

Registration No. 196901000166 (8515-D)

AmBank (M) Berhad
(Incorporated in Malaysia)
And Its Subsidiaries

Condensed Interim Financial Statements
For the Financial Period
1 April 2021 to
30 September 2021
(In Ringgit Malaysia)

AmBank (M) Berhad
(Incorporated in Malaysia)
And Its Subsidiaries

UNAUDITED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2021

	Note	Group		Bank	
		30 September 2021 RM'000	31 March 2021 RM'000	30 September 2021 RM'000	31 March 2021 RM'000
ASSETS					
Cash and short-term funds	A8	7,819,810	9,621,295	7,806,333	9,613,134
Deposits and placements with banks and other financial institutions	A9	584,939	457,124	584,939	457,124
Investment account placement	A10	1,713,411	716,091	1,713,411	716,091
Derivative financial assets		1,050,334	1,313,003	1,050,334	1,313,003
Financial assets at fair value through profit or loss	A11	3,402,854	3,789,592	3,402,816	3,789,554
Financial investments at fair value through other comprehensive income	A12	14,471,835	13,763,607	14,471,835	13,763,607
Financial investments at amortised cost	A13	2,699,967	2,695,263	2,699,967	2,695,263
Loans and advances	A14	75,561,996	76,578,394	75,524,600	76,537,912
Statutory deposit with Bank Negara Malaysia		127,599	305,773	127,599	305,773
Deferred tax assets		84,172	74,858	84,172	74,858
Investment in subsidiaries		-	-	31,492	31,492
Investment in associates		15,627	31,305	19,617	32,300
Other assets	A15	1,608,299	1,559,988	1,605,210	1,557,083
Property and equipment		165,802	184,473	147,435	165,843
Right-of-use assets		195,709	223,268	197,227	224,856
Intangible assets		227,266	254,134	227,266	254,134
TOTAL ASSETS		109,729,620	111,568,168	109,694,253	111,532,027
LIABILITIES AND EQUITY					
Deposits from customers	A16	80,249,998	79,629,964	80,266,009	79,645,732
Deposits and placements of banks and other financial institutions	A17	6,158,023	7,104,827	6,167,603	7,115,032
Securities sold under repurchase agreements		-	810,171	-	810,171
Recourse obligation on loans sold to Cagamas Berhad		7,275,025	6,475,018	7,275,025	6,475,018
Derivative financial liabilities		966,725	1,273,529	966,725	1,273,529
Term funding		652,319	715,103	652,319	715,103
Debt capital		2,995,000	2,995,000	2,995,000	2,995,000
Other liabilities	A18	1,834,812	3,802,608	1,823,145	3,790,933
TOTAL LIABILITIES		100,131,902	102,806,220	100,145,826	102,820,518
Share capital		3,040,465	2,590,465	3,040,465	2,590,465
Reserves		6,557,107	6,171,337	6,507,962	6,121,044
Equity attributable to equity holder of the Bank		9,597,572	8,761,802	9,548,427	8,711,509
Non-controlling interests		146	146	-	-
TOTAL EQUITY		9,597,718	8,761,948	9,548,427	8,711,509
TOTAL LIABILITIES AND EQUITY		109,729,620	111,568,168	109,694,253	111,532,027
COMMITMENTS AND CONTINGENCIES	A33	108,159,865	128,117,074	108,230,215	128,182,124
NET ASSETS PER SHARE (RM)		10.10	9.70	10.05	9.64

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 March 2021.

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**UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2021**

Group	Note	Individual Quarter		Cumulative Quarter	
		30 September 2021 RM'000	30 September 2020 RM'000	30 September 2021 RM'000	30 September 2020 RM'000
Interest income	A19	964,983	1,022,564	1,940,280	2,060,890
Interest expense	A20	(437,175)	(524,219)	(873,417)	(1,162,771)
Net interest income		527,808	498,345	1,066,863	898,119
Other operating income	A21	124,344	180,738	281,186	381,070
Share in results of an associate		(159)	(1,501)	(677)	(1,608)
Net income		651,993	677,582	1,347,372	1,277,581
Other operating expenses	A22	(320,572)	(314,132)	(625,860)	(613,885)
Operating profit		331,421	363,450	721,512	663,696
Allowance for impairment on loans and advances	A23	(77,371)	(225,627)	(174,056)	(239,287)
(Provision)/writeback of provision for commitments and contingencies		(5,913)	10,325	(9,453)	6,143
(Allowance)/writeback of allowance for impairment on:					
Financial investments	A24	(2,254)	3,711	(5,393)	6,725
Other financial assets	A25	(2,475)	1,320	(4,480)	1,148
Other recoveries		12	32	17	87
Profit before taxation		243,420	153,211	528,147	438,512
Taxation		(56,731)	(19,386)	(125,150)	(85,306)
Profit for the financial period		186,689	133,825	402,997	353,206
Attributable to:					
Equity holder of the Bank		186,689	133,838	402,997	353,214
Non-controlling interests		-	(13)	-	(8)
Profit for the financial period		186,689	133,825	402,997	353,206
Earnings per share (sen)					
Basic/Diluted	A26	19.65	15.99	43.12	42.21

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 March 2021.

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**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2021**

Group	Individual Quarter		Cumulative Quarter	
	30 September 2021 RM'000	30 September 2020 RM'000	30 September 2021 RM'000	30 September 2020 RM'000
Profit for the financial period	186,689	133,825	402,997	353,206
Other comprehensive income/(loss)				
Items that will not be reclassified subsequently to statement of profit or loss				
Financial investments at fair value through other comprehensive income				
- net unrealised (loss)/gain on changes in fair value	(4,186)	22,314	(2,502)	92,837
Tax effect	2,422	653	1,321	(8)
Items that may be reclassified subsequently to statement of profit or loss				
Currency translation on offshore operations	2,136	(8,068)	2,662	(10,191)
Cash flow hedge				
- gain arising during the financial period	596	2,491	1,160	4,400
- amortisation of fair value changes of terminated hedge	2,548	1,949	5,319	3,618
Tax effect	(755)	(1,065)	(1,555)	(1,924)
Financial investments at fair value through other comprehensive income				
- net (loss)/gain on changes in fair value	(75,110)	92,660	(42,400)	276,211
- net gain reclassified to profit or loss	(2,053)	(1,829)	(3,006)	(16,616)
- allowance/(writeback) of expected credit losses ("ECL")	4,239	(2,665)	10,876	(5,357)
- foreign exchange differences	-	5	-	5
Tax effect	17,126	(21,802)	10,898	(62,305)
Other comprehensive (loss)/income, net of tax	(53,037)	84,643	(17,227)	280,670
Total comprehensive income for the financial period, net of tax	133,652	218,468	385,770	633,876
Attributable to:				
Equity holder of the Bank	133,652	218,481	385,770	633,884
Non-controlling interests	-	(13)	-	(8)
	133,652	218,468	385,770	633,876

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 March 2021.

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UNAUDITED STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2021

	Note	Individual Quarter		Cumulative Quarter	
		30 September 2021 RM'000	30 September 2020 RM'000	30 September 2021 RM'000	30 September 2020 RM'000
Bank					
Interest income	A19	963,799	1,021,253	1,937,881	2,058,410
Interest expense	A20	(437,224)	(524,265)	(873,512)	(1,162,875)
Net interest income		526,575	496,988	1,064,369	895,535
Other operating income	A21	124,196	181,123	295,863	381,798
Net income		650,771	678,111	1,360,232	1,277,333
Other operating expenses	A22	(320,451)	(313,831)	(625,627)	(614,076)
Operating profit		330,320	364,280	734,605	663,257
Allowance for impairment on loans and advances	A23	(77,349)	(228,567)	(174,038)	(242,167)
(Provision)/writeback of provision for commitments and contingencies		(5,928)	10,330	(9,479)	6,147
(Allowance)/writeback of allowance for impairment on:					
Financial investments	A24	(2,254)	3,713	(5,393)	6,729
Other financial assets	A25	(2,475)	1,320	(4,480)	1,148
Associate		-	-	(12,683)	-
Other recoveries		12	33	17	88
Profit before taxation		242,326	151,109	528,549	435,202
Taxation		(56,380)	(19,035)	(124,373)	(84,576)
Profit for the financial period		185,946	132,074	404,176	350,626
Earnings per share (sen)					
Basic/Diluted	A26	19.57	15.78	43.24	41.90

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**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2021**

	Individual Quarter		Cumulative Quarter	
	30 September 2021 RM'000	30 September 2020 RM'000	30 September 2021 RM'000	30 September 2020 RM'000
Bank				
Profit for the financial period	185,946	132,074	404,176	350,626
Other comprehensive income/(loss)				
Items that will not be reclassified subsequently to statement of profit or loss				
Financial investments at fair value through other comprehensive income				
- net unrealised (loss)/gain on changes in fair value	(4,186)	22,314	(2,502)	92,837
Tax effect	2,422	653	1,321	(8)
Items that may be reclassified subsequently to statement of profit or loss				
Currency translation on offshore operations	2,110	(8,050)	2,631	(10,166)
Cash flow hedge				
- gain arising during the financial period	596	2,491	1,160	4,400
- amortisation of fair value changes of terminated hedge	2,548	1,949	5,319	3,618
Tax effect	(755)	(1,065)	(1,555)	(1,924)
Financial investments at fair value through other comprehensive income				
- net (loss)/gain on changes in fair value	(75,110)	92,570	(42,400)	276,135
- net gain reclassified to profit or loss	(2,053)	(1,829)	(3,006)	(16,616)
- allowance/(writeback) of ECL	4,239	(2,667)	10,876	(5,361)
- foreign exchange differences	-	5	-	5
Tax effect	17,126	(21,780)	10,898	(62,287)
Other comprehensive (loss)/income, net of tax	(53,063)	84,591	(17,258)	280,633
Total comprehensive income for the financial period, net of tax	132,883	216,665	386,918	631,259

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 March 2021.

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**UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2021**

Group	Attributable to equity holder of the Bank									
	Non-distributable					Distributable				
	Share capital RM'000	Regulatory reserve RM'000	Merger reserve RM'000	Fair value reserve RM'000	Cash flow hedging deficit RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	Total attributable to equity holder RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 April 2020	1,940,465	311,003	104,149	368,731	(28,155)	95,766	7,326,502	10,118,461	154	10,118,615
Profit for the financial period	-	-	-	-	-	-	353,214	353,214	(8)	353,206
Other comprehensive income/(loss), net	-	-	-	284,767	6,094	(10,191)	-	280,670	-	280,670
Total comprehensive income/(loss) for the financial period	-	-	-	284,767	6,094	(10,191)	353,214	633,884	(8)	633,876
Transfer to regulatory reserve*	-	(311,003)	-	-	-	-	311,003	-	-	-
Dividend on ordinary shares: - final, financial year ended 31 March 2020	-	-	-	-	-	-	(132,223)	(132,223)	-	(132,223)
Transaction with owner and other equity movements	-	(311,003)	-	-	-	-	178,780	(132,223)	-	(132,223)
At 30 September 2020	1,940,465	-	104,149	653,498	(22,061)	85,575	7,858,496	10,620,122	146	10,620,268

* Bank Negara Malaysia ("BNM") had in March 2020 implemented additional measures in response to COVID-19 pandemic. These measures, amongst others, aim to ensure that the financial intermediation function of the financial sector remains intact and banking institutions remain focused on supporting the economy during these exceptional circumstances. As at 30 September 2020, no regulatory reserve was held against expected losses, one of the drawdown of prudential buffers as allowed by BNM.

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 March 2021.

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**UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONT'D.)
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2021**

Group	Attributable to equity holder of the Bank								
	Non-distributable					Distributable			
	Share capital RM'000	Merger reserve RM'000	Fair value reserve RM'000	Cash flow hedging deficit RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	Total attributable to equity holder RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 April 2021	2,590,465	104,149	457,552	(16,949)	84,588	5,541,997	8,761,802	146	8,761,948
Profit for the financial period	-	-	-	-	-	402,997	402,997	-	402,997
Other comprehensive income/(loss), net	-	-	(24,813)	4,924	2,662	-	(17,227)	-	(17,227)
Total comprehensive income/(loss) for the financial period	-	-	(24,813)	4,924	2,662	402,997	385,770	-	385,770
Issuance of ordinary shares	450,000	-	-	-	-	-	450,000	-	450,000
Transaction with owner and other equity movements	450,000	-	-	-	-	-	450,000	-	450,000
At 30 September 2021	3,040,465	104,149	432,739	(12,025)	87,250	5,944,994	9,597,572	146	9,597,718

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 March 2021.

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**UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2021**

	Attributable to equity holder of the Bank						Total equity RM'000
	Non-distributable				Distributable		
Bank	Share capital RM'000	Regulatory reserve RM'000	Fair value reserve RM'000	Cash flow hedging deficit	Foreign currency translation reserve RM'000	Retained earnings RM'000	
At 1 April 2020	1,940,465	311,003	368,847	(28,155)	99,587	7,380,683	10,072,430
Profit for the financial period	-	-	-	-	-	350,626	350,626
Other comprehensive income/(loss), net	-	-	284,705	6,094	(10,166)	-	280,633
Total comprehensive income/(loss) for the financial period	-	-	284,705	6,094	(10,166)	350,626	631,259
Transfer to regulatory reserve*	-	(311,003)	-	-	-	311,003	-
Dividend on ordinary shares: - final, financial year ended 31 March 2020	-	-	-	-	-	(132,223)	(132,223)
Transaction with owner and other equity movements	-	(311,003)	-	-	-	178,780	(132,223)
At 30 September 2020	1,940,465	-	653,552	(22,061)	89,421	7,910,089	10,571,466

* Bank Negara Malaysia ("BNM") had in March 2020 implemented additional measures in response to COVID-19 pandemic. These measures, amongst others, aim to ensure that the financial intermediation function of the financial sector remains intact and banking institutions remain focused on supporting the economy during these exceptional circumstances. As at 30 September 2020, no regulatory reserve was held against expected losses, one of the drawdown of prudential buffers as allowed by BNM.

