

Registration No. 196901000166 (8515-D)

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

**Condensed Interim Financial Statements**  
**For the Financial Period**  
**1 April 2020 to**  
**31 December 2020**  
(In Ringgit Malaysia)

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

**UNAUDITED STATEMENTS OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2020**

	Note	Group		Bank	
		31 December 2020 RM'000	31 March 2020 RM'000	31 December 2020 RM'000	31 March 2020 RM'000
<b>ASSETS</b>					
Cash and short-term funds	A8	12,565,312	9,722,230	12,560,099	9,717,446
Deposits and placements with banks and other financial institutions	A9	398,184	285,369	398,184	285,369
Investment account placement	A10	716,549	715,722	716,549	715,722
Derivative financial assets		1,619,758	2,102,981	1,619,758	2,102,981
Financial assets at fair value through profit or loss	A11	3,516,197	7,324,710	3,516,148	7,324,676
Financial investments at fair value through other comprehensive income	A12	15,445,648	14,895,518	15,445,648	14,903,364
Financial investments at amortised cost	A13	3,023,227	3,028,699	3,023,227	3,028,699
Loans and advances	A14	75,553,203	73,741,662	75,509,952	73,692,525
Statutory deposit with Bank Negara Malaysia		341,397	339,356	341,397	339,356
Deferred tax assets		-	21,896	-	21,861
Investment in subsidiaries		-	-	31,492	31,492
Investment in associates		31,434	32,624	32,302	32,302
Other assets	A15	1,525,022	1,946,382	1,522,099	1,943,403
Property and equipment		190,629	219,504	171,869	200,164
Right-of-use assets		235,497	264,394	237,150	264,394
Intangible assets		259,439	264,492	259,439	264,492
<b>TOTAL ASSETS</b>		<b>115,421,496</b>	<b>114,905,539</b>	<b>115,385,313</b>	<b>114,868,246</b>
<b>LIABILITIES AND EQUITY</b>					
Deposits from customers	A16	81,485,170	78,808,367	81,498,057	78,820,486
Deposits and placements of banks and other financial institutions	A17	6,646,601	6,894,370	6,656,413	6,903,983
Securities sold under repurchase agreements		3,981,380	6,352,709	3,981,380	6,352,709
Recourse obligation on loans sold to Cagamas Berhad		5,475,013	4,140,023	5,475,013	4,140,023
Derivative financial liabilities		1,775,050	1,961,585	1,775,050	1,961,585
Term funding		673,087	1,467,043	673,087	1,467,043
Debt capital		2,595,000	2,595,000	2,595,000	2,595,000
Deferred tax liabilities		7,329	-	7,329	-
Other liabilities	A18	2,020,346	2,567,827	2,011,798	2,554,987
<b>TOTAL LIABILITIES</b>		<b>104,658,976</b>	<b>104,786,924</b>	<b>104,673,127</b>	<b>104,795,816</b>
Share capital		1,940,465	1,940,465	1,940,465	1,940,465
Reserves		8,821,909	8,177,996	8,771,721	8,131,965
<b>Equity attributable to equity holder of the Bank</b>		<b>10,762,374</b>	<b>10,118,461</b>	<b>10,712,186</b>	<b>10,072,430</b>
Non-controlling interests		146	154	-	-
<b>TOTAL EQUITY</b>		<b>10,762,520</b>	<b>10,118,615</b>	<b>10,712,186</b>	<b>10,072,430</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>115,421,496</b>	<b>114,905,539</b>	<b>115,385,313</b>	<b>114,868,246</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	A33	<b>112,461,334</b>	<b>125,862,246</b>	<b>112,523,534</b>	<b>125,917,196</b>
<b>NET ASSETS PER SHARE (RM)</b>		<b>12.86</b>	<b>12.09</b>	<b>12.80</b>	<b>12.04</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 2020.

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

**UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2020**

Group	Note	Individual Quarter		Cumulative Quarter	
		31 December 2020 RM'000	31 December 2019 RM'000	31 December 2020 RM'000	31 December 2019 RM'000
Operating revenue		1,164,674	1,395,727	3,605,026	4,183,984
Interest income	A19	974,203	1,206,968	3,035,093	3,670,950
Interest expense	A20	(462,729)	(728,735)	(1,625,500)	(2,302,197)
Net interest income		511,474	478,233	1,409,593	1,368,753
Other operating income	A21	190,054	188,773	571,124	513,048
Share in results of an associate		417	(14)	(1,191)	(14)
Net income		701,945	666,992	1,979,526	1,881,787
Other operating expenses	A22	(336,320)	(335,057)	(950,205)	(960,774)
Operating profit		365,625	331,935	1,029,321	921,013
Allowance for impairment on loans and advances	A23	(139,961)	(45,749)	(379,248)	(51,638)
(Provision)/writeback of provision for commitments and contingencies		(3,599)	4,725	2,544	23,639
(Allowance)/writeback of allowance for impairment on:					
Financial investments	A24	(2,278)	(2,325)	4,447	(44,976)
Other financial assets	A25	(681)	3,840	467	8,756
Other recoveries		8	1	95	30
<b>Profit before taxation</b>		219,114	292,427	657,626	856,824
Taxation		(49,576)	(70,833)	(134,882)	(190,768)
<b>Profit for the financial period</b>		<b>169,538</b>	<b>221,594</b>	<b>522,744</b>	<b>666,056</b>
Attributable to:					
Equity holder of the Bank		169,538	221,594	522,752	666,056
Non-controlling interests		-	-	(8)	-
Profit for the financial period		169,538	221,594	522,744	666,056
<b>Earnings per share (sen)</b>					
Basic/Diluted	A26	20.26	26.48	62.47	79.59

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**AmBank (M) Berhad**  
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**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2020**

Group	Individual Quarter		Cumulative Quarter	
	31 December 2020 RM'000	31 December 2019 RM'000	31 December 2020 RM'000	31 December 2019 RM'000
Profit for the financial period	169,538	221,594	522,744	666,056
<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	1,835	-	94,672	62,143
Tax effect	(440)	-	(448)	1,774
<b>Items that may be reclassified subsequently to profit or loss</b>				
Currency translation on offshore operations	(8,962)	(6,515)	(19,153)	331
Cash flow hedge				
- gain/(loss) arising during the financial period	585	3,181	4,985	(7,887)
- amortisation of fair value changes of terminated hedge	2,772	(397)	6,390	(3,118)
- reclassification adjustments for gain included in profit or loss	-	-	-	(66)
Tax effect	(806)	(668)	(2,730)	2,657
Financial investments at fair value through other comprehensive income				
- net (loss)/gain on changes in fair value	(31,874)	1,000	244,337	134,165
- net gain reclassified to profit or loss	(398)	(29,082)	(17,014)	(82,769)
- expected credit loss	2,258	2,311	(3,099)	45,622
- foreign exchange differences	4	-	9	-
Tax effect	7,740	(4,736)	(54,565)	(23,914)
Other comprehensive income/(loss), net of tax	(27,286)	(34,906)	253,384	128,938
<b>Total comprehensive income for the financial period, net of tax</b>	<b>142,252</b>	<b>186,688</b>	<b>776,128</b>	<b>794,994</b>
Attributable to:				
Equity holder of the Bank	142,252	186,688	776,136	794,994
Non-controlling interests	-	-	(8)	-
	<b>142,252</b>	<b>186,688</b>	<b>776,128</b>	<b>794,994</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 2020.

**AmBank (M) Berhad**  
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**UNAUDITED STATEMENT OF PROFIT OR LOSS  
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2020**

	Note	Individual Quarter		Cumulative Quarter	
		31 December 2020 RM'000	31 December 2019 RM'000	31 December 2020 RM'000	31 December 2019 RM'000
<b>Bank</b>					
Operating revenue		1,162,140	1,394,382	3,602,348	4,180,125
Interest income	A19	972,889	1,205,842	3,031,299	3,667,512
Interest expense	A20	(462,778)	(728,767)	(1,625,653)	(2,302,285)
Net interest income		510,111	477,075	1,405,646	1,365,227
Other operating income	A21	189,251	188,540	571,049	512,613
Net income		699,362	665,615	1,976,695	1,877,840
Other operating expenses	A22	(336,453)	(334,808)	(950,529)	(960,039)
Operating profit		362,909	330,807	1,026,166	917,801
Allowance for impairment on loans and advances	A23	(139,955)	(45,824)	(382,122)	(51,692)
(Provision)/writeback of provision for commitments and contingencies		(3,601)	4,728	2,546	23,644
(Allowance)/writeback of allowance for impairment on:					
Financial investments	A24	(2,275)	(2,318)	4,454	(44,963)
Other financial assets	A25	(681)	3,840	467	8,762
Other recoveries		7	1	95	30
<b>Profit before taxation</b>		<b>216,404</b>	<b>291,234</b>	<b>651,606</b>	<b>853,582</b>
Taxation		(48,445)	(70,525)	(133,021)	(189,900)
<b>Profit for the financial period</b>		<b>167,959</b>	<b>220,709</b>	<b>518,585</b>	<b>663,682</b>
<b>Earnings per share (sen)</b>					
Basic/Diluted	A26	20.07	26.37	61.97	79.31

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 2020.

