

Company No: 197501003274 (25046-T)

AFFIN Bank Berhad
(Incorporated in Malaysia)

BASEL II
PILLAR 3 DISCLOSURES
As at 30th June 2021

AFFIN Bank Berhad
(Incorporated in Malaysia)

BASEL II Pillar 3 Quantitative Disclosures

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BASEL II Pillar 3 Quantitative Disclosures

1 Introduction

1.1 Background

The Capital Adequacy Framework (Basel II – Risk-Weighted Assets) issued by Bank Negara Malaysia ('BNM'), which is the equivalent of the Basel II Framework issued by the Basel Committee of Banking Supervision and the Islamic Financial Services Board is structured around three fundamental pillars:

- Pillar 1 defines the minimum capital requirement to ensure that financial institutions hold sufficient capital to cover their exposure to credit, market and operational risks.
- Pillar 2 requires financial institutions to have a process for assessing their overall capital adequacy in relation to their risk profile and a strategy for maintaining their capital levels.
- Pillar 3 requires financial institutions to establish and implement an appropriate disclosure policy that promotes transparency regarding their risk management practices and capital adequacy positions.

Pillar 3 disclosure is required under the BNM Risk Weighted Capital Adequacy Framework (Basel II)(RWCAF) - Disclosure Requirements (Pillar 3).

Affin Bank Berhad ('the Bank') and its subsidiaries ('the Group') adopt the following approaches under Pillar 1 requirements:

- Standardised Approach for Credit Risk
- Basic Indicator Approach for Operational Risk
- Standardised Approach for Market Risk

1.2 Scope of Application

This document contains the disclosure requirements under Pillar 3 for the Bank and its subsidiaries (the 'Group') for financial period ended 30 June 2021. The disclosures are made in line with the Pillar 3 disclosure requirements under the Basel II framework as laid out by BNM.

The disclosures should be read in conjunction with the Group and the Bank's 2020 Annual Report for the year ended 31 December 2020.

The capital requirements of the Group and the Bank are generally based on the principles of consolidation adopted in the preparation of its financial statements. The Group incorporates those activities relating to Islamic banking business which have been undertaken by AFFIN Islamic, a wholly owned subsidiary of the Bank.

There are no significant restrictions or impediments on the transfer of funds or regulatory capital within the Group and the Bank.

There were no capital deficiencies in any of the subsidiaries of the Group as at the financial year ended 30 June 2021.

2 Capital Management

2.1 Internal Capital Adequacy Assessment Process ('ICAAP')

In line with the BNM guidelines on Risk-Weighted Capital Adequacy Framework (Basel II) - Internal Capital Adequacy Assessment Process (Pillar 2), the Bank has put in place the ICAAP Framework to assess the capital adequacy to ensure that the level of capital maintained by the Bank is adequate at all times, taking into consideration the Bank's risk profile and business strategies.

The Bank's capital management approach is focused on maintaining an appropriate level of capital to meet its business needs and regulatory requirements as capital adequacy and risk management are closely aligned. The Bank operates within an agreed risk appetite whilst optimising the use of shareholders' funds to deliver sustainable returns.

2.2 Capital structure

The total capital and capital adequacy ratios of the Group and the Bank are computed in accordance with BNM's Capital Adequacy Framework (Capital Components).

The Group and the Bank are currently adopting the Standardised Approach for Credit Risk and Market Risk and the Basic Indicator Approach for Operational Risk. In line with the transitional arrangements under the BNM Capital Adequacy Framework (Capital Components), the minimum capital adequacy requirement for Common Equity Tier 1 Capital Ratio ('CET 1') and Tier 1 Capital Ratio are 7.000% (2020: 7.000%) and 8.500% (2020: 8.500%) respectively for year 2021. The minimum regulatory capital adequacy requirement is 10.500% (2020: 10.500%) for total capital ratio.

The following table sets forth further details on the capital resources and capital adequacy ratios for the Group and the Bank as at 30 June 2021.

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BASEL II Pillar 3 Quantitative Disclosures (continued)**2 Capital Management (continued)****2.2 Capital structure (continued)**

| | The Group | | The Bank | |
|--|-------------------|-------------------|-------------------|-------------------|
| | 30.6.2021 | 31.12.2020 | 30.6.2021 | 31.12.2020 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| CET1 | | | | |
| Paid-up share capital | 4,969,150 | 4,902,300 | 4,969,150 | 4,902,300 |
| Retained profits | 3,770,896 | 3,682,234 | 2,756,209 | 2,799,501 |
| Unrealised gains on FVOCI instruments | 8,182 | 266,412 | 77,702 | 183,078 |
| Other disclosed reserves | (65,909) | (65,909) | - | - |
| Foreign exchange reserves | (205) | (205) | - | - |
| | 8,682,114 | 8,784,832 | 7,803,061 | 7,884,879 |
| Less: Regulatory adjustments: | | | | |
| - Goodwill and other intangibles | (889,299) | (903,750) | (191,528) | (202,212) |
| - Deferred tax assets | (220,979) | (112,158) | (110,406) | (54,607) |
| - 55% of cumulative unrealised gains on FVOCI instruments | (4,500) | (146,527) | (42,736) | (100,693) |
| - Investment in subsidiaries, joint ventures and associates | (933,223) | (896,114) | (3,796,621) | (3,796,621) |
| - Other CET1 transitional adjustment | 173,156 | 100,517 | 100,099 | 61,224 |
| Total CET1 capital | 6,807,269 | 6,826,800 | 3,761,869 | 3,791,970 |
| Additional Tier 1 capital | | | | |
| Additional Tier 1 capital | 800,000 | 800,000 | 500,000 | 500,000 |
| Qualifying capital instruments held by third party | 32,458 | 31,015 | - | - |
| Total Tier I capital | 7,639,727 | 7,657,815 | 4,261,869 | 4,291,970 |
| Tier 2 capital | | | | |
| Subordinated medium term notes | 2,490,000 | 2,500,000 | 2,000,000 | 2,000,000 |
| Expected loss provisions # | 277,783 | 324,592 | 170,815 | 200,424 |
| Less: Regulatory adjustments | | | | |
| - Investment in capital instruments of unconsolidated financial and insurance entities | (30,914) | (30,914) | (340,914) | (330,914) |
| Total Tier 2 capital | 2,736,869 | 2,793,678 | 1,829,901 | 1,869,510 |
| Total capital | 10,376,596 | 10,451,493 | 6,091,770 | 6,161,480 |
| The breakdown of risk-weighted assets: | | | | |
| Credit risk | 44,164,296 | 42,706,201 | 27,777,183 | 26,888,591 |
| Market risk | 804,586 | 814,122 | 549,139 | 373,667 |
| Operational risk | 3,490,313 | 3,403,072 | 1,668,487 | 1,657,613 |
| Total risk-weighted assets | 48,459,195 | 46,923,395 | 29,994,808 | 28,919,871 |
| Capital adequacy ratios: | | | | |
| With transitional arrangements | | | | |
| CET1 capital ratio | 14.047% | 14.549% | 12.542% | 13.112% |
| Tier I capital ratio | 15.765% | 16.320% | 14.209% | 14.841% |
| Total capital ratio | 21.413% | 22.274% | 20.309% | 21.305% |
| CET 1 capital ratio (net of proposed dividends) Note 1 | 14.047% | 14.517% | 12.542% | 13.061% |
| Tier I capital ratio (net of proposed dividends) Note 1 | 15.765% | 16.288% | 14.209% | 14.790% |
| Total capital ratio (net of proposed dividends) Note 1 | 21.413% | 22.242% | 20.309% | 21.254% |
| Without transitional arrangements | | | | |
| CET1 capital ratio | 13.690% | 14.335% | 12.208% | 12.900% |
| Tier I capital ratio | 15.408% | 16.105% | 13.875% | 14.629% |
| Total capital ratio | 21.413% | 22.274% | 20.309% | 21.305% |
| CET 1 capital ratio (net of proposed dividends) Note 1 | 13.690% | 14.303% | 12.208% | 12.849% |
| Tier I capital ratio (net of proposed dividends) Note 1 | 15.408% | 16.074% | 13.875% | 14.578% |
| Total capital ratio (net of proposed dividends) Note 1 | 21.413% | 22.242% | 20.309% | 21.254% |

Qualifying loss provisions are restricted to allowances on the unimpaired portion of the loans, advances and other financing.

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BASEL II Pillar 3 Quantitative Disclosures (continued)

2 Capital Management (continued)

2.2 Capital structure (continued)

Note 1 :

Under the Dividend Reinvestment Plan ("DRP"), the amount of declared dividend to be deducted in the calculation of CET 1 Capital is determined in accordance with BNM's Implementation Guidance on Capital Adequacy Framework (Capital Components) (Implementation Guidance) issued on 2 February 2019.

Under the said Implementation Guidance, where a portion of the dividend may be reinvested under a DRP (the electable portion), the amount of the declared dividend to be deducted in the calculation of CET 1 Capital may be reduced as follows:-

- (i) where an irrevocable written undertaking from shareholder has been obtained to reinvest the electable portion of the dividend; or
- (ii) where there is no irrevocable written undertaking provided, the average of the preceding 3-year take-up rates or if less than 3 preceding years, the available average historical take-up rates, subject to the amount being not more than 50% of the total electable portion of the dividend.

In arriving at the capital adequacy ratios, the portion of the proposed dividends where no irrevocable written undertaking from shareholders to reinvest the electable portion into new ordinary shares of the Bank is obtained, is assumed to be paid in cash and has been deducted from the calculation of CET 1 Capital Ratio.

In accordance with BNM's Guidelines on Investment Account, the credit and market risk weighted on the assets funded by the RIA are included in calculation of capital adequacy for the Bank. As at 30 June 2021, RIA assets included in the Total Capital Ratio calculation amounted to RM1,740.1 million (2020: RM1,754.9 million).

The Group and the Bank have issued capital instruments which qualify as components of regulatory capital under the BNM RWCAF (Capital Components), as summarised in the following table:

| Capital Instruments | Capital | Main Features |
|---|----------------|--|
| Issued by the Group and the Bank: | | |
| (a) Additional Tier-1 Capital Securities ('AT1CS') | Tier 1 Capital | The Bank had, on 31 July 2018, issued AT1CS of RM500.0 million out of its approved BASEL III Compliant AT1CS programme of up to RM3.0 billion in nominal value. The AT1CS was on perpetual non-callable 5-year basis, at a coupon rate of 5.80%. The AT1CS was issued for the purpose of general banking business and working capital requirements of the Bank. |
| (b) Additional Tier-1 Sukuk Wakalah (AT1S) | Tier 1 Capital | AFFIN Islamic had, on 18 October 2018 issued AT1S of RM300.0 million out of its approved BASEL III Compliant AT1S programme of up to RM300.0 million in nominal value. The AT1S was on perpetual non-callable 5-year basis, at a profit rate of 5.65%. The AT1S was issued for the purpose of general banking business and working capital requirements of AFFIN Islamic. |
| (c) Tier-2 Subordinated Medium Term Notes (MTN') | Tier 2 Capital | The Bank had, on 7 February 2017 and 20 September 2017, issued 2 tranches of Tier-2 Subordinated MTNs of RM1.0 billion each out of its approved BASEL III Compliant MTN programme of up to RM6.0 billion in nominal value. The Subordinated MTNs were issued for a tenure of 10 years from the issue date on a 10-year non-callable 5-year basis, at coupon rate of 5.45% and 5.03% respectively. The MTNs were issued for the purpose of general banking business and working capital requirements of the Bank. |
| (d) Medium Term Notes Tier-2 Sukuk Murabahah (MTN') | Tier 2 Capital | AFFIN Islamic had, on 23 October 2018 issued MTN Tier-2 Sukuk Murabahah of RM800.0 million out of its approved BASEL III Compliant MTN programme of up to RM800.0 million in nominal value. The Sukuk is issued for a tenure of 10 years from the issue date on a 10-year non-callable 5-year basis, at a profit rate of 5.05%. The Sukuk is issued for the purpose of general banking business and working capital requirements of AFFIN Islamic. |

2.3 Capital adequacy

The Group and the Bank have in place an internal limit for its CET1 capital ratio, Tier I capital ratio and Total capital ratio, which is guided by the need to maintain a prudent relationship between available capital and the risks of its underlying businesses. The capital management process is monitored by senior management through periodic reviews.

Refer to Appendix I.

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BASEL II Pillar 3 Quantitative Disclosures (continued)

3 Application of Standardised Approach for credit risk (continued)

3 Application of Standardised Approach for credit risk

The Group and the Bank use the following External Credit Assessment Institutions ('ECAIs') to determine the risk weights for the rated credit exposures:-

- RAM Rating Services Berhad
- Malaysian Rating Corporation Berhad
- Standard & Poor's Rating Services
- Moody's Investors Service
- Fitch Ratings

The external ratings of the ECAIs are used to determine the risk weights of the following types of exposure: sovereigns, banks, public sector entities and corporates.

The mapping of the rating categories of different ECAIs to the risk weights is in accordance with BNM guidelines. In cases where there is no issuer or issue rating, the exposures are treated as unrated and accorded a risk weight appropriate for unrated exposure in the respective category.

Refer to Appendix II and Appendices III (i) to III (ii).

The Group and the Bank employ various policies and practices to control and mitigate credit risk.

Lending/financing limits

The Group and the Bank establish internal limits and related lending guidelines to manage large exposures and avoid undue concentration of credit risk in its credit portfolio. The limits include single customer groupings, connected parties and industry segments. These risks are monitored regularly and the limits reviewed annually or sooner depending on changing market and economic conditions.

The credit risk exposure for derivatives due to potential exposure arising from market movements, and loan/financing books are managed on an aggregated basis as part of the overall lending limits with customers.

Collateral

Credits are established against borrower's capacity to repay rather than rely solely on security. However, collateral may be taken to mitigate credit risk.

The main collateral types accepted and given value by the Group and the Bank are:

- mortgage over residential;
- charges over commercial real estate or vehicles financed;
- charges over business assets such as properties, equipment, fixed deposits, debentures, personal guarantees and corporate guarantees; and
- charges over financial instruments such as marketable securities.

The Group and the Bank prepare a valuation of the collateral obtained as part of the loan/financing origination process. This assessment is reviewed periodically.

Term loan financing and lending to corporate entities are generally secured; revolving individual credit facilities are generally unsecured.

Collateral held as security for financial assets other than loans, advances and financing depends on the nature of the instrument. Debt securities, treasury and other eligible bills are generally unsecured, with the exception of asset-backed securities and similar instruments, which are secured by portfolios of financial instruments. Derivatives are also collateralised.

The Group and the Bank's policies regarding obtaining collateral have not significantly changed during the reporting period and there has been no significant change in the overall quality of the collateral held by the Group and the Bank since the prior period.

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BASEL II Pillar 3 Quantitative Disclosures (continued)**3 Application of Standardised Approach for credit risk (continued)**Credit related commitments

Commitment to extend credit represents unutilised portion of approved credit in the form of loans/financing, guarantees or letters of credit. In terms of credit risk, the Group and the Bank are potentially exposed to loss in an amount equal to the total unutilised commitments. However, the potential amount of loss is less than the total unutilised commitments, as most commitments to extend credit are contingent upon customers maintaining specific minimum credit standards.

The Group and the Bank monitor the term to maturity of credit commitments because longer-term commitments generally have a greater degree of credit risk than short-term commitments.

Refer to Appendix IV (a) to (b).

Total loans, advances and financing - credit quality

All loans, advances and financing are categorised into 'neither past due nor impaired', 'past due but not impaired' and 'impaired'.

Past due loans/financing refer to loans, advances and financing that are overdue by one day or more.

Loans, advances and financing are classified impaired when they fulfill any of the following criteria:

- i) the principal or interest/profit or both is past due more than 90 days or 3 months from the first day of default;
- ii) where the account is in arrears for less than 90 days or 3 months, there is evidence of impairment to indicate that the borrower/customer is 'unlikely to repay' its credit obligations; or
- iii) the loan/financing is classified as rescheduled and restructured in Central Credit Reference Information System ('CCRIS').

