Cash line-i	Housing loans/ financing	Syndicated term loans/ financing	Factoring receivables	Hire purchase receivables	Other term loans/ financing	Bills receivables	Trust receipts	Staff loans/ financing	Credit/ charge cards	Revolving financing	Other loans/ financing	Total
Agricultural, hunting, forestry and fishing	3,792	-	-	-	-	2,915	-	-	-	-	-	6,707
Manufacturing	10,055	-	-	-	172	4,746	1,250	6,137	-	-	142	22,502
Electricity, gas and water	-	-	-	-	-	-	-	-	-	58,509	-	58,509
Construction	4,980	-	-	-	-	7,618	7,436	48,418	-	1,990	51	70,493
Real estate	-	-	-	-	-	63,036	-	-	-	17,452	-	80,488
Wholesale & retail trade and restaurants & hotels	1,167	-	-	925	6,074	12,463	982	1,073	-	-	50	22,734
Transport, storage and communication	271	-	-	-	-	2,142	1,285	-	-	-	8	3,706
Finance, insurance/takaful and business services	2,840	-	96,268	-	-	709	3,332	3,646	-	-	10	106,805
Household-retail	1,202	993,506	-	-	-	402,681	-	-	694	27,196	8,352	1,433,631
	24,307	993,506	96,268	925	6,246	496,310	14,285	59,274	694	27,196	77,951	1,805,575

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures (Cont'd)

3) Credit Risk (Cont'd)

Table 5: Distribution of impaired loans/financing and advances by sector, breakdown by type (Cont'd)

30 Jun 2024												
Bank (RM'000)												
	Overdraft	Housing loans/ financing	Syndicated term loans/ financing	Factoring receivables	Other term loans/financing	Bills receivables	Trust receipts	Staff loans/ financing	Credit/ charge cards	Revolving financing	Other loans/ financing	Total
Agricultural, hunting, forestry and fishing	1,061	-	-	-	2,554	-	-	-	-	-	6	3,621
Manufacturing	2,994	-	-	-	822	-	6,156	-	-	-	173	10,145
Electricity, gas and water	955	-	-	-	-	4,764	2,809	-	-	-	-	8,528
Construction	2,947	-	-	-	6,353	-	47,750	-	-	1,990	76	59,116
Real estate	-	-	-	-	48,879	-	-	-	-	16,768	16	65,663
Wholesale & retail trade and restaurants & hotels	70	-	-	963	10,420	-	1,073	-	-	-	34	12,560
Transport, storage and communication	162	-	-	-	222	-	-	-	-	-	8	392
Finance, insurance/takaful and business services	2,132	-	96,268	-	466	-	3,645	-	-	-	14	102,525
Household-retail	1,001	612,662	-	-	193,627	-	-	683	13,955	-	5,458	827,386
	11,322	612,662	96,268	963	263,343	4,764	61,433	683	13,955	18,758	5,785	1,089,936

31 Dec 2023												
Bank (RM'000)												
	Overdraft	Housing loans/ financing	Syndicated term loans/ financing	Factoring receivables	Other term loans/financing	Bills receivables	Trust receipts	Staff loans/ financing	Credit/ charge cards	Revolving financing	Other loans/ financing	Total
Agricultural, hunting, forestry and fishing	3,792	-	-	-	2,463	-	-	-	-	-	-	6,255
Manufacturing	5,869	-	-	-	838	-	6,137	-	-	-	106	12,950
Construction	3,076	-	-	-	6,695	-	48,418	-	-	1,990	47	60,226
Real estate	-	-	-	-	59,790	-	-	-	-	17,452	-	77,242
Wholesale & retail trade and restaurants & hotels	206	-	-	925	11,077	-	1,073	-	-	-	40	13,321
Transport, storage and communication	261	-	-	-	264	-	-	-	-	-	-	525
Finance, insurance/takaful and business services	2,131	-	96,268	-	709	-	3,646	-	-	-	10	102,764
Household-retail	1,202	695,941	-	-	199,279	-	-	694	15,460	-	6,267	918,843
	16,537	695,941	96,268	925	281,115	-	59,274	694	15,460	19,442	6,470	1,192,126

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures (Cont'd)

3) Credit Risk (Cont'd)

Table 6: All past due loans/financing and advances breakdown by sector ^[1]

	Group (RM'000)		Bank (RM'000)	
	30 Jun 2024	31 Dec 2023	30 Jun 2024	31 Dec 2023
Agricultural, hunting, forestry and fishing	1,598	5,921	1,145	5,469
Mining and quarrying	254	64	254	64
Manufacturing	24,004	39,538	21,259	31,123
Electricity, gas and water	67,544	58,509	7,573	-
Construction	70,820	165,303	66,356	156,016
Real estate	83,538	78,629	82,090	77,319
Wholesale & retail trade and restaurants & hotels	29,441	27,964	14,537	23,262
Transport, storage and communication	2,505	3,416	619	1,519
Finance, insurance/takaful and business services	7,421	8,736	7,421	8,115
Household-retail	1,770,604	1,890,447	1,203,775	1,290,370
Others	2,682	177,778	1,334	173,164
	2,060,411	2,456,305	1,406,363	1,766,421