**AmBank (M) Berhad**  
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**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2020**

	Individual Quarter		Cumulative Quarter	
	31 December 2020 RM'000	31 December 2019 RM'000	31 December 2020 RM'000	31 December 2019 RM'000
<b>Bank</b>				
Profit for the financial period	167,959	220,709	518,585	663,682
<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	1,835	-	94,672	62,143
Tax effect	(440)	-	(448)	1,774
<b>Items that may be reclassified subsequently to profit or loss</b>				
Currency translation on offshore operations	(8,859)	(6,497)	(19,025)	331
Cash flow hedge				
- gain/(loss) arising during the financial period	585	3,181	4,985	(7,887)
- amortisation of fair value changes of terminated hedge	2,772	(397)	6,390	(3,118)
- reclassification adjustments for gain included in profit or loss	-	-	-	(66)
Tax effect	(806)	(668)	(2,730)	2,657
Financial investments at fair value through other comprehensive income				
- net (loss)/gain on changes in fair value	(31,944)	805	244,191	134,232
- net gain reclassified to profit or loss	(398)	(29,082)	(17,014)	(82,769)
- expected credit loss	2,255	2,304	(3,106)	45,609
- foreign exchange differences	4	-	9	-
Tax effect	7,757	(4,792)	(54,530)	(23,930)
Other comprehensive income/(loss), net of tax	(27,239)	(35,146)	253,394	128,976
<b>Total comprehensive income for the financial period, net of tax</b>	<b>140,720</b>	<b>185,563</b>	<b>771,979</b>	<b>792,658</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 2020.

**AmBank (M) Berhad**  
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**UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2020**

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 2019</b>	1,940,465	280,556	104,149	245,666	(12,074)	81,246	6,957,622	9,597,630	162	9,597,792
Profit for the financial period	-	-	-	-	-	-	666,056	666,056	-	666,056
Other comprehensive income/(loss), net	-	-	-	137,021	(8,414)	331	-	128,938	-	128,938
Total comprehensive income/(loss) for the financial period	-	-	-	137,021	(8,414)	331	666,056	794,994	-	794,994
Transfer to regulatory reserve	-	106,424	-	-	-	-	(106,424)	-	-	-
Dividend on ordinary shares:										
- final, financial year ended 31 March 2019	-	-	-	-	-	-	(318,004)	(318,004)	-	(318,004)
- interim, financial year ended 31 March 2020	-	-	-	-	-	-	(117,159)	(117,159)	-	(117,159)
Transaction with owner and other equity movements	-	106,424	-	-	-	-	(541,587)	(435,163)	-	(435,163)
<b>At 31 December 2019</b>	<b>1,940,465</b>	<b>386,980</b>	<b>104,149</b>	<b>382,687</b>	<b>(20,488)</b>	<b>81,577</b>	<b>7,082,091</b>	<b>9,957,461</b>	<b>162</b>	<b>9,957,623</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 2020.

**AmBank (M) Berhad**  
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**UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONT'D.)  
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2020**

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	-	-	-	-	-	-	522,752	522,752	(8)	522,744
Other comprehensive income/(loss), net	-	-	-	263,892	8,645	(19,153)	-	253,384	-	253,384
Total comprehensive income/(loss) for the financial period	-	-	-	263,892	8,645	(19,153)	522,752	776,136	(8)	776,128
Transfer from regulatory reserve	-	(264,071)	-	-	-	-	264,071	-	-	-
Dividend on ordinary shares: - final, financial year ended 31 March 2020	-	-	-	-	-	-	(132,223)	(132,223)	-	(132,223)
Transaction with owner and other equity movements	-	(264,071)	-	-	-	-	131,848	(132,223)	-	(132,223)
<b>At 31 December 2020</b>	<b>1,940,465</b>	<b>46,932</b>	<b>104,149</b>	<b>632,623</b>	<b>(19,510)</b>	<b>76,613</b>	<b>7,981,102</b>	<b>10,762,374</b>	<b>146</b>	<b>10,762,520</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 2020.



**AmBank (M) Berhad**  
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**UNAUDITED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2020**

	Attributable to equity holder of the Bank						
	Non-distributable				Distributable		
<b>Bank</b>	<b>Share capital RM'000</b>	<b>Regulatory reserve RM'000</b>	<b>Fair value reserve RM'000</b>	<b>Cash flow hedging deficit</b>	<b>Foreign currency translation reserve RM'000</b>	<b>Retained earnings RM'000</b>	<b>Total equity RM'000</b>
<b>At 1 April 2019</b>	1,940,465	280,556	245,836	(12,074)	85,109	7,014,840	9,554,732
Profit for the financial period	-	-	-	-	-	663,682	663,682
Other comprehensive income/(loss), net	-	-	137,059	(8,414)	331	-	128,976
Total comprehensive income/(loss) for the financial period	-	-	137,059	(8,414)	331	663,682	792,658
Transfer to regulatory reserve	-	106,424	-	-	-	(106,424)	-
Dividend on ordinary shares:							
- final, financial year ended 31 March 2019	-	-	-	-	-	(318,004)	(318,004)
- interim, financial year ended 31 March 2020	-	-	-	-	-	(117,159)	(117,159)
Transaction with owner and other equity movements	-	106,424	-	-	-	(541,587)	(435,163)
<b>At 31 December 2019</b>	<b>1,940,465</b>	<b>386,980</b>	<b>382,895</b>	<b>(20,488)</b>	<b>85,440</b>	<b>7,136,935</b>	<b>9,912,227</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 2020.

**AmBank (M) Berhad**  
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**UNAUDITED STATEMENT OF CHANGES IN EQUITY (CONT'D.)**  
**FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2020**

	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 RM'000	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	-	-	-	-	-	518,585	518,585
Other comprehensive income/(loss), net	-	-	263,774	8,645	(19,025)	-	253,394
Total comprehensive income/(loss) for the financial period	-	-	263,774	8,645	(19,025)	518,585	771,979
Transfer from regulatory reserve	-	(264,071)	-	-	-	264,071	-
Dividend on ordinary shares: - final, financial year ended 31 March 2020	-	-	-	-	-	(132,223)	(132,223)
Transaction with owner and other equity movements	-	(264,071)	-	-	-	131,848	(132,223)
<b>At 31 December 2020</b>	<b>1,940,465</b>	<b>46,932</b>	<b>632,621</b>	<b>(19,510)</b>	<b>80,562</b>	<b>8,031,116</b>	<b>10,712,186</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 2020.

**AmBank (M) Berhad**  
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**UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS  
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2020**

	Group		Bank	
	31 December 2020 RM'000	31 December 2019 RM'000	31 December 2020 RM'000	31 December 2019 RM'000
Profit before taxation	657,626	856,824	651,606	853,582
Adjustments for non-operating and non-cash items	800,995	255,561	783,138	255,183
Operating profit before working capital changes	1,458,621	1,112,385	1,434,744	1,108,765
Changes in working capital:				
Net change in operating assets	1,771,582	3,696,927	1,782,915	3,689,931
Net change in operating liabilities	252,849	(2,063,605)	256,949	(2,063,430)
Tax paid	(82,964)	(168,834)	(82,016)	(168,328)
Net cash generated from operating activities	3,400,088	2,576,873	3,392,592	2,566,938
Net cash (used in)/generated from investing activities	(289,462)	85,514	(282,127)	95,248
Net cash used in financing activities	(190,867)	(968,490)	(191,135)	(968,490)
Net increase in cash and cash equivalents	2,919,759	1,693,897	2,919,330	1,693,696
Cash and cash equivalents at beginning of the financial period	10,008,917	5,471,374	10,004,133	5,466,663
Effect of exchange rate changes	247	8	247	8
Cash and cash equivalents at end of financial period	12,928,923	7,165,279	12,923,710	7,160,367
Cash and cash equivalents comprise:				
Cash and short-term funds	12,565,312	7,044,185	12,560,099	7,039,273
Deposits and placements with banks and other financial institutions	398,184	120,000	398,184	120,000
	12,963,496	7,164,185	12,958,283	7,159,273
Less: Deposits and placements with original maturity of more than 3 months	(37,319)	-	(37,319)	-
	12,926,177	7,164,185	12,920,964	7,159,273
Allowances for expected credit loss ("ECL") for cash and cash equivalents at end of the financial period	2,746	1,094	2,746	1,094
	12,928,923	7,165,279	12,923,710	7,160,367

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 2020.

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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 2020.

**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.

- Amendments to References to the Conceptual Framework in MFRS Standards
- Definition of a Business (Amendments to MFRS 3)
- Definition of Material (Amendments to MFRS 101 and MFRS 108)
- Interest Rate Benchmark Reform (Amendments to MFRS 9, MFRS 139 and MFRS 7)
- Extension of the Temporary Exemption from Applying MFRS 9 (Amendments to MFRS 4)
- Early adoption of COVID-19-Related Rent Concessions (Amendment of 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) Amendments to References to the Conceptual Framework in MFRS Standards**

The amendments, affecting nine published standards and five published interpretations, were issued as a consequence to the issuance of the revised *Conceptual Framework for Financial Reporting* ("Conceptual Framework"). The references and quotations in these published standards and interpretations to the Conceptual Framework have been updated so as to clarify the version of the Conceptual Framework these published standards and interpretations refer to. The adoption of these amendments did not result in any impact to the financial statements of the Group and the Bank.

**(b) Definition of a Business (Amendments to MFRS 3)**

The amendments revised the definition of a business, whereby the term "outputs" is narrowed to focus on goods and services provided to customers, as well as generation of investment income and other income from ordinary activities; returns in the form of lower costs and other economic benefits are no longer considered. In addition, a new framework is added to help evaluate when an input and a substantive process are present. The adoption of these amendments did not result in any impact as there was no business combination or asset acquisition that occurred during the financial period ended 31 December 2020.

