
FIRST SUPPLEMENTARY BASE PROSPECTUS

RELATING TO THE OFFERING OF
STRUCTURED WARRANTS TO BE ISSUED BY



AmBank (M) Berhad

Registration No.: 196901000166 (8515-D)
(Incorporated in Malaysia under the Companies Act 2016)

This First Supplementary Base Prospectus is published in connection with the offering of Structured Warrants to be issued from time to time (within the validity period of the Base Prospectus dated 13 August 2020 (“**Base Prospectus**”) which expires on 12 August 2021) by AmBank (M) Berhad (“**Issuer**”).

This First Supplementary Base Prospectus is dated 23 April 2021 and expires on 12 August 2021.

YOU ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THE BASE PROSPECTUS AND THIS FIRST SUPPLEMENTARY BASE PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER. THERE ARE CERTAIN RISK FACTORS WHICH YOU SHOULD CONSIDER. TURN TO PAGE 45 OF THE BASE PROSPECTUS FOR “RISK FACTORS”.

THIS FIRST SUPPLEMENTARY BASE PROSPECTUS IS TO BE READ IN CONJUNCTION WITH THE BASE PROSPECTUS.

RESPONSIBILITY STATEMENTS

OUR DIRECTORS HAVE SEEN AND APPROVED THIS FIRST SUPPLEMENTARY BASE PROSPECTUS. OUR DIRECTORS COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION CONTAINED IN THIS FIRST SUPPLEMENTARY BASE PROSPECTUS AND CONFIRM, HAVING MADE ALL REASONABLE ENQUIRIES, THAT TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THERE ARE NO FALSE OR MISLEADING STATEMENTS OR OTHER FACTS THE OMISSION OF WHICH WOULD MAKE ANY STATEMENT IN THIS FIRST SUPPLEMENTARY BASE PROSPECTUS FALSE OR MISLEADING.

WE, ACKNOWLEDGE THAT BASED ON ALL AVAILABLE INFORMATION, AND TO THE BEST OF OUR KNOWLEDGE AND BELIEF, THE BASE PROSPECTUS AND THIS FIRST SUPPLEMENTARY BASE PROSPECTUS CONSTITUTE A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THE OFFERING OF THE STRUCTURED WARRANTS.

STATEMENTS OF RISK

YOU ARE WARNED THAT THE PRICE OR LEVEL (AS THE CASE MAY BE) OF THE UNDERLYING FINANCIAL INSTRUMENTS AND THE PRICE OF THE STRUCTURED WARRANTS MAY FALL IN VALUE AS RAPIDLY AS IT MAY RISE AND YOU MAY SUSTAIN A TOTAL LOSS OF YOUR INVESTMENT. YOU SHOULD THEREFORE MAKE SURE YOU UNDERSTAND THE TERMS AND CONDITIONS OF THE STRUCTURED WARRANTS OFFERED, THE RISK FACTORS INVOLVED, AND WHERE NECESSARY, SEEK PROFESSIONAL ADVICE BEFORE INVESTING IN THE STRUCTURED WARRANTS.

THE STRUCTURED WARRANTS CONSTITUTE GENERAL UNSECURED CONTRACTUAL OBLIGATIONS OF THE ISSUER AND OF NO OTHER PERSON. THEREFORE, IF YOU PURCHASE THE STRUCTURED WARRANTS, YOU ARE RELYING SOLELY ON THE CREDITWORTHINESS OF THE ISSUER AND HAVE NO RECOURSE / RIGHTS AGAINST THE UNDERLYING COMPANY, THE UNDERLYING EXCHANGE-TRADED FUNDS OR THE UNDERLYING INDEX SPONSOR THAT COMPILES AND PUBLISHES THE UNDERLYING INDEX.

STATEMENTS OF DISCLAIMER

A COPY OF THIS FIRST SUPPLEMENTARY BASE PROSPECTUS HAS BEEN REGISTERED WITH THE SECURITIES COMMISSION MALAYSIA ("SC"). THE REGISTRATION OF THIS FIRST SUPPLEMENTARY BASE PROSPECTUS SHOULD NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS THE OFFER OR ASSUMES RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENT MADE OR OPINION OR REPORT EXPRESSED IN THIS FIRST SUPPLEMENTARY BASE PROSPECTUS.

THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE ON OUR PART AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THE BASE PROSPECTUS AND THIS FIRST SUPPLEMENTARY BASE PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THE BASE PROSPECTUS AND THIS FIRST SUPPLEMENTARY BASE PROSPECTUS. **YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE OFFER AND THE INVESTMENT IN THE STRUCTURED WARRANTS. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKERS, BANK MANAGERS, SOLICITORS, ACCOUNTANTS OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.**

APPROVAL WILL BE OBTAINED FROM BURSA MALAYSIA SECURITIES BERHAD ("**BURSA SECURITIES**") FOR THE LISTING OF AND QUOTATION FOR THE STRUCTURED WARRANTS BEING OFFERED. ADMISSION OF THE STRUCTURED WARRANTS TO THE OFFICIAL LIST OF BURSA SECURITIES IS NOT TO BE TAKEN AS AN INDICATION OF OUR MERITS, THE MERITS OF THE OFFER, THE STRUCTURED WARRANTS, THE UNDERLYING EQUITIES, THE UNDERLYING EXCHANGE-TRADED FUNDS OR THE UNDERLYING INDEX.

A COPY OF THIS FIRST SUPPLEMENTARY BASE PROSPECTUS HAS ALSO BEEN LODGED WITH THE REGISTRAR OF COMPANIES. THE REGISTRAR OF COMPANIES DOES NOT TAKE ANY RESPONSIBILITY FOR THE CONTENTS OF THIS FIRST SUPPLEMENTARY BASE PROSPECTUS.

**THIS FIRST SUPPLEMENTARY BASE PROSPECTUS IS TO BE READ IN CONJUNCTION WITH THE
BASE PROSPECTUS.**

OTHER STATEMENTS

YOU ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE OR MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THIS FIRST SUPPLEMENTARY BASE PROSPECTUS IS DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CAPITAL MARKETS AND SERVICES ACT 2007 (“**CMSA**”).

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE ISSUE FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 236 OF THE CMSA, E.G. DIRECTORS AND ADVISERS, ARE RESPONSIBLE.

THE BASE PROSPECTUS AND THIS FIRST SUPPLEMENTARY BASE PROSPECTUS CAN ALSO BE VIEWED OR DOWNLOADED FROM BURSA SECURITIES’ WEBSITE AT WWW.BURSAMALAYSIA.COM.

PRIVACY NOTICE

PURSUANT TO SECTION 7 OF THE PERSONAL DATA PROTECTION ACT 2010, WE ARE REQUIRED TO ISSUE A PRIVACY NOTICE TO YOU WITH REGARD TO COLLECTION AND MANAGEMENT OF YOUR PERSONAL DATA. THE PRIVACY NOTICE (IN ENGLISH AND BAHASA MALAYSIA VERSIONS) CAN BE VIEWED IN OUR BASE PROSPECTUS DATED 13 AUGUST 2020 (ANNEXURE II) AND IS ALSO AVAILABLE AT OUR AMBANK STRUCTURED WARRANTS WEBSITE, WWW.AMBANKGROUP.COM/ENG/BUSINESS/AMWARRANTS.

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**THIS FIRST SUPPLEMENTARY BASE PROSPECTUS IS TO BE READ
IN CONJUNCTION WITH THE BASE PROSPECTUS.**

1. UPDATES OF INFORMATION CONTAINED IN THE BASE PROSPECTUS

For the avoidance of doubt, the terms used in this First Supplementary Base Prospectus shall have the same meanings given to them in the Base Prospectus issued by AmBank (M) Berhad unless otherwise specifically defined herein or the context otherwise requires or permit.

1.1 Update of the Information on AmBank

1.1.1 Update in the Share Capital of the Issuer

The Issuer's total share capital has changed pursuant to an issuance of 66,394,280 new ordinary shares on 30 March 2021 resulting in the increase in share capital from 836,852,786 ordinary shares of RM1,940,464,553.23 to 903,247,066 ordinary shares of RM2,590,464,554.43. Accordingly, we wish to update the information on the share capital of the Issuer as disclosed in Section 3.2.1 – Background and Business on page 5 of the Base Prospectus and Section 4.2 – Share Capital on page 19 of the Base Prospectus as follows:

Share Capital

As at 31 March 2021, our share capital is as follows:

	No. of shares	Amount (RM '000)
Share capital:		
Ordinary shares	903,247,066	2,590,465

1.1.2 Update in the Rating Profile of the Issuer

We wish to update the information on the rating profile of the Issuer which was disclosed in Section 4 – Information on AmBank on page 20 of the Base Prospectus.