Analysed by economic sectorsPast due loans/financing

| The Group | 30.6.2021 | | |
|---|-------------------|-------------------|-----------------|
| | Stage 1 RM'000 | Stage 2 RM'000 | Total RM'000 |
| Primary agriculture | 3,458 | 1,231 | 4,689 |
| Mining and quarrying | 282 | - | 282 |
| Manufacturing | 22,052 | 3,543 | 25,595 |
| Electricity, gas and water supply | 187 | - | 187 |
| Construction | 46,307 | 16,858 | 63,165 |
| Real estate | 129,207 | 14,749 | 143,956 |
| Wholesale & retail trade and restaurants & hotels | 70,197 | 11,622 | 81,819 |
| Transport, storage and communication | 27,875 | 70,713 | 98,588 |
| Finance, insurance and business services | 85,011 | 3,909 | 88,920 |
| Education, health and others | 8,369 | 5,891 | 14,260 |
| Household | 344,345 | 117,004 | 461,349 |
| | <u>737,290</u> | <u>245,520</u> | <u>982,810</u> |

| The Group | 31.12.2020 | | |
|---|-------------------|-------------------|------------------|
| | Stage 1 RM'000 | Stage 2 RM'000 | Total RM'000 |
| Primary agriculture | 3,507 | 3,084 | 6,591 |
| Mining and quarrying | 464 | 249 | 713 |
| Manufacturing | 20,597 | 13,508 | 34,105 |
| Electricity, gas and water supply | 230 | 1,328 | 1,558 |
| Construction | 36,731 | 76,072 | 112,803 |
| Real estate | 175,036 | 66,258 | 241,294 |
| Wholesale & retail trade and restaurants & hotels | 56,780 | 250,409 | 307,189 |
| Transport, storage and communication | 45,331 | 22,182 | 67,513 |
| Finance, insurance and business services | 37,201 | 40,012 | 77,213 |
| Education, health and others | 6,830 | 9,438 | 16,268 |
| Household | 943,958 | 1,106,813 | 2,050,771 |
| | <u>1,326,665</u> | <u>1,589,353</u> | <u>2,916,018</u> |

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BASEL II Pillar 3 Quantitative Disclosures (continued)**3 Application of Standardised Approach for credit risk (continued)****Total loans, advances and financing - credit quality (continued)**Analysed by economic sectorsPast due loans/financing

| The Bank | 30.6.2021 | | Total RM'000 |
|---|-------------------|-------------------|-----------------|
| | Stage 1 RM'000 | Stage 2 RM'000 | |
| Primary agriculture | 3,065 | 936 | 4,001 |
| Mining and quarrying | 215 | - | 215 |
| Manufacturing | 16,428 | 2,961 | 19,389 |
| Electricity, gas and water supply | 187 | - | 187 |
| Construction | 38,825 | 15,609 | 54,434 |
| Real estate | 117,807 | 14,749 | 132,556 |
| Wholesale & retail trade and restaurants & hotels | 58,774 | 5,791 | 64,565 |
| Transport, storage and communication | 23,589 | 68,582 | 92,171 |
| Finance, insurance and business services | 75,775 | 2,628 | 78,403 |
| Education, health and others | 7,468 | 5,104 | 12,572 |
| Household | 181,590 | 69,419 | 251,009 |
| | <u>523,723</u> | <u>185,779</u> | <u>709,502</u> |

| The Bank | 31.12.2020 | | Total RM'000 |
|---|-------------------|-------------------|------------------|
| | Stage 1 RM'000 | Stage 2 RM'000 | |
| Primary agriculture | 3,090 | 2,122 | 5,212 |
| Mining and quarrying | 464 | 249 | 713 |
| Manufacturing | 11,266 | 10,159 | 21,425 |
| Electricity, gas and water supply | 139 | 1,194 | 1,333 |
| Construction | 26,147 | 24,062 | 50,209 |
| Real estate | 160,824 | 27,901 | 188,725 |
| Wholesale & retail trade and restaurants & hotels | 45,894 | 210,697 | 256,591 |
| Transport, storage and communication | 18,800 | 16,775 | 35,575 |
| Finance, insurance and business services | 29,321 | 29,375 | 58,696 |
| Education, health and others | 4,834 | 6,833 | 11,667 |
| Household | 421,115 | 553,618 | 974,733 |
| | <u>721,894</u> | <u>882,985</u> | <u>1,604,879</u> |

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BASEL II Pillar 3 Quantitative Disclosures (continued)**3 Application of Standardised Approach for credit risk (continued)****Total loans, advances and financing - credit quality (continued)**Analysed by economic sectorsExpected credit losses

| The Group | 30.6.2021 | | | | |
|--|----------------|----------------|----------------|----------------|--------------|
| | 12-month ECL | Lifetime ECL | | Total | |
| | | Stage 1 | Not credit | | Lifetime ECL |
| | | | Stage 2 | | impaired |
| RM'000 | RM'000 | RM'000 | RM'000 | | |
| Primary agriculture | 5,190 | 1,062 | 1,032 | 7,284 | |
| Mining and quarrying | 1,144 | 235 | 5,711 | 7,090 | |
| Manufacturing | 14,101 | 39,467 | 13,316 | 66,884 | |
| Electricity, gas and water supply | 1,031 | 1,292 | 58 | 2,381 | |
| Construction | 22,924 | 18,125 | 28,521 | 69,570 | |
| Real estate | 62,092 | 34,488 | 37,580 | 134,160 | |
| Wholesale & retail trade and restaurants & | 23,081 | 19,494 | 15,530 | 58,105 | |
| Transport, storage and communication | 4,591 | 26,007 | 151,531 | 182,129 | |
| Finance, insurance and business services | 6,801 | 22,270 | 12,706 | 41,777 | |
| Education, health and others | 7,317 | 5,239 | 104,626 | 117,182 | |
| Household | 52,607 | 30,132 | 98,019 | 180,758 | |
| | <u>200,879</u> | <u>197,811</u> | <u>468,630</u> | <u>867,320</u> | |

| The Group | 31.12.2020 | | | | |
|--|----------------|----------------|----------------|----------------|--------------|
| | 12-month ECL | Lifetime ECL | | Total | |
| | | Stage 1 | Not credit | | Lifetime ECL |
| | | | Stage 2 | | impaired |
| RM'000 | RM'000 | RM'000 | RM'000 | | |
| Primary agriculture | 5,709 | 604 | 874 | 7,187 | |
| Mining and quarrying | 1,295 | 261 | 5,645 | 7,201 | |
| Manufacturing | 10,025 | 25,928 | 10,475 | 46,428 | |
| Electricity, gas and water supply | 1,055 | 1,286 | 206 | 2,547 | |
| Construction | 21,544 | 13,205 | 33,273 | 68,022 | |
| Real estate | 59,094 | 39,838 | 18,069 | 117,001 | |
| Wholesale & retail trade and restaurants & | 18,348 | 10,341 | 11,302 | 39,991 | |
| Transport, storage and communication | 3,575 | 24,257 | 147,844 | 175,676 | |
| Finance, insurance and business services | 6,155 | 9,221 | 3,928 | 19,304 | |
| Education, health and others | 8,068 | 4,126 | 109,407 | 121,601 | |
| Household | 42,219 | 22,137 | 110,463 | 174,819 | |
| | <u>177,087</u> | <u>151,204</u> | <u>451,486</u> | <u>779,777</u> | |

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BASEL II Pillar 3 Quantitative Disclosures (continued)**3 Application of Standardised Approach for credit risk (continued)****Total loans, advances and financing - credit quality (continued)**Analysed by economic sectorsExpected credit losses

| The Bank | 30.6.2021 | | | |
|---|-------------------|--|---------------------------------|----------------|
| | 12-month ECL | Lifetime ECL Not credit impaired | Lifetime ECL credit impaired | Total |
| | Stage 1 RM'000 | Stage 2 RM'000 | Stage 3 RM'000 | |
| Primary agriculture | 1,626 | 1,052 | 762 | 3,440 |
| Mining and quarrying | 1,060 | 235 | 3,347 | 4,642 |
| Manufacturing | 7,307 | 32,771 | 2,113 | 42,191 |
| Electricity, gas and water supply | 587 | 1,291 | 58 | 1,936 |
| Construction | 21,492 | 4,486 | 27,363 | 53,341 |
| Real estate | 49,877 | 15,390 | 15,430 | 80,697 |
| Wholesale & retail trade and restaurants & hotels | 17,704 | 11,153 | 13,912 | 42,769 |
| Transport, storage and communication | 3,439 | 19,629 | 123,875 | 146,943 |
| Finance, insurance and business services | 4,940 | 16,831 | 12,028 | 33,799 |
| Education, health and others | 5,168 | 1,491 | 104,172 | 110,831 |
| Household | 24,092 | 12,186 | 52,223 | 88,501 |
| | 137,292 | 116,515 | 355,283 | 609,090 |

| The Bank | 31.12.2020 | | | |
|---|-------------------|--|---------------------------------|----------------|
| | 12-month ECL | Lifetime ECL Not credit impaired | Lifetime ECL credit impaired | Total |
| | Stage 1 RM'000 | Stage 2 RM'000 | Stage 3 RM'000 | |
| Primary agriculture | 2,185 | 596 | 796 | 3,577 |
| Mining and quarrying | 1,104 | 261 | 3,264 | 4,629 |
| Manufacturing | 7,154 | 22,189 | 2,592 | 31,935 |
| Electricity, gas and water supply | 577 | 1,285 | 161 | 2,023 |
| Construction | 20,135 | 5,990 | 32,205 | 58,330 |
| Real estate | 48,341 | 14,718 | 2,736 | 65,795 |
| Wholesale & retail trade and restaurants & hotels | 14,576 | 7,204 | 10,741 | 32,521 |
| Transport, storage and communication | 2,774 | 17,792 | 123,665 | 144,231 |
| Finance, insurance and business services | 4,564 | 7,314 | 3,724 | 15,602 |
| Education, health and others | 5,742 | 1,163 | 109,229 | 116,134 |
| Household | 20,893 | 9,836 | 58,891 | 89,620 |
| | 128,045 | 88,348 | 348,004 | 564,397 |

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BASEL II Pillar 3 Quantitative Disclosures (continued)**3 Application of Standardised Approach for credit risk (continued)****Total loans, advances and financing - credit quality (continued)**Analysed by economic sectors (continued)Expected credit losses written-off

| The Group | The Group | | The Bank | |
|---|--|--|--|--|
| | 30.6.2021 | 31.12.2020 | 30.6.2021 | 31.12.2020 |
| | Lifetime ECL credit impaired Stage 3 RM'000 | Lifetime ECL credit impaired Stage 3 RM'000 | Lifetime ECL credit impaired Stage 3 RM'000 | Lifetime ECL credit impaired Stage 3 RM'000 |
| Primary agriculture | 76 | 90 | 48 | 90 |
| Mining and quarrying | - | 94 | - | 94 |
| Manufacturing | 354 | 4,910 | 353 | 4,841 |
| Electricity, gas and water supply | 93 | - | 68 | - |
| Construction | 1,089 | 28,863 | 967 | 28,264 |
| Real estate | - | 13,166 | - | 13,166 |
| Wholesale & retail trade and restaurants & hotels | 2,366 | 10,455 | 2,320 | 10,126 |
| Transport, storage and communication | 1,093 | 64,532 | 886 | 64,369 |
| Finance, insurance and business services | 805 | 73,273 | 733 | 1,134 |
| Education, health and others | 589 | 83,499 | 419 | 62,871 |
| Household | 29,010 | 26,998 | 16,749 | 17,811 |
| | 35,475 | 305,880 | 22,543 | 202,766 |

Analysed by geographical areaPast due loans/financing

| The Group | 30.6.2021 | | |
|---------------------|-------------------|-------------------|-----------------|
| | Stage 1 RM'000 | Stage 2 RM'000 | Total RM'000 |
| Perlis | 634 | 92 | 726 |
| Kedah | 23,821 | 10,943 | 34,764 |
| Pulau Pinang | 28,762 | 6,672 | 35,434 |
| Perak | 26,204 | 7,959 | 34,163 |
| Selangor | 174,645 | 103,898 | 278,543 |
| Wilayah Persekutuan | 103,332 | 34,530 | 137,862 |
| Negeri Sembilan | 37,700 | 8,288 | 45,988 |
| Melaka | 26,617 | 7,622 | 34,239 |
| Johor | 158,040 | 24,239 | 182,279 |
| Pahang | 16,265 | 10,574 | 26,839 |
| Terengganu | 12,752 | 3,141 | 15,893 |
| Kelantan | 9,157 | 2,474 | 11,631 |
| Sarawak | 29,967 | 10,612 | 40,579 |
| Sabah | 37,769 | 14,472 | 52,241 |
| Labuan | - | 3 | 3 |
| Outside Malaysia | 51,625 | 1 | 51,626 |
| | 737,290 | 245,520 | 982,810 |

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BASEL II Pillar 3 Quantitative Disclosures (continued)**3 Application of Standardised Approach for credit risk (continued)****Total loans, advances and financing - credit quality (continued)**Analysed by geographical areaPast due loans/financing

| The Group | 31.12.2020 | | |
|---------------------|-------------------|-------------------|------------------|
| | Stage 1 RM'000 | Stage 2 RM'000 | Total RM'000 |
| Perlis | 1,503 | 2,214 | 3,717 |
| Kedah | 50,933 | 125,292 | 176,225 |
| Pulau Pinang | 54,375 | 70,599 | 124,974 |
| Perak | 48,058 | 63,058 | 111,116 |
| Selangor | 377,154 | 405,428 | 782,582 |
| Wilayah Persekutuan | 265,061 | 384,567 | 649,628 |
| Negeri Sembilan | 62,113 | 99,367 | 161,480 |
| Melaka | 32,192 | 39,546 | 71,738 |
| Johor | 231,712 | 189,207 | 420,919 |
| Pahang | 34,939 | 28,185 | 63,124 |
| Terengganu | 22,246 | 27,562 | 49,808 |
| Kelantan | 14,523 | 17,328 | 31,851 |
| Sarawak | 48,726 | 49,664 | 98,390 |
| Sabah | 60,948 | 87,336 | 148,284 |
| Labuan | 20,486 | - | 20,486 |
| Outside Malaysia | 1,696 | - | 1,696 |
| | <u>1,326,665</u> | <u>1,589,353</u> | <u>2,916,018</u> |

| The Bank | 30.6.2021 | | |
|---------------------|-------------------|-------------------|-----------------|
| | Stage 1 RM'000 | Stage 2 RM'000 | Total RM'000 |
| Perlis | 318 | 78 | 396 |
| Kedah | 8,340 | 2,275 | 10,615 |
| Pulau Pinang | 19,059 | 4,079 | 23,138 |
| Perak | 13,644 | 3,792 | 17,436 |
| Selangor | 102,758 | 89,240 | 191,998 |
| Wilayah Persekutuan | 81,560 | 27,526 | 109,086 |
| Negeri Sembilan | 21,755 | 3,189 | 24,944 |
| Melaka | 18,376 | 4,163 | 22,539 |
| Johor | 134,337 | 17,873 | 152,210 |
| Pahang | 5,742 | 8,477 | 14,219 |
| Terengganu | 632 | 211 | 843 |
| Kelantan | 1,531 | 516 | 2,047 |
| Sarawak | 27,993 | 10,000 | 37,993 |
| Sabah | 36,053 | 14,356 | 50,409 |
| Labuan | - | 3 | 3 |
| Outside Malaysia | 51,625 | 1 | 51,626 |
| | <u>523,723</u> | <u>185,779</u> | <u>709,502</u> |

