

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 June 2021**  
(In Ringgit Malaysia)

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

**UNAUDITED STATEMENTS OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2021**

	Note	Group		Bank	
		30 June 2021 RM'000	31 March 2021 RM'000	30 June 2021 RM'000	31 March 2021 RM'000
<b>ASSETS</b>					
Cash and short-term funds	A8	6,234,464	9,621,295	6,223,515	9,613,134
Deposits and placements with banks and other financial institutions	A9	359,864	457,124	359,864	457,124
Investment account placement	A10	1,714,486	716,091	1,714,486	716,091
Derivative financial assets		1,115,524	1,313,003	1,115,524	1,313,003
Financial assets at fair value through profit or loss	A11	4,655,958	3,789,592	4,655,920	3,789,554
Financial investments at fair value through other comprehensive income	A12	15,447,948	13,763,607	15,447,948	13,763,607
Financial investments at amortised cost	A13	2,695,884	2,695,263	2,695,884	2,695,263
Loans and advances	A14	76,187,144	76,578,394	76,148,130	76,537,912
Statutory deposit with Bank Negara Malaysia		325,799	305,773	325,799	305,773
Deferred tax assets		56,277	74,858	56,277	74,858
Investment in subsidiaries		-	-	31,492	31,492
Investment in associates		15,787	31,305	19,617	32,300
Other assets	A15	1,504,875	1,559,988	1,501,819	1,557,083
Property and equipment		172,891	184,473	154,393	165,843
Right-of-use assets		209,558	223,268	211,111	224,856
Intangible assets		233,315	254,134	233,315	254,134
<b>TOTAL ASSETS</b>		<b>110,929,774</b>	<b>111,568,168</b>	<b>110,895,094</b>	<b>111,532,027</b>
<b>LIABILITIES AND EQUITY</b>					
Deposits from customers	A16	78,406,058	79,629,964	78,421,780	79,645,732
Deposits and placements of banks and other financial institutions	A17	8,016,860	7,104,827	8,026,647	7,115,032
Securities sold under repurchase agreements		1,159,049	810,171	1,159,049	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		1,056,286	1,273,529	1,056,286	1,273,529
Term funding		759,871	715,103	759,871	715,103
Debt capital		2,995,000	2,995,000	2,995,000	2,995,000
Other liabilities	A18	1,797,559	3,802,608	1,785,892	3,790,933
<b>TOTAL LIABILITIES</b>		<b>101,465,708</b>	<b>102,806,220</b>	<b>101,479,550</b>	<b>102,820,518</b>
Share capital		3,040,465	2,590,465	3,040,465	2,590,465
Reserves		6,423,455	6,171,337	6,375,079	6,121,044
<b>Equity attributable to equity holder of the Bank</b>		<b>9,463,920</b>	<b>8,761,802</b>	<b>9,415,544</b>	<b>8,711,509</b>
Non-controlling interests		146	146	-	-
<b>TOTAL EQUITY</b>		<b>9,464,066</b>	<b>8,761,948</b>	<b>9,415,544</b>	<b>8,711,509</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>110,929,774</b>	<b>111,568,168</b>	<b>110,895,094</b>	<b>111,532,027</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	A33	<b>111,513,496</b>	<b>128,117,074</b>	<b>111,581,446</b>	<b>128,182,124</b>
<b>NET ASSETS PER SHARE (RM)</b>		<b>9.96</b>	<b>9.70</b>	<b>9.91</b>	<b>9.64</b>

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**  
(Incorporated in Malaysia)  
**And Its Subsidiaries**

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

Group	Note	Individual Quarter		Cumulative Quarter	
		30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
Operating revenue		1,131,621	1,238,551	1,131,621	1,238,551
Interest income	A19	975,297	1,038,326	975,297	1,038,326
Interest expense	A20	(436,242)	(638,552)	(436,242)	(638,552)
Net interest income		539,055	399,774	539,055	399,774
Other operating income	A21	156,842	200,332	156,842	200,332
Share in results of an associate		(518)	(107)	(518)	(107)
Net income		695,379	599,999	695,379	599,999
Other operating expenses	A22	(305,288)	(299,753)	(305,288)	(299,753)
Operating profit		390,091	300,246	390,091	300,246
Allowance for impairment on loans and advances	A23	(96,685)	(13,660)	(96,685)	(13,660)
Provision for commitments and contingencies		(3,540)	(4,182)	(3,540)	(4,182)
(Allowance)/writeback of allowance for impairment on:					
Financial investments	A24	(3,139)	3,014	(3,139)	3,014
Other financial assets	A25	(2,005)	(172)	(2,005)	(172)
Other recoveries		5	55	5	55
<b>Profit before taxation</b>		<b>284,727</b>	<b>285,301</b>	<b>284,727</b>	<b>285,301</b>
Taxation		(68,419)	(65,920)	(68,419)	(65,920)
<b>Profit for the financial period</b>		<b>216,308</b>	<b>219,381</b>	<b>216,308</b>	<b>219,381</b>
Attributable to:					
Equity holder of the Bank		216,308	219,376	216,308	219,376
Non-controlling interests		-	5	-	5
Profit for the financial period		216,308	219,381	216,308	219,381
<b>Earnings per share (sen)</b>					
Basic/Diluted	A26	23.53	26.21	23.53	26.21

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.

**AmBank (M) Berhad**  
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**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2021**

Group	Individual Quarter		Cumulative Quarter	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
Profit for the financial period	216,308	219,381	216,308	219,381
<b>Other comprehensive income/(loss)</b>				
<b>Items that will not be reclassified subsequently to profit or loss</b>				
Financial investments at fair value through other comprehensive income				
- net unrealised gain on changes in fair value	1,684	70,523	1,684	70,523
Tax effect	(1,101)	(661)	(1,101)	(661)
<b>Items that may be reclassified subsequently to profit or loss</b>				
Currency translation on offshore operations	526	(2,123)	526	(2,123)
Cash flow hedge				
- gain arising during the financial period	564	1,909	564	1,909
- amortisation of fair value changes of terminated hedge	2,771	1,669	2,771	1,669
Tax effect	(800)	(859)	(800)	(859)
Financial investments at fair value through other comprehensive income				
- net gain on changes in fair value	32,710	183,551	32,710	183,551
- net gain reclassified to profit or loss	(953)	(14,787)	(953)	(14,787)
- expected credit loss	6,637	(2,692)	6,637	(2,692)
Tax effect	(6,228)	(40,503)	(6,228)	(40,503)
Other comprehensive income, net of tax	35,810	196,027	35,810	196,027
<b>Total comprehensive income for the financial period, net of tax</b>	<b>252,118</b>	<b>415,408</b>	<b>252,118</b>	<b>415,408</b>
Attributable to:				
Equity holder of the Bank	252,118	415,403	252,118	415,403
Non-controlling interests	-	5	-	5
	252,118	415,408	252,118	415,408

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 STATEMENT OF PROFIT OR LOSS  
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2021**

	Note	Individual Quarter		Cumulative Quarter	
		30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
<b>Bank</b>					
Operating revenue		1,145,749	1,237,832	1,145,749	1,237,832
Interest income	A19	974,082	1,037,157	974,082	1,037,157
Interest expense	A20	(436,288)	(638,610)	(436,288)	(638,610)
Net interest income		537,794	398,547	537,794	398,547
Other operating income	A21	171,667	200,675	171,667	200,675
Net income		709,461	599,222	709,461	599,222
Other operating expenses	A22	(305,176)	(300,245)	(305,176)	(300,245)
Operating profit		404,285	298,977	404,285	298,977
Allowance for impairment on loans and advances	A23	(96,689)	(13,600)	(96,689)	(13,600)
Provision for commitments and contingencies		(3,551)	(4,183)	(3,551)	(4,183)
(Allowance)/writeback of allowance for impairment on:					
Financial investments	A24	(3,139)	3,016	(3,139)	3,016
Other financial assets	A25	(2,005)	(172)	(2,005)	(172)
Associate		(12,683)	-	(12,683)	-
Other recoveries		5	55	5	55
<b>Profit before taxation</b>		<b>286,223</b>	<b>284,093</b>	<b>286,223</b>	<b>284,093</b>
Taxation		(67,993)	(65,541)	(67,993)	(65,541)
<b>Profit for the financial period</b>		<b>218,230</b>	<b>218,552</b>	<b>218,230</b>	<b>218,552</b>
<b>Earnings per share (sen)</b>					
Basic/Diluted	A26	23.74	26.12	23.74	26.12

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**  
(Incorporated in Malaysia)  
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**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2021**

	Individual Quarter		Cumulative Quarter	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
<b>Bank</b>				
Profit for the financial period	218,230	218,552	218,230	218,552
<b>Other comprehensive income/(loss)</b>				
<b>Items that will not be reclassified subsequently to profit or loss</b>				
Financial investments at fair value through other comprehensive income				
- net unrealised gain on changes in fair value	1,684	70,523	1,684	70,523
Tax effect	(1,101)	(661)	(1,101)	(661)
<b>Items that may be reclassified subsequently to profit or loss</b>				
Currency translation on offshore operations	521	(2,116)	521	(2,116)
Cash flow hedge				
- gain arising during the financial period	564	1,909	564	1,909
- amortisation of fair value changes of terminated hedge	2,771	1,669	2,771	1,669
Tax effect	(800)	(859)	(800)	(859)
Financial investments at fair value through other comprehensive income				
- net gain on changes in fair value	32,710	183,565	32,710	183,565
- net gain reclassified to profit or loss	(953)	(14,787)	(953)	(14,787)
- expected credit loss	6,637	(2,694)	6,637	(2,694)
Tax effect	(6,228)	(40,507)	(6,228)	(40,507)
Other comprehensive income, net of tax	35,805	196,042	35,805	196,042
<b>Total comprehensive income for the financial period, net of tax</b>	<b>254,035</b>	<b>414,594</b>	<b>254,035</b>	<b>414,594</b>