Table 7: All past due loans/financing and advances breakdown by geographical location ^[1]

	Group (RM'000)		Bank (RM'000)	
	30 Jun 2024	31 Dec 2023	30 Jun 2024	31 Dec 2023
Northern region	313,352	320,930	243,175	253,392
Southern region	322,160	376,656	249,033	289,809
Central region	1,341,440	1,659,621	847,956	1,149,546
Eastern region	83,459	99,098	66,199	73,674
	2,060,411	2,456,305	1,406,363	1,766,421

Table 8: Impairment allowance breakdown by sector

	Group (RM'000)		Bank (RM'000)	
	30 Jun 2024	31 Dec 2023	30 Jun 2024	31 Dec 2023
Agricultural, hunting, forestry and fishing	464	612	434	569
Mining and quarrying	98	429	81	372
Manufacturing	15,915	17,668	6,211	6,071
Electricity, gas and water	62,630	56,925	4,271	67
Construction	55,187	53,408	46,639	45,824
Real estate	37,388	59,058	35,133	54,917
Wholesale & retail trade and restaurants & hotels	15,240	16,048	5,631	6,622
Transport, storage and communication	1,857	2,298	479	556
Finance, insurance/takaful and business services	104,147	105,165	103,372	103,751
Household-retail	422,608	503,036	216,101	248,981
Others	1,930	2,386	423	437
	717,464	817,033	418,775	468,167

Table 9: Impairment allowance breakdown by geographical location

	Group (RM'000)		Bank (RM'000)	
	30 Jun 2024	31 Dec 2023	30 Jun 2024	31 Dec 2023
Northern region	68,903	74,073	40,085	40,947
Southern region	83,337	92,802	54,173	58,755
Central region	547,242	629,183	313,893	356,571
Eastern region	17,982	20,975	10,624	11,894
	717,464	817,033	418,775	468,167

^[1] of which the portion of impaired loans breakdown by sector and geographical location is disclosed in Note 18 (ii) and 18 (iv) of the unaudited condensed interim financial statements as at 30 June 2024 respectively.

The breakdown of loan/financing impairment allowance during the year is disclosed in Note 19 (i) of the unaudited condensed interim financial statements as at 30 June 2024.

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures (Cont'd)

3) Credit Risk (Cont'd)

Table 10: Net impairment allowance in profit or loss during the period breakdown by sector

(Releases) / Charges	Group (RM'000)		Bank (RM'000)	
	30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023
Agricultural, hunting, forestry and fishing	(147)	(155)	(134)	(147)
Mining and quarrying	(341)	495	(301)	489
Manufacturing	(1,538)	2,936	117	1,484
Electricity, gas and water	4,084	(2,119)	4,204	(202)
Construction	(499)	(2,882)	(1,451)	(3,343)
Real estate	(17,710)	(5,341)	(16,976)	(6,729)
Wholesale & retail trade and restaurants & hotels	(908)	13,364	(1,097)	2,654
Transport, storage and communication	(440)	425	(77)	(260)
Finance, insurance/takaful and business services	(948)	2,678	(333)	1,798
Household-retail	(3,674)	42,719	5,671	14,836
Others	(489)	(1,124)	(29)	(1,806)
	(22,610)	50,996	(10,406)	8,774

The breakdown of loan/financing net impairment allowance during the year is disclosed in Note 34 (i) of the unaudited condensed interim financial statements as at 30 June 2024.

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures (Cont'd)

3) Credit Risk (Cont'd)

i) External Credit Assessment Institutions (ECAIs)

The standardised approach requires banks to use risk assessments prepared by ECAIs to determine the risk weightings applied to rated counterparties.

ECAIs are used by the Group as part of the determination of risk weightings for the following classes of exposure:

- Sovereigns and Central Banks
- Multilateral development banks
- Public sector entities
- Corporates
- Banks

For the purpose of Pillar 3 reporting to BNM, the Group and the Bank uses the external credit ratings from the following ECAIs:

- Standard & Poor's Rating Services (S&P)
- Moody's Investors Services (Moody's)
- Fitch Ratings (Fitch)
- RAM Rating Services Berhad (RAM)
- Malaysian Rating Corporation Berhad (MARC)

Data files of external ratings from the nominated ECAIs are matched with the customer records in the Group's centralised credit database. When calculating the risk-weighted value of any exposure under the standardised approach, the customer in question is identified and matched to a rating, according to BNM's selection rules. The relevant risk weight is then derived using the BNM's detailed risk weights and rating categories. All other exposure classes are assigned risk weightings as detailed in the BNM Capital Adequacy Framework (Basel II-Risk-Weighted Assets).