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BASEL II Pillar 3 Quantitative Disclosures (continued)**3 Application of Standardised Approach for credit risk (continued)****Total loans, advances and financing - credit quality (continued)**Analysed by geographical areaPast due loans/financing

| The Bank | 31.12.2020 | | Total RM'000 |
|---------------------|-------------------|-------------------|------------------|
| | Stage 1 RM'000 | Stage 2 RM'000 | |
| Perlis | 174 | 581 | 755 |
| Kedah | 14,726 | 21,244 | 35,970 |
| Pulau Pinang | 26,753 | 41,552 | 68,305 |
| Perak | 23,303 | 33,241 | 56,544 |
| Selangor | 161,921 | 196,571 | 358,492 |
| Wilayah Persekutuan | 176,328 | 272,191 | 448,519 |
| Negeri Sembilan | 25,339 | 30,937 | 56,276 |
| Melaka | 15,842 | 23,490 | 39,332 |
| Johor | 160,119 | 111,561 | 271,680 |
| Pahang | 12,939 | 12,081 | 25,020 |
| Terengganu | 1,734 | 4,541 | 6,275 |
| Kelantan | 3,433 | 4,391 | 7,824 |
| Sarawak | 42,856 | 47,428 | 90,284 |
| Sabah | 54,727 | 83,176 | 137,903 |
| Labuan | 4 | - | 4 |
| Outside Malaysia | 1,696 | - | 1,696 |
| | <u>721,894</u> | <u>882,985</u> | <u>1,604,879</u> |

Analysed by geographical areaExpected credit losses

| The Group | 30.6.2021 | | | Total RM'000 |
|---------------------|-------------------|--|---------------------------------|-----------------|
| | 12-month ECL | Lifetime ECL Not credit impaired | Lifetime ECL credit impaired | |
| | Stage 1 RM'000 | Stage 2 RM'000 | Stage 3 RM'000 | |
| Perlis | 1,389 | 51 | 1,054 | 2,494 |
| Kedah | 3,321 | 18,005 | 17,558 | 38,884 |
| Pulau Pinang | 7,959 | 7,181 | 9,037 | 24,177 |
| Perak | 6,760 | 3,433 | 30,428 | 40,621 |
| Selangor | 50,093 | 48,012 | 82,075 | 180,180 |
| Wilayah Persekutuan | 75,567 | 91,751 | 35,612 | 202,930 |
| Negeri Sembilan | 4,987 | 5,458 | 8,530 | 18,975 |
| Melaka | 4,392 | 3,148 | 4,264 | 11,804 |
| Johor | 21,025 | 11,558 | 124,878 | 157,461 |
| Pahang | 5,579 | 3,624 | 8,525 | 17,728 |
| Terengganu | 1,401 | 425 | 116,910 | 118,736 |
| Kelantan | 1,151 | 262 | 3,878 | 5,291 |
| Sarawak | 6,531 | 784 | 16,412 | 23,727 |
| Sabah | 8,491 | 4,114 | 9,466 | 22,071 |
| Labuan | 533 | - | - | 533 |
| Outside Malaysia | 1,700 | 5 | 3 | 1,708 |
| | <u>200,879</u> | <u>197,811</u> | <u>468,630</u> | <u>867,320</u> |

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BASEL II Pillar 3 Quantitative Disclosures (continued)**3 Application of Standardised Approach for credit risk (continued)****Total loans, advances and financing - credit quality (continued)**Analysed by geographical areaExpected credit losses

| The Group | 31.12.2020 | | | Total RM'000 |
|---------------------|-------------------|---|--------------------------------------|-----------------|
| | 12-month ECL | Lifetime ECL | Lifetime ECL | |
| | Stage 1 RM'000 | Not credit impaired Stage 2 RM'000 | credit impaired Stage 3 RM'000 | |
| Perlis | 1,371 | 32 | 1,068 | 2,471 |
| Kedah | 3,087 | 9,354 | 17,229 | 29,670 |
| Pulau Pinang | 6,418 | 7,688 | 5,646 | 19,752 |
| Perak | 8,022 | 1,439 | 31,604 | 41,065 |
| Selangor | 40,458 | 37,277 | 74,561 | 152,296 |
| Wilayah Persekutuan | 70,741 | 72,184 | 30,688 | 173,613 |
| Negeri Sembilan | 4,465 | 2,213 | 7,834 | 14,512 |
| Melaka | 4,246 | 2,610 | 2,831 | 9,687 |
| Johor | 16,062 | 8,750 | 125,709 | 150,521 |
| Pahang | 5,004 | 4,154 | 5,549 | 14,707 |
| Terengganu | 1,287 | 651 | 117,455 | 119,393 |
| Kelantan | 924 | 237 | 3,297 | 4,458 |
| Sarawak | 6,317 | 1,085 | 18,263 | 25,665 |
| Sabah | 8,276 | 3,528 | 9,752 | 21,556 |
| Labuan | 377 | - | - | 377 |
| Outside Malaysia | 32 | 2 | - | 34 |
| | <u>177,087</u> | <u>151,204</u> | <u>451,486</u> | <u>779,777</u> |

| The Bank | 30.6.2021 | | | Total RM'000 |
|---------------------|-------------------|---|--------------------------------------|-----------------|
| | 12-month ECL | Lifetime ECL | Lifetime ECL | |
| | Stage 1 RM'000 | Not credit impaired Stage 2 RM'000 | credit impaired Stage 3 RM'000 | |
| Perlis | 47 | 9 | 160 | 216 |
| Kedah | 1,234 | 557 | 15,048 | 16,839 |
| Pulau Pinang | 4,496 | 5,478 | 5,433 | 15,407 |
| Perak | 5,560 | 2,880 | 4,128 | 12,568 |
| Selangor | 29,347 | 30,034 | 29,080 | 88,461 |
| Wilayah Persekutuan | 61,213 | 59,687 | 23,945 | 144,845 |
| Negeri Sembilan | 2,164 | 2,425 | 3,487 | 8,076 |
| Melaka | 3,578 | 2,868 | 3,301 | 9,747 |
| Johor | 14,342 | 4,734 | 119,082 | 138,158 |
| Pahang | 3,460 | 3,198 | 7,928 | 14,586 |
| Terengganu | 119 | 62 | 115,668 | 115,849 |
| Kelantan | 168 | 52 | 2,674 | 2,894 |
| Sarawak | 4,212 | 688 | 16,323 | 21,223 |
| Sabah | 5,581 | 3,838 | 9,023 | 18,442 |
| Labuan | 340 | - | - | 340 |
| Outside Malaysia | 1,431 | 5 | 3 | 1,439 |
| | <u>137,292</u> | <u>116,515</u> | <u>355,283</u> | <u>609,090</u> |

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BASEL II Pillar 3 Quantitative Disclosures (continued)**3 Application of Standardised Approach for credit risk (continued)****Total loans, advances and financing - credit quality (continued)**Analysed by geographical areaExpected credit losses

| The Bank | 31.12.2020 | | | |
|---------------------|-------------------|---|--|----------------|
| | 12-month ECL | Lifetime ECL | | Total |
| | Stage 1 RM'000 | Not credit impaired Stage 2 RM'000 | Lifetime ECL credit impaired Stage 3 RM'000 | |
| Perlis | 34 | 12 | 185 | 231 |
| Kedah | 1,237 | 346 | 15,068 | 16,651 |
| Pulau Pinang | 4,189 | 5,698 | 3,670 | 13,557 |
| Perak | 6,848 | 965 | 5,140 | 12,953 |
| Selangor | 26,589 | 22,530 | 32,389 | 81,508 |
| Wilayah Persekutuan | 58,047 | 44,793 | 18,074 | 120,914 |
| Negeri Sembilan | 2,292 | 737 | 2,309 | 5,338 |
| Melaka | 3,488 | 2,326 | 1,862 | 7,676 |
| Johor | 11,030 | 4,543 | 119,194 | 134,767 |
| Pahang | 3,729 | 3,190 | 5,115 | 12,034 |
| Terengganu | 112 | 359 | 115,778 | 116,249 |
| Kelantan | 163 | 53 | 1,759 | 1,975 |
| Sarawak | 4,153 | 798 | 18,166 | 23,117 |
| Sabah | 5,843 | 1,996 | 9,295 | 17,134 |
| Labuan | 259 | - | - | 259 |
| Outside Malaysia | 32 | 2 | - | 34 |
| | <u>128,045</u> | <u>88,348</u> | <u>348,004</u> | <u>564,397</u> |

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BASEL II Pillar 3 Quantitative Disclosures (continued)

3 Application of Standardised Approach for credit risk (continued)

3.1 Distribution of Credit Exposure

(i) The following table depicts the Group's Gross Credit Exposure by Geographical Distribution based on credit risk resides

| The Group Exposure class | 30.6.2021 | | | 31.12.2020 | | |
|--|-------------------|-----------------|-------------------|-------------------|-----------------|-------------------|
| | Malaysia | Other countries | Total | Malaysia | Other countries | Total |
| <u>On Balance Sheet Exposures</u> | | | | | | |
| Corporates | 23,255,000 | 91,639 | 23,346,639 | 20,883,869 | 96,399 | 20,980,268 |
| Regulatory Retail | 14,293,971 | 306 | 14,294,277 | 15,491,644 | 248 | 15,491,892 |
| Other Assets | 2,982,366 | - | 2,982,366 | 3,007,592 | - | 3,007,592 |
| Sovereigns/Central Banks | 15,718,768 | 3,492 | 15,722,260 | 14,570,548 | 3,492 | 14,574,040 |
| Public Sector Entities | - | - | - | - | - | - |
| Banks, Development Financial Institutions & MDBs | 3,129,010 | 308,894 | 3,437,904 | 1,659,451 | 164,352 | 1,823,803 |
| Insurance Companies, Securities Firms & Fund Managers | 62,682 | - | 62,682 | 5,441 | - | 5,441 |
| Residential Mortgages | 10,872,855 | - | 10,872,855 | 10,496,932 | - | 10,496,932 |
| Higher Risk Assets | 4,838 | - | 4,838 | 5,412 | - | 5,412 |
| Specialised Financing/Investment | - | - | - | - | - | - |
| Equity Exposure | - | - | - | - | - | - |
| Securitisation Exposure | - | - | - | - | - | - |
| Defaulted Exposures | 1,250,533 | 2 | 1,250,535 | 1,281,384 | - | 1,281,384 |
| Total for On-Balance Sheet Exposures | 71,570,023 | 404,333 | 71,974,356 | 67,402,273 | 264,491 | 67,666,764 |
| <u>Off Balance Sheet Exposures</u> | | | | | | |
| Off Balance Sheet Exposures other than OTC derivatives or credit derivatives | 4,409,214 | 58,797 | 4,468,011 | 4,252,394 | 47,448 | 4,299,842 |
| Defaulted Exposures | 22,423 | - | 22,423 | 11,157 | - | 11,157 |
| Total for Off-Balance Sheet Exposures | 4,431,637 | 58,797 | 4,490,434 | 4,263,551 | 47,448 | 4,310,999 |
| Total for On and Off-Balance Sheet Exposures | 76,001,660 | 463,130 | 76,464,790 | 71,665,824 | 311,939 | 71,977,763 |

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BASEL II Pillar 3 Quantitative Disclosures (continued)

3 Application of Standardised Approach for credit risk (continued)

3.1 Distribution of Credit Exposure (continued)

(i) The following table depicts the Bank's Gross Credit Exposure by Geographical Distribution based on credit risk resides (continued)

| The Bank Exposure class | 30.6.2021 | | | 31.12.2020 | | |
|--|-------------------|-----------------|-------------------|-------------------|-----------------|-------------------|
| | Malaysia | Other countries | Total | Malaysia | Other countries | Total |
| <u>On Balance Sheet Exposures</u> | | | | | | |
| Corporates | 15,340,021 | 33,092 | 15,373,113 | 14,156,713 | 40,515 | 14,197,228 |
| Regulatory Retail | 9,417,390 | 305 | 9,417,695 | 10,175,227 | 244 | 10,175,471 |
| Other Assets | 2,098,666 | - | 2,098,666 | 2,440,859 | - | 2,440,859 |
| Sovereigns/Central Banks | 6,717,735 | - | 6,717,735 | 5,844,855 | - | 5,844,855 |
| Public Sector Entities | - | - | - | - | - | - |
| Banks, Development Financial Institutions & MDBs | 2,703,856 | 299,361 | 3,003,217 | 1,280,441 | 154,819 | 1,435,260 |
| Insurance Companies, Securities Firms & Fund Managers | - | - | - | - | - | - |
| Residential Mortgages | 2,872,883 | - | 2,872,883 | 2,856,263 | - | 2,856,263 |
| Higher Risk Assets | 4,075 | - | 4,075 | 4,321 | - | 4,321 |
| Specialised Financing/Investment | - | - | - | - | - | - |
| Equity Exposure | - | - | - | - | - | - |
| Securitisation Exposure | - | - | - | - | - | - |
| Defaulted Exposures | 979,106 | 2 | 979,108 | 976,049 | - | 976,049 |
| Total for On-Balance Sheet Exposures | 40,133,732 | 332,760 | 40,466,492 | 37,734,728 | 195,578 | 37,930,306 |
| <u>Off Balance Sheet Exposures</u> | | | | | | |
| Off Balance Sheet Exposures other than OTC derivatives or credit derivatives | 2,864,392 | 58,739 | 2,923,131 | 2,778,834 | 47,394 | 2,826,228 |
| Defaulted Exposures | 21,170 | - | 21,170 | 10,406 | - | 10,406 |
| Total for Off-Balance Sheet Exposures | 2,885,562 | 58,739 | 2,944,301 | 2,789,240 | 47,394 | 2,836,634 |
| Total for On and Off-Balance Sheet Exposures | 43,019,294 | 391,499 | 43,410,793 | 40,523,968 | 242,972 | 40,766,940 |

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BASEL II Pillar 3 Quantitative Disclosures (continued)

3 Application of Standardised Approach for credit risk (continued)

3.1 Distribution of Credit Exposure (continued)

(ii) The following table depicts the Group's Gross Credit Exposure by Sectorial Analysis or Industry Distribution

The Group
30.6.2021

| Exposure class | Primary agriculture | Mining and quarrying | Manufacturing | Electricity, gas and water supply | Construction | Real estate | Wholesale & retail trade and restaurants & hotels | Transport, storage and communication | Finance, insurance and business services | Education, health and others | Household | Others | Total |
|--|---------------------|----------------------|------------------|-----------------------------------|------------------|------------------|---|--------------------------------------|--|------------------------------|-------------------|-----------|-------------------|
| <u>On Balance Sheet Exposures</u> | | | | | | | | | | | | | |
| Corporates | 1,269,768 | 278,041 | 2,653,231 | 661,041 | 2,188,017 | 4,823,033 | 4,364,055 | 1,176,726 | 2,224,694 | 1,522,223 | 2,108,596 | 77,214 | 23,346,639 |
| Regulatory Retail | 73,189 | 5,768 | 358,425 | 5,719 | 342,491 | 161,592 | 763,405 | 254,109 | 323,152 | 118,940 | 11,887,487 | - | 14,294,277 |
| Other Assets | - | - | - | - | - | - | - | - | 25,319 | 192,349 | - | 2,764,698 | 2,982,366 |
| Sovereigns/Central Banks | - | - | - | 79,689 | 180,333 | - | - | 1,008,237 | 13,448,532 | 995,974 | - | 9,495 | 15,722,260 |
| Public Sector Entities | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Banks, Development Financial Institutions & MDBs | 9,226 | - | - | - | 1 | - | 51 | - | 2,721,833 | 706,793 | - | - | 3,437,904 |
| Insurance Companies, Securities Firms & Fund Managers | - | - | - | - | - | - | - | - | 62,682 | - | - | - | 62,682 |
| Residential Mortgages | - | - | - | - | - | - | - | - | - | - | 10,872,855 | - | 10,872,855 |
| Higher Risk Assets | - | - | - | - | - | - | - | - | - | - | 4,838 | - | 4,838 |
| Specialised Financing/Investment | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Equity Exposure | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Securitisation Exposure | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Defaulted Exposures | 23,692 | 2,157 | 118,911 | - | 99,276 | 89,840 | 41,650 | 240,744 | 131,244 | 311,315 | 191,706 | - | 1,250,535 |
| Total for On-Balance Sheet Exposures | 1,375,875 | 285,966 | 3,130,567 | 746,449 | 2,810,118 | 5,074,465 | 5,169,161 | 2,679,816 | 18,937,456 | 3,847,594 | 25,065,482 | | 71,974,356 |
| <u>Off Balance Sheet Exposures</u> | | | | | | | | | | | | | |
| Off Balance Sheet Exposures other than OTC derivatives or credit derivatives | 75,732 | 97,901 | 575,326 | 10,797 | 715,361 | 302,159 | 465,373 | 129,032 | 1,122,546 | 153,864 | 819,920 | - | 4,468,011 |
| Defaulted Exposures | 10,770 | - | 800 | - | 1,967 | 3 | 22 | 6,500 | 838 | - | 1,523 | - | 22,423 |
| Total for Off-Balance Sheet Exposures | 86,502 | 97,901 | 576,126 | 10,797 | 717,328 | 302,162 | 465,395 | 135,532 | 1,123,384 | 153,864 | 821,443 | | 4,490,434 |
| Total for On and Off-Balance Sheet Exposures | 1,462,377 | 383,867 | 3,706,693 | 757,246 | 3,527,446 | 5,376,627 | 5,634,556 | 2,815,348 | 20,060,840 | 4,001,458 | 25,886,925 | | 76,464,790 |