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 CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 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
<b>At 1 April 2020</b>	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	-	-	-	-	-	-	219,376	219,376	5	219,381
Other comprehensive income/(loss), net	-	-	-	195,431	2,719	(2,123)	-	196,027	-	196,027
Total comprehensive income/(loss) for the financial period	-	-	-	195,431	2,719	(2,123)	219,376	415,403	5	415,408
Transfer to regulatory reserve	-	8,792	-	-	-	-	(8,792)	-	-	-
Transaction with owner and other equity movements	-	8,792	-	-	-	-	(8,792)	-	-	-
<b>At 30 June 2020</b>	<b>1,940,465</b>	<b>319,795</b>	<b>104,149</b>	<b>564,162</b>	<b>(25,436)</b>	<b>93,643</b>	<b>7,537,086</b>	<b>10,533,864</b>	<b>159</b>	<b>10,534,023</b>

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

Group	Attributable to equity holder of the Bank					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
<b>At 1 April 2021</b>	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	-	-	-	-	-	216,308	216,308	-	216,308
Other comprehensive income, net	-	-	32,749	2,535	526	-	35,810	-	35,810
Total comprehensive income for the financial period	-	-	32,749	2,535	526	216,308	252,118	-	252,118
Issuance of ordinary shares	450,000	-	-	-	-	-	450,000	-	450,000
Transaction with owner and other equity movements	450,000	-	-	-	-	-	450,000	-	450,000
<b>At 30 June 2021</b>	<b>3,040,465</b>	<b>104,149</b>	<b>490,301</b>	<b>(14,414)</b>	<b>85,114</b>	<b>5,758,305</b>	<b>9,463,920</b>	<b>146</b>	<b>9,464,066</b>

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 STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 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	
<b>At 1 April 2020</b>	1,940,465	311,003	368,847	(28,155)	99,587	7,380,683	10,072,430
Profit for the financial period	-	-	-	-	-	218,552	218,552
Other comprehensive income/(loss), net	-	-	195,439	2,719	(2,116)	-	196,042
Total comprehensive income/(loss) for the financial period	-	-	195,439	2,719	(2,116)	218,552	414,594
Transfer to regulatory reserve	-	8,792	-	-	-	(8,792)	-
Transaction with owner and other equity movements	-	8,792	-	-	-	(8,792)	-
<b>At 30 June 2020</b>	<b>1,940,465</b>	<b>319,795</b>	<b>564,286</b>	<b>(25,436)</b>	<b>97,471</b>	<b>7,590,443</b>	<b>10,487,024</b>

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.

Registration No. 196901000166 (8515-D)

**AmBank (M) Berhad**  
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**UNAUDITED STATEMENT OF CHANGES IN EQUITY (CONT'D.)  
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2021**

	Attributable to equity holder of the Bank					
					Distributable	
Bank	Share capital RM'000	Fair value reserve RM'000	Cash flow hedging deficit RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	Total equity RM'000
<b>At 1 April 2021</b>	2,590,465	457,552	(16,949)	88,443	5,591,998	8,711,509
Profit for the financial period	-	-	-	-	218,230	218,230
Other comprehensive income, net	-	32,749	2,535	521	-	35,805
Total comprehensive income for the financial period	-	32,749	2,535	521	218,230	254,035
Issuance of ordinary shares	450,000	-	-	-	-	450,000
Transaction with owner and other equity movements	450,000	-	-	-	-	450,000
<b>At 30 June 2021</b>	<b>3,040,465</b>	<b>490,301</b>	<b>(14,414)</b>	<b>88,964</b>	<b>5,810,228</b>	<b>9,415,544</b>

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 JUNE 2021**

	Group		Bank	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
Profit before taxation	284,727	285,301	286,223	284,093
Adjustments for non-operating and non-cash items	189,817	263,573	186,939	263,863
Operating profit before working capital changes	474,544	548,874	473,162	547,956
Changes in working capital:				
Net change in operating assets	(1,584,663)	(1,619,479)	(1,585,941)	(1,621,145)
Net change in operating liabilities	(1,120,392)	(5,224,247)	(1,120,827)	(5,224,332)
Tax paid	(32,930)	(82,221)	(32,583)	(82,016)
Net cash used in operating activities	(2,263,441)	(6,377,073)	(2,266,189)	(6,379,537)
Net cash (used in)/generated from investing activities	(1,651,932)	1,357,704	(1,651,932)	1,360,424
Net cash generated from/(used in) financing activities	431,634	(19,497)	431,594	(19,620)
Net decrease in cash and cash equivalents	(3,483,739)	(5,038,866)	(3,486,527)	(5,038,733)
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	(292)	79	(292)	79
Cash and cash equivalents at end of financial period	6,537,410	4,970,130	6,526,461	4,965,479
Cash and cash equivalents comprise:				
Cash and short-term funds	6,234,464	4,045,713	6,223,515	4,041,062
Deposits and placements with banks and other financial institutions	359,864	957,048	359,864	957,048
	6,594,328	5,002,761	6,583,379	4,998,110
Less: Deposits and placements with original maturity of more than 3 months	(59,864)	(36,193)	(59,864)	(36,193)
	6,534,464	4,966,568	6,523,515	4,961,917
Allowances for expected credit loss ("ECL") for cash and cash equivalents at end of the financial period	2,946	3,562	2,946	3,562
	6,537,410	4,970,130	6,526,461	4,965,479

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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**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**

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
- 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 the direct cost of fulfilling a contract for the purpose of determining the unavoidable costs of meeting the entity's contractual obligations 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 MASB has amended MFRS 1 to allow entities that have taken this MFRS 1 exemption 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.

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**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.

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**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 subject to seasonal or cyclical fluctuation in the current financial quarter.

**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 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.

**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.

**A7. DIVIDENDS**

The Directors do not recommend the payment of any dividend in respect of the financial quarter ended 30 June 2021 and no dividends were paid in the current financial quarter.

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**A8. CASH AND SHORT-TERM FUNDS**

	Group		Bank	
	30 June 2021 RM'000	31 March 2021 RM'000	30 June 2021 RM'000	31 March 2021 RM'000
Cash and bank balances	1,712,409	1,737,878	1,701,460	1,736,057
Deposit placements maturing within one month:				
Licensed banks	2,935,001	3,385,673	2,935,001	3,379,333
Bank Negara Malaysia	1,590,000	4,500,000	1,590,000	4,500,000
	4,525,001	7,885,673	4,525,001	7,879,333
Total cash and bank balances and deposit placements	6,237,410	9,623,551	6,226,461	9,615,390
Less: Allowances for Expected Credit Losses ("ECL")	(2,946)	(2,256)	(2,946)	(2,256)
	6,234,464	9,621,295	6,223,515	9,613,134

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	
<b>31 March 2021</b>			
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	2,234	22	2,256

Group and Bank	Stage 1	Stage 2	Total
	12-Month ECL RM'000	Lifetime ECL not credit impaired RM'000	
<b>30 June 2021</b>			
Balance at beginning of the financial period	2,234	22	2,256
Net allowances for ECL:	672	17	689
New financial assets originated	4,909	-	4,909
Financial assets derecognised	(4,344)	-	(4,344)
Transfer from deposits and placements with banks and other financial institution (Note A9)	63	-	63
Net remeasurement of allowances	44	17	61
Foreign exchange differences	1	-	1
Balance at end of the financial period	2,907	39	2,946

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**A9. DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS**

	<b>Group and Bank</b>	
	<b>30 June 2021 RM'000</b>	<b>31 March 2021 RM'000</b>
Licensed banks	-	82,890
Licensed islamic bank (a related company)	59,864	59,276
Licensed investment bank (a related company)	300,000	315,000
	<u>359,864</u>	<u>457,166</u>
Less: Allowances for ECL	-	(42)
	<u>359,864</u>	<u>457,124</u>

Movements in allowances for ECL are as follows:

<b>Group and Bank</b>	<b>Stage 1 12-Month ECL RM'000</b>	<b>Total RM'000</b>
<b>31 March 2021</b>		
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>

<b>Group and Bank</b>	<b>Stage 1 12-Month ECL RM'000</b>	<b>Total RM'000</b>
<b>30 June 2021</b>		
Balance at beginning of the financial period	42	42
Net writeback of ECL:	(42)	(42)
New financial assets originated	21	21
Transfer to cash and short term funds (Note A8)	(63)	(63)
Balance at end of the financial period	<u>-</u>	<u>-</u>

**A10. INVESTMENT ACCOUNT PLACEMENT**

	<b>Group and Bank</b>	
	<b>30 June 2021 RM'000</b>	<b>31 March 2021 RM'000</b>
Licensed Islamic bank	1,717,840	718,034
Less: Allowances for ECL	(3,354)	(1,943)
	<u>1,714,486</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.

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 June 2021, the gross exposure relating to the RA financing for the Group and the Bank amounted to RM1,720.9 million (31 March 2021: RM719.5 million). No stage 3 ECL is provided for the RA financing as at 30 June 2021 and 31 March 2021.