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures (Cont'd)

3) Credit Risk (Cont'd)

i) ECAIs (Cont'd)

Below are the summary tables of long and short term ratings governing the high level assignment of risk weights under the standardised approach:

Long Term Rating Category		1	2	3	4	5	6	7
Rating Agency	S & P	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to BB-	B+ to B-	CCC+ and below	Unrated
	Moody's	Aaa to Aa3	A1 to A3	Baa1 to Baa3	Ba1 to Ba3	B1 to B3	Caa1 and below	Unrated
	Fitch	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to BB-	B+ to B-	CCC+ and below	Unrated
	RAM	AAA to AA3	A1 to A3	BBB1 to BBB3	BB1 to BB3	B1 to B3	C1 and below	Unrated
	MARC	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to BB-	B+ to B-	C+ and below	Unrated

Short Term Rating Category		1	2	3	4	5
Rating Agency	S & P	A-1	A-2	A-3	Others	Unrated
	Moody's	P-1	P-2	P-3	Others	Unrated
	Fitch	F1+,F1	F2	F3	B to D	Unrated
	RAM	P-1	P-2	P-3	NP	Unrated
	MARC	MARC-1	MARC-2	MARC-3	MARC-4	Unrated

Risk Weights Based on Credit Rating of the Counterparty Exposure Class						
Rating Category	Long Term Rating					Short Term Rating
	Sovereigns and Central Banks	Corporates	Banking Institutions			
			Risk weight (original maturity greater than 6 months)	Risk weight (original maturity of 6 months or less)	Risk weight (original maturity of 3 months or less)	
1	0%	20%	20%	20%	20%	20%
2	20%	50%	50%	20%	20%	50%
3	50%	100%	50%	20%	20%	100%
4	100%	100%	100%	50%	20%	150%
5	100%	150%	100%	50%	20%	N/A
6	150%	150%	150%	150%	20%	N/A
7	100%	100%	50%	20%	20%	N/A

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures (Cont'd)

3) Credit Risk (Cont'd)

i) ECAIs (Cont'd)

The rated and unrated exposures according to ratings by ECAIs at reporting date are as follows:

30 Jun 2024

Group (RM '000)

Exposure Class	Long Term Rating Category							Total
	1	2	3	4	5	6	7	
<u>On and Off Balance Sheet Exposures</u>								
(i) Total rated exposures								
Sovereigns & Central Banks								
- Exposures risk-weighted using ratings of Sovereigns and Central Banks	23,906,986	9,170,882	-	-	-	-	-	33,077,868
PSEs								
- Exposures risk-weighted using ratings of Corporates	245,629	143,340	74,619	-	-	-	-	463,588
Banks, DFIs & MDBs								
- Exposures risk-weighted using ratings of Banking Institutions	1,709,688	2,981,443	4,222,138	1,461	644	-	-	8,915,374
Corporates								
- Exposures risk-weighted using ratings of Sovereigns and Central Banks	46,428	-	-	-	-	-	-	46,428
- Exposures risk-weighted using ratings of Banking Institutions	-	147	-	-	-	-	-	147
- Exposures risk-weighted using ratings of Corporates	2,978,201	519,411	489,923	-	-	-	-	3,987,535
	28,886,932	12,815,223	4,786,680	1,461	644	-	-	46,490,940
(ii) Total unrated exposures								
							62,584,367	62,584,367
Total Long Term Exposure	28,886,932	12,815,223	4,786,680	1,461	644	-	62,584,367	109,075,307

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures (Cont'd)

3) Credit Risk (Cont'd)

i) ECAIs (Cont'd)

30 Jun 2024

Group (RM '000)

Exposure Class	Short Term Rating Category					Total
	1	2	3	4	5	
<u>On and Off Balance Sheet Exposures</u>						
(i) Total rated exposures						
Sovereigns & Central Banks						
- Exposures risk-weighted using ratings of Sovereigns and Central Banks	-	384,956	-	-		384,956
PSEs						
- Exposures risk-weighted using ratings of Corporates	83,118	-	-	-		83,118
Banks, DFIs & MDBs						
- Exposures risk-weighted using ratings of Banking Institutions	1,434,049	2,515,210	8,499	93,159		4,050,917
Corporates						
- Exposures risk-weighted using ratings of Corporates	938,673	4,558	-	-		943,231
	2,455,840	2,904,724	8,499	93,159	-	5,462,222
(ii) Total unrated exposures						
					-	-
Total Short Term Exposure	2,455,840	2,904,724	8,499	93,159	-	5,462,222
Group Total Long Term and Short Term Exposure :						114,537,529

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures (Cont'd)

3) Credit Risk (Cont'd)

i) ECAIs (Cont'd)

31 Dec 2023

Group (RM '000)

Exposure Class	Long Term Rating Category							Total
	1	2	3	4	5	6	7	
On and Off Balance Sheet Exposures								
(i) Total rated exposures								
Sovereigns & Central Banks								
- Exposures risk-weighted using ratings of Sovereigns and Central Banks	18,749,041	9,537,073	-	-	-	-		28,286,114
PSEs								
- Exposures risk-weighted using ratings of Corporates	433,831	143,300	80,586	-	-	-		657,717
Banks, DFIs & MDBs								
- Exposures risk-weighted using ratings of Banking Institutions	1,829,934	3,897,333	6,841,548	1,494	399,171	-		12,969,480
Corporates								
- Exposures risk-weighted using ratings of Sovereigns and Central Banks	55,038	-	-	-	-	-		55,038
- Exposures risk-weighted using ratings of Banking Institutions	-	313	-	-	-	-		313
- Exposures risk-weighted using ratings of Corporates	2,703,694	318,910	491,161	-	27,500	-		3,541,265
	23,771,538	13,896,929	7,413,295	1,494	426,671	-	-	45,509,927
(ii) Total unrated exposures							59,375,444	59,375,444
Total Long Term Exposure	23,771,538	13,896,929	7,413,295	1,494	426,671	-	59,375,444	104,885,371