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BASEL II Pillar 3 Quantitative Disclosures (continued)

3 Application of Standardised Approach for credit risk (continued)

3.1 Distribution of Credit Exposure (continued)

(ii) The following table depicts the Group's Gross Credit Exposure by Sectorial Analysis or Industry Distribution (continued)

The Group
31.12.2020

| Exposure class | Primary agriculture | Mining and quarrying | Manufacturing | Electricity, gas and water supply | Construction | Real estate | Wholesale & retail trade and restaurants & hotels | Transport, storage and communication | Finance, insurance and business services | Education, health and others | Household | Others | Total |
|--|---------------------|----------------------|---------------|-----------------------------------|--------------|-------------|---|--------------------------------------|--|------------------------------|------------|-----------|------------|
| <u>On Balance Sheet Exposures</u> | | | | | | | | | | | | | |
| Corporates | 1,447,324 | 283,688 | 2,285,776 | 663,161 | 1,603,729 | 5,233,656 | 3,533,124 | 1,026,245 | 2,017,012 | 1,565,728 | 1,207,237 | 113,588 | 20,980,268 |
| Regulatory Retail | 72,617 | 14,709 | 474,633 | 12,218 | 457,740 | 435,670 | 1,259,338 | 349,055 | 618,243 | 144,741 | 11,652,928 | - | 15,491,892 |
| Other Assets | - | - | - | - | - | - | - | - | - | - | - | 3,007,592 | 3,007,592 |
| Sovereigns/Central Banks | - | - | - | 54,962 | 185,071 | - | - | 1,088,392 | 11,850,197 | 1,211,763 | - | 183,655 | 14,574,040 |
| Public Sector Entities | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Banks, Development Financial Institutions & MDBs | 9,095 | - | - | - | 7 | - | 24 | - | 1,695,378 | 119,299 | - | - | 1,823,803 |
| Insurance Companies, Securities Firms & Fund Managers | - | - | - | - | - | - | - | - | 5,441 | - | - | - | 5,441 |
| Residential Mortgages | - | - | - | - | - | - | - | - | - | - | 10,496,932 | - | 10,496,932 |
| Higher Risk Assets | - | - | - | - | - | - | - | - | - | - | 5,412 | - | 5,412 |
| Specialised Financing/Investment | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Equity Exposure | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Securitisation Exposure | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Defaulted Exposures | 14,466 | 1,930 | 117,108 | 165 | 106,673 | 97,899 | 37,530 | 251,910 | 101,425 | 310,939 | 241,339 | - | 1,281,384 |
| Total for On-Balance Sheet Exposures | 1,543,502 | 300,327 | 2,877,517 | 730,506 | 2,353,220 | 5,767,225 | 4,830,016 | 2,715,602 | 16,287,696 | 3,352,470 | 23,603,848 | 3,304,835 | 67,666,764 |
| <u>Off Balance Sheet Exposures</u> | | | | | | | | | | | | | |
| Off Balance Sheet Exposures other than OTC derivatives or credit derivatives | 81,442 | 90,344 | 603,378 | 17,986 | 704,710 | 328,584 | 470,962 | 135,504 | 1,002,779 | 205,593 | 657,874 | 686 | 4,299,842 |
| Defaulted Exposures | - | - | - | - | 2,097 | - | 22 | 6,525 | 1,184 | 9 | 1,320 | - | 11,157 |
| Total for Off-Balance Sheet Exposures | 81,442 | 90,344 | 603,378 | 17,986 | 706,807 | 328,584 | 470,984 | 142,029 | 1,003,963 | 205,602 | 659,194 | 686 | 4,310,999 |
| Total for On and Off-Balance Sheet Exposures | 1,624,944 | 390,671 | 3,480,895 | 748,492 | 3,060,027 | 6,095,809 | 5,301,000 | 2,857,631 | 17,291,659 | 3,558,072 | 24,263,042 | 3,305,521 | 71,977,763 |

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BASEL II Pillar 3 Quantitative Disclosures (continued)

3 Application of Standardised Approach for credit risk (continued)

3.1 Distribution of Credit Exposure (continued)

(ii) The following table depicts the Bank Gross's Credit Exposure by Sectorial Analysis or Industry Distribution (continued)

The Bank
30.6.2021

| Exposure class | Primary agriculture | Mining and quarrying | Manufacturing | Electricity, gas and water supply | Construction | Real estate | Wholesale & retail trade and restaurants & hotels | Transport, storage and communication | Finance, insurance and business services | Education, health and others | Household | Others | Total |
|--|---------------------|----------------------|------------------|-----------------------------------|------------------|------------------|---|--------------------------------------|--|------------------------------|-------------------|-----------|-------------------|
| <u>On Balance Sheet Exposures</u> | | | | | | | | | | | | | |
| Corporates | 547,952 | 245,462 | 1,925,267 | 346,708 | 1,495,690 | 3,818,579 | 3,140,846 | 847,902 | 1,314,329 | 1,022,805 | 666,036 | 1,537 | 15,373,113 |
| Regulatory Retail | 56,696 | 2,930 | 294,509 | 3,105 | 246,548 | 137,736 | 610,558 | 202,822 | 221,293 | 77,874 | 7,563,624 | - | 9,417,695 |
| Other Assets | - | - | - | - | - | - | - | - | - | - | - | 2,098,666 | 2,098,666 |
| Sovereigns/Central Banks | - | - | - | - | - | - | - | 435,275 | 5,822,379 | 460,081 | - | - | 6,717,735 |
| Public Sector Entities | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Banks, Development Financial Institutions & MDBs | 9,226 | - | - | - | 1 | - | - | - | 2,290,141 | 703,849 | - | - | 3,003,217 |
| Insurance Companies, Securities Firms & Fund Managers | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Residential Mortgages | - | - | - | - | - | - | - | - | - | - | 2,872,883 | - | 2,872,883 |
| Higher Risk Assets | - | - | - | - | - | - | - | - | - | - | 4,075 | - | 4,075 |
| Specialised Financing/Investment | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Equity Exposure | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Securitisation Exposure | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Defaulted Exposures | 23,634 | 2,157 | 56,978 | - | 60,043 | 65,204 | 40,172 | 185,712 | 130,084 | 310,832 | 104,292 | - | 979,108 |
| Total for On-Balance Sheet Exposures | 637,508 | 250,549 | 2,276,754 | 349,813 | 1,802,282 | 4,021,519 | 3,791,576 | 1,671,711 | 9,778,226 | 2,575,441 | 11,210,910 | | 40,466,492 |
| <u>Off Balance Sheet Exposures</u> | | | | | | | | | | | | | |
| Off Balance Sheet Exposures other than OTC derivatives or credit derivatives | 29,961 | 25,267 | 505,088 | 7,914 | 420,594 | 275,513 | 343,134 | 90,641 | 645,139 | 73,878 | 506,002 | - | 2,923,131 |
| Defaulted Exposures | 10,770 | - | - | - | 1,959 | 3 | 22 | 6,500 | 838 | - | 1,078 | - | 21,170 |
| Total for Off-Balance Sheet Exposures | 40,731 | 25,267 | 505,088 | 7,914 | 422,553 | 275,516 | 343,156 | 97,141 | 645,977 | 73,878 | 507,080 | | 2,944,301 |
| Total for On and Off-Balance Sheet Exposures | 678,239 | 275,816 | 2,781,842 | 357,727 | 2,224,835 | 4,297,035 | 4,134,732 | 1,768,852 | 10,424,203 | 2,649,319 | 11,717,990 | | 43,410,793 |

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BASEL II Pillar 3 Quantitative Disclosures (continued)

3 Application of Standardised Approach for credit risk (continued)

3.1 Distribution of Credit Exposure (continued)

(ii) The following table depicts the Bank's Gross Credit Exposure by Sectorial Analysis or Industry Distribution (continued)

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| Exposure class | Primary agriculture | Mining and quarrying | Manufacturing | Electricity, gas and water supply | Construction | Real estate | Wholesale & retail trade and restaurants & hotels | Transport, storage and communication | Finance, insurance and business services | Education, health and others | Household | Others | Total |
|--|---------------------|----------------------|---------------|-----------------------------------|--------------|-------------|---|--------------------------------------|--|------------------------------|------------|-----------|------------|
| <u>On Balance Sheet Exposures</u> | | | | | | | | | | | | | |
| Corporates | 614,546 | 242,961 | 1,513,696 | 382,592 | 1,199,820 | 4,047,639 | 2,785,686 | 747,187 | 1,162,019 | 1,089,389 | 411,693 | - | 14,197,228 |
| Regulatory Retail | 58,066 | 12,947 | 382,257 | 4,550 | 341,873 | 318,659 | 1,044,358 | 254,004 | 301,901 | 94,794 | 7,361,909 | 153 | 10,175,471 |
| Other Assets | - | - | - | - | - | - | - | - | - | - | - | 2,440,859 | 2,440,859 |
| Sovereigns/Central Banks | - | - | - | - | - | - | - | 471,742 | 4,949,474 | 423,639 | - | - | 5,844,855 |
| Public Sector Entities | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Banks, Development Financial Institutions & MDBs | 9,095 | - | - | - | 7 | - | - | - | 1,310,017 | 116,141 | - | - | 1,435,260 |
| Insurance Companies, Securities Firms & Fund Managers | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Residential Mortgages | - | - | - | - | - | - | - | - | - | - | 2,856,263 | - | 2,856,263 |
| Higher Risk Assets | - | - | - | - | - | - | - | - | - | - | 4,321 | - | 4,321 |
| Specialised Financing/Investment | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Equity Exposure | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Securitisation Exposure | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Defaulted Exposures | 14,398 | 1,912 | 57,376 | 165 | 67,286 | 66,104 | 36,711 | 192,834 | 99,122 | 310,925 | 129,216 | - | 976,049 |
| Total for On-Balance Sheet Exposures | 696,105 | 257,820 | 1,953,329 | 387,307 | 1,608,986 | 4,432,402 | 3,866,755 | 1,665,767 | 7,822,533 | 2,034,888 | 10,763,402 | 2,441,012 | 37,930,306 |
| <u>Off Balance Sheet Exposures</u> | | | | | | | | | | | | | |
| Off Balance Sheet Exposures other than OTC derivatives or credit derivatives | 34,277 | 18,301 | 541,330 | 10,964 | 431,127 | 271,096 | 362,510 | 109,082 | 587,837 | 112,913 | 346,687 | 104 | 2,826,228 |
| Defaulted Exposures | - | - | - | - | 2,003 | - | 22 | 6,525 | 1,184 | 9 | 663 | - | 10,406 |
| Total for Off-Balance Sheet Exposures | 34,277 | 18,301 | 541,330 | 10,964 | 433,130 | 271,096 | 362,532 | 115,607 | 589,021 | 112,922 | 347,350 | 104 | 2,836,634 |
| Total for On and Off-Balance Sheet Exposures | 730,382 | 276,121 | 2,494,659 | 398,271 | 2,042,116 | 4,703,498 | 4,229,287 | 1,781,374 | 8,411,554 | 2,147,810 | 11,110,752 | 2,441,116 | 40,766,940 |

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BASEL II Pillar 3 Quantitative Disclosures (continued)

3 Application of Standardised Approach for credit risk (continued)

3.1 Distribution of Credit Exposure (continued)

(iii) The following table depicts the the Group's gross credit exposures analysed into relevant maturity tenures by residual contractual maturity

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| Exposure class | < 1 year | >1-5 years | > 5 years | No specific maturity | Total |
|--|-------------------|-------------------|-------------------|----------------------|-------------------|
| <u>On Balance Sheet Exposures</u> | | | | | |
| Corporates | 7,591,777 | 6,501,589 | 9,141,667 | 111,606 | 23,346,639 |
| Regulatory Retail | 461,046 | 4,732,312 | 8,881,467 | 219,452 | 14,294,277 |
| Other Assets | - | - | - | 2,982,366 | 2,982,366 |
| Sovereigns/Central Banks | 5,478,227 | 2,019,063 | 8,215,471 | 9,499 | 15,722,260 |
| Public Sector Entities | - | - | - | - | - |
| Banks, Development Financial Institutions & MDBs | 2,930,139 | 117,170 | 390,595 | - | 3,437,904 |
| Insurance Companies, Securities Firms & Fund | 61,916 | 766 | - | - | 62,682 |
| Residential Mortgages | 27,000 | 57,097 | 10,788,758 | - | 10,872,855 |
| Higher Risk Assets | - | 81 | 4,757 | - | 4,838 |
| Specialised Financing/Investment | - | - | - | - | - |
| Equity Exposure | - | - | - | - | - |
| Securitisation Exposure | - | - | - | - | - |
| Defaulted Exposures | 353,195 | 161,754 | 734,984 | 602 | 1,250,535 |
| Total for On-Balance Sheet Exposures | 16,903,300 | 13,589,832 | 38,157,699 | 3,323,525 | 71,974,356 |
| <u>Off Balance Sheet Exposures</u> | | | | | |
| Off Balance Sheet Exposures other than OTC derivatives or credit derivatives | 2,784,257 | 672,472 | 800,251 | 211,031 | 4,468,011 |
| Defaulted Exposures | 19,418 | 1,451 | 1,553 | 1 | 22,423 |
| Total for Off-Balance Sheet Exposures | 2,803,675 | 673,923 | 801,804 | 211,032 | 4,490,434 |
| Total for On and Off-Balance Sheet Exposures | 19,706,975 | 14,263,755 | 38,959,503 | 3,534,557 | 76,464,790 |

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| Exposure class | < 1 year | >1-5 years | > 5 years | No specific maturity | Total |
|--|-------------------|-------------------|-------------------|----------------------|-------------------|
| <u>On Balance Sheet Exposures</u> | | | | | |
| Corporates | 6,746,249 | 5,977,645 | 7,929,896 | 326,478 | 20,980,268 |
| Regulatory Retail | 1,225,920 | 5,182,623 | 8,871,859 | 211,490 | 15,491,892 |
| Other Assets | - | - | - | 3,007,592 | 3,007,592 |
| Sovereigns/Central Banks | 4,558,533 | 1,605,326 | 8,390,892 | 19,289 | 14,574,040 |
| Public Sector Entities | - | - | - | - | - |
| Banks, Development Financial Institutions & MDBs | 1,463,990 | 118,630 | 241,178 | 5 | 1,823,803 |
| Insurance Companies, Securities Firms & Fund | 5,232 | 209 | - | - | 5,441 |
| Residential Mortgages | 26,340 | 58,850 | 10,411,742 | - | 10,496,932 |
| Higher Risk Assets | - | 106 | 5,306 | - | 5,412 |
| Specialised Financing/Investment | - | - | - | - | - |
| Equity Exposure | - | - | - | - | - |
| Securitisation Exposure | - | - | - | - | - |
| Defaulted Exposures | 387,976 | 90,322 | 802,805 | 281 | 1,281,384 |
| Total for On-Balance Sheet Exposures | 14,414,240 | 13,033,711 | 36,653,678 | 3,565,135 | 67,666,764 |
| <u>Off Balance Sheet Exposures</u> | | | | | |
| Off Balance Sheet Exposures other than OTC derivatives or credit derivatives | 2,631,144 | 851,434 | 648,413 | 168,851 | 4,299,842 |
| Defaulted Exposures | 8,587 | 1,237 | 1,333 | - | 11,157 |
| Total for Off-Balance Sheet Exposures | 2,639,731 | 852,671 | 649,746 | 168,851 | 4,310,999 |
| Total for On and Off-Balance Sheet Exposures | 17,053,971 | 13,886,382 | 37,303,424 | 3,733,986 | 71,977,763 |