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 March 2021.

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UNAUDITED STATEMENT OF CHANGES IN EQUITY (CONT'D.)
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2021

	Attributable to equity holder of the Bank					
	Non-distributable				Distributable	
Bank	Share capital	Fair value reserve	Cash flow hedging deficit	Foreign currency translation reserve	Retained earnings	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 April 2021	2,590,465	457,552	(16,949)	88,443	5,591,998	8,711,509
Profit for the financial period	-	-	-	-	404,176	404,176
Other comprehensive income/(loss), net	-	(24,813)	4,924	2,631	-	(17,258)
Total comprehensive income/(loss) for the financial period	-	(24,813)	4,924	2,631	404,176	386,918
Issuance of ordinary shares	450,000	-	-	-	-	450,000
Transaction with owner and other equity movements	450,000	-	-	-	-	450,000
At 30 September 2021	3,040,465	432,739	(12,025)	91,074	5,996,174	9,548,427

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 March 2021.

AmBank (M) Berhad
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UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2021

	Group		Bank	
	30 September 2021 RM'000	30 September 2020 RM'000	30 September 2021 RM'000	30 September 2020 RM'000
Profit before taxation	528,147	438,512	528,549	435,202
Adjustments for non-operating and non-cash items	293,444	708,195	290,417	707,453
Operating profit before working capital changes	821,591	1,146,707	818,966	1,142,655
Changes in working capital:				
Net change in operating assets	104,885	(1,365,422)	102,001	(1,370,369)
Net change in operating liabilities	(2,333,355)	(4,940,607)	(2,333,685)	(4,938,060)
Tax paid	(33,186)	(82,504)	(32,583)	(82,016)
Net cash used in operating activities	(1,440,065)	(5,241,826)	(1,445,301)	(5,247,790)
Net cash (used in)/generated from investing activities	(783,395)	1,423,313	(783,395)	1,429,243
Net cash generated from/(used in) financing activities	412,481	(169,522)	412,401	(169,718)
Net decrease in cash and cash equivalents	(1,810,979)	(3,988,035)	(1,816,295)	(3,988,265)
Cash and cash equivalents at beginning of the financial period	10,021,441	10,008,917	10,013,280	10,004,133
Effect of exchange rate changes	(1,473)	152	(1,473)	152
Cash and cash equivalents at end of financial period	8,208,989	6,021,034	8,195,512	6,016,020
Cash and cash equivalents comprise:				
Cash and short-term funds	7,819,810	4,195,136	7,806,333	4,190,122
Deposits and placements with banks and other financial institutions	584,939	1,860,552	584,939	1,860,552
	8,404,749	6,055,688	8,391,272	6,050,674
Less: Deposits and placements with original maturity of more than 3 months	(200,263)	(36,974)	(200,263)	(36,974)
	8,204,486	6,018,714	8,191,009	6,013,700
Allowances for expected credit loss ("ECL") for cash and cash equivalents at end of the financial period	4,503	2,320	4,503	2,320
	8,208,989	6,021,034	8,195,512	6,016,020

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 March 2021.

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A1. BASIS OF PREPARATION

These condensed interim financial statements have been prepared in accordance with MFRS 134 *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board ("MASB") and complies with the International Accounting Standard ("IAS") 34 *Interim Financial Reporting* issued by the International Accounting Standards Board.

These condensed interim financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the annual financial statements of the Group and the Bank for the financial year ended 31 March 2021.

A1.1 Significant Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of the following amendments to published standards.

- Interest Rate Benchmark Reform - Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)

The adoption of these amendments to published standards did not have any material impact on the financial statements of the Group and the Bank. The Group and the Bank did not have to change its accounting policies or make retrospective adjustments as a result of adopting the amendments to published standards.

The nature of the amendments to published standards relevant to the Group and the Bank are described below:

(a) Interest Rate Benchmark Reform - Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)

The amendments address issues that arise from the implementation of interest rate benchmark reforms, focusing on issues that affect financial reporting when an existing interest rate benchmark is replaced with an alternative risk-free rate ("RFR").

The amendments, among others, include a practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest. In applying the practical expedient, an entity is required to first identify and account for modifications to the instrument by updating the effective interest rate without adjusting the carrying amount. As a result, no immediate gain or loss is recognised.

In addition, formal designation of a hedging relationship shall be amended to reflect the modifications and/or changes made to the hedged item and/or hedging instruments as a result of the reform without discontinuing the existing hedging relationship or designation of a new hedging relationship.

In view of the practical expedient and temporary exceptions provided in these amendments, the discontinuation of London Interbank Offer Rate ("LIBOR") by end 2021 and the transition to alternative RFRs is not expected to result in any significant financial impact to the Group.

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A1. BASIS OF PREPARATION (CONT'D.)

A1.1 Significant Accounting Policies (Cont'd.)

Standards issued but not yet effective

Description	Effective for annual periods beginning on or after
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to MFRS 116)	1 January 2022
- Onerous Contracts - Cost of Fulfilling a Contract (Amendments to MFRS 137)	1 January 2022
- Reference to the Conceptual Framework (Amendments to MFRS 3)	1 January 2022
- Annual Improvements to MFRS Standards 2018-2020	1 January 2022
- MFRS 17 <i>Insurance Contracts</i>	1 January 2023
- Amendments to MFRS 17	1 January 2023
- Classification of Liabilities as Current or Non-Current (Amendments to MFRS 101)	1 January 2023
- Disclosure of Accounting Policies (Amendments to MFRS 101)	1 January 2023
- Definition of Accounting Estimates (Amendments to MFRS 108)	1 January 2023
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to MFRS 112)	1 January 2023
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 and MFRS 128)	To be determined by MASB

The nature of the new standard and amendments to published standards that are issued and relevant to the Group and the Bank but not yet effective are described below. The Group and the Bank are assessing the financial effects of their adoption except for MFRS 17 which is not relevant as the Group and the Bank do not issue any insurance contract or investment contract with discretionary participation features.

(a) Amendments to published standards effective for financial year ending 31 March 2023

Property, Plant and Equipment: Proceeds before Intended Use (Amendments to MFRS 116)

The amendments clarify that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset, and prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly). The proceeds from selling such samples, together with the costs of producing them, shall be recognised in profit or loss.

The amendments are applied retrospectively from annual reporting period beginning on or after 1 January 2022 but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. Early adoption is permitted.

A1. BASIS OF PREPARATION (CONT'D.)

A1.1 Significant Accounting Policies (Cont'd.)

Standards issued but not yet effective (Cont'd.)

(a) Amendments to published standards effective for financial year ending 31 March 2023 (Cont'd.)

Onerous Contracts - Cost of Fulfilling a Contract (Amendments to MFRS 137)

The amendments explain that, for the purpose of determining the unavoidable costs of meeting the entity's contractual obligations, the direct cost of fulfilling a contract comprises the incremental costs of fulfilling that contract (e.g. direct labour and materials) and an allocation of other costs that relate directly to fulfilling contracts (e.g. an allocation of the depreciation charge for an asset used to fulfil the contract). The amendments also clarify that, before a separate provision for an onerous contract is established, an entity recognises any impairment loss that has occurred on assets used in fulfilling the contract, rather than on assets dedicated to that contract.

The amendments are applied from annual reporting period beginning on or after 1 January 2022 to contracts for which an entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments without restatement of comparative information. The cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application. Early adoption is permitted.

Reference to the Conceptual Framework (Amendments to MFRS 3)

The amendments updated MFRS 3 *Business Combinations* to refer to the revised *Conceptual Framework for Financial Reporting* ("Conceptual Framework") in order to determine what constitutes an asset or a liability in a business combination. In addition, a new exception is added in MFRS 3 in connection with liabilities and contingent liabilities. The exception specifies that, for some types of liabilities and contingent liabilities, an entity applying MFRS 3 should instead refer to MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets* or IC Interpretation 21 *Levies*, rather than the Conceptual Framework.

The amendments are applied to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2022. Earlier application is permitted.

Annual Improvements to MFRS Standards 2018-2020

The Annual Improvements to MFRS Standards 2018-2020 include minor amendments, as summarised below:

(i) MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards*

When a subsidiary adopts MFRS at a later date than its parent, MFRS 1 permits the subsidiary to measure its assets and liabilities at the carrying amounts that would be included in its parent's consolidated financial statements, based on the parent's date of transition to MFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. The amendment expanded the above by allowing the subsidiary to also measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to MFRS.

The amendment to MFRS 1 extends the above exemption to cumulative translation differences, in order to reduce costs for first-time adopters. This amendment will also apply to associates and joint ventures that have taken the same MFRS 1 exemption.

A1. BASIS OF PREPARATION (CONT'D.)

A1.1 Significant Accounting Policies (Cont'd.)

Standards issued but not yet effective (Cont'd.)

(a) Amendments to published standards effective for financial year ending 31 March 2023 (Cont'd.)

Annual Improvements to MFRS Standards 2018-2020 (Cont'd.)

(ii) MFRS 9 *Financial Instruments*

The amendment clarified that costs or fees paid to third parties shall not be included in the 10% test for derecognition of financial liabilities.

(iii) MFRS 141 *Agriculture*

The amendment removed the requirement for entities to exclude cash flows for taxation when measuring fair value to align with the requirement in the standard to discount cash flows on a post-tax basis.

(b) Amendments to published standards effective for financial year ending 31 March 2024

Classification of Liabilities as Current or Non-Current (Amendments to MFRS 101)

The amendments clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Liabilities are classified as non-current if the entity has a substantive right to defer settlement for at least 12 months at the end of the reporting period. Classification is unaffected by the expectations or intentions of the entity, as well as events after the reporting date. The amendments are applied retrospectively from annual reporting period beginning on or after 1 January 2023. Early adoption is permitted. The amendments are not expected to result in any impact as the Group and the Bank present all assets and liabilities in the statements of financial position in order of liquidity.

Disclosure of Accounting Policies (Amendments to MFRS 101)

The amendments require entities to disclose material accounting policies rather than significant accounting policies in the financial statements. Entities are expected to make disclosure of accounting policies specific to the entity and not generic disclosures on MFRS applications.

An accounting policy is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the users make based on those financial statements. Also, accounting policy information is expected to be material if, without it, the users of the financial statements would be unable to understand other material information in the financial statements. Immaterial accounting policy information need not be disclosed.

The amendments are applied from annual reporting period beginning on or after 1 January 2023. Early adoption is permitted.

A1. BASIS OF PREPARATION (CONT'D.)

A1.1 Significant Accounting Policies (Cont'd.)

Standards issued but not yet effective (Cont'd.)

(b) Amendments to published standards effective for financial year ending 31 March 2024 (Cont'd.)

Definition of Accounting Estimates (Amendments to MFRS 108)

The amendments redefined accounting estimates as “monetary amounts in financial statements that are subject to measurement uncertainty” and provide clarity on how to distinguish changes in accounting policies from changes in accounting estimates.

The amendments further clarify that effects of a change in an input or measurement technique used to develop an accounting estimate (for example, expected credit losses, fair value of an asset or liability, and depreciation for property and equipment) is a change in accounting estimate, if they do not arise from prior period errors.

The amendments are applied from annual reporting period beginning on or after 1 January 2023. Early adoption is permitted.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to MFRS 112)

The amendments clarified that the initial exemption rule from recognising deferred taxes does not apply to transactions where both an asset and a liability are recognised at the same time resulting in equal amounts of taxable and deductible temporary differences. This essentially means that lessees would not be able to apply the initial exemption rule in MFRS 112 for the assets and liabilities arising from leases.

The amendments are applied from annual reporting period beginning on or after 1 January 2023. Early adoption is permitted. As the Group currently adopted the policy not to recognise deferred taxes on leases, additional deferred taxes on temporary differences associated with right-of-use assets, lease liabilities and decommissioning obligations would need to be recognised when the amendments become effective.

(c) Standard effective on a date to be determined by MASB

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 and MFRS 128)

The amendments clarify that:

- gains and losses resulting from transactions involving assets that do not constitute a business, between investor and its associate or joint venture are recognised in the entity's financial statements only to the extent of unrelated investors' interests in the associate or joint venture; and
- gains and losses resulting from transactions involving the sale or contribution to an associate of a joint venture of assets that constitute a business is recognised in full.

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A1. BASIS OF PREPARATION (CONT'D.)

A1.2 Significant Accounting Judgements, Estimates and Assumptions

The preparation of the condensed interim financial statements in accordance with MFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of revenue, expenses, assets and liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Judgements, estimates and assumptions are continually evaluated and are based on past experience, reasonable expectations of future events and other factors. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the Group's and the Bank's accounting policies, the significant judgements, estimates and assumptions made by management were the same as those applied to the annual financial statements for the financial year ended 31 March 2021.

A2. AUDIT QUALIFICATION

The auditors' report on the audited annual financial statements for the financial year ended 31 March 2021 was not qualified.

A3. SEASONALITY OR CYCLICALITY OF OPERATIONS

The operations of the Group and the Bank are not materially affected by any seasonal or cyclical fluctuation in the current financial quarter and period.

A4. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

Other than as disclosed in Note A1, there were no unusual items during the current financial quarter and period affecting the financial results of the Group and the Bank.

A5. CHANGES IN ESTIMATES

There was no material change in estimates of amounts reported in the prior financial years that have a material effect on the current financial quarter and period.