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures (Cont'd)

3) Credit Risk (Cont'd)

i) ECAIs (Cont'd)

31 Dec 2023

Group (RM '000)

Exposure Class	Short Term Rating Category					
	1	2	3	4	5	Total
On and Off Balance Sheet Exposures						
(i) Total rated exposures						
Sovereigns & Central Banks						
- Exposures risk-weighted using ratings of Sovereigns and Central Banks	-	2,888,121	-	-		2,888,121
PSEs						
- Exposures risk-weighted using ratings of Corporates	23,052	-	-	-		23,052
Banks, DFIs & MDBs						
- Exposures risk-weighted using ratings of Banking Institutions	2,876,222	1,730,872	38,731	-		4,645,825
Corporates						
- Exposures risk-weighted using ratings of Corporates	1,129,582	5,762	-	-		1,135,344
	4,028,856	4,624,755	38,731	-	-	8,692,342
(ii) Total unrated exposures						
					-	-
Total Short Term Exposure	4,028,856	4,624,755	38,731	-	-	8,692,342
Group Total Long Term and Short Term Exposure :						113,577,713

Note:

MDBs - Multilateral Development Banks

DFIs - Development Financial Institutions

PSEs - Public Sector Entities

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures (Cont'd)

3) Credit Risk (Cont'd)

i) ECAIs (Cont'd)

30 Jun 2024

Bank (RM '000)

Exposure Class	Long Term Rating Category							Total
	1	2	3	4	5	6	7	
On and Off Balance Sheet Exposures								
(i) Total rated exposures								
Sovereigns & Central Banks								
- Exposures risk-weighted using ratings of Sovereigns and Central Banks	19,634,823	8,415,722	-	-	-	-		28,050,545
PSEs								
- Exposures risk-weighted using ratings of Corporates	105,245	143,340	74,619	-	-	-		323,204
Banks, DFIs & MDBs								
- Exposures risk-weighted using ratings of Banking Institutions	1,668,294	2,634,965	4,222,138	1,461	644	-		8,527,502
Corporates								
- Exposures risk-weighted using ratings of Sovereigns and Central Banks	24,871	-	-	-	-	-		24,871
- Exposures risk-weighted using ratings of Banking Institutions	-	147	-	-	-	-		147
- Exposures risk-weighted using ratings of Corporates	2,246,452	248,512	489,923	-	-	-		2,984,887
	23,679,685	11,442,686	4,786,680	1,461	644	-	-	39,911,156
(ii) Total unrated exposures								
							46,075,802	46,075,802
Total Long Term Exposure	23,679,685	11,442,686	4,786,680	1,461	644	-	46,075,802	85,986,958

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures (Cont'd)

3) Credit Risk (Cont'd)

i) ECAIs (Cont'd)

30 Jun 2024

Bank (RM '000)

Exposure Class	Short Term Rating Category					Total
	1	2	3	4	5	
<u>On and Off Balance Sheet Exposures</u>						
(i) Total rated exposures						
Banks, DFIs & MDBs						
- Exposures risk-weighted using ratings of Banking Institutions	2,729,397	2,513,906	8,381	90,784		5,342,468
Corporates						
- Exposures risk-weighted using ratings of Corporates	597,611	4,558	-	-		602,169
	3,327,008	2,518,464	8,381	90,784	-	5,944,637
(ii) Total unrated exposures						
					-	-
Total Short Term Exposure	3,327,008	2,518,464	8,381	90,784	-	5,944,637
Bank Total Long Term and Short Term Exposure :						91,931,595

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures (Cont'd)

3) Credit Risk (Cont'd)

i) ECAIs (Cont'd)

31 Dec 2023

Bank (RM '000)

Exposure Class	Long Term Rating Category							Total
	1	2	3	4	5	6	7	
On and Off Balance Sheet Exposures								
(i) Total rated exposures								
Sovereigns & Central Banks								
- Exposures risk-weighted using ratings of Sovereigns and Central Banks	15,449,248	8,021,785	-	-	-	-		23,471,033
PSEs								
- Exposures risk-weighted using ratings of Corporates	231,171	143,300	80,586	-	-	-		455,057
Banks, DFIs & MDBs								
- Exposures risk-weighted using ratings of Banking Institutions	1,735,080	3,555,744	6,841,548	1,494	370,255	-		12,504,121
Corporates								
- Exposures risk-weighted using ratings of Sovereigns and Central Banks	26,497	-	-	-	-	-		26,497
- Exposures risk-weighted using ratings of Banking Institutions	-	313	-	-	-	-		313
- Exposures risk-weighted using ratings of Corporates	2,046,304	289,390	477,777	-	27,500	-		2,840,971
	19,488,300	12,010,532	7,399,911	1,494	397,755	-	-	39,297,992
(ii) Total unrated exposures								
							43,138,585	43,138,585
Total Long Term Exposure	19,488,300	12,010,532	7,399,911	1,494	397,755	-	43,138,585	82,436,577