Rating Profile

On 5 March 2021, RAM Ratings has downgraded our rating due to the financial impact of the RM2.83 billion global settlement made by AMMB to the Government of Malaysia in relation to its historical dealings with 1Malaysia Development Berhad.

Accordingly, we wish to replace the table setting out our RAM Ratings' rating history in Section 4.3 – Rating Profile on page 20 of the Base Prospectus in its entirety with the following:

Our RAM Ratings' rating history is as follows:-

Financial Institution Ratings	December 2018	November 2019	November 2020	March 2021
Long Term (Outlook)	AA ₂ (Stable)	AA ₂ (Stable)	AA ₂ (Stable)	AA ₃ (Stable)
Short Term	P1	P1	P1	P1

Note:-

The definitions of the respective ratings are as follows:-

Rating	Definition
AA	A financial institution rated AA has a strong capacity to meet its financial obligations. The financial institution is resilient against adverse changes in circumstances, economic conditions and/or operating environments.

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1. UPDATES OF INFORMATION CONTAINED IN THE BASE PROSPECTUS (cont'd)

P1 A financial institution rated P1 has a strong capacity to meet its short-term financial obligations. This is the highest short-term financial institution rating assigned by RAM Ratings.

For long-term ratings, RAM Ratings applies subscripts 1, 2 or 3 in each rating category from AA to C. The subscript 1 indicates that the financial institution ranks at the higher end of its generic rating category; the subscript 2 indicates a mid-ranking; and the subscript 3 indicates that the financial institution ranks at the lower end of its generic rating category.

The revision of our credit rating may have an impact on our credit risk. As stated in Sections 4.3 and 6.1.1 of the Base Prospectus, you will be taking on our credit risk if you purchase the Structured Warrants. Please refer to Section 1.1.5 below for a reproduction of our credit risk.

1.1.3 Update in the Subsidiaries and Associate Company of the Issuer

Three subsidiaries of ours are under members' voluntary winding-up, details as follows:

1. MBf Trustees Berhad commenced the winding-up process on 17 September 2020;
2. Malco Properties Sdn Bhd commenced the winding-up process on 31 March 2021; and
3. MBf Nominees (Tempatan) Sdn Bhd commenced the winding-up process on 31 March 2021.

Accordingly, we wish to update the table of subsidiaries in Section 4.7 – Subsidiaries and Associate Company on pages 22 and 23 of the Base Prospectus by replacing the table in its entirety with the following:

Details of our subsidiaries are as follows:-

Company	Date and place of Incorporation	Issued and paid-up capital RM (unless otherwise stated)	Effective equity Interest (%)	Principal activities
Bougainvillaea Development Sdn Bhd	31.05.1982 Malaysia	11,000,000	100.00	Property investment
MBf Information Services Sdn Bhd	22.02.1990 Malaysia	2,000,000	100.00	Property investment
MBf Nominees (Tempatan) Sdn Bhd ⁽²⁾	09.05.1974 Malaysia	10,000	100.00	Dormant
AmProperty Holdings Sdn Bhd	12.08.1991 Malaysia	500,000	100.00	Property investment
MBf Trustees Berhad ⁽²⁾	29.01.1992 Malaysia	250,000 ⁽¹⁾	60.00	Dormant
Teras Oak Pembangunan Sendirian Berhad	22.09.1977 Malaysia	4,700,000	100.00	Dormant
Malco Properties Sdn Bhd ⁽²⁾	29.02.1980 Malaysia	416,502	81.51	Dormant

THIS FIRST SUPPLEMENTARY BASE PROSPECTUS IS TO BE READ IN CONJUNCTION WITH THE BASE PROSPECTUS.