**(c) Definition of Material (Amendments to MFRS 101 and MFRS 108)**

The amendments clarified the definition of material and how it should be applied through the addition of definition guidance. In addition, the explanations accompanying the definition have been improved and aligned across all MFRS standards to make it easier for entities to make materiality judgments. The adoption of these amendments did not result in any impact to the financial statements of the Group and the Bank.

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**A1. BASIS OF PREPARATION (CONT'D.)**

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

**(d) Interest Rate Benchmark Reform (Amendments to MFRS 9, MFRS 139 and MFRS 7)**

The amendments, issued to address the pre-replacement issues arising from the interest rate benchmark reform recommendations by Financial Stability Board, provides temporary relief from applying specific hedge accounting requirements to hedging relationships directly affected by the interest rate benchmark reform until the uncertainty arising from this reform is longer present.

The relief provided by the amendments requires the Group and the Bank to assume that the interest rate on which the hedged cash flows are based does not change as a result of the reform. Accordingly, the Group and the Bank now assumes that the interest rate benchmark on which the hedged item, hedged risk and/or hedging instrument are based is not altered as a result of the interest rate benchmark reform in its hedge effectiveness assessments.

**(e) Early adoption of COVID-19-Related Rent Concessions (Amendment of MFRS 16)**

The amendment exempts lessees from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications and allows lessees to account for such rent concessions as if they were not lease modifications. It applies to COVID-19-related rent concessions that reduce lease payments due on or before 30 June 2021. The amendment is effective 1 June 2020 but early application is permitted in financial statements not yet authorised for issue as at 28 May 2020.

While the amendment does not have to be applied until the financial year ending 31 March 2022, the Group adopted the amendment early as the Group had received rent concessions from the lessors of certain premises as a direct consequence of the COVID-19 pandemic and the ensuing Movement Control Order that was imposed by the Government of Malaysia.

The Group and the Bank have applied the practical expedient to all of the rent concessions received. Accordingly, the rent concessions were not accounted for as lease modifications. The benefit from the rent concessions received, which amounted to RM136,600, had been credited to profit or loss during the period ended 31 December 2020.

**Standards issued but not yet effective**

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
Interest Rate Benchmark Reform - Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)	1 January 2021
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
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.

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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 2022**

**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 nearly risk-free rate.

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.

The amendments are mandatory and effective for annual periods beginning on or after 1 January 2021, with earlier application permitted.

**(b) 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.

**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.

**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 2023 (Cont'd.)**

**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 affecting 4 MFRSs, 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.

**(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 16 *Leases***

An illustrative example that accompanies MFRS 16 has been amended to remove the illustration of payments from the lessor relating to leasehold improvements to overcome any potential confusion about the treatment of lease incentives.

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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 2023 (Cont'd.)**

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

**(iv) 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.

**(c) 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.

**(d) 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.

**A1.2 Significant changes in regulatory requirement**

**BNM policy document on Capital Adequacy Framework (Capital Components)**

On 9 December 2020, BNM issued revised policy document, Capital Adequacy Framework (Capital Component). The key addition to the revised policy document is the transitional arrangement for financial institutions on provisions for expected credit loss ("ECL"). Under this revised policy document, a financial institution is allowed to add back the loss allowance for non-credit-impaired exposures (ie Stage 1 and Stage 2 provisions) to Common Equity Tier 1 ("CET 1").

The Group and the Bank had elected to apply the transitional arrangement on provision for ECL for four financial years beginning on 1 January 2020; starting from the reporting period as at 31 December 2020.



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**A1. BASIS OF PREPARATION (CONT'D.)**

**A1.3 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 2020 except for the measurement of expected credit losses ("ECL") for loans, advances and financing under MFRS 9 Financial Instruments ("MFRS 9").

Under the government support measures to assist borrowers adversely impacted by the COVID-19 pandemic, the moratorium on repayment/payment of loans does not automatically result in stage transfer under MFRS 9 in the absence of other factors relevant to the assessment. Effective 1 October 2020, with the extension of repayment assistance, this should not automatically result in a stage transfer under MFRS 9 in the absence of other factors indicating evidence of significant increase in credit risk ("SICR"). The Group and the Bank are applying experienced credit judgement to assess SICR and is applying forward-looking overlay adjustments on ECL estimates to account for heightened uncertainty for those customers under extended repayment assistance.

**A2. AUDIT QUALIFICATION**

The auditors' report on the audited annual financial statements for the financial year ended 31 March 2020 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 and period.

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

On 25 March 2020, Bank Negara Malaysia ("BNM") announced that with effect from 1 April 2020, banking institutions are required to provide an automatic deferment of all loan repayments (except for credit card balances) for a period of 6 months. This is one of the measures implemented by BNM to assist individuals, small and medium enterprises ("SMEs") and corporations to manage the impact of the COVID-19 pandemic. The 6 months moratorium granted to eligible borrowers is applicable to performing loans, denominated in Ringgit Malaysia, that have not been in arrears for more than 90 days as at 1 April 2020. Upon expiry of the automatic loan moratorium on 30 September 2020, the Bank had continued to support SMEs and Malaysian impacted by COVID-19 by extending the Targeted Repayment Assistance Programme until 30 June 2021.

The Bank's participation in government support measures in response to COVID-19 pandemic includes providing financing at concessionary rate to assist SMEs businesses adversely impacted by the COVID-19 pandemic. The financial impact arising from the measures implemented in response to COVID-19 is included in interest income in Note A19.

Other than the impact of COVID-19 pandemic to businesses and moratorium and targeted repayment assistance granted to customers, there were no unusual items during the current financial quarter and period.

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**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 financial quarter and period ended 31 December 2020.

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

On 26 June 2020, the Bank redeemed Tranche 7 of its Senior Notes with nominal value of RM700.0 million issued under its RM7.0 billion nominal value Senior Note programme.

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

**A7. DIVIDENDS**

During the financial quarter, the final single-tier cash dividend of 15.80 sen per ordinary share on 836,852,786 ordinary shares amounting to approximately RM132,222,740 in respect of the financial year ended 31 March 2020 was paid on 23 July 2020.

The Directors did not declare any interim dividend during the financial period for the current financial year ending 31 March 2021.

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

	Group		Bank	
	31 December 2020 RM'000	31 March 2020 RM'000	31 December 2020 RM'000	31 March 2020 RM'000
Cash and bank balances	1,895,438	1,873,882	1,893,685	1,872,086
Deposit placements maturing within one month:				
Licensed banks	3,397,240	579,181	3,393,780	576,193
Bank Negara Malaysia	7,275,000	7,270,000	7,275,000	7,270,000
	10,672,240	7,849,181	10,668,780	7,846,193
Total cash and bank balances and deposit placements	12,567,678	9,723,063	12,562,465	9,718,279
Less: Allowances for Expected Credit Losses ("ECL")	(2,366)	(833)	(2,366)	(833)
	12,565,312	9,722,230	12,560,099	9,717,446

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 December 2020</b>			
Balance at beginning of the financial period	804	29	833
Allowances for ECL:	1,584	1	1,585
New financial assets originated	390	-	390
Financial assets derecognised	(1,895)	-	(1,895)
Transfer from deposits and placements with banks and other financial institution (Note A9)	3,742	-	3,742
Net remeasurement of allowances	(591)	1	(590)
Changes in model assumptions and methodologies	(62)	-	(62)
Foreign exchange differences	(53)	1	(52)
Balance at end of the financial period	2,335	31	2,366

Group and Bank	Stage 1	Stage 2	Total
	12-Month ECL RM'000	Lifetime ECL not credit impaired RM'000	
<b>31 March 2020</b>			
Balance at beginning of the financial year	1,306	31	1,337
Writeback of ECL:	(522)	(3)	(525)
New financial assets originated	198	30	228
Financial assets derecognised	(4,873)	(36)	(4,909)
Transfer from deposits and placements with banks and other financial institutions (Note A9)	4,432	-	4,432
Net remeasurement of allowances	(341)	3	(338)
Changes in model assumptions and methodologies	62	-	62
Foreign exchange differences	20	1	21
Balance at end of the financial year	804	29	833

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

	<b>Group and Bank</b>	
	<b>31 December 2020 RM'000</b>	<b>31 March 2020 RM'000</b>
Licensed banks	241,245	165,854
Licensed islamic bank (a related company)	37,319	-
Licensed investment bank (a related company)	120,000	120,000
	<u>398,564</u>	<u>285,854</u>
Less: Allowances for ECL	(380)	(485)
	<u>398,184</u>	<u>285,369</u>

Movements in allowances for ECL are as follows:

<b>Group and Bank</b>	<b>Stage 1 12-Month ECL RM'000</b>
<b>31 December 2020</b>	
Balance at beginning of the financial period	485
Writeback of ECL:	(105)
New financial assets originated	4,008
Transfer to cash and short term funds (Note A8)	(3,742)
Net remeasurement of allowances	4
Changes in model assumptions and methodologies	(375)
	<u>380</u>
Balance at end of the financial period	<u>380</u>

<b>Group and Bank</b>	<b>Stage 1 12-Month ECL RM'000</b>
<b>31 March 2020</b>	
Balance at beginning of the financial year	2,076
Writeback of ECL:	(1,591)
New financial assets originated	2,570
Transfer to cash and short-term funds (Note A8)	(4,432)
Net remeasurement of allowances	(104)
Changes in model assumptions and methodologies	375
	<u>485</u>
Balance at end of the financial year	<u>485</u>

**A10. INVESTMENT ACCOUNT PLACEMENT**

	<b>Group and Bank</b>	
	<b>31 December 2020 RM'000</b>	<b>31 March 2020 RM'000</b>
Licensed Islamic bank	718,227	718,006
Less: Allowances for ECL	(1,678)	(2,284)
	<u>716,549</u>	<u>715,722</u>

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**A10. INVESTMENT ACCOUNT PLACEMENT (CONT'D.)**

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

As at 31 December 2020, the gross exposure relating to the RA financing for the Group and the Bank amounted to RM719.7 million (31 March 2020: RM719.9 million). No stage 3 ECL is provided for the RA financing as at 31 December 2020 and 31 March 2020.