Movements in allowances for ECL are as follows:

<b>Group and Bank</b>	<b>Stage 1 12-Month ECL RM'000</b>	<b>Total RM'000</b>
<b>31 March 2021</b>		
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	<u>1,943</u>	<u>1,943</u>

<b>Group and Bank</b>	<b>Stage 1 12-Month ECL RM'000</b>	<b>Total RM'000</b>
<b>30 June 2021</b>		
Balance at beginning of the financial period	1,943	1,943
Net allowances for ECL:	1,411	1,411
New financial assets originated	937	937
Net remeasurement of allowances	474	474
Balance at end of the financial period	<u>3,354</u>	<u>3,354</u>

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

	Group		Bank	
	30 June 2021 RM'000	31 March 2021 RM'000	30 June 2021 RM'000	31 March 2021 RM'000
<b>At fair value</b>				
Money market instruments:				
Islamic Treasury Bills	1,023,273	1,017,221	1,023,273	1,017,221
Malaysian Government Investment Issues	624,905	340,242	624,905	340,242
Malaysian Government Securities	517,140	223,502	517,140	223,502
Malaysian Treasury Bills	803,999	555,998	803,999	555,998
	<u>2,969,317</u>	<u>2,136,963</u>	<u>2,969,317</u>	<u>2,136,963</u>
Quoted securities:				
<i>In Malaysia:</i>				
Shares	496,856	502,789	496,856	502,789
Unit trusts	19,510	20,078	19,510	20,078
Sukuk	37,546	37,538	37,546	37,538
	<u>553,912</u>	<u>560,405</u>	<u>553,912</u>	<u>560,405</u>
<i>Outside Malaysia:</i>				
Shares	<u>510,735</u>	<u>542,202</u>	<u>510,731</u>	<u>542,198</u>
Unquoted securities:				
<i>In Malaysia:</i>				
Shares	34	34	-	-
Corporate bonds and sukuk	621,960	549,988	621,960	549,988
	<u>621,994</u>	<u>550,022</u>	<u>621,960</u>	<u>549,988</u>
	<u>4,655,958</u>	<u>3,789,592</u>	<u>4,655,920</u>	<u>3,789,554</u>

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

	Group		Bank	
	30 June 2021 RM'000	31 March 2021 RM'000	30 June 2021 RM'000	31 March 2021 RM'000
<b>At fair value</b>				
Money market instruments:				
Malaysian Government Investment Issues	2,487,224	2,451,416	2,487,224	2,451,416
Malaysian Government Securities	3,363,238	3,360,666	3,363,238	3,360,666
Foreign Government Securities	76,305	74,045	76,305	74,045
Negotiable Instruments of Deposit	785,003	50,031	785,003	50,031
	<u>6,711,770</u>	<u>5,936,158</u>	<u>6,711,770</u>	<u>5,936,158</u>
Quoted securities:				
<i>In Malaysia:</i>				
Unit trusts	73,396	77,983	73,396	77,983
	<u>73,396</u>	<u>77,983</u>	<u>73,396</u>	<u>77,983</u>
Unquoted securities:				
<i>In Malaysia:</i>				
Corporate bonds and sukuk	7,942,456	7,021,969	7,942,456	7,021,969
Shares	683,744	680,841	683,744	680,841
	<u>8,626,200</u>	<u>7,702,810</u>	<u>8,626,200</u>	<u>7,702,810</u>
<i>Outside Malaysia:</i>				
Sukuk	36,070	46,144	36,070	46,144
Shares	512	512	512	512
	<u>36,582</u>	<u>46,656</u>	<u>36,582</u>	<u>46,656</u>
	<u>15,447,948</u>	<u>13,763,607</u>	<u>15,447,948</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:

<b>Group</b>	<b>Stage 1 12-Month ECL RM'000</b>	<b>Stage 2 Lifetime ECL not credit impaired RM'000</b>	<b>Total RM'000</b>
<b>31 March 2021</b>			
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>

<b>Group</b>	<b>Stage 1 12-Month ECL RM'000</b>	<b>Stage 2 Lifetime ECL not credit impaired RM'000</b>	<b>Total RM'000</b>
<b>30 June 2021</b>			
Balance at beginning of the financial period	9,297	19	9,316
Net writeback of ECL:	4,125	2,512	6,637
- Transfer to Stage 2	(119)	2,531	2,412
New financial assets originated	3,798	-	3,798
Financial assets derecognised	(1,244)	(19)	(1,263)
Net remeasurement of allowances	1,690	-	1,690
Balance at end of the financial period	<u>13,422</u>	<u>2,531</u>	<u>15,953</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.):

<b>Bank</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Total</b>
	<b>12-Month ECL</b>	<b>Lifetime ECL not credit impaired</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>31 March 2021</b>			
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

<b>Bank</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Total</b>
	<b>12-Month ECL</b>	<b>Lifetime ECL not credit impaired</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>30 June 2021</b>			
Balance at beginning of the financial period	9,297	19	9,316
Net writeback of ECL:	4,125	2,512	6,637
- Transfer to Stage 2	(119)	2,531	2,412
New financial assets originated	3,798	-	3,798
Financial assets derecognised	(1,244)	(19)	(1,263)
Net remeasurement of allowances	1,690	-	1,690
Balance at end of the financial period	13,422	2,531	15,953

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**A13. FINANCIAL INVESTMENTS AT AMORTISED COST**

	<b>Group and Bank</b>	
	<b>30 June 2021 RM'000</b>	<b>31 March 2021 RM'000</b>
<b>At amortised cost</b>		
Money market instruments:		
Malaysian Government Investment Issues	111,731	111,718
Unquoted securities:		
<i>In Malaysia:</i>		
Corporate bonds and sukuk	2,590,962	2,593,852
	<u>2,702,693</u>	<u>2,705,570</u>
Less: Allowances for ECL	(6,809)	(10,307)
	<u>2,695,884</u>	<u>2,695,263</u>

Movements in allowances for ECL are as follows:

<b>Group and Bank</b>	<b>Stage 1 12-Month ECL RM'000</b>	<b>Stage 2 12-Month ECL RM'000</b>	<b>Total RM'000</b>
<b>31 March 2021</b>			
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 1	(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	<u>2,183</u>	<u>8,124</u>	<u>10,307</u>

<b>Group and Bank</b>	<b>Stage 1 12-Month ECL RM'000</b>	<b>Stage 2 12-Month ECL RM'000</b>	<b>Total RM'000</b>
<b>30 June 2021</b>			
Balance at beginning of the financial period	2,183	8,124	10,307
Net allowance/(writeback) of ECL:	879	(4,377)	(3,498)
Net remeasurement of allowances	882	(4,377)	(3,495)
Financial assets derecognised	(3)	-	(3)
Balance at end of the financial period	<u>3,062</u>	<u>3,747</u>	<u>6,809</u>

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**A14. LOANS AND ADVANCES**

	Group		Bank	
	30 June 2021 RM'000	31 March 2021 RM'000	30 June 2021 RM'000	31 March 2021 RM'000
<b>At amortised cost:</b>				
Overdraft	2,053,533	2,144,241	2,053,533	2,144,241
Term loans	22,154,450	21,884,723	22,154,450	21,884,723
Housing loan receivables	27,139,073	27,000,657	27,017,431	26,874,589
Hire purchase receivables	10,058,622	10,386,105	10,058,622	10,386,105
Bills receivables	1,644,420	1,614,623	1,644,420	1,614,623
Trust receipts	1,866,431	1,833,375	1,866,431	1,833,375
Claims on customers under acceptance credits	3,543,613	3,654,294	3,543,613	3,654,294
Card receivables	1,386,200	1,470,197	1,386,200	1,470,197
Revolving credits	6,425,243	6,597,314	6,507,650	6,682,642
Staff loans	93,573	94,307	93,573	94,307
Others	1,286,508	1,341,067	1,286,508	1,341,067
<b>Gross loans and advances</b>	<b>77,651,666</b>	<b>78,020,903</b>	<b>77,612,431</b>	<b>77,980,163</b>
<b>Allowances for ECL:</b>				
- Stage 1 - 12 months ECL	(191,268)	(287,064)	(191,321)	(287,094)
- Stage 2 - Lifetime ECL not credit impaired	(868,041)	(722,447)	(868,010)	(722,421)
- Stage 3 - Lifetime ECL credit impaired	(405,213)	(432,998)	(404,970)	(432,736)
<b>Net loans and advances</b>	<b>76,187,144</b>	<b>76,578,394</b>	<b>76,148,130</b>	<b>76,537,912</b>

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

	Group		Bank	
	30 June 2021 RM'000	31 March 2021 RM'000	30 June 2021 RM'000	31 March 2021 RM'000
Domestic non-bank financial institutions	1,082,592	916,542	1,165,000	1,001,870
Domestic business enterprises				
- Small medium enterprises	16,090,434	16,146,551	16,090,434	16,146,551
- Others	17,702,031	17,868,844	17,702,031	17,868,844
Government and statutory bodies	42,668	43,610	42,668	43,610
Individuals	41,489,944	41,760,312	41,368,301	41,634,244
Other domestic entities	10,426	8,696	10,426	8,696
Foreign individuals and entities	1,233,571	1,276,348	1,233,571	1,276,348
<b>Total</b>	<b>77,651,666</b>	<b>78,020,903</b>	<b>77,612,431</b>	<b>77,980,163</b>

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

	Group		Bank	
	30 June 2021 RM'000	31 March 2021 RM'000	30 June 2021 RM'000	31 March 2021 RM'000
In Malaysia	77,033,050	77,362,244	76,993,815	77,321,504
Outside Malaysia	618,616	658,659	618,616	658,659
	<u>77,651,666</u>	<u>78,020,903</u>	<u>77,612,431</u>	<u>77,980,163</u>

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

	Group		Bank	
	30 June 2021 RM'000	31 March 2021 RM'000	30 June 2021 RM'000	31 March 2021 RM'000
Fixed rate				
- Housing loans	158,153	147,019	36,511	20,951
- Hire purchase receivables	9,567,150	9,860,878	9,567,150	9,860,878
- Other fixed rate loans	6,910,806	7,115,339	6,910,806	7,115,339
Variable rate				
- Base rate and base lending rate plus	43,161,374	43,000,326	43,161,374	43,000,326
- Cost plus	17,132,433	17,126,072	17,214,840	17,211,400
- Other variable rates	721,750	771,269	721,750	771,269
	<u>77,651,666</u>	<u>78,020,903</u>	<u>77,612,431</u>	<u>77,980,163</u>