A6. ISSUANCE, REPURCHASE AND REPAYMENT OF DEBT AND EQUITY SECURITIES

Issuance of shares

On 31 May 2021, the Bank increased its issued and paid-up ordinary share capital by RM450,000,001 by way of issuance of 46,680,498 new ordinary shares at an issue price of RM9.64 per ordinary share. The new ordinary shares issued during the current financial quarter rank pari passu in all respects with the existing ordinary shares of the Bank.

Other than above, there were no new issuance for debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares, resale of treasury shares and repayment of debt securities by the Group and the Bank during the financial quarter and period.

A7. DIVIDENDS

The Directors did not declare any interim dividend during the financial period for the current financial year ending 31 March 2022 and no dividends were paid in the current financial quarter and period.

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A8. CASH AND SHORT-TERM FUNDS

	Group		Bank	
	30 September 2021 RM'000	31 March 2021 RM'000	30 September 2021 RM'000	31 March 2021 RM'000
Cash and bank balances	1,691,794	1,737,878	1,690,117	1,736,057
Deposit placements maturing within one month:				
Licensed banks	3,054,763	3,385,673	3,042,963	3,379,333
Bank Negara Malaysia	3,076,700	4,500,000	3,076,700	4,500,000
	<u>6,131,463</u>	<u>7,885,673</u>	<u>6,119,663</u>	<u>7,879,333</u>
Total cash and bank balances and deposit placements	7,823,257	9,623,551	7,809,780	9,615,390
Less: Allowances for ECL	(3,447)	(2,256)	(3,447)	(2,256)
	<u>7,819,810</u>	<u>9,621,295</u>	<u>7,806,333</u>	<u>9,613,134</u>

Movements in allowances for ECL are as follows:

Group and Bank	Stage 1	Stage 2	Total
	12-Month ECL RM'000	Lifetime ECL not credit impaired RM'000	
30 September 2021			
Balance at beginning of the financial period	2,234	22	2,256
Net allowances for ECL:	1,205	8	1,213
New financial assets originated	11,786	-	11,786
Financial assets derecognised	(12,563)	(2)	(12,565)
Transfer from deposits and placements with banks and other financial institution (Note A9)	1,616	-	1,616
Net remeasurement of allowances	366	10	376
Foreign exchange differences	(22)	-	(22)
Balance at end of the financial period	<u>3,417</u>	<u>30</u>	<u>3,447</u>

Group and Bank	Stage 1	Stage 2	Total
	12-Month ECL RM'000	Lifetime ECL not credit impaired RM'000	
31 March 2021			
Balance at beginning of the financial year	804	29	833
Net allowances for/(writeback of) ECL:	1,452	(7)	1,445
New financial assets originated	702	-	702
Financial assets derecognised	(3,236)	-	(3,236)
Transfer from deposits and placements with banks and other financial institutions (Note A9)	4,598	-	4,598
Net remeasurement of allowances	(550)	(7)	(557)
Changes in model assumptions and methodologies	(62)	-	(62)
Foreign exchange differences	(22)	-	(22)
Balance at end of the financial year	<u>2,234</u>	<u>22</u>	<u>2,256</u>

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A9. DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group and Bank	
	30 September 2021 RM'000	31 March 2021 RM'000
Licensed banks	205,151	82,890
Licensed islamic bank (a related company)	80,844	59,276
Licensed investment bank (a related company)	300,000	315,000
	<u>585,995</u>	<u>457,166</u>
Less: Allowances for ECL	(1,056)	(42)
	<u>584,939</u>	<u>457,124</u>

Movements in allowances for ECL are as follows:

Group and Bank	Stage 1 12-Month ECL RM'000	Total RM'000
	30 September 2021	
Balance at beginning of the financial period	42	42
Net writeback of ECL:	1,014	1,014
New financial assets originated	2,595	2,595
Net remeasurement of allowances	35	35
Transfer to cash and short term funds (Note A8)	(1,616)	(1,616)
Balance at end of the financial period	<u>1,056</u>	<u>1,056</u>

Group and Bank	Stage 1 12-Month ECL RM'000	Total RM'000
	31 March 2021	
Balance at beginning of the financial year	485	485
Net writeback of ECL:	(443)	(443)
New financial assets originated	4,526	4,526
Transfer to cash and short-term funds (Note A8)	(4,598)	(4,598)
Net remeasurement of allowances	4	4
Changes in model assumptions and methodologies	(375)	(375)
Balance at end of the financial year	<u>42</u>	<u>42</u>

A10. INVESTMENT ACCOUNT PLACEMENT

	Group and Bank	
	30 September 2021 RM'000	31 March 2021 RM'000
Licensed Islamic bank	1,717,646	718,034
Less: Allowances for ECL	(4,235)	(1,943)
	<u>1,713,411</u>	<u>716,091</u>

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A10. INVESTMENT ACCOUNT PLACEMENT (CONT'D.)

This represent investment placed under Restricted Investment Account ("RA") arrangement with AmBank Islamic Berhad ("AmBank Islamic"). The contract is based on the Shariah concept of Mudarabah Muqayyadah between two parties, that is, the investor ("the Bank") and the entrepreneur ("AmBank Islamic") to finance a business venture whereby the investor provides capital and the business venture is managed solely by the entrepreneur. The profit of the business venture is shared between both parties based on pre-agreed ratio. Losses shall be borne solely by the investor. The investment assets financed under this arrangement are financing and advances extended by AmBank Islamic to external customers. As the losses are borne solely by the investor, the related ECL allowance for financing and advances extended by AmBank Islamic is recorded by the Bank.

On 11 May 2021, the Bank entered into a new RA contract for the total sum of RM1.0 billion with AmBank Islamic.

As at 30 September 2021, the gross exposure relating to the RA financing for the Group and the Bank amounted to RM1,722.8 million (31 March 2021: RM719.5 million). No stage 3 ECL is provided for the RA financing as at 30 September 2021 and 31 March 2021.

Movements in allowances for ECL are as follows:

Group and Bank	Stage 1 12-Month ECL RM'000	Total RM'000
30 September 2021		
Balance at beginning of the financial period	1,943	1,943
Net allowances for ECL:	2,292	2,292
New financial assets originated	1,183	1,183
Net remeasurement of allowances	1,109	1,109
Balance at end of the financial period	4,235	4,235
31 March 2021		
Balance at beginning of the financial year	2,284	2,284
Net writeback of ECL:	(341)	(341)
Net remeasurement of allowances	433	433
Changes in model assumptions and methodologies	(774)	(774)
Balance at end of the financial year	1,943	1,943

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A11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVTPL")

	Group		Bank	
	30 September 2021 RM'000	31 March 2021 RM'000	30 September 2021 RM'000	31 March 2021 RM'000
At fair value				
Money market instruments:				
Islamic Treasury Bills	716,466	1,017,221	716,466	1,017,221
Malaysian Government Investment Issues	245,457	340,242	245,457	340,242
Malaysian Government Securities	201,077	223,502	201,077	223,502
Malaysian Treasury Bills	644,568	555,998	644,568	555,998
	<u>1,807,568</u>	<u>2,136,963</u>	<u>1,807,568</u>	<u>2,136,963</u>
Quoted securities:				
<i>In Malaysia:</i>				
Shares	526,610	502,789	526,610	502,789
Unit trusts	34,701	20,078	34,701	20,078
Call warrant	125	-	125	-
Sukuk	13,564	37,538	13,564	37,538
	<u>575,000</u>	<u>560,405</u>	<u>575,000</u>	<u>560,405</u>
<i>Outside Malaysia:</i>				
Shares	512,960	542,202	512,956	542,198
Unquoted securities:				
<i>In Malaysia:</i>				
Shares	34	34	-	-
Corporate bonds and sukuk	507,292	549,988	507,292	549,988
	<u>507,326</u>	<u>550,022</u>	<u>507,292</u>	<u>549,988</u>
	<u>3,402,854</u>	<u>3,789,592</u>	<u>3,402,816</u>	<u>3,789,554</u>

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A12. FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("FVOCI")

	Group		Bank	
	30 September 2021 RM'000	31 March 2021 RM'000	30 September 2021 RM'000	31 March 2021 RM'000
At fair value				
Money market instruments:				
Malaysian Government Investment Issues	2,466,286	2,451,416	2,466,286	2,451,416
Malaysian Government Securities	3,014,724	3,360,666	3,014,724	3,360,666
Foreign Government Securities	14,295	74,045	14,295	74,045
Negotiable Instruments of Deposit	200,003	50,031	200,003	50,031
	<u>5,695,308</u>	<u>5,936,158</u>	<u>5,695,308</u>	<u>5,936,158</u>
Quoted securities:				
<i>In Malaysia:</i>				
Unit trusts	72,478	77,983	72,478	77,983
	<u>72,478</u>	<u>77,983</u>	<u>72,478</u>	<u>77,983</u>
Unquoted securities:				
<i>In Malaysia:</i>				
Corporate bonds and sukuk	7,983,836	7,021,969	7,983,836	7,021,969
Shares	683,744	680,841	683,744	680,841
	<u>8,667,580</u>	<u>7,702,810</u>	<u>8,667,580</u>	<u>7,702,810</u>
<i>Outside Malaysia:</i>				
Sukuk	35,858	46,144	35,858	46,144
Shares	611	512	611	512
	<u>36,469</u>	<u>46,656</u>	<u>36,469</u>	<u>46,656</u>
	<u>14,471,835</u>	<u>13,763,607</u>	<u>14,471,835</u>	<u>13,763,607</u>

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A12. FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("FVOCI")(CONT'D.)

Movements in allowances for ECL are as follows:

Group	Stage 1 12-Month ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Total RM'000
30 September 2021			
Balance at beginning of the financial period	9,297	19	9,316
Net writeback of ECL:	7,871	3,005	10,876
- Transfer to Stage 2	(119)	3,024	2,905
New financial assets originated	4,766	-	4,766
Financial assets derecognised	(1,263)	(19)	(1,282)
Net remeasurement of allowances	4,487	-	4,487
Foreign exchange differences	2	-	2
Balance at end of the financial period	<u>17,170</u>	<u>3,024</u>	<u>20,194</u>

Group	Stage 1 12-Month ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Total RM'000
31 March 2021			
Balance at beginning of the financial year	12,101	774	12,875
Net writeback of ECL:	(2,798)	(755)	(3,553)
- Transfer to Stage 1	150	(557)	(407)
- Transfer to Stage 2	(11)	19	8
New financial assets originated	4,232	-	4,232
Financial assets derecognised	(3,981)	-	(3,981)
Net remeasurement of allowances	(91)	-	(91)
Changes in model assumptions and methodologies	(3,097)	(217)	(3,314)
Foreign exchange differences	(6)	-	(6)
Balance at end of the financial year	<u>9,297</u>	<u>19</u>	<u>9,316</u>

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A12. FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("FVOCI")(CONT'D.)

Movements in allowances for ECL are as follows (Cont'd.):

Bank	Stage 1	Stage 2	Total
	12-Month ECL	Lifetime ECL not credit impaired	
	RM'000	RM'000	RM'000
30 September 2021			
Balance at beginning of the financial period	9,297	19	9,316
Net writeback of ECL:	7,871	3,005	10,876
- Transfer to Stage 2	(119)	3,024	2,905
New financial assets originated	4,766	-	4,766
Financial assets derecognised	(1,263)	(19)	(1,282)
Net remeasurement of allowances	4,487	-	4,487
Foreign exchange differences	2	-	2
Balance at end of the financial period	17,170	3,024	20,194

Bank	Stage 1	Stage 2	Total
	12-Month ECL	Lifetime ECL not credit impaired	
	RM'000	RM'000	RM'000
31 March 2021			
Balance at beginning of the financial year	12,105	774	12,879
Net writeback of ECL:	(2,802)	(755)	(3,557)
- Transfer to Stage 1	150	(557)	(407)
- Transfer to Stage 2	(11)	19	8
New financial assets originated	4,232	-	4,232
Financial assets derecognised	(3,981)	-	(3,981)
Net remeasurement of allowances	(95)	-	(95)
Changes in model assumptions and methodologies	(3,097)	(217)	(3,314)
Foreign exchange differences	(6)	-	(6)
Balance at end of the financial year	9,297	19	9,316

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A13. FINANCIAL INVESTMENTS AT AMORTISED COST

	Group and Bank	
	30 September 2021 RM'000	31 March 2021 RM'000
At amortised cost		
Money market instruments:		
Malaysian Government Investment Issues	111,743	111,718
Unquoted securities:		
<i>In Malaysia:</i>		
Corporate bonds and sukuk	2,593,048	2,593,852
	2,704,791	2,705,570
Less: Allowances for ECL	(4,824)	(10,307)
	2,699,967	2,695,263

Movements in allowances for ECL are as follows:

Group and Bank	Stage 1 12-Month ECL RM'000	Stage 2 12-Month ECL RM'000	Total RM'000
30 September 2021			
Balance at beginning of the financial period	2,183	8,124	10,307
Net allowance/(writeback) of ECL:	2,641	(8,124)	(5,483)
- Transfer to Stage 1	805	(8,124)	(7,319)
Net remeasurement of allowances	1,838	-	1,838
Financial assets derecognised	(2)	-	(2)
Balance at end of the financial period	4,824	-	4,824

Group and Bank	Stage 1 12-Month ECL RM'000	Stage 2 12-Month ECL RM'000	Total RM'000
31 March 2021			
Balance at beginning of the financial year	4,631	-	4,631
Net (writeback of)/allowances for ECL:	(2,448)	8,124	5,676
- Transfer to Stage 2	(1,605)	8,124	6,519
Net remeasurement of allowances	497	-	497
Financial assets derecognised	(180)	-	(180)
Changes in model assumptions and methodologies	(1,160)	-	(1,160)
Balance at end of the financial year	2,183	8,124	10,307