1. UPDATES OF INFORMATION CONTAINED IN THE BASE PROSPECTUS (cont'd)

Company	Date and place of Incorporation	Issued and paid-up capital RM (unless otherwise stated)	Effective equity Interest (%)	Principal activities
AmLabuan Holdings (L) Ltd	12.01.1995 Labuan	USD1,000	100.00	Investment holding
AmMortgage One Berhad	12.02.2009 Malaysia	1,000	100.00	Undertaking securitisation transactions
AmCard Services Berhad	10.01.1981 Malaysia	11,000,000	100.00	Outsourcing servicer for mortgage related services
AmPremier Capital Berhad ⁽²⁾	26.12.2008 Malaysia	2	100.00	Dormant
Komuda Credit & Leasing Sdn Bhd ⁽²⁾	08.12.1983 Malaysia	14,259,002	100.00	Dormant

Details of our associate company are as follows:-

Company	Date and place of Incorporation	Issued and paid-up capital RM (unless otherwise stated)	Effective equity Interest (%)	Principal activities
Bonuskad Loyalty Sdn Bhd	05.07.1997 Malaysia	1,302,601 comprising ordinary shares of 1,302,199 and preference shares of 402	33.33	Carrying on business of customer loyalty schemes as principal or agents on behalf of companies participating in such schemes

Notes:-

- 1 Issued share capital comprises 50,000 ordinary shares of RM10 each, paid-up to RM5 each in accordance with Section 3(c), Trust Companies Act 1949.
- 2 Subsidiary under members' voluntary winding-up.

1.1.4 Update in the Financial Highlights of the Issuer

Due to the financial impact of the RM2.83 billion global settlement made by AMMB to the Government of Malaysia, we wish to include the following as a new sub-section after the notes to the consolidated financial statements disclosed in Section 4.8 – Financial Highlights on page 30 of the Base Prospectus:

4.8.1 Material impact on the earnings of AmBank for the financial year ended 31 March 2021

Our parent company, AMMB, had on 26 February 2021, reached an agreement with the Ministry of Finance for a sum of RM2.83 billion ("**Payment Sum**") to be paid towards the full and final settlement in relation to the on-going review by the relevant authorities of

1. UPDATES OF INFORMATION CONTAINED IN THE BASE PROSPECTUS *(cont'd)*

overall transactions by 1Malaysia Development Berhad and its related entities with the AMMB Group (“**Global Settlement**”).

The Payment Sum is accrued in the final quarter of AMMB’s financial year ended 31 March 2021 (“**FYE21**”), which will translate to a proforma loss of 93.89 sen per share. Based on the latest consolidated financial statements of AMMB Group as at 31 March 2020, the proforma effects of the Global Settlement will reduce the net assets per share from RM6.18 to RM5.22. As at 31 December 2020, the estimated proforma impact to Core Equity Tier 1 and Total Capital Ratio ratio is estimated to be reduced from 13.52% to 11.01%; and 16.39% to 13.88%, respectively after the provision of the Global Settlement. Further details of the Global Settlement are set out in AMMB’s announcement dated 26 February 2021 to Bursa Securities.

As the key operating entity of AMMB Group, AmBank has recognised the Global Settlement expenses of RM2.535 billion and its related stamp duty, legal fees and other expenses of RM18.9 million in the final quarter of FYE21.

1.1.5 Reproduction of Our Credit Risk

The revision of our credit rating as stated in Section 1.1.2 may have an impact on our credit risk. As stated in Sections 4.3 and 6.1.1 of the Base Prospectus, you will be taking on our credit risk if you purchase the Structured Warrants. You must therefore make your own independent assessment of the credit risk associated with dealing with us.

We have set out Section 6.1.1 – Credit Risk on page 45 of the Base Prospectus which is reproduced below for your information and read together with the updates provided herein:

6.1.1 Credit Risk

Our obligations in respect of the Structured Warrants represent general unsecured contractual obligations which rank equally with our other existing and future general unsecured and unsubordinated contractual obligations (save for certain obligations which are preferred by law).

If you subscribe for or purchase our Structured Warrants, you are therefore relying solely upon our creditworthiness as the issuer and of no other person. You do not have rights in the Underlying Instruments and/or have any recourse/right against the Underlying Companies, the Underlying Index Sponsor, Successor Underlying Index Sponsor or any of the companies constituting the Underlying Index, or the trustee, custodian, manager, registrar, service agent, participating dealer and/or other persons involved in constituting or undertaking the listing or trading of the Underlying ETF.