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

	Group		Bank	
	30 June 2021 RM'000	31 March 2021 RM'000	30 June 2021 RM'000	31 March 2021 RM'000
Agriculture	1,369,993	1,427,044	1,369,993	1,427,044
Mining and quarrying	1,563,634	1,654,708	1,563,634	1,654,708
Manufacturing	10,288,229	10,179,039	10,288,229	10,179,039
Electricity, gas and water	937,402	943,705	937,402	943,705
Construction	3,295,743	3,497,800	3,295,743	3,497,800
Wholesale and retail trade and hotel and restaurants	6,639,130	6,347,026	6,639,130	6,347,026
Transport, storage and communication	2,291,110	2,559,955	2,291,110	2,559,955
Finance and insurance	1,328,588	1,148,567	1,410,995	1,233,895
Real estate	5,067,212	5,281,740	5,067,212	5,281,740
Business activities	1,805,529	1,879,597	1,805,529	1,879,597
Education and health	1,017,649	773,523	1,017,649	773,523
Household of which:	42,024,224	42,302,424	41,902,582	42,176,356
- purchase of residential properties	27,378,175	27,247,834	27,256,533	27,121,766
- purchase of transport vehicles	9,146,843	9,434,502	9,146,843	9,434,502
- others	5,499,206	5,620,088	5,499,206	5,620,088
Others	23,223	25,775	23,223	25,775
	<u>77,651,666</u>	<u>78,020,903</u>	<u>77,612,431</u>	<u>77,980,163</u>

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

	Group		Bank	
	30 June 2021 RM'000	31 March 2021 RM'000	30 June 2021 RM'000	31 March 2021 RM'000
Maturing within one year	18,242,042	18,746,808	18,320,567	18,827,932
Over one year to three years	4,829,044	4,425,177	4,821,854	4,418,435
Over three years to five years	7,990,928	8,289,647	7,980,864	8,278,889
Over five years	46,589,652	46,559,271	46,489,146	46,454,907
	<u>77,651,666</u>	<u>78,020,903</u>	<u>77,612,431</u>	<u>77,980,163</u>

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

	Group		Bank	
	30 June 2021 RM'000	31 March 2021 RM'000	30 June 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	264,066	605,053	264,061	604,125
Reclassified as non-impaired	(47,923)	(126,931)	(47,765)	(126,740)
Recoveries	(72,174)	(246,422)	(72,169)	(246,419)
Amount written off	(113,008)	(306,470)	(113,008)	(306,470)
Foreign exchange differences	(63)	(3,463)	(63)	(3,463)
Balance at end of the financial period/year	<u>1,188,144</u>	<u>1,157,246</u>	<u>1,187,083</u>	<u>1,156,027</u>
Gross impaired loans and advances as % of gross loans and advances	<u>1.53%</u>	<u>1.48%</u>	<u>1.53%</u>	<u>1.48%</u>
Loan loss coverage (Including regulatory reserve)	<u>132.4%</u>	<u>133.7%</u>	<u>132.5%</u>	<u>133.8%</u>

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

	Group		Bank	
	30 June 2021 RM'000	31 March 2021 RM'000	30 June 2021 RM'000	31 March 2021 RM'000
In Malaysia	1,157,125	1,126,285	1,156,064	1,125,066
Outside Malaysia	31,019	30,961	31,019	30,961
	<u>1,188,144</u>	<u>1,157,246</u>	<u>1,187,083</u>	<u>1,156,027</u>

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

	Group		Bank	
	30 June 2021 RM'000	31 March 2021 RM'000	30 June 2021 RM'000	31 March 2021 RM'000
Agriculture	34,015	34,709	34,015	34,709
Mining and quarrying	36,063	35,670	36,063	35,670
Manufacturing	151,788	163,101	151,788	163,101
Electricity, gas and water	5,471	3,421	5,471	3,421
Construction	135,102	88,021	135,102	88,021
Wholesale and retail trade and hotel and restaurants	160,929	131,170	160,929	131,170
Transport, storage and communication	19,689	18,988	19,689	18,988
Finance and insurance	1,363	1,324	1,363	1,324
Real estate	58,505	69,651	58,505	69,651
Business activities	41,536	36,569	41,536	36,569
Education and health	5,343	5,526	5,343	5,526
Household of which:	538,340	569,096	537,279	567,877
- purchase of residential properties	376,234	412,206	375,173	410,987
- purchase of transport vehicles	70,849	51,100	70,849	51,100
- others	91,257	105,790	91,257	105,790
	<u>1,188,144</u>	<u>1,157,246</u>	<u>1,187,083</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	
<b>31 March 2021</b>				
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

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	
<b>30 June 2021</b>				
Balance at beginning of the financial period	287,064	722,447	432,998	1,442,509
Net (writeback)/allowances for ECL:	(95,805)	145,597	85,023	134,815
- Transfer to Stage 1	5,927	(47,213)	(409)	(41,695)
- Transfer to Stage 2	(6,619)	59,632	(10,599)	42,414
- Transfer to Stage 3	(404)	(15,214)	43,942	28,324
New financial assets originated	20,488	23,040	410	43,938
Net remeasurement of allowances	(512)	4,464	92,907	96,859
Modification of contractual cash flows of financial assets	(285)	147	(545)	(683)
Financial assets derecognised	(14,761)	(16,037)	(40,683)	(71,481)
Changes to model assumptions and methodologies	(99,639)	136,778	-	37,139
Foreign exchange differences	9	(3)	200	206
Amount written-off	-	-	(113,008)	(113,008)
Balance at end of the financial period	191,268	868,041	405,213	1,464,522

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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 RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
<b>31 March 2021</b>				
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

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	
<b>30 June 2021</b>				
Balance at beginning of the financial period	287,094	722,421	432,736	1,442,251
Net (writeback)/allowances for ECL:	(95,782)	145,591	85,042	134,851
- Transfer to Stage 1	5,927	(47,213)	(409)	(41,695)
- Transfer to Stage 2	(6,619)	59,627	(10,591)	42,417
- Transfer to Stage 3	(404)	(15,214)	43,942	28,324
New financial assets originated	20,488	23,040	410	43,938
Net remeasurement of allowances	(489)	4,463	92,908	96,882
Modification of contractual cash flows of financial assets	(285)	147	(545)	(683)
Financial assets derecognised	(14,761)	(16,037)	(40,673)	(71,471)
Changes to model assumptions and methodologies	(99,639)	136,778	-	37,139
Foreign exchange differences	9	(2)	200	207
Amount written-off	-	-	(113,008)	(113,008)
Balance at end of the financial period	191,321	868,010	404,970	1,464,301

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**A15. OTHER ASSETS**

	<b>Group</b>		<b>Bank</b>	
	<b>30 June 2021 RM'000</b>	<b>31 March 2021 RM'000</b>	<b>30 June 2021 RM'000</b>	<b>31 March 2021 RM'000</b>
Other receivables, deposits and prepayments	450,409	400,167	448,844	398,573
Interest receivable	277,208	299,288	277,208	299,285
Amount due from related companies	52,061	79,405	53,147	80,750
Collateral pledged for derivative and securities transactions	517,470	552,339	517,470	552,339
Foreclosed properties	2,615	2,615	2,308	2,308
Deferred charges	120,987	117,584	120,987	117,584
Tax recoverable	86,140	110,658	83,399	107,841
	<u>1,506,890</u>	<u>1,562,056</u>	<u>1,503,363</u>	<u>1,558,680</u>
Less: Accumulated impairment losses	(2,015)	(2,068)	(1,544)	(1,597)
	<u>1,504,875</u>	<u>1,559,988</u>	<u>1,501,819</u>	<u>1,557,083</u>

**A16. DEPOSITS FROM CUSTOMERS**

	<b>Group</b>		<b>Bank</b>	
	<b>30 June 2021 RM'000</b>	<b>31 March 2021 RM'000</b>	<b>30 June 2021 RM'000</b>	<b>31 March 2021 RM'000</b>
Demand deposits	20,396,326	19,457,287	20,406,981	19,467,738
Savings deposits	4,539,808	4,409,651	4,539,808	4,409,651
Term/Investment deposits	53,469,924	55,763,026	53,474,991	55,768,343
	<u>78,406,058</u>	<u>79,629,964</u>	<u>78,421,780</u>	<u>79,645,732</u>

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

	<b>Group</b>		<b>Bank</b>	
	<b>30 June 2021 RM'000</b>	<b>31 March 2021 RM'000</b>	<b>30 June 2021 RM'000</b>	<b>31 March 2021 RM'000</b>
Government and other statutory bodies	1,248,420	1,144,965	1,248,420	1,144,965
Business enterprises	36,812,880	39,345,366	36,828,602	39,361,134
Individuals	32,952,768	31,690,212	32,952,768	31,690,212
Others	7,391,990	7,449,421	7,391,990	7,449,421
	<u>78,406,058</u>	<u>79,629,964</u>	<u>78,421,780</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 June 2021 RM'000	31 March 2021 RM'000	30 June 2021 RM'000	31 March 2021 RM'000
Due within six months	40,138,894	46,205,925	40,143,961	46,211,242
Over six months to one year	10,516,882	8,717,762	10,516,882	8,717,762
Over one year to three years	2,719,616	746,431	2,719,616	746,431
Over three years to five years	94,532	92,908	94,532	92,908
	<u>53,469,924</u>	<u>55,763,026</u>	<u>53,474,991</u>	<u>55,768,343</u>