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A14. LOANS AND ADVANCES

	Group		Bank	
	30 September 2021 RM'000	31 March 2021 RM'000	30 September 2021 RM'000	31 March 2021 RM'000
At amortised cost:				
Overdraft	1,928,346	2,144,241	1,928,346	2,144,241
Term loans	22,137,808	21,884,723	22,137,808	21,884,723
Housing loan receivables	27,334,357	27,000,657	27,216,687	26,874,589
Hire purchase receivables	9,811,691	10,386,105	9,811,691	10,386,105
Bills receivables	1,981,703	1,614,623	1,981,703	1,614,623
Trust receipts	2,193,113	1,833,375	2,193,113	1,833,375
Claims on customers under acceptance credits	2,978,317	3,654,294	2,978,317	3,654,294
Card receivables	1,384,842	1,470,197	1,384,842	1,470,197
Revolving credits	6,003,583	6,597,314	6,083,581	6,682,642
Staff loans	91,423	94,307	91,423	94,307
Others	1,245,960	1,341,067	1,245,960	1,341,067
Gross loans and advances	77,091,143	78,020,903	77,053,471	77,980,163
Allowances for ECL:				
- Stage 1 - 12 months ECL	(269,136)	(287,064)	(269,143)	(287,094)
- Stage 2 - Lifetime ECL not credit impaired	(830,637)	(722,447)	(830,620)	(722,421)
- Stage 3 - Lifetime ECL credit impaired	(429,374)	(432,998)	(429,108)	(432,736)
Net loans and advances	75,561,996	76,578,394	75,524,600	76,537,912

(a) Gross loans and advances analysed by type of customer are as follows:

	Group		Bank	
	30 September 2021 RM'000	31 March 2021 RM'000	30 September 2021 RM'000	31 March 2021 RM'000
Domestic non-bank financial institutions	947,076	916,542	1,027,074	1,001,870
Domestic business enterprises				
- Small medium enterprises	15,992,123	16,146,551	15,992,123	16,146,551
- Others	17,337,410	17,868,844	17,337,410	17,868,844
Government and statutory bodies	60,305	43,610	60,305	43,610
Individuals	41,380,525	41,760,312	41,262,855	41,634,244
Other domestic entities	10,399	8,696	10,399	8,696
Foreign individuals and entities	1,363,305	1,276,348	1,363,305	1,276,348
Total	77,091,143	78,020,903	77,053,471	77,980,163

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A14. LOANS AND ADVANCES (CONT'D.)

(b) Gross loans and advances analysed by geographical distribution are as follows:

	Group		Bank	
	30 September 2021 RM'000	31 March 2021 RM'000	30 September 2021 RM'000	31 March 2021 RM'000
In Malaysia	76,467,737	77,362,244	76,430,065	77,321,504
Outside Malaysia	623,406	658,659	623,406	658,659
	<u>77,091,143</u>	<u>78,020,903</u>	<u>77,053,471</u>	<u>77,980,163</u>

(c) Gross loans and advances analysed by interest rate sensitivity are as follows:

	Group		Bank	
	30 September 2021 RM'000	31 March 2021 RM'000	30 September 2021 RM'000	31 March 2021 RM'000
Fixed rate				
- Housing loans	157,176	147,019	39,506	20,951
- Hire purchase receivables	9,339,069	9,860,878	9,339,069	9,860,878
- Other fixed rate loans	6,419,279	7,115,339	6,419,279	7,115,339
Variable rate				
- Base rate and base lending rate plus	43,113,711	43,000,326	43,113,711	43,000,326
- Cost plus	17,342,781	17,126,072	17,422,779	17,211,400
- Other variable rates	719,127	771,269	719,127	771,269
	<u>77,091,143</u>	<u>78,020,903</u>	<u>77,053,471</u>	<u>77,980,163</u>

(d) Gross loans and advances analysed by sector are as follows:

	Group		Bank	
	30 September 2021 RM'000	31 March 2021 RM'000	30 September 2021 RM'000	31 March 2021 RM'000
Agriculture	1,514,492	1,427,044	1,514,492	1,427,044
Mining and quarrying	1,568,347	1,654,708	1,568,347	1,654,708
Manufacturing	10,391,412	10,179,039	10,391,412	10,179,039
Electricity, gas and water	736,478	943,705	736,478	943,705
Construction	3,281,254	3,497,800	3,281,254	3,497,800
Wholesale and retail trade and hotel and restaurants	6,649,624	6,347,026	6,649,624	6,347,026
Transport, storage and communication	2,265,828	2,559,955	2,265,828	2,559,955
Finance and insurance	1,325,463	1,148,567	1,405,461	1,233,895
Real estate	4,781,803	5,281,740	4,781,803	5,281,740
Business activities	1,628,176	1,879,597	1,628,176	1,879,597
Education and health	1,020,420	773,523	1,020,420	773,523
Household of which:	41,905,343	42,302,424	41,787,673	42,176,356
- purchase of residential properties	27,638,888	27,247,834	27,521,218	27,121,766
- purchase of transport vehicles	8,902,071	9,434,502	8,902,071	9,434,502
- others	5,364,384	5,620,088	5,364,384	5,620,088
Others	22,503	25,775	22,503	25,775
	<u>77,091,143</u>	<u>78,020,903</u>	<u>77,053,471</u>	<u>77,980,163</u>

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A14. LOANS AND ADVANCES (CONT'D.)

(e) Gross loans and advances analysed by residual contractual maturity are as follows:

	Group		Bank	
	30 September 2021 RM'000	31 March 2021 RM'000	30 September 2021 RM'000	31 March 2021 RM'000
Maturing within one year	17,750,358	18,746,808	17,826,598	18,827,932
Over one year to three years	4,566,511	4,425,177	4,559,677	4,418,435
Over three years to five years	7,940,319	8,289,647	7,930,935	8,278,889
Over five years	46,833,955	46,559,271	46,736,261	46,454,907
	<u>77,091,143</u>	<u>78,020,903</u>	<u>77,053,471</u>	<u>77,980,163</u>

(f) Movements in impaired loans and advances are as follows:

	Group		Bank	
	30 September 2021 RM'000	31 March 2021 RM'000	30 September 2021 RM'000	31 March 2021 RM'000
Balance at beginning of the financial year	1,157,246	1,235,479	1,156,027	1,234,994
Additions during the financial period/year	338,860	605,053	338,599	604,125
Reclassified as non-impaired	(84,097)	(126,931)	(84,016)	(126,740)
Recoveries	(120,963)	(246,422)	(120,874)	(246,419)
Amount written off	(166,712)	(306,470)	(166,712)	(306,470)
Foreign exchange differences	26	(3,463)	26	(3,463)
Balance at end of the financial period/year	<u>1,124,360</u>	<u>1,157,246</u>	<u>1,123,050</u>	<u>1,156,027</u>
Gross impaired loans and advances as % of gross loans and advances	<u>1.46%</u>	<u>1.48%</u>	<u>1.46%</u>	<u>1.48%</u>
Loan loss coverage (Including regulatory reserve)	<u>146.2%</u>	<u>133.7%</u>	<u>146.3%</u>	<u>133.8%</u>

(g) Impaired loans and advances analysed by geographical distribution are as follows:

	Group		Bank	
	30 September 2021 RM'000	31 March 2021 RM'000	30 September 2021 RM'000	31 March 2021 RM'000
In Malaysia	1,093,376	1,126,285	1,092,066	1,125,066
Outside Malaysia	30,984	30,961	30,984	30,961
	<u>1,124,360</u>	<u>1,157,246</u>	<u>1,123,050</u>	<u>1,156,027</u>

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A14. LOANS AND ADVANCES (CONT'D.)

(h) Impaired loans and advances analysed by sector are as follows:

	Group		Bank	
	30 September 2021 RM'000	31 March 2021 RM'000	30 September 2021 RM'000	31 March 2021 RM'000
Agriculture	10,552	34,709	10,552	34,709
Mining and quarrying	35,257	35,670	35,257	35,670
Manufacturing	164,885	163,101	164,885	163,101
Electricity, gas and water	5,217	3,421	5,217	3,421
Construction	113,938	88,021	113,938	88,021
Wholesale and retail trade and hotel and restaurants	147,007	131,170	147,007	131,170
Transport, storage and communication	19,793	18,988	19,793	18,988
Finance and insurance	1,402	1,324	1,402	1,324
Real estate	49,947	69,651	49,947	69,651
Business activities	41,146	36,569	41,146	36,569
Education and health	5,570	5,526	5,570	5,526
Household of which:	529,646	569,096	528,336	567,877
- purchase of residential properties	380,009	412,206	378,699	410,987
- purchase of transport vehicles	69,407	51,100	69,407	51,100
- others	80,230	105,790	80,230	105,790
	<u>1,124,360</u>	<u>1,157,246</u>	<u>1,123,050</u>	<u>1,156,027</u>

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A14. LOANS AND ADVANCES (CONT'D.)

(i) Movements in allowances for ECL are as follows:

Group	Stage 1	Stage 2	Stage 3	Total
	12-Month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
30 September 2021				
Balance at beginning of the financial period	287,064	722,447	432,998	1,442,509
Net (writeback)/allowances for ECL:	(17,997)	108,189	162,817	253,009
- Transfer to Stage 1	7,904	(55,382)	(1,285)	(48,763)
- Transfer to Stage 2	(14,408)	124,853	(13,812)	96,633
- Transfer to Stage 3	(519)	(15,456)	71,464	55,489
New financial assets originated	38,169	49,092	3,644	90,905
Net remeasurement of allowances	192	(38,562)	152,948	114,578
Modification of contractual cash flows of financial assets	95	3,328	133	3,556
Financial assets derecognised	(21,038)	(29,867)	(50,275)	(101,180)
Changes to model assumptions and methodologies	(28,392)	70,183	-	41,791
Foreign exchange differences	69	1	271	341
Amount written-off	-	-	(166,712)	(166,712)
Balance at end of the financial period	269,136	830,637	429,374	1,529,147
31 March 2021				
Balance at beginning of the financial year	179,447	371,842	345,759	897,048
Net allowances for ECL:	107,826	350,702	394,996	853,524
- Transfer to Stage 1	9,298	(55,101)	(2,078)	(47,881)
- Transfer to Stage 2	(21,940)	151,117	(14,072)	115,105
- Transfer to Stage 3	(946)	(17,132)	170,867	152,789
New financial assets originated	39,647	95,126	9,532	144,305
Net remeasurement of allowances	1,676	32,125	309,492	343,293
Modification of contractual cash flows of financial assets	376	1,339	(4,396)	(2,681)
Financial assets derecognised	(27,577)	(39,329)	(74,013)	(140,919)
Changes to model assumptions and methodologies	107,292	182,557	(336)	289,513
Foreign exchange differences	(209)	(97)	(1,287)	(1,593)
Amount written-off	-	-	(306,470)	(306,470)
Balance at end of the financial year	287,064	722,447	432,998	1,442,509

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A14. LOANS AND ADVANCES (CONT'D.)

(i) Movements in allowances for ECL are as follows (Cont'd.):

Bank	Stage 1	Stage 2	Stage 3	Total
	12-Month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
	RM'000	RM'000	RM'000	RM'000
30 September 2021				
Balance at beginning of the financial period	287,094	722,421	432,736	1,442,251
Net (writeback)/allowances for ECL:	(18,020)	108,198	162,813	252,991
- Transfer to Stage 1	7,904	(55,381)	(1,285)	(48,762)
- Transfer to Stage 2	(14,408)	124,850	(13,804)	96,638
- Transfer to Stage 3	(519)	(15,454)	71,442	55,469
New financial assets originated	38,169	49,092	3,644	90,905
Net remeasurement of allowances	168	(38,554)	152,948	114,562
Modification of contractual cash flows of financial assets	95	3,328	133	3,556
Financial assets derecognised	(21,037)	(29,866)	(50,265)	(101,168)
Changes to model assumptions and methodologies	(28,392)	70,183	-	41,791
Foreign exchange differences	69	1	271	341
Amount written-off	-	-	(166,712)	(166,712)
Balance at end of the financial period	269,143	830,620	429,108	1,528,871

Bank	Stage 1	Stage 2	Stage 3	Total
	12-Month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
	RM'000	RM'000	RM'000	RM'000
31 March 2021				
Balance at beginning of the financial year	179,464	371,822	345,677	896,963
Net allowances for ECL:	107,839	350,696	394,815	853,350
- Transfer to Stage 1	9,298	(55,100)	(2,078)	(47,880)
- Transfer to Stage 2	(21,940)	151,099	(14,043)	115,116
- Transfer to Stage 3	(945)	(17,122)	170,663	152,596
New financial assets originated	39,647	95,126	9,532	144,305
Net remeasurement of allowances	1,685	32,125	309,484	343,294
Modification of contractual cash flows of financial assets	376	1,339	(4,396)	(2,681)
Financial assets derecognised	(27,574)	(39,328)	(74,011)	(140,913)
Changes to model assumptions and methodologies	107,292	182,557	(336)	289,513
Foreign exchange differences	(209)	(97)	(1,286)	(1,592)
Amount written-off	-	-	(306,470)	(306,470)
Balance at end of the financial year	287,094	722,421	432,736	1,442,251

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A15. OTHER ASSETS

	Group		Bank	
	30 September 2021 RM'000	31 March 2021 RM'000	30 September 2021 RM'000	31 March 2021 RM'000
Other receivables, deposits and prepayments	401,433	400,167	399,775	398,573
Interest receivable	293,861	299,288	293,853	299,285
Amount due from related companies	410,109	79,405	411,193	80,750
Collateral pledged for derivative and securities transactions	368,602	552,339	368,602	552,339
Foreclosed properties	2,615	2,615	2,308	2,308
Deferred charges	113,098	117,584	113,098	117,584
Tax recoverable	20,765	110,658	18,094	107,841
	<u>1,610,483</u>	<u>1,562,056</u>	<u>1,606,923</u>	<u>1,558,680</u>
Less: Accumulated impairment losses	(2,184)	(2,068)	(1,713)	(1,597)
	<u>1,608,299</u>	<u>1,559,988</u>	<u>1,605,210</u>	<u>1,557,083</u>

A16. DEPOSITS FROM CUSTOMERS

	Group		Bank	
	30 September 2021 RM'000	31 March 2021 RM'000	30 September 2021 RM'000	31 March 2021 RM'000
Demand deposits	19,919,159	19,457,287	19,930,066	19,467,738
Savings deposits	4,585,924	4,409,651	4,585,924	4,409,651
Term/Investment deposits	55,744,915	55,763,026	55,750,019	55,768,343
	<u>80,249,998</u>	<u>79,629,964</u>	<u>80,266,009</u>	<u>79,645,732</u>

(i) The deposits are sourced from the following type of customers:

	Group		Bank	
	30 September 2021 RM'000	31 March 2021 RM'000	30 September 2021 RM'000	31 March 2021 RM'000
Government and other statutory bodies	1,393,310	1,144,965	1,393,310	1,144,965
Business enterprises	36,230,175	39,345,366	36,246,186	39,361,134
Individuals	33,752,139	31,690,212	33,752,139	31,690,212
Others	8,874,374	7,449,421	8,874,374	7,449,421
	<u>80,249,998</u>	<u>79,629,964</u>	<u>80,266,009</u>	<u>79,645,732</u>

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A16. DEPOSITS FROM CUSTOMERS (CONT'D.)