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 December 2020</b>		
Balance at beginning of the financial period	2,284	2,284
Writeback of ECL:	(606)	(606)
Net remeasurement of allowances	168	168
Changes in model assumptions and methodologies	(774)	(774)
Balance at end of the financial period	<u>1,678</u>	<u>1,678</u>

<b>Group and Bank</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 2020</b>			
Balance at beginning of the financial year	948	2,711	3,659
Allowances for/(writeback of) ECL:	1,336	(2,711)	(1,375)
New financial assets originated	1,105	-	1,105
Net remeasurement of allowances	142	-	142
Financial assets derecognised	(685)	(2,711)	(3,396)
Changes in model assumptions and methodologies	774	-	774
Balance at end of the financial year	<u>2,284</u>	<u>-</u>	<u>2,284</u>

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

	Group		Bank	
	31 December 2020 RM'000	31 March 2020 RM'000	31 December 2020 RM'000	31 March 2020 RM'000
<b>At fair value</b>				
Money market instruments:				
Bank Negara Monetary Notes	-	1,049,133	-	1,049,133
Islamic Treasury Bills	523,468	418,543	523,468	418,543
Malaysian Government Investment Issues	381,995	1,892,213	381,995	1,892,213
Malaysian Government Securities	603,380	2,712,517	603,380	2,712,517
Malaysian Treasury Bills	-	606,027	-	606,027
	<u>1,508,843</u>	<u>6,678,433</u>	<u>1,508,843</u>	<u>6,678,433</u>
Quoted securities:				
<i>In Malaysia:</i>				
Shares	610,034	301,896	610,034	301,896
Unit trusts	18,541	28,194	18,541	28,194
Sukuk	38,089	37,500	38,089	37,500
	<u>666,664</u>	<u>367,590</u>	<u>666,664</u>	<u>367,590</u>
<i>Outside Malaysia:</i>				
Shares	<u>490,439</u>	<u>80,589</u>	<u>490,435</u>	<u>80,586</u>
Unquoted securities:				
<i>In Malaysia:</i>				
Shares	45	31	-	-
Corporate bonds and sukuk	850,206	198,067	850,206	198,067
	<u>850,251</u>	<u>198,098</u>	<u>850,206</u>	<u>198,067</u>
	<u>3,516,197</u>	<u>7,324,710</u>	<u>3,516,148</u>	<u>7,324,676</u>

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

	Group		Bank	
	31 December 2020 RM'000	31 March 2020 RM'000	31 December 2020 RM'000	31 March 2020 RM'000
<b>At fair value</b>				
Money market instruments:				
Malaysian Government Investment Issues	2,493,879	3,689,158	2,493,879	3,689,158
Malaysian Government Securities	3,226,545	3,195,316	3,226,545	3,195,316
Foreign Government Securities	74,495	-	74,495	-
Islamic Negotiable Instruments of Deposit	1,706,436	-	1,706,436	-
Negotiable Instruments of Deposit	350,565	-	350,565	-
	<u>7,851,920</u>	<u>6,884,474</u>	<u>7,851,920</u>	<u>6,884,474</u>
Quoted securities:				
<i>In Malaysia:</i>				
Unit trusts	76,148	74,313	76,148	74,313
	<u>76,148</u>	<u>74,313</u>	<u>76,148</u>	<u>74,313</u>
Unquoted securities:				
<i>In Malaysia:</i>				
Corporate bonds and sukuk	6,779,398	7,140,823	6,779,398	7,148,669
Shares	680,874	588,065	680,874	588,065
	<u>7,460,272</u>	<u>7,728,888</u>	<u>7,460,272</u>	<u>7,736,734</u>
<i>Outside Malaysia:</i>				
Sukuk	56,796	207,359	56,796	207,359
Shares	512	484	512	484
	<u>57,308</u>	<u>207,843</u>	<u>57,308</u>	<u>207,843</u>
	<u>15,445,648</u>	<u>14,895,518</u>	<u>15,445,648</u>	<u>14,903,364</u>

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

Movements in allowances for ECL are as follows:

Group	Stage 1	Stage 2	Stage 3	Total
	12-Month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
	RM'000	RM'000	RM'000	RM'000
<b>31 December 2020</b>				
Balance at beginning of the financial period	12,101	774	-	12,875
Writeback of ECL:	(2,961)	(138)	-	(3,099)
- Transfer to Stage 1	103	(386)	-	(283)
- Transfer to Stage 2	(155)	489	-	334
New financial assets originated	3,689	-	-	3,689
Financial assets derecognised	(3,286)	-	-	(3,286)
Net remeasurement of allowances	(215)	(24)	-	(239)
Changes in model assumptions and methodologies	(3,097)	(217)	-	(3,314)
Foreign exchange differences	(9)	-	-	(9)
Balance at end of the financial period	9,131	636	-	9,767

Group	Stage 1	Stage 2	Stage 3	Total
	12-Month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
	RM'000	RM'000	RM'000	RM'000
<b>31 March 2020</b>				
Balance at beginning of the financial year	9,914	3,195	-	13,109
Allowances for/(writeback of) ECL:	2,187	(2,421)	48,245	48,011
- Transfer to Stage 1	593	(1,006)	-	(413)
- Transfer to Stage 2	(325)	512	-	187
- Transfer to Stage 3	-	(260)	48,245	47,985
New financial assets originated	8,078	-	-	8,078
Financial assets derecognised	(8,027)	(242)	-	(8,269)
Net remeasurement of allowances	(1,229)	(1,642)	-	(2,871)
Changes in model assumptions and methodologies	3,097	217	-	3,314
Write-off during the financial year	-	-	(48,245)	(48,245)
Balance at end of the financial year	12,101	774	-	12,875



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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>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 December 2020</b>				
Balance at beginning of the financial period	12,105	774	-	12,879
Writeback of ECL:	(2,968)	(138)	-	(3,106)
- Transfer to Stage 1	103	(386)	-	(283)
- Transfer to Stage 2	(155)	489	-	334
New financial assets originated	3,689	-	-	3,689
Financial assets derecognised	(3,286)	-	-	(3,286)
Net remeasurement of allowances	(222)	(24)	-	(246)
Changes in model assumptions and methodologies	(3,097)	(217)	-	(3,314)
Foreign exchange differences	(9)	-	-	(9)
Balance at end of the financial period	9,128	636	-	9,764

<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 2020</b>				
Balance at beginning of the financial year	9,934	3,195	-	13,129
Allowances for/(writeback of) ECL:	2,171	(2,421)	48,245	47,995
- Transfer to Stage 1	593	(1,006)	-	(413)
- Transfer to Stage 2	(325)	512	-	187
- Transfer to Stage 3	-	(260)	48,245	47,985
New financial assets originated	8,078	-	-	8,078
Financial assets derecognised	(8,027)	(242)	-	(8,269)
Net remeasurement of allowances	(1,245)	(1,642)	-	(2,887)
Changes in model assumptions and methodologies	3,097	217	-	3,314
Write-off during the financial year	-	-	(48,245)	(48,245)
Balance at end of the financial year	12,105	774	-	12,879

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**A13. FINANCIAL INVESTMENTS AT AMORTISED COST**

	<b>Group and Bank</b>	
	<b>31 December 2020 RM'000</b>	<b>31 March 2020 RM'000</b>
<b>At amortised cost</b>		
Money market instruments:		
Malaysian Government Investment Issues	111,707	111,670
Unquoted securities:		
<i>In Malaysia:</i>		
Corporate bonds and sukuk	2,914,803	2,921,660
	3,026,510	3,033,330
Less: Allowances for ECL	(3,283)	(4,631)
	3,023,227	3,028,699

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 December 2020</b>	
Balance at beginning of the financial period	4,631	4,631
Writeback of ECL:	(1,348)	(1,348)
Net remeasurement of allowances	(117)	(117)
Financial assets derecognised	(71)	(71)
Changes in model assumptions and methodologies	(1,160)	(1,160)
Balance at end of the financial period	3,283	3,283

<b>Group and Bank</b>	<b>Stage 1 12-Month ECL RM'000</b>	<b>Total RM'000</b>
	<b>31 March 2020</b>	
Balance at beginning of the financial year	5,091	5,091
Writeback of ECL:	(460)	(460)
Net remeasurement of allowances	(1,620)	(1,620)
Changes in model assumptions and methodologies	1,160	1,160
Balance at end of the financial year	4,631	4,631