**A17. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS**

	Group		Bank	
	30 June 2021 RM'000	31 March 2021 RM'000	30 June 2021 RM'000	31 March 2021 RM'000
Licensed banks	5,693,985	4,629,469	5,693,985	4,629,469
Licensed investment banks	393,975	484,076	393,975	484,076
Other financial institutions	894,179	973,852	903,966	984,057
Bank Negara Malaysia	1,034,721	1,017,430	1,034,721	1,017,430
	<u>8,016,860</u>	<u>7,104,827</u>	<u>8,026,647</u>	<u>7,115,032</u>

**A18. OTHER LIABILITIES**

	Group		Bank	
	30 June 2021 RM'000	31 March 2021 RM'000	30 June 2021 RM'000	31 March 2021 RM'000
Other payables and accruals	812,652	920,586	800,078	907,977
Lease liabilities	212,275	225,269	213,880	226,907
Provision for reinstatement for leased properties	6,056	6,028	6,056	6,028
Interest payable	347,909	478,996	347,911	478,998
Amount due to holding company and other related companies	74,391	1,832,629	74,391	1,832,629
Collateral received for derivative and securities transactions	145,482	145,035	145,482	145,035
Lease deposits and advance rentals	34,385	35,015	34,385	35,015
Provision for commitments and contingencies	2,872	3,575	2,872	3,575
Allowances for ECL on loan commitments and financial guarantees (Note (a))	108,202	104,678	108,250	104,715
Provision for taxation	1,270	743	522	-
Deferred income	52,065	50,054	52,065	50,054
	<u>1,797,559</u>	<u>3,802,608</u>	<u>1,785,892</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	
<b>31 March 2021</b>				
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

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	
<b>30 June 2021</b>				
Balance at beginning of the financial period	21,416	30,544	52,718	104,678
Net allowance/(writeback) for ECL:	3,507	141	(105)	3,543
- Transfer to Stage 1	814	(5,088)	-	(4,274)
- Transfer to Stage 2	(599)	3,093	-	2,494
- Transfer to Stage 3	(9)	(114)	123	-
New exposure originated	5,269	5,780	-	11,049
Net remeasurement of allowances	1,457	6,044	(105)	7,396
Financial assets derecognised	(3,425)	(9,574)	(123)	(13,122)
Foreign exchange differences	3	(22)	-	(19)
Balance at end of the financial period	24,926	30,663	52,613	108,202

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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.):

<b>Bank</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	<b>12-Month ECL RM'000</b>	<b>Lifetime ECL not credit impaired RM'000</b>	<b>Lifetime ECL credit impaired RM'000</b>	
<b>31 March 2021</b>				
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
Financial assets derecognised	(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

<b>Bank</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	<b>12-Month ECL RM'000</b>	<b>Lifetime ECL not credit impaired RM'000</b>	<b>Lifetime ECL credit impaired RM'000</b>	
<b>30 June 2021</b>				
Balance at beginning of the financial period	21,453	30,544	52,718	104,715
Net allowance/(writeback) for ECL:	3,518	141	(105)	3,554
- Transfer to Stage 1	814	(5,088)	-	(4,274)
- Transfer to Stage 2	(599)	3,093	-	2,494
- Transfer to Stage 3	(9)	(114)	123	-
New financial instruments originated	5,269	5,780	(105)	10,944
Net remeasurement of allowances	1,468	6,044	-	7,512
Financial assets derecognised	(3,425)	(9,574)	(123)	(13,122)
Foreign exchange differences	3	(22)	-	(19)
Balance at end of the financial period	24,974	30,663	52,613	108,250

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**A19. INTEREST INCOME**

	Individual Quarter		Cumulative Quarter	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
<b>Group</b>				
Short-term funds and deposits and placements with financial institutions*	17,066	20,071	17,066	20,071
Financial assets at fair value through profit or loss	22,331	45,061	22,331	45,061
Financial investments at fair value through other comprehensive income	113,293	127,294	113,293	127,294
Financial investments at amortised cost	29,035	32,250	29,035	32,250
Loans and advances*	781,662	800,804	781,662	800,804
Investment account placement	8,883	6,595	8,883	6,595
Impaired loans and advances	625	1,990	625	1,990
Others	2,402	4,261	2,402	4,261
	<u>975,297</u>	<u>1,038,326</u>	<u>975,297</u>	<u>1,038,326</u>
<b>Bank</b>				
Short-term funds and deposits and placements with financial institutions*	17,035	20,050	17,035	20,050
Financial assets at fair value through profit or loss	22,331	45,061	22,331	45,061
Financial investments at fair value through other comprehensive income	113,293	127,380	113,293	127,380
Financial investments at amortised cost	29,035	32,250	29,035	32,250
Loans and advances*	780,478	799,570	780,478	799,570
Investment account placement	8,883	6,595	8,883	6,595
Impaired loans and advances	625	1,990	625	1,990
Others	2,402	4,261	2,402	4,261
	<u>974,082</u>	<u>1,037,157</u>	<u>974,082</u>	<u>1,037,157</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 net modification and fair value loss of RM NIL (June 2020: RM8,966,000) and RM243,000 (June 2020: RM58,284,000) respectively from measures implemented in response to COVID-19 pandemic.

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**A20. INTEREST EXPENSE**

	Individual Quarter		Cumulative Quarter	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
<b>Group</b>				
Deposits from customers	319,827	502,515	319,827	502,515
Deposits and placements of banks and other financial institutions	22,263	28,862	22,263	28,862
Securities sold under repurchase agreements	5,300	15,522	5,300	15,522
Recourse obligation on loans sold to Cagamas Berhad	46,810	43,196	46,810	43,196
Term funding	4,494	14,955	4,494	14,955
Debt capital	36,876	32,616	36,876	32,616
Others	672	886	672	886
	<u>436,242</u>	<u>638,552</u>	<u>436,242</u>	<u>638,552</u>
<b>Bank</b>				
Deposits from customers	319,873	502,573	319,873	502,573
Deposits and placements of banks and other financial institutions	22,263	28,862	22,263	28,862
Securities sold under repurchase agreements	5,300	15,522	5,300	15,522
Recourse obligation on loans sold to Cagamas Berhad	46,810	43,196	46,810	43,196
Term funding	4,494	14,955	4,494	14,955
Debt capital	36,876	32,616	36,876	32,616
Others	672	886	672	886
	<u>436,288</u>	<u>638,610</u>	<u>436,288</u>	<u>638,610</u>

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**A21. OTHER OPERATING INCOME**

Group	Individual Quarter		Cumulative Quarter	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
Fee and commission income:				
Bancassurance commission	5,735	5,528	5,735	5,528
Brokerage fees, commission and rebates	1,431	318	1,431	318
Fees on loans, advances and securities	28,922	23,672	28,922	23,672
Fees, service and commission charges	6,022	4,711	6,022	4,711
Unit trust fees, commission and charges	18,206	10,712	18,206	10,712
Guarantee fees	11,565	11,773	11,565	11,773
Remittances	5,762	2,969	5,762	2,969
Other fee and commission	2,933	2,912	2,933	2,912
	<u>80,576</u>	<u>62,595</u>	<u>80,576</u>	<u>62,595</u>
Investment and trading income:				
Foreign exchange gain	28,311	53,282	28,311	53,282
Gross dividend income/distribution from:				
Financial assets at fair value through profit or loss	1,765	2,448	1,765	2,448
Financial investments at fair value through other comprehensive income	2,650	1,810	2,650	1,810
Net (loss)/gain on sale of:				
Financial assets at fair value through profit or loss	(310)	76,651	(310)	76,651
Financial investments at fair value through other comprehensive income	953	14,787	953	14,787
Net (loss)/gain on revaluation of financial assets at fair value through profit or loss	(22,614)	49,987	(22,614)	49,987
Net gain/(loss) on derivatives	51,314	(71,277)	51,314	(71,277)
Others	7,387	2,697	7,387	2,697
	<u>69,456</u>	<u>130,385</u>	<u>69,456</u>	<u>130,385</u>
Other income:				
Net gain/(loss) on disposal of property and equipment	17	(2)	17	(2)
Net gain on non trading foreign exchange	193	296	193	296
Profit from sale of goods and services	4,483	4,239	4,483	4,239
Rental income	1,959	2,662	1,959	2,662
Others	158	157	158	157
	<u>6,810</u>	<u>7,352</u>	<u>6,810</u>	<u>7,352</u>
	<u>156,842</u>	<u>200,332</u>	<u>156,842</u>	<u>200,332</u>

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**A21. OTHER OPERATING INCOME (CONT'D.)**

	Individual Quarter		Cumulative Quarter	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
<b>Bank</b>				
Fee and commission income:				
Bancassurance commission	5,735	5,528	5,735	5,528
Brokerage fees, commission and rebates	1,431	318	1,431	318
Fees on loans, advances and securities	28,922	23,672	28,922	23,672
Fees, service and commission charges	5,889	4,613	5,889	4,613
Unit trust fees, commission and charges	18,206	10,712	18,206	10,712
Guarantee fees	11,565	11,773	11,565	11,773
Remittances	5,762	2,969	5,762	2,969
Other fee and commission	2,933	2,912	2,933	2,912
	<u>80,443</u>	<u>62,497</u>	<u>80,443</u>	<u>62,497</u>
Investment and trading income:				
Foreign exchange gain	28,311	53,282	28,311	53,282
Gross dividend income/distribution from:				
Financial assets at fair value through profit or loss	1,765	2,448	1,765	2,448
Financial investments at fair value through other comprehensive income	2,650	1,810	2,650	1,810
Associate	15,000	-	15,000	-
Net (loss)/gain on sale of:				
Financial assets at fair value through profit or loss	(310)	76,651	(310)	76,651
Financial investments at fair value through other comprehensive income	953	14,787	953	14,787
Net (loss)/gain on revaluation of financial assets at fair value through profit or loss	(22,614)	49,973	(22,614)	49,973
Net gain/(loss) on derivatives	51,314	(71,277)	51,314	(71,277)
Others	7,387	2,697	7,387	2,697
	<u>84,456</u>	<u>130,371</u>	<u>84,456</u>	<u>130,371</u>
Other income:				
Net gain/(loss) on disposal of property and equipment	17	(2)	17	(2)
Net gain on non trading foreign exchange	193	289	193	289
Profit from sale of goods and services	4,483	4,239	4,483	4,239
Rental income	1,917	3,150	1,917	3,150
Others	158	131	158	131
	<u>6,768</u>	<u>7,807</u>	<u>6,768</u>	<u>7,807</u>
	<u>171,667</u>	<u>200,675</u>	<u>171,667</u>	<u>200,675</u>