(ii) The maturity structure of term/investment deposits and negotiable instruments of deposits is as follows:

	Group		Bank	
	30 September 2021 RM'000	31 March 2021 RM'000	30 September 2021 RM'000	31 March 2021 RM'000
Due within six months	44,740,224	46,205,925	44,745,328	46,211,242
Over six months to one year	8,298,441	8,717,762	8,298,441	8,717,762
Over one year to three years	2,604,455	746,431	2,604,455	746,431
Over three years to five years	101,795	92,908	101,795	92,908
	<u>55,744,915</u>	<u>55,763,026</u>	<u>55,750,019</u>	<u>55,768,343</u>

A17. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group		Bank	
	30 September 2021 RM'000	31 March 2021 RM'000	30 September 2021 RM'000	31 March 2021 RM'000
Licensed banks	3,757,787	4,629,469	3,757,787	4,629,469
Licensed investment banks	477,208	484,076	477,208	484,076
Other financial institutions	814,082	973,852	823,662	984,057
Bank Negara Malaysia	1,108,946	1,017,430	1,108,946	1,017,430
	<u>6,158,023</u>	<u>7,104,827</u>	<u>6,167,603</u>	<u>7,115,032</u>

A18. OTHER LIABILITIES

	Group		Bank	
	30 September 2021 RM'000	31 March 2021 RM'000	30 September 2021 RM'000	31 March 2021 RM'000
Other payables and accruals	890,016	920,586	877,485	907,977
Lease liabilities	199,070	225,269	200,642	226,907
Provision for reinstatement for leased properties	6,083	6,028	6,083	6,028
Interest payable	439,638	478,996	439,640	478,998
Amount due to holding company and other related companies	3	1,832,629	11	1,832,629
Collateral received for derivative and securities transactions	93,852	145,035	93,852	145,035
Lease deposits and advance rentals	35,490	35,015	35,490	35,015
Provision for commitments and contingencies	2,664	3,575	2,664	3,575
Allowances for ECL on loan commitments and financial guarantees (Note (a))	114,343	104,678	114,405	104,715
Provision for taxation	1,482	743	702	-
Deferred income	52,171	50,054	52,171	50,054
	<u>1,834,812</u>	<u>3,802,608</u>	<u>1,823,145</u>	<u>3,790,933</u>

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A18. OTHER LIABILITIES (CONT'D.)

(a) Movements in allowance for ECL on commitments and financial guarantees are as follows:

Group	Stage 1	Stage 2	Stage 3	Total
	12-Month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
30 September 2021				
Balance at beginning of the financial period	21,416	30,544	52,718	104,678
Net allowance/(writeback) for ECL:	5,988	3,848	(172)	9,664
- Transfer to Stage 1	980	(6,200)	-	(5,220)
- Transfer to Stage 2	(844)	6,866	-	6,022
- Transfer to Stage 3	(22)	(199)	221	-
New exposure originated	7,827	8,595	-	16,422
Net remeasurement of allowances	2,922	6,081	(172)	8,831
Exposure derecognised/withdrawn	(4,875)	(11,295)	(221)	(16,391)
Foreign exchange differences	18	(17)	-	1
Balance at end of the financial period	27,422	34,375	52,546	114,343

Group	Stage 1	Stage 2	Stage 3	Total
	12-Month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
31 March 2021				
Balance at beginning of the financial year	30,823	25,938	174	56,935
Net (writeback of)/allowances for ECL:	(9,367)	4,662	52,544	47,839
- Transfer to Stage 1	1,076	(6,759)	-	(5,683)
- Transfer to Stage 2	(1,237)	4,891	-	3,654
- Transfer to Stage 3	(67)	(407)	52,352	51,878
New exposure originated	9,179	13,565	-	22,744
Net remeasurement of allowances	(1,979)	4,395	192	2,608
Exposure derecognised/withdrawn	(7,865)	(6,351)	-	(14,216)
Changes to model assumptions and methodologies	(8,474)	(4,672)	-	(13,146)
Foreign exchange differences	(40)	(56)	-	(96)
Balance at end of the financial year	21,416	30,544	52,718	104,678

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A18. OTHER LIABILITIES (CONT'D.)

(a) Movements in allowance for ECL on commitments and financial guarantees are as follows (Cont'd.):

Bank	Stage 1	Stage 2	Stage 3	Total
	12-Month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
30 September 2021				
Balance at beginning of the financial period	21,453	30,544	52,718	104,715
Net allowance/(writeback) for ECL:	6,013	3,848	(172)	9,689
- Transfer to Stage 1	980	(6,200)	-	(5,220)
- Transfer to Stage 2	(844)	6,866	-	6,022
- Transfer to Stage 3	(22)	(199)	221	-
New financial instruments originated	7,827	8,595	-	16,422
Net remeasurement of allowances	2,947	6,081	(172)	8,856
Exposure derecognised/withdrawn	(4,875)	(11,295)	(221)	(16,391)
Foreign exchange differences	18	(17)	-	1
Balance at end of the financial period	27,484	34,375	52,546	114,405
31 March 2021				
Balance at beginning of the financial year	30,848	25,938	173	56,959
Net (writeback of)/allowance for ECL:	(9,355)	4,662	52,545	47,852
- Transfer to Stage 1	1,076	(6,759)	-	(5,683)
- Transfer to Stage 2	(1,237)	4,891	-	3,654
- Transfer to Stage 3	(67)	(407)	52,352	51,878
New financial instruments originated	9,179	13,565	-	22,744
Net remeasurement of allowances	(1,967)	4,395	193	2,621
Exposure derecognised/withdrawn	(7,865)	(6,351)	-	(14,216)
Changes in model assumptions and methodologies	(8,474)	(4,672)	-	(13,146)
Foreign exchange differences	(40)	(56)	-	(96)
Balance at end of the financial year	21,453	30,544	52,718	104,715

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A19. INTEREST INCOME

Group	Individual Quarter		Cumulative Quarter	
	30 September 2021 RM'000	30 September 2020 RM'000	30 September 2021 RM'000	30 September 2020 RM'000
Short-term funds and deposits and placements with financial institutions*	6,234	7,032	23,300	27,103
Financial assets at fair value through profit or loss	20,658	46,607	42,989	91,668
Financial investments at fair value through other comprehensive income	114,262	121,861	227,555	249,155
Financial investments at amortised cost	29,277	32,398	58,312	64,648
Loans and advances*	779,478	804,937	1,561,140	1,605,741
Investment account placement	11,851	5,835	20,734	12,430
Impaired loans and advances	776	939	1,401	2,929
Others	2,447	2,955	4,849	7,216
	<u>964,983</u>	<u>1,022,564</u>	<u>1,940,280</u>	<u>2,060,890</u>
Bank				
Short-term funds and deposits and placements with financial institutions*	6,200	7,016	23,235	27,066
Financial assets at fair value through profit or loss	20,658	46,607	42,989	91,668
Financial investments at fair value through other comprehensive income	114,262	121,912	227,555	249,292
Financial investments at amortised cost	29,277	32,398	58,312	64,648
Loans and advances*	778,328	803,591	1,558,806	1,603,161
Investment account placement	11,851	5,835	20,734	12,430
Impaired loans and advances	776	939	1,401	2,929
Others	2,447	2,955	4,849	7,216
	<u>963,799</u>	<u>1,021,253</u>	<u>1,937,881</u>	<u>2,058,410</u>

* Interest income on short-term funds and deposits and placements with financial institutions and loans and advances of the Group and the Bank had included the fair value loss of RM9,351,000 (September 2020: net loss of RM9,076,000) and net modification and fair value gain of RM9,694,000 (September 2020: net loss of RM57,725,000) respectively from measures implemented in response to COVID-19 pandemic.

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A20. INTEREST EXPENSE

	Individual Quarter		Cumulative Quarter	
	30 September 2021 RM'000	30 September 2020 RM'000	30 September 2021 RM'000	30 September 2020 RM'000
Group				
Deposits from customers	321,633	405,230	641,460	907,745
Deposits and placements of banks and other financial institutions	22,068	26,236	44,331	55,098
Securities sold under repurchase agreements	1,487	12,337	6,787	27,859
Recourse obligation on loans sold to Cagamas Berhad	50,774	36,828	97,584	80,024
Term funding	4,065	7,479	8,559	22,434
Debt capital	37,280	32,976	74,156	65,592
Others	(132)	3,133	540	4,019
	<u>437,175</u>	<u>524,219</u>	<u>873,417</u>	<u>1,162,771</u>
Bank				
Deposits from customers	321,682	405,275	641,555	907,848
Deposits and placements of banks and other financial institutions	22,068	26,237	44,331	55,099
Securities sold under repurchase agreements	1,487	12,337	6,787	27,859
Recourse obligation on loans sold to Cagamas Berhad	50,774	36,828	97,584	80,024
Term funding	4,065	7,479	8,559	22,434
Debt capital	37,280	32,976	74,156	65,592
Others	(132)	3,133	540	4,019
	<u>437,224</u>	<u>524,265</u>	<u>873,512</u>	<u>1,162,875</u>

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A21. OTHER OPERATING INCOME

Group	Individual Quarter		Cumulative Quarter	
	30 September 2021 RM'000	30 September 2020 RM'000	30 September 2021 RM'000	30 September 2020 RM'000
Fee and commission income:				
Bancassurance commission	6,891	7,208	12,626	12,736
Brokerage fees, commission and rebates	723	1,774	2,154	2,092
Fees on loans, advances and securities	23,874	30,900	52,796	54,572
Fees, service and commission charges	5,547	5,830	11,569	10,541
Unit trust fees, commission and charges	15,966	22,163	34,172	32,875
Guarantee fees	11,385	12,664	22,950	24,437
Remittances	5,191	5,205	10,953	8,174
Other fee and commission	3,066	3,347	5,999	6,259
	<u>72,643</u>	<u>89,091</u>	<u>153,219</u>	<u>151,686</u>
Investment and trading income:				
Foreign exchange gain/(loss)	32,889	(35,767)	61,200	17,515
Gross dividend income/distribution from:				
Financial assets at fair value through profit or loss	1,620	1,549	3,385	3,997
Financial investments at fair value through other comprehensive income	603	1,565	3,253	3,375
Net (loss)/gain on sale of:				
Financial assets at fair value through profit or loss	(4,216)	107,988	(4,526)	184,639
Financial investments at fair value through other comprehensive income	2,053	1,829	3,006	16,616
Net gain/(loss) on revaluation of financial assets at fair value through profit or loss	33,177	(8,995)	10,563	40,992
Net (loss)/gain on derivatives	(21,623)	14,222	29,691	(57,055)
Others	482	695	7,869	3,392
	<u>44,985</u>	<u>83,086</u>	<u>114,441</u>	<u>213,471</u>
Other income:				
Gain on disposal of foreclosed property	-	540	-	540
Net (loss)/gain on disposal of property and equipment	(9)	(21)	8	(23)
Net gain on non trading foreign exchange	142	265	335	561
Profit from sale of goods and services	4,347	4,486	8,830	8,725
Rental income	2,093	3,106	4,052	5,768
Others	143	185	301	342
	<u>6,716</u>	<u>8,561</u>	<u>13,526</u>	<u>15,913</u>
	<u>124,344</u>	<u>180,738</u>	<u>281,186</u>	<u>381,070</u>

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A21. OTHER OPERATING INCOME (CONT'D.)