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**A14. LOANS AND ADVANCES**

	Group		Bank	
	31 December 2020 RM'000	31 March 2020 RM'000	31 December 2020 RM'000	31 March 2020 RM'000
<b>At amortised cost:</b>				
Overdraft	2,154,328	2,498,179	2,154,328	2,498,179
Term loans	21,875,587	19,790,674	21,875,587	19,790,674
Housing loan receivables	26,557,243	25,392,048	26,425,508	25,247,277
Hire purchase receivables	10,615,226	10,537,867	10,615,226	10,537,867
Bills receivables	1,553,278	1,616,752	1,553,278	1,616,752
Trust receipts	1,508,119	1,625,545	1,508,119	1,625,545
Claims on customers under acceptance credits	3,408,707	3,666,541	3,408,707	3,666,541
Card receivables	1,518,414	1,600,482	1,518,414	1,600,482
Revolving credits	6,525,902	7,294,436	6,614,092	7,389,985
Staff loans	95,563	92,493	95,563	92,493
Others	995,282	523,693	995,282	523,693
<b>Gross loans and advances</b>	<b>76,807,649</b>	<b>74,638,710</b>	<b>76,764,104</b>	<b>74,589,488</b>
Allowances for ECL:				
- Stage 1 - 12 months ECL	(244,781)	(179,447)	(244,781)	(179,464)
- Stage 2 - Lifetime ECL not credit impaired	(641,888)	(371,842)	(641,870)	(371,822)
- Stage 3 - Lifetime ECL credit impaired	(367,777)	(345,759)	(367,501)	(345,677)
<b>Net loans and advances</b>	<b>75,553,203</b>	<b>73,741,662</b>	<b>75,509,952</b>	<b>73,692,525</b>

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

	Group		Bank	
	31 December 2020 RM'000	31 March 2020 (Restated) (Note A36) RM'000	31 December 2020 RM'000	31 March 2020 (Restated) (Note A36) RM'000
Domestic banking institutions	1,135	13	1,135	13
Domestic non-bank financial institutions	838,300	1,145,064	926,490	1,240,613
Domestic business enterprises				
- Small medium enterprises	15,805,009	14,187,034	15,805,009	14,187,034
- Others	17,224,204	18,086,671	17,224,204	18,086,671
Government and statutory bodies	44,159	45,870	44,159	45,870
Individuals	41,601,810	40,171,728	41,470,075	40,026,957
Other domestic entities	9,223	10,968	9,223	10,968
Foreign individuals and entities	1,283,809	991,362	1,283,809	991,362
<b>Total</b>	<b>76,807,649</b>	<b>74,638,710</b>	<b>76,764,104</b>	<b>74,589,488</b>

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

	Group		Bank	
	31 December 2020 RM'000	31 March 2020 RM'000	31 December 2020 RM'000	31 March 2020 RM'000
In Malaysia	76,152,130	74,241,914	76,108,585	74,192,692
Outside Malaysia	655,519	396,796	655,519	396,796
	<u>76,807,649</u>	<u>74,638,710</u>	<u>76,764,104</u>	<u>74,589,488</u>

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

	Group		Bank	
	31 December 2020 RM'000	31 March 2020 (Restated) (Note A36) RM'000	31 December 2020 RM'000	31 March 2020 (Restated) (Note A36) RM'000
Fixed rate				
- Housing loans	147,822	207,234	16,087	62,463
- Hire purchase receivables	10,059,149	9,932,527	10,059,149	9,932,527
- Other fixed rate loans	5,986,676	5,440,013	5,986,676	5,440,013
Variable rate				
- Base rate and base lending rate plus	43,171,556	40,410,100	43,171,556	40,410,100
- Cost plus	16,794,676	18,003,845	16,882,866	18,099,394
- Other variable rates	647,770	644,991	647,770	644,991
	<u>76,807,649</u>	<u>74,638,710</u>	<u>76,764,104</u>	<u>74,589,488</u>

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

	Group		Bank	
	31 December 2020 RM'000	31 March 2020 (Restated) (Note A36) RM'000	31 December 2020 RM'000	31 March 2020 (Restated) (Note A36) RM'000
Agriculture	1,520,710	1,582,046	1,520,710	1,582,046
Mining and quarrying	1,625,978	1,393,232	1,625,978	1,393,232
Manufacturing	9,588,764	9,481,669	9,588,764	9,481,669
Electricity, gas and water	929,711	630,130	929,711	630,130
Construction	3,456,422	3,564,782	3,456,422	3,564,782
Wholesale and retail trade and hotel and restaurants	6,103,984	5,865,204	6,103,984	5,865,204
Transport, storage and communication	2,223,668	1,840,993	2,223,668	1,840,993
Finance and insurance	1,218,432	1,648,079	1,306,622	1,743,628
Real estate	5,417,157	5,637,751	5,417,157	5,637,751
Business activities	1,850,943	1,604,708	1,850,943	1,604,708
Education and health	694,573	634,497	694,573	634,497
Household of which:	42,155,565	40,729,176	42,023,830	40,584,405
- purchase of residential properties	26,811,137	25,657,002	26,679,402	25,512,231
- purchase of transport vehicles	9,643,836	9,528,678	9,643,836	9,528,678
- others	5,700,592	5,543,496	5,700,592	5,543,496
Others	21,742	26,443	21,742	26,443
	<u>76,807,649</u>	<u>74,638,710</u>	<u>76,764,104</u>	<u>74,589,488</u>

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

	Group		Bank	
	31 December 2020	31 March 2020 (Restated) (Note A36)	31 December 2020	31 March 2020 (Restated) (Note A36)
	RM'000	RM'000	RM'000	RM'000
Maturing within one year	18,189,569	19,602,203	18,273,184	19,695,825
Over one year to three years	4,087,705	3,608,920	4,081,439	3,602,019
Over three years to five years	8,232,946	7,075,578	8,221,585	7,064,531
Over five years	46,297,429	44,352,009	46,187,896	44,227,113
	<u>76,807,649</u>	<u>74,638,710</u>	<u>76,764,104</u>	<u>74,589,488</u>

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

	Group		Bank	
	31 December 2020	31 March 2020	31 December 2020	31 March 2020
	RM'000	RM'000	RM'000	RM'000
Balance at beginning of the financial period	1,235,479	1,046,442	1,234,994	1,045,699
Additions during the financial period/year	637,748	1,034,759	636,931	1,034,601
Reclassified as non-impaired	(113,463)	(119,326)	(113,428)	(119,125)
Recoveries	(216,586)	(307,055)	(216,584)	(306,840)
Amount written off	(221,196)	(423,126)	(221,196)	(423,126)
Foreign exchange differences	(4,917)	3,785	(4,917)	3,785
Balance at end of the financial period/year	<u>1,317,065</u>	<u>1,235,479</u>	<u>1,315,800</u>	<u>1,234,994</u>
Gross impaired loans and advances as % of gross loans and advances	<u>1.71%</u>	<u>1.66%</u>	<u>1.71%</u>	<u>1.66%</u>
Loan loss coverage (Including regulatory reserve)	<u>102.9%</u>	<u>102.4%</u>	<u>102.9%</u>	<u>102.4%</u>

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

	Group		Bank	
	31 December 2020	31 March 2020	31 December 2020	31 March 2020
	RM'000	RM'000	RM'000	RM'000
In Malaysia	1,287,029	1,191,357	1,285,764	1,190,872
Outside Malaysia	30,036	44,122	30,036	44,122
	<u>1,317,065</u>	<u>1,235,479</u>	<u>1,315,800</u>	<u>1,234,994</u>

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**A14. LOANS AND ADVANCES (CONT'D.)**

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

	Group		Bank	
	31 December 2020	31 March 2020 (Restated) (Note A36)	31 December 2020	31 March 2020 (Restated) (Note A36)
	RM'000	RM'000	RM'000	RM'000
Agriculture	35,885	36,745	35,885	36,745
Mining and quarrying	34,746	51,220	34,746	51,220
Manufacturing	164,815	218,153	164,815	218,153
Electricity, gas and water	3,812	495	3,812	495
Construction	88,505	81,019	88,505	81,019
Wholesale and retail trade and hotel and restaurants	118,334	78,793	118,334	78,793
Transport, storage and communication	19,157	31,715	19,157	31,715
Finance and insurance	1,310	2	1,310	2
Real estate	68,539	71,264	68,539	71,264
Business activities	36,553	35,637	36,553	35,637
Education and health	7,348	8,734	7,348	8,734
Household of which:	738,061	621,702	736,796	621,217
- purchase of residential properties	523,013	406,931	521,748	406,446
- purchase of transport vehicles	102,735	113,483	102,735	113,483
- others	112,313	101,288	112,313	101,288
	<u>1,317,065</u>	<u>1,235,479</u>	<u>1,315,800</u>	<u>1,234,994</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 December 2020</b>				
Balance at beginning of the financial period	179,447	371,842	345,759	897,048
Allowances for ECL:	65,675	270,196	244,655	580,526
- Transfer to Stage 1	1,582	(13,556)	(863)	(12,837)
- Transfer to Stage 2	(8,808)	26,683	(8,976)	8,899
- Transfer to Stage 3	(321)	(2,354)	76,609	73,934
New financial assets originated	31,628	77,854	6,854	116,336
Net remeasurement of allowances	(1,114)	24,489	165,314	188,689
Modification of contractual cash flows of financial assets	1,799	84,634	62,066	148,499
Financial assets derecognised	(24,589)	(28,631)	(56,013)	(109,233)
Changes to model assumptions and methodologies	65,498	101,077	(336)	166,239
Foreign exchange differences	(341)	(150)	(1,441)	(1,932)
Amount written-off	-	-	(221,196)	(221,196)
Balance at end of the financial period	244,781	641,888	367,777	1,254,446
<b>31 March 2020</b>				
Balance at beginning of the financial year	194,437	415,068	278,012	887,517
(Writeback of)/allowances for ECL:	(15,277)	(43,430)	490,004	431,297
- Transfer to Stage 1	8,249	(98,781)	(3,720)	(94,252)
- Transfer to Stage 2	(12,592)	145,517	(16,477)	116,448
- Transfer to Stage 3	(2,619)	(21,547)	124,886	100,720
New financial assets originated	44,972	38,488	11,438	94,898
Net remeasurement of allowances	(22,286)	(95,633)	438,758	320,839
Modification of contractual cash flows of financial assets	(4,151)	(1)	198	(3,954)
Financial assets derecognised	(51,656)	(49,267)	(64,623)	(165,546)
Changes in model assumptions and methodologies	24,806	37,794	(456)	62,144
Foreign exchange differences	287	204	869	1,360
Amount written-off	-	-	(423,126)	(423,126)
Balance at end of the financial year	179,447	371,842	345,759	897,048