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BASEL II Pillar 3 Quantitative Disclosures (continued)

3 Application of Standardised Approach for credit risk (continued)

3.1 Distribution of Credit Exposure (continued)

(iii) The following table depicts the the Bank's gross credit exposures analysed into relevant maturity tenures by residual contractual maturity (continued)

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| Exposure class | < 1 year | >1-5 years | > 5 years | No specific maturity | Total |
|--|-------------------|-------------------|-------------------|----------------------|-------------------|
| On Balance Sheet Exposures | | | | | |
| Corporates | 5,144,073 | 4,670,463 | 5,558,556 | 21 | 15,373,113 |
| Regulatory Retail | 314,273 | 3,346,587 | 5,575,817 | 181,018 | 9,417,695 |
| Other Assets | - | - | - | 2,098,666 | 2,098,666 |
| Sovereigns/Central Banks | 1,398,742 | 657,624 | 4,661,364 | 5 | 6,717,735 |
| Public Sector Entities | - | - | - | - | - |
| Banks, Development Financial Institutions & MDBs | 1,718,500 | 942,444 | 342,273 | - | 3,003,217 |
| Insurance Companies, Securities Firms & Fund | - | - | - | - | - |
| Residential Mortgages | 26,542 | 42,598 | 2,803,743 | - | 2,872,883 |
| Higher Risk Assets | - | 81 | 3,994 | - | 4,075 |
| Specialised Financing/Investment | - | - | - | - | - |
| Equity Exposure | - | - | - | - | - |
| Securitisation Exposure | - | - | - | - | - |
| Defaulted Exposures | 248,786 | 120,756 | 609,100 | 466 | 979,108 |
| Total for On-Balance Sheet Exposures | 8,850,916 | 9,780,553 | 19,554,847 | 2,280,176 | 40,466,492 |
| Off Balance Sheet Exposures | | | | | |
| Off Balance Sheet Exposures other than OTC derivatives or credit derivatives | 1,970,616 | 355,890 | 428,977 | 167,648 | 2,923,131 |
| Defaulted Exposures | 18,602 | 1,447 | 1,120 | 1 | 21,170 |
| Total for Off-Balance Sheet Exposures | 1,989,218 | 357,337 | 430,097 | 167,649 | 2,944,301 |
| Total for On and Off-Balance Sheet Exposures | 10,840,134 | 10,137,890 | 19,984,944 | 2,447,825 | 43,410,793 |

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| Exposure class | < 1 year | >1-5 years | > 5 years | No specific maturity | Total |
|--|-------------------|------------------|-------------------|----------------------|-------------------|
| On Balance Sheet Exposures | | | | | |
| Corporates | 4,986,245 | 4,231,959 | 4,979,022 | 2 | 14,197,228 |
| Regulatory Retail | 576,491 | 3,767,568 | 5,658,209 | 173,203 | 10,175,471 |
| Other Assets | - | - | - | 2,440,859 | 2,440,859 |
| Sovereigns/Central Banks | 1,435,217 | 412,684 | 3,996,949 | 5 | 5,844,855 |
| Public Sector Entities | - | - | - | - | - |
| Banks, Development Financial Institutions & MDBs | 883,902 | 360,277 | 191,076 | 5 | 1,435,260 |
| Insurance Companies, Securities Firms & Fund | - | - | - | - | - |
| Residential Mortgages | 25,609 | 44,034 | 2,786,620 | - | 2,856,263 |
| Higher Risk Assets | - | 81 | 4,240 | - | 4,321 |
| Specialised Financing/Investment | - | - | - | - | - |
| Equity Exposure | - | - | - | - | - |
| Securitisation Exposure | - | - | - | - | - |
| Defaulted Exposures | 272,461 | 75,921 | 627,433 | 234 | 976,049 |
| Total for On-Balance Sheet Exposures | 8,179,925 | 8,892,524 | 18,243,549 | 2,614,308 | 37,930,306 |
| Off Balance Sheet Exposures | | | | | |
| Off Balance Sheet Exposures other than OTC derivatives or credit derivatives | 1,874,436 | 561,083 | 263,809 | 126,900 | 2,826,228 |
| Defaulted Exposures | 8,490 | 1,237 | 679 | - | 10,406 |
| Total for Off-Balance Sheet Exposures | 1,882,926 | 562,320 | 264,488 | 126,900 | 2,836,634 |
| Total for On and Off-Balance Sheet Exposures | 10,062,851 | 9,454,844 | 18,508,037 | 2,741,208 | 40,766,940 |

4 Application of Standardised Approach for market risk

The Group and the Bank adopt the Standardised Approach for the purpose of calculating the capital requirement for market risk.

Refer to Appendix I.

5 Application of Basic Indicator Approach for operational risk

The Group and the Bank adopt the Basic Indicator Approach for the purpose of calculating the capital requirement for operational risk. The capital requirement is calculated by taking 15% of the average annual gross income over the previous three years.

Refer to Appendix I.

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BASEL II Pillar 3 Quantitative Disclosures (continued)

The Group and the Bank have adopted Basel II - Risk Weighted Assets computation under the BNM's Risk-Weighted Capital Adequacy Framework with effect from 1 January 2008. The Group and the Bank have adopted the Standardised Approach for credit risk and market risk, and Basic Indicator Approach for operation risk computation.

The following information concerning the Group and the Bank's risk exposures are disclosed as accompanying information to the annual report, and does not form part of the audited accounts.

Disclosure on Capital Adequacy under the Standardised Approach (RM'000)**The Group****30.6.2021**

| | Exposure Class | Gross Exposures/EAD | | Net Exposures/EAD after CRM | Risk Weighted Assets | Minimum Capital Requirements at 8% |
|----------|--|----------------------|-----------------------|-----------------------------|----------------------|------------------------------------|
| | | before CRM | | | | |
| 1 | <u>CREDIT RISK</u> | | | | | |
| | <u>On Balance Sheet Exposures</u> | | | | | |
| | Corporates | 23,346,639 | | 21,780,701 | 19,709,202 | 1,576,736 |
| | Regulatory Retail | 14,294,277 | | 13,747,212 | 10,244,356 | 819,549 |
| | Other Assets | 2,982,366 | | 2,982,366 | 2,305,971 | 184,477 |
| | Sovereigns/Central Banks | 15,722,260 | | 15,722,260 | 2,075 | 166 |
| | Public Sector Entities | - | | - | - | - |
| | Banks, Development Financial Institutions & MDBs | 3,437,904 | | 3,434,502 | 806,833 | 64,547 |
| | Insurance Companies, Securities Firms & Fund Managers | 62,682 | | 62,682 | 62,682 | 5,015 |
| | Residential Mortgages | 10,872,855 | | 10,844,398 | 6,111,306 | 488,904 |
| | Higher Risk Assets | 4,838 | | 4,838 | 7,257 | 581 |
| | Specialised Financing/Investment | - | | - | - | - |
| | Equity Exposure | - | | - | - | - |
| | Securitisation Exposure | - | | - | - | - |
| | Defaulted Exposures | 1,250,535 | | 1,215,305 | 1,510,891 | 120,871 |
| | Total for On-Balance Sheet Exposures | 71,974,356 | | 69,794,264 | 40,760,573 | 3,260,846 |
| | <u>Off Balance Sheet Exposures</u> | | | | | |
| | Off Balance Sheet Exposures other than OTC derivatives or credit derivatives | 4,468,011 | | 4,307,943 | 3,370,924 | 269,674 |
| | Defaulted Exposures | 22,423 | | 22,423 | 32,799 | 2,624 |
| | Total for Off-Balance Sheet Exposures | 4,490,434 | | 4,330,366 | 3,403,723 | 272,298 |
| | Total for On and Off-Balance Sheet Exposures | 76,464,790 | | 74,124,630 | 44,164,296 | 3,533,144 |
| | | | | | | |
| 2 | <u>MARKET RISK</u> | | | | | |
| | | Long Position | Short Position | | | |
| | Interest Rate Risk | 35,573,242 | 35,230,999 | 342,243 | 561,491 | 44,919 |
| | Equity Position Risk | 41,754 | 149 | 41,605 | 114,223 | 9,138 |
| | Foreign Currency Risk | 5,999,352 | 5,907,716 | 91,636 | 128,872 | 10,310 |
| 3 | <u>OPERATIONAL RISK</u> | | | | | |
| | Operational Risk | | | | 3,490,313 | 279,225 |
| | | | | | | |
| | Total RWA and Capital Requirements | | | | 48,459,195 | 3,876,736 |

PSIA "Profit Sharing Investment Account"

OTC "Over The Counter"

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BASEL II Pillar 3 Quantitative Disclosures (continued)

Disclosure on Capital Adequacy under the Standardised Approach (RM'000)

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| Exposure Class | Gross Exposures/EAD before CRM | | Net Exposures/EAD after CRM | Risk Weighted Assets | Minimum Capital Requirements at 8% |
|----------------|--|----------------------|-----------------------------|----------------------|------------------------------------|
| | | | | | |
| 1 | CREDIT RISK | | | | |
| | <u>On Balance Sheet Exposures</u> | | | | |
| | Corporates | 20,980,268 | 20,318,943 | 18,613,449 | 1,489,076 |
| | Regulatory Retail | 15,491,892 | 14,106,008 | 10,614,692 | 849,175 |
| | Other Assets | 3,007,592 | 3,007,592 | 2,019,959 | 161,597 |
| | Sovereigns/Central Banks | 14,574,040 | 14,574,040 | 2,075 | 166 |
| | Public Sector Entities | - | - | - | - |
| | Banks, Development Financial Institutions & MDBs | 1,823,803 | 1,820,373 | 475,620 | 38,050 |
| | Insurance Companies, Securities Firms & Fund Managers | 5,441 | 5,441 | 5,441 | 435 |
| | Residential Mortgages | 10,496,932 | 10,466,417 | 6,188,908 | 495,113 |
| | Higher Risk Assets | 5,412 | 5,412 | 8,119 | 649 |
| | Specialised Financing/Investment | - | - | - | - |
| | Equity Exposure | - | - | - | - |
| | Securitisation Exposure | - | - | - | - |
| | Defaulted Exposures | 1,281,384 | 1,256,317 | 1,545,350 | 123,628 |
| | Total for On-Balance Sheet Exposures | 67,666,764 | 65,560,543 | 39,473,613 | 3,157,889 |
| | <u>Off Balance Sheet Exposures</u> | | | | |
| | Off Balance Sheet Exposures other than OTC derivatives or credit derivatives | 4,299,842 | 4,299,842 | 3,216,586 | 257,327 |
| | Defaulted Exposures | 11,157 | 11,157 | 16,002 | 1,280 |
| | Total for Off-Balance Sheet Exposures | 4,310,999 | 4,310,999 | 3,232,588 | 258,607 |
| | Total for On and Off-Balance Sheet Exposures | 71,977,763 | 69,871,542 | 42,706,201 | 3,416,496 |
| 2 | MARKET RISK | | | | |
| | | Long Position | Short Position | | |
| | Interest Rate Risk | 24,594,399 | 24,591,227 | 3,172 | 436,690 |
| | Equity Position Risk | 110,998 | 404 | 110,594 | 304,472 |
| | Foreign Currency Risk | 3,921,630 | 3,906,485 | 15,145 | 48,496 |
| | Option Risk | 17,792 | - | 17,792 | 24,464 |
| 3 | OPERATIONAL RISK | | | | |
| | Operational Risk | | | 3,403,072 | 272,272 |
| | Total RWA and Capital Requirements | | | 46,923,395 | 3,753,898 |

PSIA "Profit Sharing Investment Account"

OTC "Over The Counter"

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BASEL II Pillar 3 Quantitative Disclosures (continued)**Disclosure on Capital Adequacy under the Standardised Approach (RM'000) (continued)**

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| | Exposure Class | Gross Exposures/EAD before CRM | Net Exposures/EAD after CRM | Risk Weighted Assets | Minimum Capital Requirements at 8% |
|--|---|--------------------------------|-----------------------------|----------------------|------------------------------------|
| 1 | CREDIT RISK | | | | |
| | On Balance Sheet Exposures | | | | |
| | Corporates | 15,373,113 | 14,659,776 | 13,374,391 | 1,069,951 |
| | Regulatory Retail | 9,417,695 | 9,324,010 | 6,940,708 | 555,257 |
| | Other Assets | 2,098,666 | 2,098,666 | 1,519,907 | 121,593 |
| | Sovereigns/Central Banks | 6,717,735 | 6,717,735 | - | - |
| | Public Sector Entities | - | - | - | - |
| | Banks, Development Financial Institutions & MDBs | 3,003,217 | 3,002,478 | 1,039,648 | 83,172 |
| | Insurance Companies, Securities Firms & Fund Managers | - | - | - | - |
| | Residential Mortgages | 2,872,883 | 2,856,842 | 1,354,052 | 108,324 |
| | Higher Risk Assets | 4,075 | 4,075 | 6,113 | 489 |
| | Specialised Financing/Investment | - | - | - | - |
| | Equity Exposure | - | - | - | - |
| | Securitisation Exposure | - | - | - | - |
| Defaulted Exposures | 979,108 | 961,909 | 1,225,846 | 98,068 | |
| Total for On-Balance Sheet Exposures | 40,466,492 | 39,625,491 | 25,460,665 | 2,036,854 | |
| Off Balance Sheet Exposures | | | | | |
| Off Balance Sheet Exposures other than OTC derivatives or credit derivatives | 2,923,131 | 2,785,339 | 2,285,225 | 182,818 | |
| Defaulted Exposures | 21,170 | 21,170 | 31,293 | 2,503 | |
| Total for Off-Balance Sheet Exposures | 2,944,301 | 2,806,509 | 2,316,518 | 185,321 | |
| Total for On and Off-Balance Sheet Exposures | 43,410,793 | 42,432,000 | 27,777,183 | 2,222,175 | |
| 2 | MARKET RISK | | | | |
| | | Long Position | Short Position | | |
| | Interest Rate Risk | 19,619,660 | 19,616,993 | 2,667 | 510,523 |
| Foreign Currency Risk | 14,446 | 38,616 | (24,170) | 38,616 | |
| 3 | OPERATIONAL RISK | | | | |
| | Operational Risk | | | 1,668,487 | 133,479 |
| Total RWA and Capital Requirements | | | | 29,994,808 | 2,399,585 |

PSIA "Profit Sharing Investment Account"

OTC "Over The Counter"

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BASEL II Pillar 3 Quantitative Disclosures (continued)**Disclosure on Capital Adequacy under the Standardised Approach (RM'000) (continued)**