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**A22. OTHER OPERATING EXPENSES**

Group	Individual Quarter		Cumulative Quarter	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
<b>Personnel costs:</b>				
Medical	3,160	3,400	3,160	3,400
Insurance	6,256	6,208	6,256	6,208
Contributions to Employees' Provident Fund/ Private Retirement Schemes ("PRS")	29,900	30,282	29,900	30,282
Salaries, bonuses, allowances and incentives	191,708	189,135	191,708	189,135
Share granted under AMMB Executives' Share Scheme ("ESS") - (writeback)/charge	(1,471)	3,174	(1,471)	3,174
Social security costs	1,639	1,624	1,639	1,624
Recruitment costs	1,382	1,948	1,382	1,948
Training	1,575	1,706	1,575	1,706
Others	1,434	2,021	1,434	2,021
	<u>235,583</u>	<u>239,498</u>	<u>235,583</u>	<u>239,498</u>
<b>Establishment costs:</b>				
Amortisation of intangible assets	31,570	17,996	31,570	17,996
Cleaning, maintenance and security	5,956	6,006	5,956	6,006
Computerisation cost	18,348	30,790	18,348	30,790
Depreciation of property and equipment	15,803	15,642	15,803	15,642
Depreciation of right-of-use assets	17,268	18,236	17,268	18,236
Rental of premises	768	5	768	5
<b>Finance cost:</b>				
- Lease liabilities	1,813	2,149	1,813	2,149
- Provision for reinstatement for leased properties	28	38	28	38
Others	7,318	7,087	7,318	7,087
	<u>98,872</u>	<u>97,949</u>	<u>98,872</u>	<u>97,949</u>
<b>Marketing and communication expenses:</b>				
Advertising, marketing and communication	8,079	10,839	8,079	10,839
Commission	1,382	1,766	1,382	1,766
Others	678	680	678	680
	<u>10,139</u>	<u>13,285</u>	<u>10,139</u>	<u>13,285</u>
<b>Administration and general expenses:</b>				
Bank charges	2,358	2,141	2,358	2,141
Insurance	1,453	667	1,453	667
Professional services	13,364	13,332	13,364	13,332
Travelling	217	409	217	409
Subscriptions and periodicals	304	43	304	43
Others	15,582	5,564	15,582	5,564
	<u>33,278</u>	<u>22,156</u>	<u>33,278</u>	<u>22,156</u>
Service transfer pricing recovery - net	(72,584)	(73,135)	(72,584)	(73,135)
	<u>305,288</u>	<u>299,753</u>	<u>305,288</u>	<u>299,753</u>

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**A22. OTHER OPERATING EXPENSES (CONT'D.)**

	Individual Quarter		Cumulative Quarter	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
<b>Bank</b>				
Personnel costs:				
Medical	3,160	3,400	3,160	3,400
Insurance	6,256	6,208	6,256	6,208
Contributions to Employees' Provident Fund/ PRS	29,900	30,282	29,900	30,282
Salaries, bonuses, allowances and incentives	191,708	189,135	191,708	189,135
Share granted under AMMB ESS - (writeback)/charge	(1,471)	3,174	(1,471)	3,174
Social security costs	1,639	1,624	1,639	1,624
Recruitment costs	1,382	1,948	1,382	1,948
Training	1,575	1,706	1,575	1,706
Others	1,434	2,021	1,434	2,021
	<u>235,583</u>	<u>239,498</u>	<u>235,583</u>	<u>239,498</u>
Establishment costs:				
Amortisation of intangible assets	31,570	17,996	31,570	17,996
Cleaning, maintenance and security	5,842	5,882	5,842	5,882
Computerisation cost	18,348	30,790	18,348	30,790
Depreciation of property and equipment	15,672	15,510	15,672	15,510
Depreciation of right-of-use assets	17,303	18,733	17,303	18,733
Rental of premises	891	126	891	126
Finance cost:				
- Lease liabilities	1,820	2,228	1,820	2,228
- Provision for reinstatement for leased properties	28	38	28	38
Others	7,302	7,076	7,302	7,076
	<u>98,776</u>	<u>98,379</u>	<u>98,776</u>	<u>98,379</u>
Marketing and communication expenses:				
Advertising, marketing and communication	8,078	10,839	8,078	10,839
Commission	1,382	1,766	1,382	1,766
Others	678	680	678	680
	<u>10,138</u>	<u>13,285</u>	<u>10,138</u>	<u>13,285</u>
Administration and general expenses:				
Bank charges	2,357	2,141	2,357	2,141
Insurance	1,453	733	1,453	733
Professional services	13,351	13,335	13,351	13,335
Travelling	217	409	217	409
Subscriptions and periodicals	304	43	304	43
Others	15,581	5,557	15,581	5,557
	<u>33,263</u>	<u>22,218</u>	<u>33,263</u>	<u>22,218</u>
Service transfer pricing recovery - net	(72,584)	(73,135)	(72,584)	(73,135)
	<u>305,176</u>	<u>300,245</u>	<u>305,176</u>	<u>300,245</u>

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**A23. ALLOWANCE FOR IMPAIRMENT ON LOANS AND ADVANCES**

	Individual Quarter		Cumulative Quarter	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
<b>Group</b>				
Allowance for impairment on loans and advances	134,815	79,955	134,815	79,955
Impaired loans and advances recovered, net	(38,130)	(66,295)	(38,130)	(66,295)
	<u>96,685</u>	<u>13,660</u>	<u>96,685</u>	<u>13,660</u>
<b>Bank</b>				
Allowance for impairment on loans and advances	134,851	79,895	134,851	79,895
Impaired loans and advances recovered, net	(38,162)	(66,295)	(38,162)	(66,295)
	<u>96,689</u>	<u>13,600</u>	<u>96,689</u>	<u>13,600</u>

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

	Individual Quarter		Cumulative Quarter	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
<b>Group</b>				
Financial investments at fair value through other comprehensive income	6,637	(2,692)	6,637	(2,692)
Financial investments at amortised cost	(3,498)	(322)	(3,498)	(322)
	<u>3,139</u>	<u>(3,014)</u>	<u>3,139</u>	<u>(3,014)</u>
<b>Bank</b>				
Financial investments at fair value through other comprehensive income	6,637	(2,694)	6,637	(2,694)
Financial investments at amortised cost	(3,498)	(322)	(3,498)	(322)
	<u>3,139</u>	<u>(3,016)</u>	<u>3,139</u>	<u>(3,016)</u>

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**A25. ALLOWANCE FOR IMPAIRMENT ON OTHER FINANCIAL ASSETS**

	Individual Quarter		Cumulative Quarter	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
<b>Group</b>				
Cash and short-term funds	689	1,759	689	1,759
Deposits and placements with banks and other financial institutions	(42)	518	(42)	518
Investment account placement	1,411	(696)	1,411	(696)
Other assets	(53)	(1,409)	(53)	(1,409)
	<u>2,005</u>	<u>172</u>	<u>2,005</u>	<u>172</u>
<b>Bank</b>				
Cash and short-term funds	689	1,759	689	1,759
Deposits and placements with banks and other financial institutions	(42)	518	(42)	518
Investment account placement	1,411	(696)	1,411	(696)
Other assets	(53)	(1,409)	(53)	(1,409)
	<u>2,005</u>	<u>172</u>	<u>2,005</u>	<u>172</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 June 2021	30 June 2020	30 June 2021	30 June 2020
<b>Group</b>				
Net profit attributable to equity holder of the Bank (RM'000)	216,308	219,376	216,308	219,376
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)	15,902	-	15,902	-
Weighted average number of ordinary shares in issue at the end of the financial period ('000)	919,149	836,853	919,149	836,853
Basic/diluted earnings per share (sen)	23.53	26.21	23.53	26.21
<b>Bank</b>				
Net profit attributable to equity holder of the Bank (RM'000)	218,230	218,552	218,230	218,552
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)	15,902	-	15,902	-
Weighted average number of ordinary shares in issue at the end of the financial period ('000)	919,149	836,853	919,149	836,853
Basic/diluted earnings per share (sen)	23.74	26.12	23.74	26.12