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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 December 2020</b>				
Balance at beginning of the financial period	179,464	371,822	345,677	896,963
Allowances for ECL:	65,657	270,198	244,461	580,316
- Transfer to Stage 1	1,582	(13,556)	(863)	(12,837)
- Transfer to Stage 2	(8,808)	26,676	(8,970)	8,898
- Transfer to Stage 3	(320)	(2,346)	76,419	73,753
New financial assets originated	31,628	77,854	6,854	116,336
Net remeasurement of allowances	(1,134)	24,488	165,304	188,658
Modification of contractual cash flows of financial assets	1,799	84,634	62,066	148,499
Financial assets derecognised	(24,588)	(28,629)	(56,013)	(109,230)
Changes to model assumptions and methodologies	65,498	101,077	(336)	166,239
Foreign exchange differences	(340)	(150)	(1,441)	(1,931)
Amount written-off	-	-	(221,196)	(221,196)
Balance at end of the financial period	244,781	641,870	367,501	1,254,152
<b>31 March 2020</b>				
Balance at beginning of the financial year	194,440	415,058	277,888	887,386
(Writeback of)/allowances for ECL:	(15,263)	(43,439)	490,046	431,344
- Transfer to Stage 1	8,249	(98,780)	(3,720)	(94,251)
- Transfer to Stage 2	(12,592)	145,502	(16,450)	116,460
- Transfer to Stage 3	(2,619)	(21,545)	124,859	100,695
New financial assets originated	44,964	38,485	11,438	94,887
Net remeasurement of allowances	(22,268)	(95,628)	438,760	320,864
Modification of contractual cash flows of financial assets	(4,151)	(1)	198	(3,954)
Financial assets derecognised	(51,652)	(49,266)	(64,583)	(165,501)
Changes in model assumptions and methodologies	24,806	37,794	(456)	62,144
Foreign exchange differences	287	203	869	1,359
Amount written-off	-	-	(423,126)	(423,126)
Balance at end of the financial year	179,464	371,822	345,677	896,963



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**A15. OTHER ASSETS**

	Group		Bank	
	31 December 2020 RM'000	31 March 2020 RM'000	31 December 2020 RM'000	31 March 2020 RM'000
Other receivables, deposits and prepayments	489,377	293,964	487,881	292,459
Interest receivable	286,183	362,395	286,183	362,395
Amount due from related companies	75,693	46,774	76,815	47,905
Collateral pledged for derivative and securities transactions	531,213	1,035,710	531,213	1,035,710
Foreclosed properties	2,612	2,607	2,305	2,300
Deferred charges	120,618	106,793	120,618	106,793
Tax recoverable	21,409	101,569	18,702	98,806
	<u>1,527,105</u>	<u>1,949,812</u>	<u>1,523,717</u>	<u>1,946,368</u>
Less: Accumulated impairment losses	(2,083)	(3,430)	(1,618)	(2,965)
	<u>1,525,022</u>	<u>1,946,382</u>	<u>1,522,099</u>	<u>1,943,403</u>

**A16. DEPOSITS FROM CUSTOMERS**

	Group		Bank	
	31 December 2020 RM'000	31 March 2020 RM'000	31 December 2020 RM'000	31 March 2020 RM'000
Demand deposits	17,807,875	14,993,521	17,818,729	15,003,635
Savings deposits	4,197,529	3,682,178	4,197,529	3,682,178
Term/Investment deposits	54,400,424	56,260,636	54,402,457	56,262,641
Negotiable instruments of deposits	5,079,342	3,872,032	5,079,342	3,872,032
	<u>81,485,170</u>	<u>78,808,367</u>	<u>81,498,057</u>	<u>78,820,486</u>

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

	Group		Bank	
	31 December 2020 RM'000	31 March 2020 RM'000	31 December 2020 RM'000	31 March 2020 RM'000
Government and other statutory bodies	985,209	1,395,524	985,209	1,395,524
Business enterprises	39,424,645	38,400,525	39,437,532	38,412,644
Individuals	31,917,314	30,757,101	31,917,314	30,757,101
Others	9,158,002	8,255,217	9,158,002	8,255,217
	<u>81,485,170</u>	<u>78,808,367</u>	<u>81,498,057</u>	<u>78,820,486</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	
	31 December 2020 RM'000	31 March 2020 RM'000	31 December 2020 RM'000	31 March 2020 RM'000
Due within six months	51,565,353	48,151,160	51,567,386	48,153,165
Over six months to one year	6,936,741	10,608,603	6,936,741	10,608,603
Over one year to three years	899,287	1,250,625	899,287	1,250,625
Over three years to five years	78,385	122,280	78,385	122,280
	<u>59,479,766</u>	<u>60,132,668</u>	<u>59,481,799</u>	<u>60,134,673</u>

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

	Group		Bank	
	31 December 2020 RM'000	31 March 2020 RM'000	31 December 2020 RM'000	31 March 2020 RM'000
Licensed banks	4,158,268	4,552,792	4,158,268	4,552,792
Licensed investment banks	482,826	129,650	482,826	129,650
Other financial institutions	1,070,272	1,980,889	1,080,084	1,990,502
Bank Negara Malaysia	935,235	231,039	935,235	231,039
	<u>6,646,601</u>	<u>6,894,370</u>	<u>6,656,413</u>	<u>6,903,983</u>

**A18. OTHER LIABILITIES**

	Group		Bank	
	31 December 2020 RM'000	31 March 2020 RM'000	31 December 2020 RM'000	31 March 2020 RM'000
Other payables and accruals	907,226	1,261,551	894,661	1,248,696
Lease liabilities	236,675	264,706	238,371	264,706
Provision for reinstatement for leased properties	7,916	7,527	7,916	7,527
Interest payable	456,057	568,789	456,059	568,791
Amount due to holding company and other related companies	1	73,679	3,143	73,681
Collateral received for derivative and securities transactions	268,231	227,924	268,231	227,924
Lease deposits and advance rentals	34,021	33,446	34,021	33,446
Provision for commitments and contingencies	4,193	15,318	4,193	15,318
Allowances for ECL on loan commitments and financial guarantees (Note (a))	53,412	56,935	53,434	56,959
Provision for taxation	1,795	1,657	950	1,644
Deferred income	50,819	56,295	50,819	56,295
	<u>2,020,346</u>	<u>2,567,827</u>	<u>2,011,798</u>	<u>2,554,987</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 December 2020</b>				
Balance at beginning of the financial period	30,823	25,938	174	56,935
(Writeback of)/allowances for ECL:	(8,146)	4,685	278	(3,183)
- Transfer to Stage 1	956	(7,151)	-	(6,195)
- Transfer to Stage 2	(1,378)	5,522	-	4,144
- Transfer to Stage 3	(73)	(532)	605	-
New exposure originated	8,642	12,752	15	21,409
Net remeasurement of allowances	(1,439)	4,249	253	3,063
Exposure derecognised/withdrawn	(6,380)	(5,483)	(595)	(12,458)
Changes to model assumptions and methodologies	(8,474)	(4,672)	-	(13,146)
Foreign exchange differences	(78)	(262)	-	(340)
Balance at end of the financial period	22,599	30,361	452	53,412

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 2020</b>				
Balance at beginning of the financial year	41,569	26,058	10,893	78,520
Writeback of ECL:	(10,908)	(188)	(10,712)	(21,808)
- Transfer to Stage 1	834	(8,428)	-	(7,594)
- Transfer to Stage 2	(444)	8,653	-	8,209
- Transfer to Stage 3	(174)	(276)	1,027	577
New exposure originated	9,103	6,947	-	16,050
Net remeasurement of allowances	(5,006)	834	(1,347)	(5,519)
Financial assets derecognised	(20,940)	(11,583)	(10,390)	(42,913)
Changes in model assumptions and methodologies	5,719	3,665	(2)	9,382
Foreign exchange differences	162	68	(7)	223
Balance at end of the financial year	30,823	25,938	174	56,935

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**A18. OTHER LIABILITIES (CONT'D.)**

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

Bank	Stage 1	Stage 2	Stage 3	Total
	12-Month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
<b>31 December 2020</b>				
Balance at beginning of the financial period	30,848	25,938	173	56,959
(Writeback of)/allowances for ECL:	(8,149)	4,685	279	(3,185)
- Transfer to Stage 1	956	(7,151)	-	(6,195)
- Transfer to Stage 2	(1,378)	5,522	-	4,144
- Transfer to Stage 3	(73)	(532)	605	-
New exposure originated	8,642	12,752	15	21,409
Net remeasurement of allowances	(1,441)	4,249	253	3,061
Exposure derecognised/withdrawn	(6,381)	(5,483)	(594)	(12,458)
Changes to model assumptions and methodologies	(8,474)	(4,672)	-	(13,146)
Foreign exchange differences	(78)	(262)	-	(340)
Balance at end of the financial period	22,621	30,361	452	53,434