Accordingly, you must evaluate our credit risk in relation to our ability to fulfil our obligations under the Deed Poll and in respect of the Structured Warrants. Information on our credit rating profile is set out in Section 4.3 of this Base Prospectus. In this respect, you should note that credit ratings may be reassessed from time to time and may change. As credit ratings only assess credit risks, they should not be deemed to be a recommendation to invest in our Structured Warrants. Any downgrade in the rating accorded to our outstanding debt securities by any of our rating agencies could result in a reduction in the price of the Structured Warrants. Accordingly, you should evaluate the Structured Warrants on your own or consult your investment adviser.

1. **UPDATES OF INFORMATION CONTAINED IN THE BASE PROSPECTUS** *(cont'd)*

1.2 **Update in the Risk Factors**

1.2.1 **Update in the Risks Relating to Us**

We wish to include an additional risk relating to us as a new Section 6.1.10 under Section 6.1 – Risks Relating to Us on page 48 of the Base Prospectus, as set out below:

6.1.10 Reputational Risk

Reputational risk is the risk of negative perception by the public, regulators and/or stakeholders that could result in our Group losing its current and future business, incurring substantial financial penalties and/or facing significant regulatory actions because its character or quality has been called into question. Any damage to the reputation of our Group may have an adverse effect on the financial performance and/or future prospects of our Group.

Our parent company, AMMB, had on 26 February 2021, reached an agreement with the Ministry of Finance for a sum of RM2.83 billion ("**Payment Sum**") to be paid towards the full and final settlement in relation to the on-going review by the relevant authorities of overall transactions by 1Malaysia Development Berhad and its related entities with the AMMB Group ("**Global Settlement**").

The Payment Sum is accrued in the final quarter of AMMB's FYE21, which will translate to a proforma loss of 93.89 sen per share. Based on the latest consolidated financial statements of AMMB Group as at 31 March 2020, the proforma effects of the Global Settlement will reduce the net assets per share from RM6.18 to RM5.22. As at 31 December 2020, the estimated proforma impact to Core Equity Tier 1 and Total Capital Ratio ratio is estimated to be reduced from 13.52% to 11.01%; and 16.39% to 13.88%, respectively after the provision of the Global Settlement. Further details of the Global Settlement are set out in AMMB's announcement dated 26 February 2021 to Bursa Securities.

As the key operating entity of AMMB Group, AmBank has recognised the Global Settlement expenses of RM2.535 billion and its related stamp duty, legal fees and other expenses of RM18.9 million in the final quarter of FYE21.

Our Group recognises that maintaining its reputation among clients, investors, regulators and the general public is an important aspect of minimising legal and operational risk. Maintaining the reputation depends on a large number of factors, including the selection of our clients and business partners and the conduct of our business activities. Our Group seeks to maintain its reputation by conducting our business activities in accordance with high ethical standards and regulatory requirements.

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2. ADDITIONAL INFORMATION

2.1 Base Prospectus Remains in Full Force and Effect Subject to Amendments

The Base Prospectus remains in full force and effect, save and except for the amendments to the Base Prospectus as set out in this First Supplementary Base Prospectus.

2.2 Consents

RAM Ratings have, before the issuance of this First Supplementary Base Prospectus, given and have not subsequently withdrawn their written consents to the inclusion in this First Supplementary Base Prospectus of their names, statements and reports in the form and context in which such names, statements and reports appear.

2.3 Documents for Inspection

In addition to the documents described in Section 10.4 of our Base Prospectus, copies of the following documents may be inspected at our registered office during office hours for a period of twelve (12) months from the date of our Base Prospectus:

- (i) the ratings by RAM Ratings referred to in Section 1.1.2 of this First Supplementary Base Prospectus;
- (ii) the letter of consent referred to in Section 2.2 of this First Supplementary Base Prospectus; and
- (iii) this First Supplementary Base Prospectus.

2.4 Responsibility Statements

- (i) We acknowledge that, based on all available information, and to the best of our knowledge and belief, the Base Prospectus and this First Supplementary Base Prospectus constitute a full and true disclosure of all material facts concerning the Offer.
- (ii) Our Directors have seen and approved this First Supplementary Base Prospectus. Our Directors collectively and individually accept full responsibility for the accuracy of the information contained in this First Supplementary Base Prospectus and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no false or misleading statements or other facts, the omission of which would make any statement in this First Supplementary Base Prospectus false or misleading.

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