	Individual Quarter		Cumulative Quarter	
	30 September 2021 RM'000	30 September 2020 RM'000	30 September 2021 RM'000	30 September 2020 RM'000
Bank				
Fee and commission income:				
Bancassurance commission	6,891	7,208	12,626	12,736
Brokerage fees, commission and rebates	723	1,774	2,154	2,092
Fees on loans, advances and securities	23,874	30,900	52,796	54,572
Fees, service and commission charges	5,411	5,725	11,300	10,338
Unit trust fees, commission and charges	15,966	22,163	34,172	32,875
Guarantee fees	11,385	12,665	22,950	24,438
Remittances	5,191	5,205	10,953	8,174
Other fee and commission	3,066	3,347	5,999	6,259
	<u>72,507</u>	<u>88,987</u>	<u>152,950</u>	<u>151,484</u>
Investment and trading income:				
Foreign exchange gain/(loss)	32,889	(35,767)	61,200	17,515
Gross dividend income/distribution from:				
Financial assets at fair value through profit or loss	1,620	1,549	3,385	3,997
Financial investments at fair value through other comprehensive income	603	1,565	3,253	3,375
Subsidiary	-	400	-	400
Associate	-	-	15,000	-
Net (loss)/gain on sale of:				
Financial assets at fair value through profit or loss	(4,216)	107,988	(4,526)	184,639
Financial investments at fair value through other comprehensive income	2,053	1,829	3,006	16,616
Net gain/(loss) on revaluation of financial assets at fair value through profit or loss	33,177	(8,995)	10,563	40,978
Net (loss)/gain on derivatives	(21,623)	14,222	29,691	(57,055)
Others	482	695	7,869	3,392
	<u>44,985</u>	<u>83,486</u>	<u>129,441</u>	<u>213,857</u>
Other income:				
Gain on disposal of foreclosed property	-	540	-	540
Net (loss)/gain on disposal of property and equipment	(9)	(21)	8	(23)
Net gain on non trading foreign exchange	146	245	339	534
Profit from sale of goods and services	4,347	4,486	8,830	8,725
Rental income	2,074	3,143	3,991	6,293
Others	146	257	304	388
	<u>6,704</u>	<u>8,650</u>	<u>13,472</u>	<u>16,457</u>
	<u>124,196</u>	<u>181,123</u>	<u>295,863</u>	<u>381,798</u>

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A22. OTHER OPERATING EXPENSES

Group	Individual Quarter		Cumulative Quarter	
	30 September 2021 RM'000	30 September 2020 RM'000	30 September 2021 RM'000	30 September 2020 RM'000
Personnel costs:				
Medical	6,566	7,153	9,726	10,553
Insurance	7,136	5,843	13,392	12,051
Contributions to Employees' Provident Fund/ Private Retirement Schemes ("PRS")	31,526	28,137	61,426	58,419
Salaries, bonuses, allowances and incentives	197,163	181,690	388,871	370,825
Share granted under AMMB Executives' Share Scheme ("ESS") - (writeback)/charge	(6,812)	17,287	(8,283)	20,461
Social security costs	1,625	1,646	3,264	3,270
Recruitment costs	2,483	1,315	3,865	3,263
Training	1,363	1,421	2,938	3,127
Others	(2,771)	5,386	(1,337)	7,407
	<u>238,279</u>	<u>249,878</u>	<u>473,862</u>	<u>489,376</u>
Establishment costs:				
Amortisation of intangible assets	18,798	19,252	50,368	37,248
Cleaning, maintenance and security	5,813	6,658	11,769	12,664
Computerisation cost	42,115	32,933	60,463	63,723
Depreciation of property and equipment	14,300	15,483	30,103	31,125
Depreciation of right-of-use assets	17,973	16,492	35,241	34,728
Rental of premises	284	1,689	1,052	1,694
Finance cost:				
- Lease liabilities	1,825	2,083	3,638	4,232
- Provision for reinstatement for leased properties	26	33	54	71
Others	6,470	9,193	13,788	16,280
	<u>107,604</u>	<u>103,816</u>	<u>206,476</u>	<u>201,765</u>
Marketing and communication expenses:				
Advertising, marketing and communication	11,394	15,054	19,473	25,893
Commission	1,052	1,686	2,434	3,452
Others	286	934	964	1,614
	<u>12,732</u>	<u>17,674</u>	<u>22,871</u>	<u>30,959</u>
Administration and general expenses:				
Bank charges	2,293	2,259	4,651	4,400
Insurance	1,900	1,830	3,353	2,497
Professional services	9,304	12,351	22,668	25,683
Travelling	140	510	357	919
Subscriptions and periodicals	512	627	816	670
Others	20,896	2,805	36,478	8,369
	<u>35,045</u>	<u>20,382</u>	<u>68,323</u>	<u>42,538</u>
Service transfer pricing recovery - net	(73,088)	(77,618)	(145,672)	(150,753)
	<u>320,572</u>	<u>314,132</u>	<u>625,860</u>	<u>613,885</u>

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A22. OTHER OPERATING EXPENSES (CONT'D.)

	Individual Quarter		Cumulative Quarter	
	30 September 2021 RM'000	30 September 2020 RM'000	30 September 2021 RM'000	30 September 2020 RM'000
Bank				
Personnel costs:				
Medical	6,566	7,153	9,726	10,553
Insurance	7,136	5,843	13,392	12,051
Contributions to Employees' Provident Fund/ PRS	31,526	28,137	61,426	58,419
Salaries, bonuses, allowances and incentives	197,163	181,690	388,871	370,825
Share granted under AMMB ESS - (writeback)/charge	(6,812)	17,287	(8,283)	20,461
Social security costs	1,625	1,646	3,264	3,270
Recruitment costs	2,483	1,315	3,865	3,263
Training	1,363	1,421	2,938	3,127
Others	(2,771)	5,386	(1,337)	7,407
	<u>238,279</u>	<u>249,878</u>	<u>473,862</u>	<u>489,376</u>
Establishment costs:				
Amortisation of intangible assets	18,798	19,252	50,368	37,248
Cleaning, maintenance and security	5,698	6,521	11,540	12,403
Computerisation cost	42,115	32,933	60,463	63,723
Depreciation of property and equipment	14,167	15,350	29,839	30,860
Depreciation of right-of-use assets	18,008	16,582	35,311	35,315
Rental of premises	407	1,810	1,298	1,936
Finance cost:				
- Lease liabilities	1,832	2,100	3,652	4,328
- Provision for reinstatement for leased properties	26	33	54	71
Others	6,454	9,177	13,756	16,253
	<u>107,505</u>	<u>103,758</u>	<u>206,281</u>	<u>202,137</u>
Marketing and communication expenses:				
Advertising, marketing and communication	11,394	15,052	19,472	25,891
Commission	1,052	1,686	2,434	3,452
Others	286	934	964	1,614
	<u>12,732</u>	<u>17,672</u>	<u>22,870</u>	<u>30,957</u>
Administration and general expenses:				
Bank charges	2,294	2,259	4,651	4,400
Insurance	1,900	1,744	3,353	2,477
Professional services	9,282	12,201	22,633	25,536
Travelling	140	510	357	919
Subscriptions and periodicals	512	627	816	670
Others	20,895	2,800	36,476	8,357
	<u>35,023</u>	<u>20,141</u>	<u>68,286</u>	<u>42,359</u>
Service transfer pricing recovery - net	(73,088)	(77,618)	(145,672)	(150,753)
	<u>320,451</u>	<u>313,831</u>	<u>625,627</u>	<u>614,076</u>

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A23. ALLOWANCE FOR IMPAIRMENT ON LOANS AND ADVANCES

	Individual Quarter		Cumulative Quarter	
	30 September 2021 RM'000	30 September 2020 RM'000	30 September 2021 RM'000	30 September 2020 RM'000
Group				
Allowance for impairment on loans and advances	118,194	295,250	253,009	375,205
Impaired loans and advances recovered, net	(40,823)	(69,623)	(78,953)	(135,918)
	<u>77,371</u>	<u>225,627</u>	<u>174,056</u>	<u>239,287</u>
Bank				
Allowance for impairment on loans and advances	118,140	295,106	252,991	375,001
Impaired loans and advances recovered, net	(40,791)	(66,539)	(78,953)	(132,834)
	<u>77,349</u>	<u>228,567</u>	<u>174,038</u>	<u>242,167</u>

A24. ALLOWANCE/(WRITEBACK OF ALLOWANCE) FOR IMPAIRMENT ON FINANCIAL INVESTMENTS

	Individual Quarter		Cumulative Quarter	
	30 September 2021 RM'000	30 September 2020 RM'000	30 September 2021 RM'000	30 September 2020 RM'000
Group				
Financial investments at fair value through other comprehensive income	4,239	(2,665)	10,876	(5,357)
Financial investments at amortised cost	(1,985)	(1,046)	(5,483)	(1,368)
	<u>2,254</u>	<u>(3,711)</u>	<u>5,393</u>	<u>(6,725)</u>
Bank				
Financial investments at fair value through other comprehensive income	4,239	(2,667)	10,876	(5,361)
Financial investments at amortised cost	(1,985)	(1,046)	(5,483)	(1,368)
	<u>2,254</u>	<u>(3,713)</u>	<u>5,393</u>	<u>(6,729)</u>

A25. ALLOWANCE/(WRITEBACK OF ALLOWANCE) FOR IMPAIRMENT ON OTHER FINANCIAL ASSETS

	Individual Quarter		Cumulative Quarter	
	30 September 2021 RM'000	30 September 2020 RM'000	30 September 2021 RM'000	30 September 2020 RM'000
Group and Bank				
Cash and short-term funds	524	(1,281)	1,213	478
Deposits and placements with banks and other financial institutions	1,056	41	1,014	559
Investment account placement	881	(368)	2,292	(1,064)
Other assets	14	288	(39)	(1,121)
	<u>2,475</u>	<u>(1,320)</u>	<u>4,480</u>	<u>(1,148)</u>

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A26. EARNINGS PER SHARE ("EPS")

Basic/Diluted

The basic/diluted earning per share is calculated by dividing the net profit attributable to equity holder of the Bank by the weighted average number of ordinary shares in issue during the financial period.

	Individual Quarter		Cumulative Quarter	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
Group				
Net profit attributable to equity holder of the Bank (RM'000)	186,689	133,838	402,997	353,214
Number of ordinary shares at beginning of the financial period	903,247	836,853	903,247	836,853
Effect of issuance of new ordinary shares ('000)	46,680	-	31,375	-
Weighted average number of ordinary shares in issue at the end of the financial period ('000)	949,927	836,853	934,622	836,853
Basic/diluted earnings per share (sen)	19.65	15.99	43.12	42.21
Bank				
Net profit attributable to equity holder of the Bank (RM'000)	185,946	132,074	404,176	350,626
Number of ordinary shares at beginning of the financial period	903,247	836,853	903,247	836,853
Effect of issuance of new ordinary shares ('000)	46,680	-	31,375	-
Weighted average number of ordinary shares in issue at the end of the financial period ('000)	949,927	836,853	934,622	836,853
Basic/diluted earnings per share (sen)	19.57	15.78	43.24	41.90

A27. BUSINESS SEGMENT ANALYSIS

Segment information is presented in respect of the Group's business segments. The business segment information is prepared based on internal management reports, which are regularly reviewed by the Chief Operating Decision Maker in order to allocate resources to a segment and to assess its performance.

The Group comprises the following main business segments:

(a) Retail Banking

Retail Banking continues to focus on building mass affluent, affluent and small business customers. Retail Banking offers products and financial solutions which includes auto finance, mortgages, personal loans, credit cards, small business loans, priority banking services, wealth management, remittance services and deposits.

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A27. BUSINESS SEGMENT ANALYSIS (CONT'D.)

The Group comprises the following main business segments (Cont'd.):

(b) Business Banking

Business Banking ("BB") focuses on the small and medium sized enterprises segment, which comprises Enterprise Banking and Commercial Banking. Solutions offered to Enterprise Banking customers encompass Capital Expenditure ("CAPEX") financing, Working Capital financing and Cash Management and while Commercial Banking offers the same suite of products, it also provides more sophisticated structures such as Contract Financing, Development Loans and Project Financing.

(c) Wholesale Banking

Wholesale Banking comprises Corporate Banking and Group Treasury and Markets.

(i) Corporate Banking

Corporate Banking offers a full range of products and services of corporate lending, trade finance, offshore banking, and cash management solutions to wholesale banking clients.

(ii) Group Treasury and Markets

Group Treasury and Markets includes proprietary trading as well as providing full range of products and services relating to treasury activities, including foreign exchange, derivatives, fixed income and structured warrants. It also offers customised investment solutions for customers.

(d) Investment Banking

Under the Investment Banking division of AmBank, the core products are capital markets group, private banking and equity markets.

Capital Markets focuses on providing integrated financing solutions to our corporate and institutional clients. It offers a full suite of customised debt and capital financing solutions which include corporate bond issuances, loan syndication, structured finance, capital and project advisory services and primary syndication and underwriting services. Private Banking primarily services high net worth clients and offers financing and deposit products. Equity markets offers margin financing to retail and corporate clients.

(e) Group Funding and Others

Group Funding and Others comprise activities to maintain the liquidity of the Group as well as support operations of its main business units and non-core operations of the Group.

Measurement of Segment Performance

The segment performance is measured on income, expenses and profit basis. These are shown after allocation of certain centralised costs, funding income and expenses directly associated with each segment. Transactions between segments are recorded within the segment as if they are third party transactions and are eliminated on aggregation.

Note:

- (i) The Chief Operating Decision Maker relies primarily on the net interest income information to assess the performance of, and to make decisions about resources to be allocated to these operating segments.
- (ii) The financial information by geographical segment is not presented as the Group's activities are principally conducted in Malaysia.
- (iii) The comparatives have been restated with current business realignment.

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A27. BUSINESS SEGMENT ANALYSIS (CONT'D.)