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures (Cont'd)

3) Credit Risk (Cont'd)

i) ECAIs (Cont'd)

31 Dec 2023

Bank (RM '000)

Exposure Class	Short Term Rating Category					Total
	1	2	3	4	5	
On and Off Balance Sheet Exposures						
(i) Total rated exposures						
Sovereigns & Central Banks						
- Exposures risk-weighted using ratings of Sovereigns and Central Banks	-	1,502,015	-	-		1,502,015
Banks, DFIs & MDBs						
- Exposures risk-weighted using ratings of Banking Institutions	4,315,287	1,730,367	38,731	-		6,084,385
Corporates						
- Exposures risk-weighted using ratings of Corporates	616,759	5,762	-	-		622,521
	4,932,046	3,238,144	38,731	-	-	8,208,921
(ii) Total unrated exposures						
					-	-
Total Short Term Exposure	4,932,046	3,238,144	38,731	-	-	8,208,921
Bank Total Long Term and Short Term Exposure :						90,645,498

Note:

MDBs - Multilateral Development Banks

DFIs - Development Financial Institutions

PSEs - Public Sector Entities

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures (Cont'd)

3) Credit Risk (Cont'd)

ii) Credit Risk Mitigation (CRM)

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

The Group's policy when granting credit facilities is on the basis of the customer's capacity to repay, rather than placing primary reliance on credit risk mitigants. Depending on the customer's standing and the type of product, facilities may be provided unsecured. Mitigation of credit risk is nevertheless a key aspect of effective risk management in the Group and takes many forms.

The Group's general policy is to promote the use of CRM, justified by commercial prudence and good practice as well as capital efficiency. Specific, detailed policies cover acceptability, structuring and terms of various types of business with regard to the availability of credit risk mitigants, for example in the form of collateral security, and these policies, together with the determination of suitable valuation parameters, are subject to regular review to ensure that they are supported by empirical evidence and continue to fulfil their intended purpose.

The most common method of mitigating credit risk is to take collateral. The principal collateral types employed by the Group are as follows:

- under the residential and real estate business, the financed property will be taken as collateral;
- under the Retail Wealth Portfolio Lending, liquid marketable securities are accepted as collaterals;
- under certain Islamic specialised financing and leasing transactions (such as machinery financing) where physical assets form the principal source of facility repayment, physical collateral is typically taken;
- in the commercial and industrial sectors, charges over business assets such as premises, stock and debtors;
- facilities provided to small and medium enterprises are commonly granted against guarantees by their owners/directors; or by third party credit guarantee institutions;
- guarantees from third parties can arise where facilities are extended without the benefit of any alternative form of security; e.g. where the Group issues a bid or performance sukuk in favour of a non-customer at the request of another bank;
- under the institutional sector, certain trading facilities are supported by charges over financial instruments such as cash, debt securities and equities;
- financial collateral in the form of cash and marketable securities are used in much of the over-the-counter (OTC) derivatives activities and in the Group's securities financing business (securities lending and borrowing or repos and reverse repos); and
- netting is used where appropriate, and supported by market standard documentation.

Settlement risk arises in any situation where a payment in cash, securities or equities is made in the expectation of a corresponding receipt of cash, securities or equities. Daily settlement limits are established for counterparties to cover the aggregate of all the settlement risk arising from all the transactions involved on a single day. Settlement risk on many transactions, particularly those involving securities and equities, is substantially mitigated by settling through assured payment systems or on a delivery-versus-payment basis.

Policies and procedures govern the protection of the Group's position from the outset of a customer relationship, for instance in requiring standard terms and conditions or specifically agreed documentation permitting the offset of credit balances against debt obligations and through controls over the integrity, current valuation and, if necessary, realisation of collateral security.

The valuation of credit risk mitigants seeks to monitor and ensure that they will continue to provide the secured repayment source anticipated at the time they were taken. The Group's policy prescribes valuation annually, or more frequently as the need may arise, for impaired accounts. For property taken as collateral for new or additional facilities, a valuation report is required from a panel valuer. For auction purposes, full valuations are compulsory. This is to avoid the risk of the settlement sum being challenged by the borrower/charger on the grounds that the correct valuation was not applied.

The appointment of panel valuers is conducted via Vendor Risk Management whereby due diligence is undertaken in accordance with Suppliers Risk Management and Third Party Associated Persons Bribery Risk Assessment and Due Diligence Policy at the origination of the relationship in accordance with Group Third Party Risk Management Policy.

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures (Cont'd)

3) Credit Risk (Cont'd)

ii) CRM (Cont'd)

The table below shows the on and off balance sheet exposures before and after CRM.