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| Exposure Class | Gross Exposures/EAD | | Net Exposures/EAD after CRM | Risk Weighted Assets | Minimum Capital Requirements at 8% |
|--|----------------------|-----------------------|-----------------------------|----------------------|------------------------------------|
| | before CRM | | | | |
| 1 CREDIT RISK | | | | | |
| <u>On Balance Sheet Exposures</u> | | | | | |
| Corporates | 14,197,228 | | 13,722,467 | 12,714,829 | 1,017,186 |
| Regulatory Retail | 10,175,471 | | 9,664,257 | 7,279,906 | 582,392 |
| Other Assets | 2,440,859 | | 2,440,859 | 1,501,094 | 120,088 |
| Sovereigns/Central Banks | 5,844,855 | | 5,844,855 | - | - |
| Public Sector Entities | - | | - | - | - |
| Banks, Development Financial Institutions & MDBs | 1,435,260 | | 1,434,495 | 594,055 | 47,524 |
| Insurance Companies, Securities Firms & Fund Managers | - | | - | - | - |
| Residential Mortgages | 2,856,263 | | 2,838,478 | 1,370,521 | 109,642 |
| Higher Risk Assets | 4,321 | | 4,321 | 6,482 | 519 |
| Specialised Financing/Investment | - | | - | - | - |
| Equity Exposure | - | | - | - | - |
| Securitisation Exposure | - | | - | - | - |
| Defaulted Exposures | 976,049 | | 951,004 | 1,201,746 | 96,140 |
| Total for On-Balance Sheet Exposures | 37,930,306 | | 36,900,736 | 24,668,633 | 1,973,491 |
| <u>Off Balance Sheet Exposures</u> | | | | | |
| Off Balance Sheet Exposures other than OTC derivatives or credit derivatives | 2,826,228 | | 2,826,228 | 2,204,529 | 176,362 |
| Defaulted Exposures | 10,406 | | 10,406 | 15,429 | 1,234 |
| Total for Off-Balance Sheet Exposures | 2,836,634 | | 2,836,634 | 2,219,958 | 177,596 |
| Total for On and Off-Balance Sheet Exposures | 40,766,940 | | 39,737,370 | 26,888,591 | 2,151,087 |
| 2 MARKET RISK | | | | | |
| | Long Position | Short Position | | | |
| Interest Rate Risk | 12,968,499 | 12,969,875 | (1,377) | 359,365 | 28,749 |
| Foreign Currency Risk | 14,302 | 407 | 13,895 | 14,302 | 1,144 |
| 3 OPERATIONAL RISK | | | | | |
| Operational Risk | | | | 1,657,613 | 132,609 |
| Total RWA and Capital Requirements | | | | 28,919,871 | 2,313,589 |

PSIA "Profit Sharing Investment Account"

OTC "Over The Counter"

AFFIN Bank Berhad

(Incorporated in Malaysia)

BASEL II Pillar 3 Quantitative Disclosures (continued)

Disclosure on Capital Adequacy under the Standardised Approach (continued)

Market risk is defined as changes in the market value of a trading or investment position arising from movements in market factors such as interest/profit rate, foreign exchange rates and implied volatility rates. The Group and the Bank's Capital-at-Risk ('CaR') is defined as the amount of the Group and the Bank's capital that is exposed to the risk of unexpected losses arising particularly from movements in interest/profit and foreign exchange rates. A CaR reference threshold is set as a management trigger to ensure that the Group and the Bank's capital adequacy are not impinged upon in the event of adverse market movements. The Group and the Bank currently adopt BNM's Standardised Approach for the computation of market risk capital charges. The market risk capital charge addresses among others, capital requirement for market risk which includes the interest/profit rate risk in the Group and the Bank's Trading Book as well as foreign exchange risk in the Trading and Banking Books.

The computation of market risk capital charge covers the following outstanding financial instruments:

- (a) Foreign Exchange ('FX')
- (b) Interest Rate Swap ('IRS')
- (c) Cross Currency Swap ('CCS')
- (d) Fixed Income Instruments (i.e. Corporate Bonds / Sukuk and Government Securities)
- (d) FX Options

The Bank's Trading Book Policy Statement stipulates the policies and procedures for including or excluding exposures from the Trading Book for the purpose of calculating regulatory market risk capital.

AFFIN Bank Berhad
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BASEL II Pillar 3 Quantitative Disclosures (continued)

Disclosure on Credit Risk: Disclosures on Risk Weights under the Standardised Approach (RM'000)
The Group
30.6.2021

| Risk Weights | Exposures after Netting and Credit Risk Mitigation | | | | | | | | | | | Total Exposure after Netting & Credit Risk Mitigation | Total Risk Weighted Assets | |
|-----------------------------|--|------|----------------------|---|------------|-------------------|-----------------------|--------------------|--------------|-----------------------------------|----------------|---|----------------------------|------------|
| | Sovereigns & Central Banks | PSEs | Banks, MDBs and FDIs | Insurance Companies, Securities Firms & Fund Managers | Corporates | Regulatory Retail | Residential Mortgages | Higher Risk Assets | Other Assets | Specialised Financing /Investment | Securitisation | | | Equity |
| 0% | 15,777,189 | - | - | - | - | - | - | - | 431,318 | - | - | - | 16,208,507 | - |
| 10% | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 20% | 53,190 | - | 3,454,473 | - | 2,514,759 | 121,704 | - | - | 306,348 | - | - | - | 6,450,474 | 1,290,095 |
| 35% | - | - | - | - | - | - | 5,780,581 | - | - | - | - | - | 5,780,581 | 2,023,203 |
| 50% | - | - | 687,705 | - | 299,523 | 9,077 | 2,334,909 | - | - | - | - | - | 3,331,214 | 1,665,607 |
| 75% | - | - | - | - | - | 14,199,780 | 33,271 | - | - | - | - | - | 14,233,051 | 10,674,789 |
| 90% | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 100% | 62,148 | - | 4,675 | 261,454 | 21,632,360 | 64,853 | 3,071,015 | - | 2,244,700 | - | - | - | 27,341,205 | 27,341,204 |
| 110% | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 125% | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 135% | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 150% | - | - | - | - | 685,219 | 85,847 | - | 8,532 | - | - | - | - | 779,598 | 1,169,398 |
| 270% | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350% | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 400% | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 625% | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 938% | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 1250% | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Average Risk Weight | | | | | | | | | | | | | - | - |
| Deduction from Capital Base | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total | 15,892,527 | - | 4,146,853 | 261,454 | 25,131,861 | 14,481,261 | 11,219,776 | 8,532 | 2,982,366 | - | - | - | 74,124,630 | 44,164,296 |

PSE "Public Sector Entities"

MDB "Multilateral Development Banks"

FDI "Financial Development Institutions"

AFFIN Bank Berhad
(Incorporated in Malaysia)

BASEL II Pillar 3 Quantitative Disclosures (continued)

Disclosure on Credit Risk: Disclosures on Risk Weights under the Standardised Approach (RM'000) (continued)

The Group
31.12.2020

| Risk Weights | Exposures after Netting and Credit Risk Mitigation | | | | | | | | | | | | Total Exposure after Netting & Credit Risk Mitigation | Total Risk Weighted Assets |
|---------------------|--|------|----------------------|---|------------|-------------------|-----------------------|--------------------|--------------|-----------------------------------|----------------|--------|---|----------------------------|
| | Sovereigns & Central Banks | PSEs | Banks, MDBs and FDIs | Insurance Companies, Securities Firms & Fund Managers | Corporates | Regulatory Retail | Residential Mortgages | Higher Risk Assets | Other Assets | Specialised Financing /Investment | Securitisation | Equity | | |
| 0% | 14,581,936 | - | - | - | - | - | - | - | 421,379 | - | - | - | 15,003,315 | - |
| 10% | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 20% | 61,251 | - | 2,085,112 | - | 2,132,848 | 155 | - | - | 707,905 | - | - | - | 4,987,271 | 997,454 |
| 35% | - | - | - | - | - | - | 5,193,004 | - | - | - | - | - | 5,193,004 | 1,817,551 |
| 50% | - | - | 493,508 | - | 325,841 | 3,911 | 2,197,942 | - | - | - | - | - | 3,021,202 | 1,510,602 |
| 75% | - | - | - | - | - | 14,647,216 | 41,228 | - | - | - | - | - | 14,688,444 | 11,016,333 |
| 90% | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 100% | 6,336 | - | 14,138 | 54,907 | 20,739,533 | 72,539 | 3,440,548 | - | 1,878,396 | - | - | - | 26,206,397 | 26,206,397 |
| 110% | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 125% | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 135% | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 150% | - | - | - | - | 664,830 | 97,337 | - | 9,742 | - | - | - | - | 771,909 | 1,157,864 |
| 270% | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350% | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 400% | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 625% | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 938% | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 1250% | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Average Risk Weight | | | | | | | | | | | | | | |
| from Capital Base | | | | | | | | | | | | | | |
| Total | 14,649,523 | - | 2,592,758 | 54,907 | 23,863,052 | 14,821,158 | 10,872,722 | 9,742 | 3,007,680 | - | - | - | 69,871,542 | 42,706,201 |

PSE "Public Sector Entities"

MDB "Multilateral Development Banks"

FDI "Financial Development Institutions"

AFFIN Bank Berhad
(Incorporated in Malaysia)

BASEL II Pillar 3 Quantitative Disclosures (continued)

Disclosure on Credit Risk: Disclosures on Risk Weights under the Standardised Approach (RM'000) (continued)
The Bank
30.6.2021

| Risk Weights | Exposures after Netting and Credit Risk Mitigation | | | | | | | | | | | | Total Exposure after Netting & Credit Risk Mitigation | Total Risk Weighted Assets |
|-----------------------------|--|------|----------------------|---|------------|-------------------|-----------------------|--------------------|--------------|-----------------------------------|----------------|--------|---|----------------------------|
| | Sovereigns & Central Banks | PSEs | Banks, MDBs and FDIs | Insurance Companies, Securities Firms & Fund Managers | Corporates | Regulatory Retail | Residential Mortgages | Higher Risk Assets | Other Assets | Specialised Financing /Investment | Securitisation | Equity | | |
| 0% | 6,721,381 | - | - | - | - | - | - | - | 387,427 | - | - | - | 7,108,808 | - |
| 10% | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 20% | 1,295 | - | 1,834,242 | - | 1,571,002 | 95,167 | - | - | 239,164 | - | - | - | 3,740,870 | 748,173 |
| 35% | - | - | - | - | - | - | 2,069,507 | - | - | - | - | - | 2,069,507 | 724,329 |
| 50% | - | - | 1,654,528 | - | 136,285 | 8,860 | 361,707 | - | - | - | - | - | 2,161,380 | 1,080,690 |
| 75% | - | - | - | - | - | 9,749,940 | 29,459 | - | - | - | - | - | 9,779,399 | 7,334,549 |
| 90% | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 100% | 60,427 | - | 2,181 | 40,534 | 14,825,725 | 50,995 | 485,284 | - | 1,472,075 | - | - | - | 16,937,221 | 16,937,220 |
| 110% | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 125% | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 135% | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 150% | - | - | - | - | 543,008 | 84,500 | - | 7,307 | - | - | - | - | 634,815 | 952,222 |
| 270% | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350% | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 400% | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 625% | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 938% | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 1250% | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Average Risk Weight | | | | | | | | | | | | | - | - |
| Deduction from Capital Base | | | | | | | | | | | | | | |
| Total | 6,783,103 | - | 3,490,951 | 40,534 | 17,076,020 | 9,989,462 | 2,945,957 | 7,307 | 2,098,666 | - | - | - | 42,432,000 | 27,777,183 |

PSE "Public Sector Entities"

MDB "Multilateral Development Banks"

FDI "Financial Development Institutions"

AFFIN Bank Berhad
(Incorporated in Malaysia)

BASEL II Pillar 3 Quantitative Disclosures (continued)

Disclosure on Credit Risk: Disclosures on Risk Weights under the Standardised Approach (RM'000) (continued)

The Bank
31.12.2020

| Risk Weights | Exposures after Netting and Credit Risk Mitigation | | | | | | | | | | | | Total Exposure after Netting & Credit Risk Mitigation | Total Risk Weighted Assets |
|---------------------|--|----------|----------------------|---|-------------------|-------------------|-----------------------|--------------------|------------------|-----------------------------------|----------------|----------|---|----------------------------|
| | Sovereigns & Central Banks | PSEs | Banks, MDBs and FDIs | Insurance Companies, Securities Firms & Fund Managers | Corporates | Regulatory Retail | Residential Mortgages | Higher Risk Assets | Other Assets | Specialised Financing /Investment | Securitisation | Equity | | |
| 0% | 5,845,215 | - | - | - | - | - | - | - | 388,899 | - | - | - | 6,234,114 | - |
| 10% | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 20% | 1,540 | - | 759,219 | - | 1,332,763 | 155 | - | - | 688,581 | - | - | - | 2,782,258 | 556,452 |
| 35% | - | - | - | - | - | - | 2,038,696 | - | - | - | - | - | 2,038,696 | 713,543 |
| 50% | - | - | 1,151,042 | - | 144,330 | 3,859 | 332,430 | - | - | - | - | - | 1,631,661 | 815,830 |
| 75% | - | - | - | - | - | 10,147,148 | 35,372 | - | - | - | - | - | 10,182,520 | 7,636,890 |
| 90% | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 100% | 4,615 | - | 11,644 | 39,455 | 14,259,129 | 59,617 | 534,773 | - | 1,363,378 | - | - | - | 16,272,611 | 16,272,610 |
| 110% | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 125% | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 135% | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 150% | - | - | - | - | 491,840 | 95,755 | - | 7,915 | - | - | - | - | 595,510 | 893,266 |
| 270% | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 350% | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 400% | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 625% | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 938% | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 1250% | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Average Risk Weight | | | | | | | | | | | | | - | - |
| from Capital Base | | | | | | | | | | | | | - | |
| Total | 5,851,370 | - | 1,921,905 | 39,455 | 16,228,062 | 10,306,534 | 2,941,271 | 7,915 | 2,440,858 | - | - | - | 39,737,370 | 26,888,591 |

PSE "Public Sector Entities"

MDB "Multilateral Development Banks"

FDI "Financial Development Institutions"

AFFIN Bank Berhad
(Incorporated in Malaysia)

BASEL II Pillar 3 Quantitative Disclosures (continued)

- (i) **Disclosures on Rated Exposures according to Ratings by ECAIs (RM'000)**
The Group
30.6.2021

| Exposure Class | Ratings of Corporate by Approved ECAIs | | | | | |
|--|--|----------------|---------------|-------------|-------------------|---------|
| | Moodys | Aaa to Aa3 | A1 to A3 | Baa1 to Ba3 | B1 to C | Unrated |
| | S&P | AAA to AA- | A+ to A- | BBB+ to BB- | B+ to D | 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 | B to D | Unrated |
| | MARC | AAA to AA- | A+ to A- | BBB+ to BB- | B+ to D | Unrated |
| | Rating & Investment Inc | AAA to AA- | A+ to A- | BBB+ to BB- | B+ to D | Unrated |
| On and Off-Balance-Sheet Exposures | | | | | | |
| Credit Exposures (using Corporate Risk Weights) | | | | | | |
| Public Sector Entities (applicable for entities risk weighted based on their external ratings as corporates) | - | - | - | - | - | |
| Insurance Cos, Securities Firms & Fund Managers | - | - | - | - | 261,454 | |
| Corporates | 817,251 | 115,298 | 35,497 | - | 25,896,455 | |
| Total | 817,251 | 115,298 | 35,497 | - | 26,157,909 | |

| Exposure Class | Short term Ratings of Banking Institutions and Corporate by Approved ECAIs | | | | | |
|--|--|-----------|----------|----------|----------|---------|
| | Moodys | P-1 | P-2 | P-3 | Others | Unrated |
| | S&P | A-1 | A-2 | A-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 |
| | Rating & Investment Inc | a-1+, a-1 | a-2 | a-3 | b, c | Unrated |
| On and Off-Balance-Sheet Exposures | | | | | | |
| Banks, MDBs and FDIs | - | - | - | - | - | |
| Rated Credit Exposures (using Corporate Risk Weights) | | | | | | |
| Public Sector Entities (applicable for entities risk weighted based on their external ratings as corporates) | - | - | - | - | - | |
| Insurance Cos, Securities Firms & Fund Managers | - | - | - | - | - | |
| Corporates | - | - | - | - | - | |
| Total | - | - | - | - | - | |

AFFIN Bank Berhad
(Incorporated in Malaysia)

BASEL II Pillar 3 Quantitative Disclosures (continued)

(i) **Disclosures on Rated Exposures according to Ratings by ECAIs (RM'000)(continued)**