Group For the financial period ended 30 September 2021	Wholesale Banking						Total RM'000
	Retail Banking RM'000	Business Banking RM'000	Corporate Banking RM'000	Group Treasury and Markets RM'000	Investment Banking RM'000	Group Funding and Others RM'000	
Net interest income	508,372	125,186	198,366	165,139	10,748	59,052	1,066,863
Other operating income	107,625	37,700	47,318	74,432	3,471	10,640	281,186
Share in results of an associate	(677)	-	-	-	-	-	(677)
Net income	615,320	162,886	245,684	239,571	14,219	69,692	1,347,372
Other operating expenses of which:	(320,832)	(58,540)	(63,790)	(34,278)	(3,438)	(144,982)	(625,860)
Depreciation of property and equipment	(9,115)	(903)	(719)	(98)	(2)	(19,266)	(30,103)
Depreciation of right-of-use assets	-	-	-	-	-	(35,241)	(35,241)
Amortisation of intangible assets	(11,030)	(415)	(2,806)	(671)	-	(35,446)	(50,368)
Profit/(Loss) before impairment losses (Allowance)/writeback of allowance for impairment on loans and advances	294,488	104,346	181,894	205,293	10,781	(75,290)	721,512
Writeback of provision/(provision) for commitments and contingencies	(67,138)	(44,785)	(81,920)	-	9,486	10,301	(174,056)
Writeback of allowance/(allowance) for impairment on financial investment and other financial assets	2,151	(5,938)	(5,902)	-	-	236	(9,453)
Other recoveries	8	-	(2,224)	(7,657)	-	-	(9,873)
Profit/(loss) before taxation	-	-	-	-	-	17	17
Taxation	229,509	53,623	91,848	197,636	20,267	(64,736)	528,147
Profit/(loss) for the financial period	(55,244)	(10,606)	(20,742)	(44,393)	(4,012)	9,847	(125,150)
	174,265	43,017	71,106	153,243	16,255	(54,889)	402,997
Other information							
Total segment assets	45,553,178	8,751,806	21,270,058	29,526,101	1,325,556	3,302,921	109,729,620
Total segment liabilities	39,017,560	6,617,988	11,298,268	30,331,151	711,051	12,155,884	100,131,902
Cost to income ratio	52.1%	35.9%	26.0%	14.3%	24.2%	>100.0%	46.5%
Gross loans and advances	45,452,301	8,892,832	21,591,302	-	1,242,481	(87,773)	77,091,143
Net loans and advances	44,639,343	8,742,640	21,205,286	-	1,242,261	(267,534)	75,561,996
Impaired loans and advances	677,300	179,871	266,968	-	221	-	1,124,360
Total deposits	38,506,083	6,502,372	11,099,176	28,791,148	696,740	812,502	86,408,021
Additions to:							
Property and equipment	2,361	77	227	328	-	6,875	9,868
Intangible assets	7,776	66	2,528	8,548	-	10,904	29,822

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A27. BUSINESS SEGMENT ANALYSIS (CONT'D.)

Group For the financial period ended 30 September 2020 (Restated)	Wholesale Banking				Investment Banking RM'000	Group Funding and Others RM'000	Total RM'000
	Retail Banking RM'000	Business Banking RM'000	Corporate Banking RM'000	Group Treasury and Markets RM'000			
Net interest income/(loss)	456,692	101,800	190,454	175,792	9,614	(36,233)	898,119
Other operating income	109,697	36,184	47,502	173,180	7,314	7,193	381,070
Share in results of an associate	(1,608)	-	-	-	-	-	(1,608)
Net income/(expense)	564,781	137,984	237,956	348,972	16,928	(29,040)	1,277,581
Other operating expenses	(331,434)	(63,357)	(63,761)	(32,057)	(4,159)	(119,117)	(613,885)
<i>of which:</i>							
<i>Depreciation of property and equipment</i>	(10,993)	(853)	(876)	(64)	(2)	(18,337)	(31,125)
<i>Depreciation of right-of-use</i>	-	-	-	-	-	(34,728)	(34,728)
<i>Amortisation of intangible assets</i>	(9,403)	(428)	(3,291)	(724)	-	(23,402)	(37,248)
Profit/(loss) before impairment losses (Allowance)/writeback of allowance for impairment on loans and advances	233,347	74,627	174,195	316,915	12,769	(148,157)	663,696
Writeback of provision/(provision) for commitments and contingencies	(25,003)	(4,178)	(50,129)	-	2,062	(162,039)	(239,287)
Writeback of allowance for impairment on financial investment and other financial assets	1,852	1,178	(9,571)	-	-	12,684	6,143
Other recoveries	134	-	1,255	804	-	5,680	7,873
Profit/(loss) before taxation	1	-	-	-	-	86	87
Taxation	210,331	71,627	115,750	317,719	14,831	(291,746)	438,512
Profit/(loss) for the financial period	(50,865)	(16,864)	(26,475)	(73,787)	(2,558)	85,243	(85,306)
	159,466	54,763	89,275	243,932	12,273	(206,503)	353,206
Other information							
Total segment assets	45,228,110	8,104,900	21,682,347	31,814,333	1,306,302	2,216,419	110,352,411
Total segment liabilities	36,918,921	5,945,213	10,009,845	38,874,758	751,341	7,232,065	99,732,143
Cost to income ratio	58.7%	45.9%	26.8%	9.2%	24.6%	>100.0%	48.1%
Gross loans and advances	44,918,316	8,185,717	21,880,540	-	1,243,032	(95,963)	76,131,642
Net loans and advances	44,395,273	8,094,100	21,613,956	-	1,242,063	(351,221)	74,994,171
Impaired loans and advances	558,722	160,140	431,588	-	7,218	-	1,157,668
Total deposits	36,339,091	5,863,714	9,807,950	33,008,871	739,512	616,814	86,375,952
Additions to:							
Property and equipment	12,458	90	62	1,276	5	4,630	18,521
Intangible assets	15,705	6	1,182	7,712	-	17,378	41,983

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A28. PERFORMANCE REVIEW FOR THE PERIOD ENDED 30 SEPTEMBER 2021

The Group reported a profit before taxation of RM528.1 million for the financial period ended 30 September 2021 compared to RM438.5 million in the corresponding period last year.

The increase in Group's profit before taxation for the period is attributable to higher net interest income of RM168.7 million, driven by lower funding cost and lower impairment allowance for loans and advances, undrawn commitment and financial guarantees.

The increase was partly offset by lower other operating income mainly from trading and investment income and higher other operating expenses. The Group made an impairment allowance for financial investments and other financial assets for the current financial period compared to a writeback in the corresponding period last year.

The Group's ratio of impaired loans and advances slightly lower at 1.46% compared to 1.48% as at 31 March 2021. Loan loss coverage remained consistently above 100.00%.

The Group and the Bank remained well capitalised with risk weighted capital adequacy ratios of 16.90% and 16.76% respectively.

In the opinion of the Directors, the results of operations of the Group and the Bank for the financial period have not been substantially affected by any items, transaction or event of a material and unusual nature.

A29. PROSPECTS FOR FINANCIAL YEAR ENDING 31 MARCH 2022

As expected, the local economy performed poorly during the third quarter of 2021 as it contracted by 4.5% year-on-year resulting from the reimposition of lockdown during Movement Control Order ("MCO") 3.0. The lockdown was extended into September 2021 with slow and gradual easing based on vaccination rate and number of severe daily cases. All major sectors recorded a negative growth and domestic demand was lukewarm as well.

For the last quarter of 2021, we expect the local economy to rebound modestly from the severe effects of the MCO3.0. At its core, the economy will be underpin by the reopening of the economy, driven by better pandemic management and high vaccination rate. Also, the stimulus measures, 12th Malaysia Plan ("12MP"), Budget 2022, firm commodity prices, and strong exports will provide much needed support. On that note, we foresee the fourth quarter of 2021 economy to likely expand by 2.9%, which brings the full year average to around 3.5%.

Headline inflation peaked in April 2021 at 4.7%, marking a four-year high. Since then inflation has been moderating to reach 2.2% in September 2021. Average inflation for the first nine months of 2021 stood at 2.3% (-1.0% in 2020). Fizzling of low base, weak domestic spending, and some containment of cost pressures from household electricity bill discount for second half of 2021 as well as extension of ceiling price for RON95 and diesel pump price should help contain strong surge in inflation as we move ahead. But the upwards pressure still remain from rising material costs that could result to transfer pricing to consumers. The Producer Price Index ("PPI") in the third quarter of 2021 rose 11.7% year-on-year. For 2021, inflation is expected to hover between 2.6% - 2.8% (-1.1% in 2020).

Meanwhile, the overall banking system loans grew to 2.9% year-on-year by the end of September 2021. Household loan grew by 3.2% year-on-year, lower than 3.4% in the previous month while the non-household loan growth climbed to 2.6% year-on-year due to stronger growth in working capital loans. Loans outlook for 2021 is projected to hover around 3.0% - 4.0%.

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A29. PROSPECTS FOR FINANCIAL YEAR ENDING 31 MARCH 2022 (CONT'D.)

Underpinned by strong liquidity, the overall banking system is poised to remain healthy in 2021. Liquidity coverage ratio remained above the 100% regulatory requirement in August 2021 standing at 150.0% (end 2020 was at 148.2%). Funding profiles remained well diversified with September's loan-to-fund ratio and loan-to-fund-and-equity ratio was at 80.7% and 70.5% (End-2020 was at 82.5% and 71.9% respectively).

In a move to support the economy, a total of RM530 billion stimulus measures were rolled-out which includes fiscal, monetary, and non monetary policies. Added with the fiscal stimulus Budget 2022 with a 6.0% deficit to the Gross Domestic Products ("GDP"), we expect BNM to maintain the current policy rate of 1.75% until first half of 2022 and the rate in the third quarter of 2022 will increase by 25bps to 2.00%.

We continue to support the government's initiatives to ease the financial burden of our customers affected by the pandemic. Since the commencement of the PEMULIH relief programme on 7 July 2021, we have seen a substantial increase in our total loans under repayment assistance. In addition to this, eligible B50 borrowers can apply for a 3-month interest waiver under the Financial Management and Resilience Program ("URUS") from 15 November 21 to 31 January 2022. We have assessed the potential impact to our second half earnings and deemed it manageable as the Group is sufficiently capitalised and remains highly liquid.

Operationally, we remain steadfast in the execution of our FY2021 - FY2024 Focus 8 strategy, which is underpinned by strategic initiatives to drive operational efficiencies and sustainable business growth while weaving environmental, social and governance ("ESG") considerations and the digitalisation agenda into our culture, daily operations and business practices. The Group will also drive current account and saving account ("CASA") growth and capital-light revenues across its channels, with particular focus on targeted segments such as SME and Mid-Corporate. The Group continues its focus on digitalisation initiatives, data analytics and automation by reinvesting cost savings into these areas. The Group understands the importance of striking a good balance between necessary capital expenditure and prudent cost management to continue improving our cost-to-income ratio.

A30. VALUATION OF PROPERTY AND EQUIPMENT

The Group's and the Bank's property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

A31. EVENT DURING THE FINANCIAL PERIOD

Starting from 7 July 2021 onwards, the Bank offers repayment assistance of payment deferment for a period of six-months or 50% reduction in the monthly instalment payment for a period of six-month to all individuals, microenterprises and any SME whose financial condition has been adversely affected by the pandemic in line with the announcement of Pakej Perlindungan Rakyat dan Ekonomi ("PEMULIH") by the Government on 28 June 2021.

A32. CHANGES IN THE COMPOSITION OF THE GROUP AND THE BANK

There were no material changes in the composition of the Group and the Bank for the current financial quarter and period.

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A33. COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Group and the Bank make various commitments and incur certain contingent liabilities with legal recourse to its customers. No material losses are anticipated as a result of these transactions. The commitments and contingencies are not secured against the Group's and the Bank's assets.

The principal amounts of the commitments and contingencies and notional contracted amounts of derivatives of the Group and the Bank are as follows:

	Group		Bank	
	30 September 2021 RM'000	31 March 2021 RM'000	30 September 2021 RM'000	31 March 2021 RM'000
Commitments				
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	12,080,258	11,941,696	12,150,558	12,006,696
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	1,375,662	1,423,498	1,375,662	1,423,498
Unutilised credit card lines	3,713,755	3,761,826	3,713,755	3,761,826
Forward asset purchase	1,053	657,169	1,053	657,169
Others	-	-	50	50
	<u>17,170,728</u>	<u>17,784,189</u>	<u>17,241,078</u>	<u>17,849,239</u>
Contingencies				
Direct credit substitutes	1,891,931	1,557,233	1,891,931	1,557,233
Transaction related contingent items	3,465,520	3,442,831	3,465,520	3,442,831
Short term self liquidating trade related contingencies	513,023	654,391	513,023	654,391
	<u>5,870,474</u>	<u>5,654,455</u>	<u>5,870,474</u>	<u>5,654,455</u>
Derivative Financial Instruments				
Foreign exchange related contracts				
- One year or less	36,386,034	49,723,177	36,386,034	49,723,177
- Over one year to five years	4,859,636	5,594,806	4,859,636	5,594,806
- Over five years	1,561,816	1,388,564	1,561,816	1,388,564
Interest rate related contracts				
- One year or less	10,066,086	13,551,363	10,066,086	13,551,363
- Over one year to five years	25,149,947	27,515,321	25,149,947	27,515,321
- Over five years	5,522,478	5,038,177	5,522,478	5,038,177
Credit related contracts				
- One year or less	-	347,950	-	347,950
Equity and commodity related contracts				
- One year or less	1,493,517	1,434,390	1,493,517	1,434,390
- Over one year to five years	79,149	84,682	79,149	84,682
	<u>85,118,663</u>	<u>104,678,430</u>	<u>85,118,663</u>	<u>104,678,430</u>
Total	<u>108,159,865</u>	<u>128,117,074</u>	<u>108,230,215</u>	<u>128,182,124</u>

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A34. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Determination of fair value and fair value hierarchy

The Group and the Bank use the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

For assets and liabilities measured at fair value that are recognised on a recurring basis, the Group and the Bank determine whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Financial assets and liabilities measured using valuation techniques based on assumptions that are supported by prices from observable current market transactions are assets and liabilities for which pricing is obtained via pricing services, but where prices have not been determined in an active market, financial assets with fair values based on broker quotes, investments in private equity funds with fair values obtained via fund managers and assets that are valued using the Group's own models whereby the majority of assumptions are market observable.