**30 Jun 2024
Group (RM'000)**

Exposure Class	Exposures before CRM	Exposures Covered by Guarantees / Credit Derivatives	Exposures Covered by Eligible Financial Collateral	Exposures Covered by Other Eligible Collateral
<u>Credit Risk</u>				
<i>On-Balance Sheet Exposures</i>				
Sovereigns/Central Banks	33,398,286	-	-	-
PSEs	2,133,063	-	8,456	-
Banks, DFIs & MDBs	11,045,770	-	7,231,659	-
Corporates	23,421,536	774,963	485,416	-
Regulatory Retail	5,345,276	37,525	52,999	-
Residential Mortgages	13,965,470	-	-	-
Higher Risk Assets	10,431	-	154	-
Other Assets	2,005,475	-	-	-
Equity Exposure	246,628	-	-	-
Defaulted Exposures	733,378	5,144	854	-
Total for On-Balance Sheet Exposures	92,305,313	817,632	7,779,538	-
<i>Off-Balance Sheet Exposures</i>				
OTC Derivatives	3,614,410	-	223,905	1,420,726
Off balance sheet exposures other than OTC derivatives or credit derivatives	18,608,009	349,406	539,738	-
Defaulted Exposures	9,797	-	-	-
Total for Off-Balance Sheet Exposures	22,232,216	349,406	763,643	1,420,726
Total On and Off-Balance Sheet Exposures	114,537,529	1,167,038	8,543,181	1,420,726

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures (Cont'd)

3) Credit Risk (Cont'd)

ii) CRM (Cont'd)

The table below shows on and off balance sheet exposures before and after CRM.

31 Dec 2023
Group (RM'000)

Exposure Class	Exposures before CRM	Exposures Covered by Guarantees / Credit Derivatives	Exposures Covered by Eligible Financial Collateral	Exposures Covered by Other Eligible Collateral
<u>Credit Risk</u>				
<i>On-Balance Sheet Exposures</i>				
Sovereigns/Central Banks	31,141,358	-	-	-
PSEs	1,922,321	-	5,639	-
Banks, DFIs & MDBs	15,350,210	-	10,357,581	-
Corporates	21,156,834	444,017	513,388	-
Regulatory Retail	5,517,156	36,938	63,603	-
Residential Mortgages	14,434,460	-	-	-
Higher Risk Assets	11,045	-	151	-
Other Assets	1,676,235	-	-	-
Equity Exposure	234,854	-	-	-
Defaulted Exposures	781,028	4,543	333	-
Total for On-Balance Sheet Exposures	92,225,501	485,498	10,940,695	-
<i>Off-Balance Sheet Exposures</i>				
OTC Derivatives	3,746,503	-	191,457	1,687,143
Off balance sheet exposures other than OTC derivatives or credit derivatives	17,595,504	369,083	580,227	-
Defaulted Exposures	10,205	-	-	-
Total for Off-Balance Sheet Exposures	21,352,212	369,083	771,684	1,687,143
Total On and Off-Balance Sheet Exposures	113,577,713	854,581	11,712,379	1,687,143

Note:

MDBs - Multilateral Development Banks
DFIs - Development Financial Institutions
PSEs - Public Sector Entities

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures (Cont'd)

3) Credit Risk (Cont'd)

ii) CRM (Cont'd)

The table below shows the on and off balance sheet exposures before and after CRM.

30 Jun 2024

Bank (RM'000)

Exposure Class	Exposures before CRM	Exposures Covered by Guarantees / Credit Derivatives	Exposures Covered by Eligible Financial Collateral	Exposures Covered by Other Eligible Collateral
<u>Credit Risk</u>				
<i>On-Balance Sheet Exposures</i>				
Sovereigns/Central Banks	28,006,007	-	-	-
PSEs	1,368,751	-	8,456	-
Banks, DFIs & MDBs	11,594,673	-	7,231,659	-
Corporates	15,953,164	508,586	395,638	-
Regulatory Retail	3,261,796	22,202	40,633	-
Residential Mortgages	10,430,073	-	-	-
Higher Risk Assets	7,293	-	-	-
Other Assets	1,869,970	-	-	-
Equity Exposure	246,628	-	-	-
Defaulted Exposures	482,255	1,524	854	-
Total for On-Balance Sheet Exposures	73,220,610	532,312	7,677,240	-
<i>Off-Balance Sheet Exposures</i>				
OTC Derivatives	3,752,864	-	419,218	1,420,726
Off balance sheet exposures other than OTC derivatives or credit derivatives	14,953,485	238,862	431,944	-
Defaulted Exposures	4,636	-	-	-
Total for Off-Balance Sheet Exposures	18,710,985	238,862	851,162	1,420,726
Total On and Off-Balance Sheet Exposures	91,931,595	771,174	8,528,402	1,420,726

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures (Cont'd)

3) Credit Risk (Cont'd)

ii) CRM (Cont'd)

The table below shows on and off balance sheet exposures before and after CRM.

31 Dec 2023

Bank (RM'000)

Exposure Class	Exposures before CRM	Exposures Covered by Guarantees / Credit Derivatives	Exposures Covered by Eligible Financial Collateral	Exposures Covered by Other Eligible Collateral
<u>Credit Risk</u>				
<i>On-Balance Sheet Exposures</i>				
Sovereigns/Central Banks	24,960,171	-	-	-
PSEs	1,266,113	-	5,639	-
Banks, DFIs & MDBs	16,120,100	-	10,357,581	-
Corporates	14,003,376	283,420	404,301	-
Regulatory Retail	3,338,554	24,554	51,099	-
Residential Mortgages	10,866,466	-	-	-
Higher Risk Assets	7,875	-	-	-
Other Assets	1,532,960	-	-	-
Equity Exposure	234,854	-	-	-
Defaulted Exposures	501,379	833	333	-
Total for On-Balance Sheet Exposures	72,831,848	308,807	10,818,953	-
<i>Off-Balance Sheet Exposures</i>				
OTC Derivatives	3,919,976	-	191,458	1,687,143
Off balance sheet exposures other than OTC derivatives or credit derivatives	13,888,593	249,379	477,065	-
Defaulted Exposures	5,081	-	-	-
Total for Off-Balance Sheet Exposures	17,813,650	249,379	668,523	1,687,143
Total On and Off-Balance Sheet Exposures	90,645,498	558,186	11,487,476	1,687,143