The Group
31.12.2020

| Exposure Class | Ratings of Corporate by Approved ECAIs | | | | | |
|--|--|----------------|---------------|-------------|----------|-------------------|
| | Moodys | Aaa to Aa3 | A1 to A3 | Baa1 to Ba3 | B1 to C | Unrated |
| | S&P | AAA to AA- | A+ to A- | BBB+ to BB- | B+ to D | 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 | B to D | Unrated |
| | MARC | AAA to AA- | A+ to A- | BBB+ to BB- | B+ to D | Unrated |
| | Rating & Investment Inc | AAA to AA- | A+ to A- | BBB+ to BB- | B+ to D | Unrated |
| On and Off-Balance-Sheet Exposures | | | | | | |
| Credit Exposures (using Corporate Risk Weights) | | | | | | |
| Public Sector Entities (applicable for entities risk weighted based on their external ratings as corporates) | | - | - | - | - | - |
| Insurance Cos, Securities Firms & Fund Managers | | - | - | - | - | 54,907 |
| Corporates | 865,349 | 121,902 | 38,154 | - | - | 22,837,647 |
| Total | 865,349 | 121,902 | 38,154 | - | - | 22,892,554 |

| Exposure Class | Short term Ratings of Banking Institutions and Corporate by Approved ECAIs | | | | | |
|--|--|-----------|----------|----------|----------|----------|
| | Moodys | P-1 | P-2 | P-3 | Others | Unrated |
| | S&P | A-1 | A-2 | A-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 |
| | Rating & Investment Inc | a-1+, a-1 | a-2 | a-3 | b, c | Unrated |
| On and Off-Balance-Sheet Exposures | | | | | | |
| Banks, MDBs and FDIs | | | | | | |
| Rated Credit Exposures (using Corporate Risk Weights) | | | | | | |
| Public Sector Entities (applicable for entities risk weighted based on their external ratings as corporates) | | - | - | - | - | - |
| Insurance Cos, Securities Firms & Fund Managers | | - | - | - | - | - |
| Corporates | | - | - | - | - | - |
| Total | - | - | - | - | - | - |

AFFIN Bank Berhad

(Incorporated in Malaysia)

BASEL II Pillar 3 Quantitative Disclosures (continued)**(i) Disclosures on Rated Exposures according to Ratings by ECAs (RM'000) (continued)**The Bank
30.6.2021

| Exposure Class | Ratings of Corporate by Approved ECAs | | | | | |
|--|---------------------------------------|----------------|---------------|---------------|----------|-------------------|
| | Moodys | Aaa to Aa3 | A1 to A3 | Baa1 to Ba3 | B1 to C | Unrated |
| | S&P | AAA to AA- | A+ to A- | BBB+ to BB- | B+ to D | 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 | B to D | Unrated |
| | MARC | AAA to AA- | A+ to A- | BBB+ to BB- | B+ to D | Unrated |
| | Rating & Investment Inc | AAA to AA- | A+ to A- | BBB+ to BB- | B+ to D | Unrated |
| On and Off-Balance-Sheet Exposures | | | | | | |
| Credit Exposures (using Corporate Risk Weights) | | | | | | |
| Public Sector Entities (applicable for entities risk weighted based on their external ratings as corporates) | | - | - | - | - | - |
| Insurance Cos, Securities Firms & Fund Managers | | - | - | - | - | 40,534 |
| Corporates | | 291,673 | 65,079 | 13,607 | - | 17,549,660 |
| Total | | 291,673 | 65,079 | 13,607 | - | 17,590,194 |

| Exposure Class | Short term Ratings of Banking Institutions and Corporate by Approved ECAs | | | | | |
|--|---|-----------|----------|----------|----------|----------|
| | Moodys | P-1 | P-2 | P-3 | Others | Unrated |
| | S&P | A-1 | A-2 | A-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 |
| | Rating & Investment Inc | a-1+, a-1 | a-2 | a-3 | b, c | Unrated |
| On and Off-Balance-Sheet Exposures | | | | | | |
| Banks, MDBs and FDIs | | - | - | - | - | - |
| Rated Credit Exposures (using Corporate Risk Weights) | | | | | | |
| Public Sector Entities (applicable for entities risk weighted based on their external ratings as corporates) | | - | - | - | - | - |
| Insurance Cos, Securities Firms & Fund Managers | | - | - | - | - | - |
| Corporates | | - | - | - | - | - |
| Total | | - | - | - | - | - |

AFFIN Bank Berhad
(Incorporated in Malaysia)

BASEL II Pillar 3 Quantitative Disclosures (continued)

(i) **Disclosures on Rated Exposures according to Ratings by ECAIs (RM'000) (continued)**

The Bank
31.12.2020

| Exposure Class | Ratings of Corporate by Approved ECAIs | | | | | Unrated |
|--|--|----------------|---------------|---------------|----------|-------------------|
| | Moodys | Aaa to Aa3 | A1 to A3 | Baa1 to Ba3 | B1 to C | |
| | S&P | AAA to AA- | A+ to A- | BBB+ to BB- | B+ to D | 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 | B to D | Unrated |
| | MARC | AAA to AA- | A+ to A- | BBB+ to BB- | B+ to D | Unrated |
| | Rating & Investment Inc | AAA to AA- | A+ to A- | BBB+ to BB- | B+ to D | Unrated |
| On and Off-Balance-Sheet Exposures | | | | | | |
| Credit Exposures (using Corporate Risk Weights) | | | | | | |
| Public Sector Entities (applicable for entities risk weighted based on their external ratings as corporates) | | - | - | - | - | - |
| Insurance Cos, Securities Firms & Fund Managers | | - | - | - | - | 39,455 |
| Corporates | | 366,690 | 66,437 | 16,264 | - | 15,778,671 |
| Total | | 366,690 | 66,437 | 16,264 | - | 15,818,126 |

| Exposure Class | Short term Ratings of Banking Institutions and Corporate by Approved ECAIs | | | | | Unrated |
|--|--|-----------|----------|----------|----------|----------|
| | Moodys | P-1 | P-2 | P-3 | Others | |
| | S&P | A-1 | A-2 | A-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 |
| | Rating & Investment Inc | a-1+, a-1 | a-2 | a-3 | b, c | Unrated |
| On and Off-Balance-Sheet Exposures | | | | | | |
| Banks, MDBs and FDIs | | | | | | |
| Rated Credit Exposures (using Corporate Risk Weights) | | | | | | |
| Public Sector Entities (applicable for entities risk weighted based on their external ratings as corporates) | | - | - | - | - | - |
| Insurance Cos, Securities Firms & Fund Managers | | - | - | - | - | - |
| Corporates | | - | - | - | - | - |
| Total | | - | - | - | - | - |

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BASEL II Pillar 3 Quantitative Disclosures (continued)

(ii) Disclosures on Rated Exposures according to Ratings by ECAIs (RM'000) (continued)
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| Exposure Class | Ratings of Sovereigns and Central Banks by Approved ECAIs | | | | | | |
|---|---|------------|------------|--------------|-----------|-----------|-----------|
| | Moodys | Aaa to Aa3 | A1 to A3 | Baa1 to Baa3 | Ba1 to B3 | Caa1 to C | Unrated |
| | S&P | AAA to AA- | A+ to A- | BBB+ to BBB- | BB+ to B- | CCC+ to D | Unrated |
| | Fitch | AAA to AA- | A+ to A- | BBB+ to BBB- | BB+ to B- | CCC+ to D | Unrated |
| | Rating & Investment Inc | AAA to AA- | A+ to A- | BBB+ to BBB- | BB+ to B- | CCC+ to C | Unrated |
| On and Off-Balance-Sheet Exposures Sovereigns and Central Banks | | 3,536,456 | 10,899,466 | 1,721 | - | - | 1,454,883 |
| Total | | 3,536,456 | 10,899,466 | 1,721 | - | - | 1,454,883 |

| Exposure Class | Ratings of Banking Institutions by Approved ECAIs | | | | | | |
|---|---|-------------|----------|---------------|-----------|-----------|---------|
| | Moodys | Aaa to Aa3 | A1 to A3 | Baa1 to Baa3 | Ba1 to B3 | Caa1 to C | Unrated |
| | S&P | AAA to AA- | A+ to A- | BBB+ to BBB- | BB+ to B- | CCC+ to D | Unrated |
| | Fitch | AAA to AA- | A+ to A- | BBB+ to BBB- | BB+ to B- | CCC+ to D | Unrated |
| | RAM | AAA to AA3- | A1 to A3 | BBB1+ to BBB3 | BB1 to B3 | C1+ to D | Unrated |
| | MARC | AAA to AA- | A+ to A- | BBB+ to BBB- | BB+ to B- | C+ to D | Unrated |
| On and Off-Balance-Sheet Exposures Banks, MDBs and FDIs | | 2,862,868 | 325,720 | 16,745 | 12,140 | - | 932,790 |
| Total | | 2,862,868 | 325,720 | 16,745 | 12,140 | - | 932,790 |

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BASEL II Pillar 3 Quantitative Disclosures (continued)

(ii) **Disclosures on Rated Exposures according to Ratings by ECAIs (RM'000) (continued)**

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| Exposure Class | Ratings of Sovereigns and Central Banks by Approved ECAIs | | | | | | |
|---|---|------------|-----------|--------------|-----------|-----------|-----------|
| | Moodys | Aaa to Aa3 | A1 to A3 | Baa1 to Baa3 | Ba1 to B3 | Caa1 to C | Unrated |
| | S&P | AAA to AA- | A+ to A- | BBB+ to BBB- | BB+ to B- | CCC+ to D | Unrated |
| | Fitch | AAA to AA- | A+ to A- | BBB+ to BBB- | BB+ to B- | CCC+ to D | Unrated |
| | Rating & Investment Inc | AAA to AA- | A+ to A- | BBB+ to BBB- | BB+ to B- | CCC+ to C | Unrated |
| <u>On and Off-Balance-Sheet Exposures</u> Sovereigns and Central Banks | | 4,294,896 | 8,904,029 | - | - | - | 1,450,598 |
| Total | | 4,294,896 | 8,904,029 | - | - | - | 1,450,598 |

| Exposure Class | Ratings of Banking Institutions by Approved ECAIs | | | | | | |
|---|---|-------------|----------|---------------|-----------|-----------|---------|
| | Moodys | Aaa to Aa3 | A1 to A3 | Baa1 to Baa3 | Ba1 to B3 | Caa1 to C | Unrated |
| | S&P | AAA to AA- | A+ to A- | BBB+ to BBB- | BB+ to B- | CCC+ to D | Unrated |
| | Fitch | AAA to AA- | A+ to A- | BBB+ to BBB- | BB+ to B- | CCC+ to D | Unrated |
| | RAM | AAA to AA3- | A1 to A3 | BBB1+ to BBB3 | BB1 to B3 | C1+ to D | Unrated |
| | MARC | AAA to AA- | A+ to A- | BBB+ to BBB- | BB+ to B- | C+ to D | Unrated |
| <u>On and Off-Balance-Sheet Exposures</u> Banks, MDBs and FDIs | | 1,715,678 | 203,547 | 18,025 | 9,995 | - | 645,513 |
| Total | | 1,715,678 | 203,547 | 18,025 | 9,995 | - | 645,513 |

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BASEL II Pillar 3 Quantitative Disclosures (continued)

(ii) Disclosures on Rated Exposures according to Ratings by ECAIs (RM'000) (continued)
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| Exposure Class | Ratings of Sovereigns and Central Banks by Approved ECAIs | | | | | | |
|---|---|------------|-----------|--------------|-----------|-----------|---------|
| | Moodys | Aaa to Aa3 | A1 to A3 | Baa1 to Baa3 | Ba1 to B3 | Caa1 to C | Unrated |
| | S&P | AAA to AA- | A+ to A- | BBB+ to BBB- | BB+ to B- | CCC+ to D | Unrated |
| | Fitch | AAA to AA- | A+ to A- | BBB+ to BBB- | BB+ to B- | CCC+ to D | Unrated |
| | Rating & Investment Inc | AAA to AA- | A+ to A- | BBB+ to BBB- | BB+ to B- | CCC+ to C | Unrated |
| On and Off-Balance-Sheet Exposures Sovereigns and Central Banks | | 435,275 | 5,494,218 | - | - | - | 853,609 |
| Total | | 435,275 | 5,494,218 | - | - | - | 853,609 |

| Exposure Class | Ratings of Banking Institutions by Approved ECAIs | | | | | | |
|---|---|-------------|----------|---------------|-----------|-----------|-----------|
| | Moodys | Aaa to Aa3 | A1 to A3 | Baa1 to Baa3 | Ba1 to B3 | Caa1 to C | Unrated |
| | S&P | AAA to AA- | A+ to A- | BBB+ to BBB- | BB+ to B- | CCC+ to D | Unrated |
| | Fitch | AAA to AA- | A+ to A- | BBB+ to BBB- | BB+ to B- | CCC+ to D | Unrated |
| | RAM | AAA to AA3- | A1 to A3 | BBB1+ to BBB3 | BB1 to B3 | C1+ to D | Unrated |
| | MARC | AAA to AA- | A+ to A- | BBB+ to BBB- | BB+ to B- | C+ to D | Unrated |
| | Rating & Investment Inc | AAA to AA- | A+ to A- | BBB+ to BBB- | BB+ to B- | CCC+ to C | Unrated |
| On and Off-Balance-Sheet Exposures Banks, MDBs and FDIs | | 1,080,944 | 70,134 | 16,745 | 11,275 | - | 2,312,600 |
| Total | | 1,080,944 | 70,134 | 16,745 | 11,275 | - | 2,312,600 |

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BASEL II Pillar 3 Quantitative Disclosures (continued)**(ii) Disclosures on Rated Exposures according to Ratings by ECAIs (RM'000) (continued)**The Bank
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| Exposure Class | Ratings of Sovereigns and Central Banks by Approved ECAIs | | | | | | |
|----------------|---|----------------|------------------|--------------|-----------|-----------|----------------|
| | Moodys | Aaa to Aa3 | A1 to A3 | Baa1 to Baa3 | Ba1 to B3 | Caa1 to C | Unrated |
| | S&P | AAA to AA- | A+ to A- | BBB+ to BBB- | BB+ to B- | CCC+ to D | Unrated |
| | Fitch | AAA to AA- | A+ to A- | BBB+ to BBB- | BB+ to B- | CCC+ to D | Unrated |
| | Rating & Investment Inc | AAA to AA- | A+ to A- | BBB+ to BBB- | BB+ to B- | CCC+ to C | Unrated |
| | <u>On and Off-Balance-Sheet Exposures</u> Sovereigns and Central Banks | | 471,742 | 4,570,678 | - | - | - |
| Total | | 471,742 | 4,570,678 | - | - | - | 808,951 |

| Exposure Class | Ratings of Banking Institutions by Approved ECAIs | | | | | | |
|---|---|----------------|----------------|---------------|--------------|-----------|------------------|
| | Moodys | Aaa to Aa3 | A1 to A3 | Baa1 to Baa3 | Ba1 to B3 | Caa1 to C | Unrated |
| | S&P | AAA to AA- | A+ to A- | BBB+ to BBB- | BB+ to B- | CCC+ to D | Unrated |
| | Fitch | AAA to AA- | A+ to A- | BBB+ to BBB- | BB+ to B- | CCC+ to D | Unrated |
| | RAM | AAA to AA3- | A1 to A3 | BBB1+ to BBB3 | BB1 to B3 | C1+ to D | Unrated |
| | MARC | AAA to AA- | A+ to A- | BBB+ to BBB- | BB+ to B- | C+ to D | Unrated |
| <u>On and Off-Balance-Sheet Exposures</u> Banks, MDBs and FDIs | | 428,469 | 138,939 | 18,025 | 9,130 | - | 1,327,343 |
| Total | | 428,469 | 138,939 | 18,025 | 9,130 | - | 1,327,343 |