**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 revenue generated by a majority of the operating segments substantially comprises interest income. 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 June 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		
External revenue	537,218	123,644	211,283	229,187	11,900	18,389	1,131,621	
Revenue from other segments	(77,368)	(14,596)	(52,447)	25,631	(3,435)	122,215	-	
Total operating revenue	459,850	109,048	158,836	254,818	8,465	140,604	1,131,621	
Net interest income	253,680	66,412	97,413	77,151	5,534	38,865	539,055	
Other operating income	55,874	20,361	22,942	45,969	1,899	9,797	156,842	
Share in results of an associate	(518)	-	-	-	-	-	(518)	
Net income	309,036	86,773	120,355	123,120	7,433	48,662	695,379	
Other operating expenses	(159,567)	(29,053)	(34,881)	(17,059)	(1,785)	(62,943)	(305,288)	
<i>of which:</i>								
<i>Depreciation of property and equipment</i>	(4,569)	(450)	(434)	(41)	(1)	(10,308)	(15,803)	
<i>Depreciation of right-of-use assets</i>	-	-	-	-	-	(17,268)	(17,268)	
<i>Amortisation of intangible assets</i>	(4,863)	(205)	(1,893)	(316)	-	(24,293)	(31,570)	
Profit/(Loss) before impairment losses (Allowance)/writeback of allowance for impairment on loans and advances	149,469	57,720	85,474	106,061	5,648	(14,281)	390,091	
Writeback of provision/(provision) for commitments and contingencies	(50,468)	(5,182)	(21,792)	-	1,752	(20,995)	(96,685)	
Writeback of allowance/(allowance) for impairment on other financial assets	1,385	(2,508)	(2,431)	-	-	14	(3,540)	
Other recoveries	(51)	-	(1,280)	(3,813)	-	-	(5,144)	
Profit/(loss) before taxation	-	-	-	-	-	5	5	
Taxation	100,335	50,030	59,971	102,248	7,400	(35,257)	284,727	
Profit/(loss) for the financial period	(24,204)	(9,793)	(13,791)	(23,190)	(1,339)	3,898	(68,419)	
	76,131	40,237	46,180	79,058	6,061	(31,359)	216,308	
<b>Other information</b>								
Total segment assets	45,524,571	8,552,213	22,063,662	30,287,797	1,515,858	2,985,673	110,929,774	
Total segment liabilities	37,447,800	6,492,648	12,229,522	32,517,580	660,018	12,118,140	101,465,708	
Cost to income ratio	51.6%	33.5%	29.0%	13.9%	24.0%	>100.0%	43.9%	
Gross loans and advances	45,440,309	8,649,199	22,324,162	-	1,328,653	(90,657)	77,651,666	
Net loans and advances	44,621,020	8,540,509	21,998,943	-	1,328,353	(301,681)	76,187,144	
Impaired loans and advances	683,239	203,222	301,383	-	300	-	1,188,144	
Total deposits	37,008,394	6,385,526	12,048,554	29,583,299	653,298	743,847	86,422,918	
Additions to:								
Property and equipment	958	23	158	139	-	1,936	3,214	
Intangible assets	2,817	44	1,069	3,524	255	6,219	13,928	

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**A27. BUSINESS SEGMENT ANALYSIS (CONT'D.)**

Group For the financial period ended 30 June 2020 (Restated)	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	
External revenue	566,135	113,797	256,249	350,940	10,518	(59,088)	1,238,551
Revenue from other segments	(82,248)	(22,910)	(106,097)	96,106	(2,229)	117,378	-
Total operating revenue	<u>483,887</u>	<u>90,887</u>	<u>150,152</u>	<u>447,046</u>	<u>8,289</u>	<u>58,290</u>	<u>1,238,551</u>
Net interest income/(loss)	213,890	46,869	92,130	75,145	4,888	(33,148)	399,774
Other operating income	45,402	15,641	22,319	111,271	817	4,882	200,332
Gain on disposal of associate	(107)	-	-	-	-	-	(107)
Net income/(expense)	<u>259,185</u>	<u>62,510</u>	<u>114,449</u>	<u>186,416</u>	<u>5,705</u>	<u>(28,266)</u>	<u>599,999</u>
Other operating expenses	(164,232)	(31,288)	(34,063)	(16,152)	(1,929)	(52,089)	(299,753)
<i>of which:</i>							
Depreciation of property and equipment	(5,637)	(423)	(499)	(36)	-	(9,048)	(15,643)
Depreciation of right-of-use	-	-	-	-	-	(18,236)	(18,236)
Amortisation of intangible assets	(4,510)	(225)	(1,814)	(330)	-	(11,116)	(17,995)
Profit/(loss) before impairment losses	94,953	31,222	80,386	170,264	3,776	(80,355)	300,246
(Allowance)/writeback of allowance for impairment on loans and advances	(32,138)	(3,989)	31,833	-	1,457	(10,823)	(13,660)
Writeback of provision/(provision) for commitments and contingencies	128	(705)	(3,116)	-	-	(489)	(4,182)
Writeback of allowance/(allowance) for impairment on other financial assets	151	-	1,253	(3,076)	-	4,514	2,842
Other recoveries	1	-	-	-	-	54	55
Profit/(loss) before taxation	<u>63,095</u>	<u>26,528</u>	<u>110,356</u>	<u>167,188</u>	<u>5,233</u>	<u>(87,099)</u>	<u>285,301</u>
Taxation	(15,168)	(6,210)	(24,478)	(38,878)	(732)	19,546	(65,920)
Profit/(loss) for the financial period	<u>47,927</u>	<u>20,318</u>	<u>85,878</u>	<u>128,310</u>	<u>4,501</u>	<u>(67,553)</u>	<u>219,381</u>
<b>Other information</b>							
Total segment assets	44,061,897	7,708,127	21,821,818	32,568,209	1,343,459	2,378,335	109,881,845
Total segment liabilities	36,323,682	5,379,757	9,260,501	38,519,820	809,223	9,054,839	99,347,822
Cost to income ratio	63.4%	50.1%	29.8%	8.7%	33.8%	>100.0%	50.0%
Gross loans and advances	43,698,003	7,787,695	21,923,198	-	1,263,221	(103,571)	74,568,546
Net loans and advances	43,164,922	7,697,477	21,758,541	-	1,261,655	(204,530)	73,678,065
Impaired loans and advances	629,935	169,250	382,476	-	21,292	-	1,202,953
Total deposits	35,776,128	5,298,700	9,154,609	33,581,719	801,579	634,767	85,247,502
Additions to:							
Property and equipment	8,272	78	40	1,121	-	1,592	11,103
Intangible assets	12,110	5	279	558	621	8,022	21,595

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**A28. PERFORMANCE REVIEW FOR THE PERIOD ENDED 30 JUNE 2021**

The Group reported a profit before taxation of RM284.7 million for the financial period ended 30 June 2021 compared to RM285.3 million in the corresponding period last year.

The decrease in Group's profit before taxation for the period is attributable to higher impairment allowance for loans and advances by RM83.0 million mainly due to additional forward looking provision made following the impact of the COVID-19 pandemic. Impairment allowance for financial investments and other financial assets has increased by RM8.0 million and other operating income decreased by RM43.5 million mainly from trading and investment income.

The decrease was partly offset higher net interest income of RM139.3 million and higher operating expenses by RM5.5 million.

The Group's ratio of impaired loans and advances slightly higher at 1.53% 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 16.58% and 16.44% 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 other than the impact of COVID-19 as disclosed.

**A29. PROSPECTS FOR FINANCIAL YEAR ENDING 31 MARCH 2022**

The economy recorded a strong double-digit growth of 16.1% during the second quarter 2021 due to low base effects in second quarter 2020 (first quarter 2020: -17.2% year on year) plus contribution from exports and firm commodity prices and to a lesser extent domestic activities. This is the first positive growth following its four consecutive quarters of contraction (first quarter 2021: -0.5% year on year) and it brings the average Gross Domestic Product ("GDP") growth throughout the first half 2021 at 7.1% (first half 2020: -8.3%). However, on a seasonally adjusted quarterly basis, the GDP declined by 2.0% quarter on quarter versus 2.7% quarter on quarter in first quarter 2021, reflecting the imposition of full movement control order ("FMCO") in June.

Economic situation in the near-term will remain fluid as the country grapples with safe reopening, surging COVID-19 cases amid rising public health fears added with domestic political challenges. Hence, we have downwardly revised our GDP projection to 3.0% - 3.5% which sits at the lower end of BNM's target of 3.0% - 4.0%

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 July. Average inflation for the first seven months of 2021 to 2.3% (-0.9% in 2020).

Going forward, fizzling of low base, weak domestic spending, and some containment of cost pressures from household electricity bill discount for second half 2021 as well as extension of ceiling price for RON95 and diesel pump price should help contain strong surge in inflation.

However, upwards pressure still remain from rising material costs and weak ringgit that could result to transfer pricing. For 2021, inflation is expected to hover between 2.6% - 2.8% (-1.1% in 2020).

Meanwhile, the overall banking system loans moderated by 3.4% as at end June 2021. Loans growth was largely supported by households loans, up 5.2% while business loans grew 0.8% largely impacted by the pandemic that disrupted the business supply chain and orders following the lockdown.

Loans outlook for 2021 is expected to pick up supported by stronger economic recovery, improving business activities and consumer spending. Hence, loans growth for 2021 is envisaged to hover around 4.0% -5.0%.

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 June was 149.1% (end 2020 was at 148.2%). Funding profiles remained well diversified with May loan-to-fund ratio and loan-to-fund-and-equity ratio was at 81.6% and 71.0% (End-2020 was at 82.5% and 71.9% respectively).

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

In a move to support the economy, aside from fiscal stimulus measures, the monetary and non-monetary measures were also rolled out amounting to now RM530.0 billion. Bank Negara Malaysia ("BNM") reduced the overnight policy rate ("OPR") by a cumulative 125bps to settle at 1.75% from a total of three rate cuts over six Monetary Policy Committee ("MPC") meetings held in 2020. The statutory reserve requirement was reduced by 100bps to 2.00% while extending the Statutory Reserve Requirement ("SRR") flexibility until end-December 2022 (from 31 May 2021 initially).

BNM is likely to maintain the current 1.75% OPR despite having introduced the lockdown since June. Our base case suggests OPR will stay at current levels throughout 2021. However, with the downside risk on the economic growth remaining high due to the pandemic and domestic political challenges, the possibilities for a rate cut by 25-50bps cannot be ruled out. Much will depend on the potential incoming data.