Note:

MDBs - Multilateral Development Banks
DFIs - Development Financial Institutions
PSEs - Public Sector Entities

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures (Cont'd)

4) Interest Rate Risk/Profit Rate Risk

Sensitivity of projected Net Interest/Finance Income

The interest/profit rate sensitivities set out in the table below are illustrative only and are based on simplified scenarios.

Change in projected net interest/finance income in next 12 months arising from a shift in interest/profit rates of:

	Group (RM'000)			
	30 Jun 2024 *		31 Dec 2023	
Basis point parallel shift in yield curves	+ 100 bps	- 100 bps	+ 100 bps	- 100 bps
MYR	217,263	(228,266)	185,210	(201,823)
USD	51,482	(51,833)	88,289	(94,636)
Others	29,767	(27,319)	(5,065)	2,532
	298,512	(307,418)	268,434	(293,927)

	Bank (RM'000)			
	30 Jun 2024 *		31 Dec 2023	
Basis point parallel shift in yield curves	+ 100 bps	- 100 bps	+ 100 bps	- 100 bps
MYR	170,748	(179,603)	142,218	(157,817)
USD	48,925	(49,274)	86,478	(92,613)
Others	28,610	(26,176)	(7,785)	5,235
	248,283	(255,053)	220,911	(245,195)

* From 2024, the methodology has been refined to better capture the risk to the earnings generated from the banking book. Comparatives are not restated as the overall impact is not material.

The increase or decline in economic value for upward and downward rate shocks for measuring interest rate risk/rate of return risk in the banking book are as follows:

Sensitivity of projected Economic value of equity

Change in projected economic value of equity arising from a shift in interest/profit rates of:

	Group (RM'000)			
	30 Jun 2024 *		31 Dec 2023	
Basis point parallel shift in yield curves	+ 200 bps	- 200 bps	+ 200 bps	- 200 bps
MYR	(512,045)	561,660	(203,601)	225,315
USD	(43,041)	47,738	(33,138)	36,497
Others	12,080	(11,745)	10,218	(9,899)
	(543,006)	597,653	(226,521)	251,913

	Bank (RM'000)			
	30 Jun 2024 *		31 Dec 2023	
Basis point parallel shift in yield curves	+ 200 bps	- 200 bps	+ 200 bps	- 200 bps
MYR	(396,336)	432,101	(127,943)	140,827
USD	(44,801)	49,084	(32,150)	35,031
Others	9,607	(9,557)	8,069	(7,963)
	(431,530)	471,628	(152,024)	167,895

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures (Cont'd)

4) Interest Rate Risk/Profit Rate Risk (Cont'd)

The sensitivity of reported reserves in 'other comprehensive income' to interest/profit rate movements are monitored on a monthly basis by assessing the expected reduction in valuation of financial investments at fair value through other comprehensive income (FVOCI) portfolios to parallel movements of plus or minus 100 basis points in all yield curves.

Sensitivity of reported reserves in 'other comprehensive income' to interest/profit rate movements

	Group (RM'000)			
	30 Jun 2024		31 Dec 2023	
Basis point parallel shift in yield curves	+ 100 bps	- 100 bps	+ 100 bps	- 100 bps
MYR	(151,787)	151,787	(28,258)	28,258
USD	(31,531)	31,531	(23,838)	23,838
	(183,318)	183,318	(52,096)	52,096

	Bank (RM'000)			
	30 Jun 2024		31 Dec 2023	
Basis point parallel shift in yield curves	+ 100 bps	- 100 bps	+ 100 bps	- 100 bps
MYR	(137,354)	137,354	(20,136)	20,136
USD	(31,531)	31,531	(23,838)	23,838
	(168,885)	168,885	(43,974)	43,974

5) Equities

As at 30 June 2024, the Group does not hold any quoted shares. The Group's holding of unquoted shares at 30 June 2024 was mainly of shares held for the purpose of gaining strategic advantage. These shares are not held for capital gains and are recorded based on net tangible assets as measurement of fair value. The unquoted equities are risk weighted at 100% or 150% as per Risk Weighted Capital Adequacy Framework (Basel II).

Refer to Note 15 of the unaudited condensed interim financial statements as at 30 June 2024 on the Group's holdings of equity investments.

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures (Cont'd)

6) Shariah Governance (for HSBC Amanah Malaysia Berhad only)

Overview

Shariah compliance is a cornerstone and is integral to the stability of Islamic banking and finance industry. An effective Shariah governance policy enhances the diligent oversight accountabilities of the Board of Directors (BOD), the Shariah Committee (SC) and the Management to ensure that the operations and business activities of the Islamic Financial Institutions (IFI) remain consistent with Shariah principles and requirements.