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 2020</b>				
Balance at beginning of the financial year	41,602	26,058	10,892	78,552
Writeback of ECL:	(10,916)	(188)	(10,712)	(21,816)
- Transfer to Stage 1	834	(8,428)	-	(7,594)
- Transfer to Stage 2	(444)	8,653	-	8,209
- Transfer to Stage 3	(174)	(276)	1,027	577
New financial instruments originated	9,103	6,947	-	16,050
Net remeasurement of allowances	(5,014)	834	(1,347)	(5,527)
Financial assets derecognised	(20,940)	(11,583)	(10,390)	(42,913)
Changes in model assumptions and methodologies	5,719	3,665	(2)	9,382
Foreign exchange differences	162	68	(7)	223
Balance at end of the financial year	30,848	25,938	173	56,959

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**A19. INTEREST INCOME**

	Individual Quarter		Cumulative Quarter	
	31 December 2020 RM'000	31 December 2019 RM'000	31 December 2020 RM'000	31 December 2019 RM'000
<b>Group</b>				
Short-term funds and deposits and placements with financial institutions*	12,889	20,110	39,992	52,903
Financial assets at fair value through profit or loss	22,300	58,407	113,968	223,575
Financial investments at fair value through other comprehensive income	112,933	119,170	362,088	377,497
Financial investments at amortised cost	32,475	34,519	97,123	103,492
Loans and advances*	785,082	955,002	2,390,823	2,849,478
Investment account placement	5,414	14,264	17,844	45,352
Impaired loans and advances	770	1,009	3,699	5,542
Others	2,340	4,487	9,556	13,111
	<u>974,203</u>	<u>1,206,968</u>	<u>3,035,093</u>	<u>3,670,950</u>
<b>Bank</b>				
Short-term funds and deposits and placements with financial institutions*	12,874	20,079	39,940	52,807
Financial assets at fair value through profit or loss	22,300	58,407	113,968	223,575
Financial investments at fair value through other comprehensive income	112,949	119,336	362,241	378,117
Financial investments at amortised cost	32,475	34,519	97,123	103,492
Loans and advances*	783,767	953,741	2,386,928	2,845,516
Investment account placement	5,414	14,264	17,844	45,352
Impaired loans and advances	770	1,009	3,699	5,542
Others	2,340	4,487	9,556	13,111
	<u>972,889</u>	<u>1,205,842</u>	<u>3,031,299</u>	<u>3,667,512</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 loss of RM9,076,000 and RM 74,865,000 respectively from measures implemented in response to COVID-19 pandemic.

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**A20. INTEREST EXPENSE**

	Individual Quarter		Cumulative Quarter	
	31 December 2020 RM'000	31 December 2019 RM'000	31 December 2020 RM'000	31 December 2019 RM'000
<b>Group</b>				
Deposits from customers	366,627	551,848	1,274,372	1,736,731
Deposits and placements of banks and other financial institutions	17,387	44,608	72,485	140,257
Securities sold under repurchase agreements	7,323	42,532	35,182	126,193
Recourse obligation on loans sold to Cagamas Berhad	27,164	40,327	107,188	125,282
Term funding	6,777	14,351	29,211	52,407
Debt capital	32,976	33,031	98,568	115,905
Others	4,475	2,038	8,494	5,422
	<u>462,729</u>	<u>728,735</u>	<u>1,625,500</u>	<u>2,302,197</u>
<b>Bank</b>				
Deposits from customers	366,675	551,904	1,274,523	1,736,817
Deposits and placements of banks and other financial institutions	17,388	44,584	72,487	140,259
Securities sold under repurchase agreements	7,323	42,532	35,182	126,193
Recourse obligation on loans sold to Cagamas Berhad	27,164	40,327	107,188	125,282
Term funding	6,777	14,351	29,211	52,407
Debt capital	32,976	33,031	98,568	115,905
Others	4,475	2,038	8,494	5,422
	<u>462,778</u>	<u>728,767</u>	<u>1,625,653</u>	<u>2,302,285</u>

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**A21. OTHER OPERATING INCOME**

Group	Individual Quarter		Cumulative Quarter	
	31 December 2020 RM'000	31 December 2019 RM'000	31 December 2020 RM'000	31 December 2019 RM'000
Fee and commission income:				
Bancassurance commission	7,092	7,892	19,828	21,799
Brokerage fees, commission and rebates	1,239	431	3,331	1,628
Fees on loans, advances and securities	30,380	33,739	84,952	115,685
Fees, service and commission charges	5,939	7,669	16,480	21,968
Unit trust fees, commission and charges	24,016	10,397	56,891	29,834
Guarantee fees	12,270	13,257	36,707	40,409
Remittances	5,432	6,785	13,606	19,148
Other fee and commission	3,748	4,210	10,007	13,021
	<u>90,116</u>	<u>84,380</u>	<u>241,802</u>	<u>263,492</u>
Investment and trading income:				
Foreign exchange (loss)/gain	(24,445)	(2,708)	(6,930)	30,929
Gross dividend income/distribution from:				
Financial assets at fair value through profit or loss	13,533	11,750	17,530	13,889
Financial investments at fair value through other comprehensive income	-	4,080	3,375	7,531
Net gain on sale of:				
Financial assets at fair value through profit or loss	64,731	6,697	249,370	53,211
Financial investments at fair value through other comprehensive income	398	29,082	17,014	82,769
Net gain on revaluation of financial assets at fair value through profit or loss	8,580	7,699	49,572	16,234
Net gain/(loss) on derivatives	25,356	33,733	(31,699)	12,095
Others	2,750	3,371	6,142	6,973
	<u>90,903</u>	<u>93,704</u>	<u>304,374</u>	<u>223,631</u>
Other income:				
Gain/(loss) on disposal of foreclosed property	-	-	540	(1)
Net gain on disposal of property and equipment	584	12	561	17
Net gain on non trading foreign exchange	482	2,501	1,043	3,154
Profit from sale of goods and services	4,672	4,451	13,397	13,377
Rental income	3,134	2,803	8,902	6,432
Others	163	922	505	2,946
	<u>9,035</u>	<u>10,689</u>	<u>24,948</u>	<u>25,925</u>
	<u>190,054</u>	<u>188,773</u>	<u>571,124</u>	<u>513,048</u>

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

	Individual Quarter		Cumulative Quarter	
	31 December 2020 RM'000	31 December 2019 RM'000	31 December 2020 RM'000	31 December 2019 RM'000
<b>Bank</b>				
Fee and commission income:				
Bancassurance commission	7,092	7,892	19,828	21,799
Brokerage fees, commission and rebates	1,239	431	3,331	1,628
Fees on loans, advances and securities	30,380	33,719	84,952	115,665
Fees, service and commission charges	5,823	7,588	16,161	21,688
Unit trust fees, commission and charges	24,016	10,397	56,891	29,834
Guarantee fees	12,269	13,257	36,707	40,409
Remittances	5,432	6,785	13,606	19,148
Other fee and commission	3,748	4,202	10,007	13,013
	<u>89,999</u>	<u>84,271</u>	<u>241,483</u>	<u>263,184</u>
Investment and trading income:				
Foreign exchange (loss)/gain	(24,445)	(2,708)	(6,930)	30,929
Gross dividend income/distribution from:				
Financial assets at fair value through profit or loss	13,533	11,750	17,530	13,889
Financial investments at fair value through other comprehensive income	-	4,080	3,375	7,531
Subsidiary	-	-	400	-
Net gain on sale of:				
Financial assets at fair value through profit or loss	64,731	6,697	249,370	53,211
Financial investments at fair value through other comprehensive income	398	29,082	17,014	82,769
Net gain on revaluation of financial assets at fair value through profit or loss	8,580	7,699	49,558	16,248
Net gain/(loss) on derivatives	25,356	33,733	(31,699)	12,095
Others	2,750	3,371	6,142	6,973
	<u>90,903</u>	<u>93,704</u>	<u>304,760</u>	<u>223,645</u>
Other income:				
Gain/(loss) on disposal of foreclosed property	-	-	540	(1)
Net (loss)/gain on disposal of property and equipment	-	12	(23)	17
Net gain on non trading foreign exchange	374	2,489	908	3,158
Profit from sale of goods and services	4,672	4,451	13,397	13,377
Rental income	3,145	2,728	9,438	6,215
Others	158	885	546	3,018
	<u>8,349</u>	<u>10,565</u>	<u>24,806</u>	<u>25,784</u>
	<u>189,251</u>	<u>188,540</u>	<u>571,049</u>	<u>512,613</u>



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**A22. OTHER OPERATING EXPENSES**