Ever since the resolution of legacy matters in relation to 1MDB and its related entities with the Ministry of Finance with a RM2.83 billion settlement, we have shifted the focus of our efforts to prioritise the restoration of our capital position to pre-settlement levels. Our aim is to strengthen capital buffer and improve financial flexibility so that we are able to ultimately return value to shareholders through fair valuation of share price and stable dividend payments. To accelerate the capital build process, the Group had successfully raised RM825.0 million (which contributed directly to increasing CET1) via a private placement exercise in April 2021. Further to this, the Group is also contemplating the divestiture of non-core assets and planning the implementation of foundation internal ratings-based ("FIRB") in April 2022 as strategies to further restore capital. Announcements on these matters will be made in due course to keep shareholders and the general public informed.

Amid the prolonged and stricter nationwide movement control order, the Group continues to place great emphasis on risk management, stress testing, capital planning and liquidity management in order to safeguard the Group's financial resilience against heightened market volatility.

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. In addition, the Group intends to continue investing in digitalisation initiatives, data analytics and automation. At the same time, the Group understands the importance of striking a good balance between healthy 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 SUBSEQUENT TO REPORTING 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 customers, 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.

Other than as disclosed above, there were no significant events to the reporting date that require disclosure or adjustment in the condensed interim financial statements.

#### **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 June 2021 RM'000	31 March 2021 RM'000	30 June 2021 RM'000	31 March 2021 RM'000
<b>Commitments</b>				
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	11,950,289	11,941,696	12,018,189	12,006,696
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	1,369,718	1,423,498	1,369,718	1,423,498
Unutilised credit card lines	3,787,978	3,761,826	3,787,978	3,761,826
Forward asset purchase	123,444	657,169	123,444	657,169
Others	-	-	50	50
	<u>17,231,429</u>	<u>17,784,189</u>	<u>17,299,379</u>	<u>17,849,239</u>
<b>Contingencies</b>				
Direct credit substitutes	1,802,667	1,557,233	1,802,667	1,557,233
Transaction related contingent items	3,447,609	3,442,831	3,447,609	3,442,831
Short term self liquidating trade related contingencies	479,585	654,391	479,585	654,391
Obligations under on-going underwriting agreements	-	-	-	-
	<u>5,729,861</u>	<u>5,654,455</u>	<u>5,729,861</u>	<u>5,654,455</u>
<b>Derivative Financial Instruments</b>				
<b>Foreign exchange related contracts</b>				
- One year or less	37,102,750	49,723,177	37,102,750	49,723,177
- Over one year to five years	4,756,664	5,594,806	4,756,664	5,594,806
- Over five years	1,463,825	1,388,564	1,463,825	1,388,564
<b>Interest rate related contracts</b>				
- One year or less	12,161,354	13,551,363	12,161,354	13,551,363
- Over one year to five years	25,829,208	27,515,321	25,829,208	27,515,321
- Over five years	5,374,998	5,038,177	5,374,998	5,038,177
<b>Credit related contracts</b>				
- One year or less	348,320	347,950	348,320	347,950
<b>Equity and commodity related contracts</b>				
- One year or less	1,434,623	1,434,390	1,434,623	1,434,390
- Over one year to five years	80,464	84,682	80,464	84,682
	<u>88,552,206</u>	<u>104,678,430</u>	<u>88,552,206</u>	<u>104,678,430</u>
<b>Total</b>	<u>111,513,496</u>	<u>128,117,074</u>	<u>111,581,446</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 3.2% (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	
<b>30 June 2021</b>								
<b>Financial assets measured at fair value</b>								
Derivative financial assets	62	1,115,462	-	1,115,524	62	1,115,462	-	1,115,524
Financial assets at fair value through profit or loss								
- Money market securities	-	2,969,317	-	2,969,317	-	2,969,317	-	2,969,317
- Shares	1,007,591	-	34	1,007,625	1,007,587	-	-	1,007,587
- Unit trust	19,510	-	-	19,510	19,510	-	-	19,510
- Quoted sukuk	-	37,546	-	37,546	-	37,546	-	37,546
- Unquoted corporate bonds and sukuk	-	621,960	-	621,960	-	621,960	-	621,960
Financial investments at fair value through other comprehensive income								
- Money market securities	-	6,711,770	-	6,711,770	-	6,711,770	-	6,711,770
- Shares	-	-	684,256	684,256	-	-	684,256	684,256
- Unit trust	73,396	-	-	73,396	73,396	-	-	73,396
- Unquoted corporate bonds and sukuk	-	7,978,526	-	7,978,526	-	7,978,526	-	7,978,526
	<u>1,100,559</u>	<u>19,434,581</u>	<u>684,290</u>	<u>21,219,430</u>	<u>1,100,555</u>	<u>19,434,581</u>	<u>684,256</u>	<u>21,219,392</u>
<b>Financial liabilities measured at fair value</b>								
Derivative financial liabilities	11,907	1,044,379	-	1,056,286	11,907	1,044,379	-	1,056,286

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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	
<b>31 March 2021</b>								
<b>Financial assets measured at fair value</b>								
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>
<b>Financial liabilities measured at fair value</b>								
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:

<b>Group</b>	<b>Equity instruments at FVTPL RM'000</b>	<b>Equity instruments at FVOCI RM'000</b>	<b>Total RM'000</b>
At 1 April 2021	34	681,353	681,387
Total gains recognised in other comprehensive income under fair value reserve	-	2,903	2,903
At 30 June 2021	34	684,256	684,290

	<b>Equity instruments at FVTPL RM'000</b>	<b>Equity instruments at FVOCI RM'000</b>	<b>Total RM'000</b>
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

<b>Bank</b>		<b>Equity instruments at FVOCI RM'000</b>	<b>Total RM'000</b>
At 1 April 2021		681,353	681,353
Total (losses)/gains recognised in other comprehensive income under fair value reserve		2,903	2,903
At 30 June 2021		684,256	684,256

	<b>Debt instruments at FVOCI RM'000</b>	<b>Equity instruments at FVOCI RM'000</b>	<b>Total RM'000</b>
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 June 2021 RM'000	31 March 2021 RM'000	30 June 2021 RM'000	31 March 2021 RM'000
<b>Financial assets at FVTPL</b>				
Total gains/(losses) included in:				
- profit or loss	-	3	-	-
<b>Financial investments at FVOCI</b>				
Total gains included in:				
- other comprehensive income	2,903	92,804	2,903	92,658

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:

	<b>Group</b>	<b>Bank</b>
Under transitional arrangement (Note (i))		
<b>30 June 2021</b>		
CET 1 Capital Ratio	12.061%	11.941%
Tier 1 Capital Ratio	12.061%	11.941%
Total Capital Ratio	16.580%	16.443%
<b>31 March 2021</b>		
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 June 2021 and 31 March 2021 are as follow:

	<b>30 June 2021</b>		<b>31 March 2021</b>	
	<b>Group</b>	<b>Bank</b>	<b>Group</b>	<b>Bank</b>
CET 1	11.312%	11.195%	10.533%	10.415%
Tier 1 Capital Ratio	11.312%	11.195%	10.533%	10.415%
Total Capital Ratio	16.241%	16.110%	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").

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

**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 June 2021 RM'000	31 March 2021 RM'000	30 June 2021 RM'000	31 March 2021 RM'000
<b>CET 1 Capital</b>				
Share Capital	3,040,465	2,590,465	3,040,465	2,590,465
Retained earnings	5,757,939	5,541,997	5,810,228	5,591,998
Fair value reserve	490,301	457,552	490,301	457,552
Foreign currency translation reserve	85,114	84,588	88,964	88,443
Merger reserve	104,149	104,149	-	-
Cash flow hedging deficit	(14,414)	(16,949)	(14,414)	(16,949)
Less: Regulatory adjustments applied on CET 1 Capital				
- Intangible assets	(233,315)	(254,134)	(233,315)	(254,134)
- Deferred tax assets	(86,888)	(95,580)	(86,888)	(95,580)
- 55% of cumulative fair value gains in fair value reserve	(269,666)	(251,654)	(269,666)	(251,654)
- Cash flow hedging deficit	14,414	16,949	14,414	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	(564)	(1,197)	(564)	(1,197)
- Other CET1 regulatory adjustments specified by the BNM	588,388	529,761	588,413	529,759
<b>Total CET 1 Capital</b>	<b>9,475,923</b>	<b>8,705,947</b>	<b>9,419,450</b>	<b>8,647,164</b>
<b>Additional Tier 1 Capital</b>				
Qualifying CET 1, Additional Tier 1 capital instruments held by third parties	2	3	-	-
<b>Total Tier 1 Capital</b>	<b>9,475,925</b>	<b>8,705,950</b>	<b>9,419,450</b>	<b>8,647,164</b>
<b>Tier 2 Capital</b>				
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
<b>Total Tier 2 capital</b>	<b>3,550,576</b>	<b>3,550,576</b>	<b>3,550,618</b>	<b>3,550,618</b>
<b>Total Capital</b>	<b>13,026,501</b>	<b>12,256,526</b>	<b>12,970,068</b>	<b>12,197,782</b>

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

	Group		Bank	
	30 June 2021 RM'000	31 March 2021 RM'000	30 June 2021 RM'000	31 March 2021 RM'000
Credit RWA	70,177,576	69,552,785	70,502,430	69,875,702
Market RWA	2,887,059	2,681,772	2,887,226	2,681,941
Operational RWA	4,605,286	4,515,945	4,594,967	4,505,648
Large exposure risk RWA for equity holdings	896,196	877,587	896,196	877,587
<b>Total RWA</b>	<b>78,566,117</b>	<b>77,628,089</b>	<b>78,880,819</b>	<b>77,940,878</b>

\* Consists of stage 1 and stage 2 loss allowances.