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BASEL II Pillar 3 Quantitative Disclosures (continued)

a) **Disclosures on Credit Risk Mitigation (RM'000)**
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| Exposure Class | Exposures before CRM | Exposures Covered by Guarantees /Credit Derivatives | Exposures Covered by Eligible Financial Collateral | Exposures Covered by Other Eligible Collateral |
|--|----------------------|---|--|--|
| Credit Risk | | | | |
| On-Balance Sheet Exposures | | | | |
| Sovereigns/Central Banks | 15,722,260 | - | - | - |
| Banks, Development Financial Institutions & MDBs | 3,437,904 | - | 3,411 | - |
| Insurance Cos, Securities Firms & Fund Managers | 62,682 | - | - | - |
| Corporates | 23,346,639 | 725,843 | 1,697,462 | - |
| Regulatory Retail | 14,294,277 | - | 574,767 | - |
| Residential Mortgages | 10,872,855 | - | 29,290 | - |
| Higher Risk Assets | 4,838 | - | - | - |
| Other Assets | 2,982,366 | - | - | - |
| Defaulted Exposures | 1,250,535 | 80 | 35,230 | - |
| Total for On-Balance Sheet Exposures | 71,974,356 | 725,923 | 2,340,159 | - |
| Off-Balance Sheet Exposures | | | | |
| Off-Balance Sheet exposures other than OTC derivatives or credit derivatives | 4,468,011 | - | - | - |
| Defaulted Exposures | 22,423 | - | - | - |
| Total for Off-Balance Sheet Exposures | 4,490,434 | - | - | - |
| Total On and Off-Balance Sheet Exposures | 76,464,790 | 725,923 | 2,340,159 | - |

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BASEL II Pillar 3 Quantitative Disclosures (continued)**a) Disclosures on Credit Risk Mitigation (RM'000)(continued)**The Group
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| 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> | | | | |
| <u>On-Balance Sheet Exposures</u> | | | | |
| Sovereigns/Central Banks | 14,574,040 | - | - | - |
| Banks, Development Financial Institutions & MDBs | 1,823,803 | - | 3,428 | - |
| Insurance Cos, Securities Firms & Fund Managers | 5,441 | - | - | - |
| Corporates | 20,980,267 | 732,539 | 626,131 | - |
| Regulatory Retail | 15,491,892 | 75 | 783,917 | - |
| Residential Mortgages | 10,496,933 | - | 30,515 | - |
| Higher Risk Assets | 5,412 | - | - | - |
| Other Assets | 3,007,592 | - | - | - |
| Defaulted Exposures | 1,281,384 | 80 | 25,068 | - |
| Total for On-Balance Sheet Exposures | 67,666,764 | 732,694 | 1,469,059 | - |
| <u>Off-Balance Sheet Exposures</u> | | | | |
| Off-Balance Sheet exposures other than OTC derivatives or credit derivatives | 4,299,842 | - | - | - |
| Defaulted Exposures | 11,157 | - | - | - |
| Total for Off-Balance Sheet Exposures | 4,310,999 | - | - | - |
| Total On and Off-Balance Sheet Exposures | 71,977,763 | 732,694 | 1,469,059 | - |

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BASEL II Pillar 3 Quantitative Disclosures (continued)**a) Disclosures on Credit Risk Mitigation (RM'000) (continued)**The Bank
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| Exposure Class | Exposures before CRM | Exposures Covered by Guarantees /Credit Derivatives | Exposures Covered by Eligible Financial Collateral | Exposures Covered by Other Eligible Collateral |
|--|----------------------------|---|--|--|
| Credit Risk | | | | |
| On-Balance Sheet Exposures | | | | |
| Sovereigns/Central Banks | 6,717,735 | - | - | - |
| Banks, Development Financial Institutions & MDBs | 3,003,217 | - | 748 | - |
| Corporates | 15,373,113 | 525,299 | 826,799 | - |
| Regulatory Retail | 9,417,695 | - | 117,730 | - |
| Residential Mortgages | 2,872,883 | - | 16,317 | - |
| Higher Risk Assets | 4,075 | - | - | - |
| Other Assets | 2,098,666 | - | - | - |
| Defaulted Exposures | 979,108 | 80 | 17,199 | - |
| Total for On-Balance Sheet Exposures | 40,466,492 | 525,379 | 978,793 | - |
| Off-Balance Sheet Exposures | | | | |
| Off-Balance Sheet exposures other than OTC derivatives or credit derivatives | 2,923,131 | - | - | - |
| Defaulted Exposures | 21,170 | - | - | - |
| Total for Off-Balance Sheet Exposures | 2,944,301 | - | - | - |
| Total On and Off-Balance Sheet Exposures | 43,410,793 | 525,379 | 978,793 | - |

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BASEL II Pillar 3 Quantitative Disclosures (continued)**a) Disclosures on Credit Risk Mitigation (RM'000) (continued)**

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| 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> | | | | |
| <u>On-Balance Sheet Exposures</u> | | | | |
| Sovereigns/Central Banks | 5,844,855 | - | - | - |
| Banks, Development Financial Institutions & MDBs | 1,435,260 | - | 765 | - |
| Insurance Cos, Securities Firms & Fund Managers | - | - | - | - |
| Corporates | 14,197,229 | 524,210 | 474,762 | - |
| Regulatory Retail | 10,175,471 | 75 | 511,214 | - |
| Residential Mortgages | 2,856,263 | - | 17,784 | - |
| Higher Risk Assets | 4,321 | - | - | - |
| Other Assets | 2,440,859 | - | - | - |
| Defaulted Exposures | 976,048 | 80 | 25,045 | - |
| Total for On-Balance Sheet Exposures | 37,930,306 | 524,365 | 1,029,570 | - |
| <u>Off-Balance Sheet Exposures</u> | | | | |
| Off-Balance Sheet exposures other than OTC derivatives or credit derivatives | 2,826,228 | - | - | - |
| Defaulted Exposures | 10,406 | - | - | - |
| Total for Off-Balance Sheet Exposures | 2,836,634 | - | - | - |
| Total On and Off-Balance Sheet Exposures | 40,766,940 | 524,365 | 1,029,570 | - |

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BASEL II Pillar 3 Quantitative Disclosures (continued)

b) Disclosure on Off-Balance Sheet and Counterparty Credit Risk (RM'000)

Counterparty Credit Risk is the risk that the counterparty to a transaction could default before the final settlement of the transaction's cashflows. An economic loss could occur if the transactions with the counterparty has a positive economic value for the Bank at the time of default.

In contrast to the exposure to credit risk through a loan/financing, where the exposure to credit risk is unilateral and only the lending bank faces the risk of loss, Counterparty Credit Risk creates a bilateral risk of loss where the market value for many types of transactions can be positive or negative to either counterparty.

In respect of off-balance sheet items, the credit risk inherent in each off-balance sheet instrument is translated into an on-balance sheet exposure equivalent (credit equivalent) by multiplying the nominal principal amount with a credit conversion factor ('CCF') as prescribed by the Standardised Approach under the Risk Weighted Capital Adequacy Framework. The resulting amount is then weighted against the risk weight of the counterparty. In addition, counterparty risk weights for over-the-counter ('OTC') derivative transactions will be determined based on the external rating of the counterparty and will not be subject to any specific ceiling.

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| Description | Principal Amount | Positive Fair Value of Derivative Contracts | Credit Equivalent Amount | Risk Weighted Amount |
|--|-------------------|---|--------------------------|----------------------|
| Direct Credit Substitutes | 501,749 | | 501,747 | 478,036 |
| Transaction related contingent Items | 1,429,891 | | 702,571 | 652,117 |
| Short Term Self Liquidating trade related contingencies | 375,116 | | 75,023 | 34,677 |
| Forward Asset Purchases | 65,000 | - | 65,000 | 6,000 |
| Foreign exchange related contracts | | | | |
| One year or less | 29,600,572 | 156,255 | 607,355 | 319,754 |
| Over one year to five years | 943,702 | 8,882 | 75,942 | 47,256 |
| Interest/Profit rate related contracts | | | | |
| One year or less | 1,077,000 | 3,998 | 5,324 | 1,831 |
| Over one year to five years | 3,743,000 | 56,353 | 127,756 | 51,968 |
| Over five years | 900,000 | 15,337 | 71,834 | 22,266 |
| Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year | 1,905,981 | | 952,006 | 699,558 |
| Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year | 5,474,392 | | 1,094,840 | 934,235 |
| Any commitments that are unconditionally cancelled at any time by the bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness | 930,500 | | - | - |
| Unutilised credit card lines | 1,055,160 | | 211,032 | 156,279 |
| Total | 48,002,063 | 240,825 | 4,490,431 | 3,403,978 |

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BASEL II Pillar 3 Quantitative Disclosures (continued)**b) Disclosure on Off Balance Sheet and Counterparty Credit Risk (RM'000)**

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| Description | Principal Amount | Positive Fair Value of Derivative Contracts | Credit Equivalent Amount | Risk Weighted Amount |
|--|-------------------|---|--------------------------|----------------------|
| Direct Credit Substitutes | 501,472 | | 501,472 | 469,006 |
| Transaction related contingent Items | 1,640,080 | | 807,065 | 748,646 |
| Short Term Self Liquidating trade related contingencies | 450,212 | | 90,042 | 43,141 |
| Foreign exchange related contracts | | | | |
| One year or less | 18,864,614 | 275,590 | 527,308 | 198,080 |
| Over one year to five years | 1,019,409 | 19,996 | 90,550 | 44,601 |
| Interest/Profit rate related contracts | | | | |
| One year or less | 447,000 | 1,600 | 2,256 | 471 |
| Over one year to five years | 4,063,000 | 81,933 | 169,886 | 45,911 |
| Over five years | 755,000 | 9,175 | 57,095 | 15,567 |
| Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year | 1,749,812 | | 873,762 | 664,511 |
| Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year | 5,114,530 | | 1,022,712 | 877,512 |
| Any commitments that are unconditionally cancelled at any time by the bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness | 783,018 | | - | - |
| Unutilised credit card lines | 844,254 | | 168,851 | 125,143 |
| Total | 36,232,401 | 388,294 | 4,310,999 | 3,232,589 |

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BASEL II Pillar 3 Quantitative Disclosures (continued)

b) Disclosure on Off Balance Sheet and Counterparty Credit Risk (RM'000) (continued)
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| Description | Principal Amount | Positive Fair Value of Derivative Contracts | Credit Equivalent Amount | Risk Weighted Amount |
|--|-------------------|---|--------------------------|----------------------|
| Direct Credit Substitutes | 432,334 | | 432,332 | 408,621 |
| Transaction related contingent Items | 995,755 | | 497,878 | 447,419 |
| Short Term Self Liquidating trade related contingencies | 115,185 | | 23,037 | 22,790 |
| Foreign exchange related contracts | | | | |
| One year or less | 17,489,235 | 87,060 | 363,712 | 153,911 |
| Over one year to five years | 83,340 | - | 5,000 | 1,000 |
| Interest/Profit rate related contracts | | | | |
| One year or less | 347,000 | 1,743 | 1,589 | 468 |
| Over one year to five years | 1,533,000 | 24,025 | 56,127 | 20,375 |
| Over five years | 900,000 | 15,337 | 71,834 | 22,266 |
| Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year | 1,071,595 | | 535,395 | 432,671 |
| Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year | 3,948,921 | | 789,746 | 683,253 |
| Any commitments that are unconditionally cancelled at any time by the bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness | - | | - | - |
| Unutilised credit card lines | 838,252 | | 167,650 | 123,743 |
| Total | 27,754,617 | 128,165 | 2,944,300 | 2,316,517 |

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BASEL II Pillar 3 Quantitative Disclosures (continued)**b) Disclosure on Off Balance Sheet and Counterparty Credit Risk (RM'000) (continued)**

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| Description | Principal Amount | Positive Fair Value of Derivative Contracts | Credit Equivalent Amount | Risk Weighted Amount |
|--|-------------------|---|--------------------------|----------------------|
| Direct Credit Substitutes | 432,764 | | 432,764 | 400,260 |
| Transaction related contingent Items | 1,184,737 | | 592,368 | 533,992 |
| Short Term Self Liquidating trade related contingencies | 156,180 | | 31,236 | 30,687 |
| Foreign exchange related contracts | | | | |
| One year or less | 10,640,270 | 182,057 | 321,509 | 93,809 |
| Over one year to five years | 207,100 | 7,411 | 12,877 | 2,575 |
| Interest/Profit rate related contracts | | | | |
| One year or less | 57,000 | 670 | 591 | 138 |
| Over one year to five years | 1,513,000 | 31,869 | 62,222 | 23,268 |
| Over five years | 755,000 | 9,175 | 57,095 | 15,567 |
| Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year | 912,497 | | 455,987 | 385,485 |
| Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year | 3,716,393 | | 743,084 | 640,498 |
| Any commitments that are unconditionally cancelled at any time by the bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness | - | | - | - |
| Unutilised credit card lines | 634,499 | | 126,900 | 93,679 |
| Total | 20,209,440 | 231,182 | 2,836,633 | 2,219,958 |

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BASEL II Pillar 3 Quantitative Disclosures (continued)**c) Disclosures on Market Risk - Interest/profit Rate Risk/Rate of Return Risk in the Banking Book**

Interest/profit rate risk is the risk to earnings and capital arising from exposure to adverse movements in interest/profit rates mainly due to mismatches in timing repricing of assets and liabilities. These mismatches are actively managed from an earnings and economic value perspective.

The objective of interest/profit rate risk management is to achieve a stable and sustainable net interest/profit income from the following perspectives:

- (1) Next 12 months' Earnings - Interest/profit rate risk from the earnings perspective is the impact based on changes to the net interest/profit income ('NII') over the next 12 months. This risk is measured through sensitivity analysis including the application of an instantaneous 100 basis point parallel shock in interest/profit rates across the yield curve.
- (2) Economic Value - Measuring the change in the economic value of equity ('EVE') is an assessment of the long term impact to the Group and the Bank's capital. This is assessed through the application of relevant duration factors to capture the net economic value impact over the long term or total life of all balance sheet assets and liabilities to adverse changes in interest/profit rates.

Interest/profit rate risk thresholds are established in line with the Group and the Bank's strategy and risk appetite. These thresholds are reviewed regularly to ensure relevance in the context of prevailing market conditions.

30.6.2021

| Type of Currency (RM million) | The Group | | The Bank | |
|-------------------------------|--|--|--|--|
| | Impact on Positions (100 basis points) Parallel Shift | | Impact on Positions (100 basis points) Parallel Shift | |
| | Increase/ (Decline) in Earnings | Increase/ (Decline) in Economic Value | Increase/ (Decline) in Earnings | Increase/ (Decline) in Economic Value |
| Ringgit Malaysia | 45.9 | (735.9) | 23.2 | (405.3) |
| US Dollar | (2.1) | 4.0 | (1.5) | 4.0 |
| Euro | (0.1) | 0.2 | (0.1) | 0.2 |
| Singapore Dollar | (0.3) | (0.4) | (0.3) | - |
| Others (#) | (0.4) | 0.1 | (0.4) | 0.1 |
| Total | 43.0 | (732.0) | 20.9 | (401.0) |

Others comprise of AUD, GPB, JPY, CNH, NZD and HKD currencies where the amount of each currency is relatively small.

AFFIN Bank Berhad

(Incorporated in Malaysia)

BASEL II Pillar 3 Quantitative Disclosures (continued)**c) Disclosures on Market Risk - Interest Rate Risk/Rate of Return Risk in the Banking Book (continued)**

31.12.2020

| Type of Currency (RM million) | The Group | | The Bank | |
|-------------------------------|--|--|--|--|
| | Impact on Positions (100 basis points) Parallel Shift | | Impact on Positions (100 basis points) Parallel Shift | |
| | Increase/ (Decline) in Earnings | Increase/ (Decline) in Economic Value | Increase/ (Decline) in Earnings | Increase/ (Decline) in Economic Value |
| Ringgit Malaysia | 28.4 | 694.6 | 14.9 | 336.4 |
| US Dollar | 1.0 | 3.1 | 5.3 | 1.1 |
| Euro | (0.4) | (0.4) | (0.4) | (0.4) |
| Singapore Dollar | (0.3) | 0.3 | (0.2) | - |
| Others (#) | (0.4) | - | (0.4) | - |
| Total | 28.3 | 697.6 | 19.2 | 337.1 |

Others comprise of AUD, GBP, JPY, CNH, NZD and HKD currencies where the amount of each currency is relatively small.