Non market observable inputs means that fair values are determined, in whole or in part, using a valuation technique (model) based on assumptions that are neither supported by prices from observable current market transactions in the same instrument, nor are they based on available market data. The main asset classes in this category are unlisted equity investments and debt instruments. Valuation techniques are used to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. However, the fair value measurement objective remains the same, that is, an exit price from the perspective of the Group and the Bank. Therefore, unobservable inputs reflect the Group's and the Bank's own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk). These inputs are developed based on the best information available, which might include the Group's and the Bank's own data, as well as financial information of the counterparties. Equity instruments at FVOCI was revalued using net assets method.

About 3.6% of the Group's and the Bank's (31 March 2021: 3.6% of the Group's and the Bank's) total financial assets recorded at fair value, are based on estimates and recorded as Level 3 investments. Where estimates are used, these are based on a combination of independent third-party evidence and internally developed models, calibrated to market observable data where possible. While such valuations are sensitive to estimates, it is believed that changing one or more of the assumptions to reasonably possible alternative assumptions would not change the fair value significantly.

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A34. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONT'D.)

(a) The following tables show the Group's and the Bank's financial instruments that are measured at fair value at the reporting date analysed by levels within the fair value hierarchy.

	Group				Bank			
	Valuation technique			Total RM'000	Valuation technique			Total RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
30 September 2021								
Financial assets measured at fair value								
Derivative financial assets	-	1,050,334	-	1,050,334	-	1,050,334	-	1,050,334
Financial assets at fair value through profit or loss								
- Money market securities	-	1,807,568	-	1,807,568	-	1,807,568	-	1,807,568
- Quoted shares	1,039,570	-	-	1,039,570	1,039,566	-	-	1,039,566
- Unquoted shares	-	-	34	34	-	-	-	-
- Quoted unit trust	34,701	-	-	34,701	34,701	-	-	34,701
- Quoted call warrant	125	-	-	125	125	-	-	125
- Quoted sukuk	-	13,564	-	13,564	-	13,564	-	13,564
- Unquoted corporate bonds and sukuk	-	507,292	-	507,292	-	507,292	-	507,292
Financial investments at fair value through other comprehensive income								
- Money market securities	-	5,695,308	-	5,695,308	-	5,695,308	-	5,695,308
- Unquoted shares	-	-	684,355	684,355	-	-	684,355	684,355
- Quoted unit trust	72,478	-	-	72,478	72,478	-	-	72,478
- Unquoted corporate bonds and sukuk	-	8,019,694	-	8,019,694	-	8,019,694	-	8,019,694
	<u>1,146,874</u>	<u>17,093,760</u>	<u>684,389</u>	<u>18,925,023</u>	<u>1,146,870</u>	<u>17,093,760</u>	<u>684,355</u>	<u>18,924,985</u>
Financial liabilities measured at fair value								
Derivative financial liabilities	13,774	952,951	-	966,725	13,774	952,951	-	966,725

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A34. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONT'D.)

(a) The following tables show the Group's and the Bank's financial instruments that are measured at fair value at the reporting date analysed by levels within the fair value hierarchy (Cont'd.).

	Group				Bank			
	Valuation technique			Total RM'000	Valuation technique			Total RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
31 March 2021								
Financial assets measured at fair value								
Derivative financial assets	237	1,312,766	-	1,313,003	237	1,312,766	-	1,313,003
Financial assets at fair value through profit or loss								
- Money market securities	-	2,136,963	-	2,136,963	-	2,136,963	-	2,136,963
- Quoted shares	1,044,991	-	-	1,044,991	1,044,987	-	-	1,044,987
- Unquoted shares	-	-	34	34	-	-	-	-
- Quoted unit trust	20,078	-	-	20,078	20,078	-	-	20,078
- Quoted sukuk	-	37,538	-	37,538	-	37,538	-	37,538
- Unquoted corporate bond and sukuk	-	549,988	-	549,988	-	549,988	-	549,988
Financial investments at fair value through other comprehensive income								
- Money market securities	-	5,936,158	-	5,936,158	-	5,936,158	-	5,936,158
- Unquoted shares	-	-	681,353	681,353	-	-	681,353	681,353
- Quoted unit trust	77,983	-	-	77,983	77,983	-	-	77,983
- Unquoted corporate bond and sukuk	-	7,068,113	-	7,068,113	-	7,068,113	-	7,068,113
	<u>1,143,289</u>	<u>17,041,526</u>	<u>681,387</u>	<u>18,866,202</u>	<u>1,143,285</u>	<u>17,041,526</u>	<u>681,353</u>	<u>18,866,164</u>
Financial liabilities measured at fair value								
Derivative financial liabilities	21,234	1,252,295	-	1,273,529	21,234	1,252,295	-	1,273,529

There were no transfers between Level 1 and Level 2 during the current financial period and previous financial year for the Group and the Bank.

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A34. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONT'D.)

Movements In Level 3 financial instruments measured at fair value

The level of the fair value hierarchy of financial instruments is determined at the beginning of each reporting period. The following tables show the reconciliation of the opening and closing amounts of Level 3 financial assets which are recorded at fair value:

Group	Equity instruments at FVTPL RM'000	Equity instruments at FVOCI RM'000	Total RM'000
At 1 April 2021	34	681,353	681,387
Total gains recognised in other comprehensive income under fair value reserve	-	3,002	3,002
At 30 September 2021	34	684,355	684,389

	Equity instruments at FVTPL RM'000	Equity instruments at FVOCI RM'000	Total RM'000
At 1 April 2020	31	588,549	588,580
Gain on revaluation of financial assets at FVTPL taken up in statement of profit or loss	3	-	3
Total gains recognised in other comprehensive income	-	92,804	92,804
At 31 March 2021	34	681,353	681,387

		Equity instruments at FVOCI RM'000	Total RM'000
Bank			
At 1 April 2021		681,353	681,353
Total gains recognised in other comprehensive income under fair value reserve		3,002	3,002
At 30 September 2021		684,355	684,355

	Debt instruments at FVOCI RM'000	Equity instruments at FVOCI RM'000	Total RM'000
At 1 April 2020	7,846	588,549	596,395
Settlements	(7,700)	-	(7,700)
Total (losses)/gains recognised in other comprehensive income under fair value reserve	(146)	92,804	92,658
At 31 March 2021	-	681,353	681,353

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A34. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONT'D.)

Total gains or losses included in the statements of profit or loss and statements of comprehensive income for financial instruments held at the end of reporting period:

	Group		Bank	
	30 September	31 March	30 September	31 March
	2021	2021	2021	2021
	RM'000	RM'000	RM'000	RM'000
Financial assets at FVTPL				
Total gains included in:				
- profit or loss	-	3	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Financial investments at FVOCI				
Total gains included in:				
- other comprehensive income	3,002	92,804	3,002	92,658
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

There were no transfers between Level 2 and Level 3 during the current financial period and previous financial year for the Group and the Bank.

Impact on fair value of Level 3 financial instruments measured at fair value arising from changes to key

Changing one or more of the inputs to reasonable alternative assumptions would not change the value significantly for the financial assets in Level 3 of the fair value hierarchy.

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A35. CAPITAL ADEQUACY

- (a) The capital adequacy ratios of the Group and the Bank are as follows:

	Group	Bank
Under transitional arrangement (Note (i))		
30 September 2021		
CET 1 Capital Ratio	12.361%	12.239%
Tier 1 Capital Ratio	12.361%	12.239%
Total Capital Ratio	16.899%	16.760%
31 March 2021		
CET 1 Capital Ratio	11.215%	11.095%
Tier 1 Capital Ratio	11.215%	11.095%
Total Capital Ratio	15.789%	15.650%

Notes:

- (i) Pursuant to the revised BNM policy document, Capital Adequacy Framework (Capital Component) issued on 9 December 2020, capital ratios of the Group and the Bank had been computed applying transitional arrangement on provision for ECL. Under the transitional arrangement, the Bank is allowed to add back the amount of loss allowance for non credit impaired exposure (ie. stage 1 and stage 2 provisions) to CET1 Capital. Had the transitional arrangement not been applied, the capital ratios of the Group and the Bank as at 30 September 2021 and 31 March 2021 are as follow:

	30 September 2021		31 March 2021	
	Group	Bank	Group	Bank
CET 1	11.543%	11.425%	10.533%	10.415%
Tier 1 Capital Ratio	11.543%	11.425%	10.533%	10.415%
Total Capital Ratio	16.491%	16.358%	15.511%	15.378%

- (ii) Pursuant to the above BNM's guideline on Capital Adequacy Framework (Capital Components), the minimum capital adequacy ratios to be maintained under the guideline are at 4.5% for CET 1 capital, 6.0% for Tier 1 capital and 8.0% for total capital ratio. In addition, banking institutions are also required to maintain capital buffers in form of CET 1 capital above the minimum CET 1 Capital, Tier 1 Capital and Total Capital adequacy levels. The capital buffers shall comprise the sum of the following:
- (a) a Capital Conservation Buffer ("CCB") of 2.5%;
 - (b) a Countercyclical Capital Buffer ("CCyB") determined as the weighted-average of the prevailing CCyB rates applied in the jurisdictions in which the Bank has credit exposures. BNM will communicate any decision on the CCyB rate by up to 12 months before the date from which the rate applies; and
 - (c) a Higher Loss Absorbency ("HLA") requirement for a financial institution that is designated as a domestic systemically important bank ("D-SIB").

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A35. CAPITAL ADEQUACY (CONT'D.)

(b) The components of CET 1, Additional Tier 1, Tier 2 and Total Capital of the Group and the Bank are as follows:

	Group		Bank	
	30 September 2021 RM'000	31 March 2021 RM'000	30 September 2021 RM'000	31 March 2021 RM'000
CET 1 Capital				
Share Capital	3,040,465	2,590,465	3,040,465	2,590,465
Retained earnings	5,943,924	5,541,997	5,996,174	5,591,998
Fair value reserve	432,739	457,552	432,739	457,552
Foreign currency translation reserve	87,250	84,588	91,074	88,443
Merger reserve	104,149	104,149	-	-
Cash flow hedging deficit	(12,025)	(16,949)	(12,025)	(16,949)
Less: Regulatory adjustments applied on CET 1 Capital				
- Intangible assets	(227,266)	(254,134)	(227,266)	(254,134)
- Deferred tax assets	(111,934)	(95,580)	(111,934)	(95,580)
- 55% of cumulative fair value gains in fair value reserve	(238,006)	(251,654)	(238,006)	(251,654)
- Cash flow hedging deficit	12,025	16,949	12,025	16,949
- Investment in ordinary shares of unconsolidated financial entities	-	-	(8,488)	(8,488)
- Unrealised fair value gains on financial liabilities due to changes in own credit risk	(635)	(1,197)	(635)	(1,197)
- Other CET1 regulatory adjustments specified by the BNM	639,752	529,761	639,761	529,759
Total CET 1 Capital	9,670,438	8,705,947	9,613,884	8,647,164
Additional Tier 1 Capital				
Qualifying CET 1, Additional Tier 1 capital instruments held by third parties	2	3	-	-
Total Tier 1 Capital	9,670,440	8,705,950	9,613,884	8,647,164
Tier 2 Capital				
Tier 2 Capital instruments meeting all relevant criteria for inclusion	2,995,000	2,995,000	2,995,000	2,995,000
Qualifying CET 1, Additional Tier 1 and Tier 2 capital instruments held by third parties	1	1	-	-
General provisions*	555,575	555,575	555,618	555,618
Total Tier 2 capital	3,550,576	3,550,576	3,550,618	3,550,618
Total Capital	13,221,016	12,256,526	13,164,502	12,197,782

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

	Group		Bank	
	30 September 2021 RM'000	31 March 2021 RM'000	30 September 2021 RM'000	31 March 2021 RM'000
Credit RWA	70,056,663	69,552,785	70,381,275	69,875,702
Market RWA	2,553,522	2,681,772	2,553,693	2,681,941
Operational RWA	4,650,825	4,515,945	4,640,590	4,505,648
Large exposure risk RWA for equity holdings	973,169	877,587	973,169	877,587
Total RWA	78,234,179	77,628,089	78,548,727	77,940,878

* Consists of stage 1 and stage 2 loss allowances.

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A36. CREDIT EXPOSURE ARISING FROM CREDIT TRANSACTIONS WITH CONNECTED PARTIES

	Group		Bank	
	30 September	31 March	30 September	31 March
	2021	2021	2021	2021
	RM'000	RM'000	RM'000	RM'000
Outstanding credit exposures with connected parties (RM'000)	4,240,490	4,811,174	4,334,549	4,909,503
Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures (%)	4.90	5.46	5.01	5.57
Percentage of outstanding credit exposures with connected parties which is non-performing or in default (%)	0.06	0.07	0.06	0.07

The credit exposures above are based on Bank Negara Malaysia's revised Guidelines on Credit Transactions and Exposures with Connected Parties.