To ensure Shariah compliance in all aspects of day-to-day Islamic finance activities, the Malaysian regulatory bodies such as BNM and Securities Commission Malaysia have outlined several laws and regulations on Shariah in particular the provisions on the establishment of a SC and internal Shariah control functions. The SC is an independent Shariah advisory body which plays a vital role in providing Shariah views and decisions and performs an oversight role on Shariah governance implementation related to the IFI's business operations and activities. At the institutional level, the Shariah Department acts as a delegated authority of the SC in providing Shariah advisory to the Management team of the IFI. The Shariah control functions have the role to assist the Management in ensuring that all activities of the IFI are in compliance with the Shariah rules and principles, and expectations for effective Shariah governance arrangements in accordance with the guidelines outlined by Shariah-Regulatory Framework Policy Documents (PDs) and BNM Shariah Governance Policy Document (SGPD), respectively. However, the accountability to ensure Shariah compliance remains with the IFI's BOD.

Qualitative Disclosures - Key Components and Core Shariah Functions in Implementing and Monitoring the Shariah Governance Practices as per the SGPD

The governance structure of HBMS and the primary responsibilities of each function are set out below:

a. Board of Directors

To have the ultimate oversight accountability for the institutionalisation of overall Shariah governance framework and Shariah compliance of HBMS.

b. Shariah Committee

To have the oversight responsibility and accountability in providing objective and sound advice or decisions to ensure on the operations, affairs and business activities of HBMS are in compliance with Shariah.

c. CEO and Management

To be primarily responsible over the day-to-day management of HBMS in ensuring compliance with Shariah in all aspects of its operations, affairs and business activities by observing and implementing the Shariah rulings by the Shariah Advisory Council (SAC) of BNM and SAC of Securities Commission Malaysia, as well as decisions of the SC, and to identify and refer any Shariah issues to the SC for its decisions, views and opinions.

d. Shariah Audit

To provide independent assessment on the quality and effectiveness of HBMS' internal control, risk management systems, governance processes as well as the overall compliance of HBMS' operations, businesses, affairs and activities with Shariah.

e. Shariah Risk Management

To coordinate the identification, measurement, monitoring and reporting of Shariah non-compliance risks in the operations, businesses, affairs and activities of HBMS and to formulate and recommend appropriate Shariah non-compliance risk management policies and procedures and risk awareness programmes.

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures (Cont'd)

6) Shariah Governance (Cont'd)

Qualitative Disclosures - Key Components and Core Shariah Functions in Implementing and Monitoring the Shariah Governance Practices as per the SGPD (Cont'd)

f. Shariah Department

i) Shariah Review

To conduct regular assessment on the compliance of the operations, businesses, affairs and activities of HBMS with Shariah requirements.

To ensure that all procedural guidelines, rules and regulations issued by BNM and other regulatory bodies relating to Shariah as well as internal guidelines, policies and procedures, manuals and all Shariah rules and principles issued by the SC and Shariah Department are adhered to, with due regard to the business needs and Shariah requirements.

ii) Shariah Risk Stewardship

To implement the identification, measurement, monitoring and reporting of Shariah non-compliance risks in the operations, businesses, affairs and activities of HBMS, as well as to formulate and recommend appropriate Shariah compliance controls.

iii) Shariah Research and Advisory

To perform in-depth research as and when required by the SC on Shariah issues and to provide day-to-day Shariah advice and approval on Shariah matters based on the rulings of the SAC and decisions or advice of the SC to the relevant stakeholders, including the Management, product development and business teams as well as the supporting functions.

iv) Shariah Secretariat

To serve and provide operational support for effective functioning of the SC which includes to coordinate, communicate and disseminate information among the SC, the Board and senior management, and to ensure proper dissemination of decisions or advice of the SC within HBMS.

v) Product and Skills Development

To undertake research and development (R&D) and propose feasible Shariah compliant product structures and solutions to be launched by the various business lines within HSBC Amanah. To develop and implement initiatives for Islamic finance knowledge and skills monitoring, including deploying HBMS product knowledge and its underlying concepts for all personnel involved in HBMS products, services, processes and Shariah Risk management awareness through varied learning approaches. Incumbent is required to collaborate with Human Resource (HR) to fulfil training and knowledge management needs.

Quantitative Disclosure

a. Shariah Non-Compliance Events:

During the financial period ending 30 June 2024, no actual Shariah non-compliance event has been identified.

b. Shariah Non-Compliance Income:

During the financial period ending 30 June 2024, the following amounts are recorded in the Shariah Penalty & Impure Income Account (the Account):

- i) The amount of RM116,631 in the Account was carried forward from 2023 to 2024.
- ii) RM341,051 income received from Shariah non-compliant activities have been transferred to the Account. The income was from transactions in nostro accounts and from financing and advances.
- iii) RM127,400 was donated for charitable purposes.

A balance of RM330,282 in the Account is pending distribution in second half of 2024. The amount in the Account is reported net of income tax liabilities.

Other than the above, there were no other Shariah non-compliance income or other amounts recorded during the financial period ending 30 June 2024.