Group	Individual Quarter		Cumulative Quarter	
	31 December	31 December	31 December	31 December
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Personnel costs:				
Medical	5,368	4,100	15,921	15,041
Insurance	7,553	5,502	19,604	16,376
Contributions to Employees' Provident Fund/ Private Retirement Schemes ("PRS")	30,272	33,437	88,691	93,741
Salaries, bonuses, allowances and incentives	191,149	181,936	561,974	565,446
Share granted under AMMB ESS	6,946	8,797	27,407	13,719
Social security costs	1,636	1,636	4,906	4,851
Recruitment costs	1,592	2,295	4,855	5,022
Training	2,719	2,592	5,846	11,776
Others	12,084	1,928	19,491	4,221
	<u>259,319</u>	<u>242,223</u>	<u>748,695</u>	<u>730,193</u>
Establishment costs:				
Amortisation of intangible assets	18,901	17,417	56,149	62,226
Cleaning, maintenance and security	4,987	5,481	17,651	17,510
Computerisation cost	40,790	49,915	104,513	131,554
Depreciation of property and equipment	15,636	14,215	46,761	31,206
Depreciation of right-of-use assets	18,251	18,211	52,979	48,179
Rental of premises	1,149	917	2,843	8,582
Finance cost:				
- Lease liabilities	2,136	2,374	6,368	6,721
- Provision for reinstatement for leased properties	32	70	103	279
Others	7,469	6,883	23,749	22,234
	<u>109,351</u>	<u>115,483</u>	<u>311,116</u>	<u>328,491</u>
Marketing and communication expenses:				
Advertising, marketing and communication	14,917	17,329	40,810	42,285
Commission	1,599	2,888	5,051	5,107
Others	984	1,795	2,598	5,287
	<u>17,500</u>	<u>22,012</u>	<u>48,459</u>	<u>52,679</u>
Administration and general expenses:				
Bank charges	2,030	2,622	6,430	7,616
Insurance	1,021	771	3,518	2,143
Professional services	9,069	14,769	34,752	41,990
Travelling	413	1,274	1,332	3,474
Subscriptions and periodicals	17	295	687	551
Others	14,021	12,164	22,390	25,350
	<u>26,571</u>	<u>31,895</u>	<u>69,109</u>	<u>81,124</u>
Service transfer pricing recovery - net	(76,421)	(76,556)	(227,174)	(231,713)
	<u>336,320</u>	<u>335,057</u>	<u>950,205</u>	<u>960,774</u>

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

	Individual Quarter		Cumulative Quarter	
	31 December	31 December	31 December	31 December
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
<b>Bank</b>				
Personnel costs:				
Medical	5,368	4,100	15,921	15,041
Insurance	7,553	5,502	19,604	16,376
Contributions to Employees' Provident Fund/ PRS	30,272	33,437	88,691	93,741
Salaries, bonuses, allowances and incentives	191,149	181,936	561,974	565,446
Share granted under AMMB ESS	6,946	8,797	27,407	13,719
Social security costs	1,636	1,636	4,906	4,851
Recruitment costs	1,592	2,295	4,855	5,022
Training	2,719	2,592	5,846	11,776
Others	12,084	1,928	19,491	4,221
	<u>259,319</u>	<u>242,223</u>	<u>748,695</u>	<u>730,193</u>
Establishment costs:				
Amortisation of intangible assets	18,901	17,416	56,149	62,226
Cleaning, maintenance and security	5,078	5,331	17,481	17,129
Computerisation cost	40,790	49,915	104,513	131,554
Depreciation of property and equipment	15,502	14,083	46,362	30,812
Depreciation of right-of-use assets	18,315	18,211	53,630	48,179
Rental of premises	1,270	1,038	3,206	8,945
Finance cost:				
- Lease liabilities	2,151	2,374	6,479	6,721
- Provision for reinstatement for leased properties	32	70	103	279
Others	7,455	6,833	23,708	22,083
	<u>109,494</u>	<u>115,271</u>	<u>311,631</u>	<u>327,928</u>
Marketing and communication expenses:				
Advertising, marketing and communication	14,916	17,328	40,807	42,282
Commission	1,599	2,888	5,051	5,107
Others	984	1,795	2,598	5,287
	<u>17,499</u>	<u>22,011</u>	<u>48,456</u>	<u>52,676</u>
Administration and general expenses:				
Bank charges	2,029	2,622	6,429	7,615
Insurance	1,022	772	3,499	2,107
Professional services	9,067	14,739	34,603	41,850
Travelling	413	1,274	1,332	3,474
Subscriptions and periodicals	17	295	687	551
Others	14,014	12,157	22,371	25,358
	<u>26,562</u>	<u>31,859</u>	<u>68,921</u>	<u>80,955</u>
Service transfer pricing recovery - net	(76,421)	(76,556)	(227,174)	(231,713)
	<u>336,453</u>	<u>334,808</u>	<u>950,529</u>	<u>960,039</u>

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

	Individual Quarter		Cumulative Quarter	
	31 December	31 December	31 December	31 December
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
<b>Group</b>				
Allowance for impairment on loans and advances	205,321	104,125	580,526	276,047
Impaired loans and advances recovered, net	(65,360)	(58,376)	(201,278)	(224,409)
	<u>139,961</u>	<u>45,749</u>	<u>379,248</u>	<u>51,638</u>
<b>Bank</b>				
Allowance for impairment on loans and advances	205,315	104,200	580,316	276,101
Impaired loans and advances recovered, net	(65,360)	(58,376)	(198,194)	(224,409)
	<u>139,955</u>	<u>45,824</u>	<u>382,122</u>	<u>51,692</u>

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

	Individual Quarter		Cumulative Quarter	
	31 December	31 December	31 December	31 December
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
<b>Group</b>				
Financial investments at fair value through other comprehensive income	2,258	2,311	(3,099)	45,622
Financial investments at amortised cost	20	14	(1,348)	(646)
	<u>2,278</u>	<u>2,325</u>	<u>(4,447)</u>	<u>44,976</u>
<b>Bank</b>				
Financial investments at fair value through other comprehensive income	2,255	2,304	(3,106)	45,609
Financial investments at amortised cost	20	14	(1,348)	(646)
	<u>2,275</u>	<u>2,318</u>	<u>(4,454)</u>	<u>44,963</u>

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

	Individual Quarter		Cumulative Quarter	
	31 December	31 December	31 December	31 December
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
<b>Group</b>				
Cash and short-term funds	1,107	94	1,585	(211)
Deposits and placements with banks and other financial institutions	(664)	(112)	(105)	(2,076)
Investment account placement	458	1,529	(606)	(1,125)
Other assets	(220)	(5,351)	(1,341)	(5,344)
	<u>681</u>	<u>(3,840)</u>	<u>(467)</u>	<u>(8,756)</u>
<b>Bank</b>				
Cash and short-term funds	1,107	94	1,585	(211)
Deposits and placements with banks and other financial institutions	(664)	(112)	(105)	(2,076)
Investment account placement	458	1,529	(606)	(1,125)
Other assets	(220)	(5,351)	(1,341)	(5,350)
	<u>681</u>	<u>(3,840)</u>	<u>(467)</u>	<u>(8,762)</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	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
<b>Group</b>				
Net profit attributable to equity holder of the Bank (RM'000)	169,538	221,594	522,752	666,056
Number of ordinary shares at beginning and end of the financial period representing weighted average number ordinary shares in issue ('000)	836,853	836,853	836,853	836,853
Basic/diluted earnings per share (sen)	20.26	26.48	62.47	79.59
<b>Bank</b>				
Net profit attributable to equity holder of the Bank (RM'000)	167,959	220,709	518,585	663,682
Number of ordinary shares at beginning and end of the financial period representing weighted average number ordinary shares in issue ('000)	836,853	836,853	836,853	836,853
Basic/diluted earnings per share (sen)	20.07	26.37	61.97	79.31

**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.

(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.

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

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

(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

Investment Banking offers investment banking solutions and services, encompassing capital markets (primary) activities, broking, private banking services, corporate advisory and fund raising services (equity and debt capital).

During the current financial period, equity derivative business of a related company had been transferred to the Bank. This business transfer arose from the realignment of equity derivative business of AMMB Group under a single entity for better monitoring and governance.

(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 31 December 2020	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	1,690,352	350,990	704,802	875,963	35,588	(52,669)	3,605,026	
Revenue from other segments	(192,743)	(55,679)	(240,234)	225,500	(6,146)	269,302	-	
Total operating revenue	1,497,609	295,311	464,568	1,101,463	29,442	216,633	3,605,026	
Net interest income/(expense)	718,359	159,636	291,960	255,236	14,865	(30,463)	1,409,593	
Other operating income/(loss)	174,960	59,623	71,160	246,561	8,557	10,263	571,124	
Share in results of an associate	(1,191)	-	-	-	-	-	(1,191)	
Net income/(expense)	892,128	219,259	363,120	501,797	23,422	(20,200)	1,979,526	
Other operating expenses	(496,711)	(95,798)	(110,155)	(58,039)	(5,935)	(183,567)	(950,205)	
<i>of which:</i>								
<i>Depreciation of property and equipment</i>	(15,957)	(1,378)	(1,446)	(100)	(2)	(27,878)	(46,761)	
<i>Depreciation of right-of-use assets</i>	-	-	-	-	-	(52,979)	(52,979)	
<i>Amortisation of intangible assets</i>	(14,220)	(636)	(6,154)	(1,024)	(1)	(34,114)	(56,149)	
Profit/(Loss) before impairment losses	395,417	123,461	252,965	443,758	17,487	(203,767)	1,029,321	
(Allowance)/writeback of allowance for impairment on loans and advances	(157,284)	(14,647)	(44,865)	-	6,174	(168,626)	(379,248)	
Writeback of provision/(provision) for commitments and contingencies	5,249	(3,749)	(11,411)	-	-	12,455	2,544	
Writeback of allowance/(allowance) for impairment on other assets	414	-	742	(1,920)	-	5,678	4,914	
Other recoveries	1	-	-	-	-	94	95	
Profit/(loss) before taxation	243,797	105,065	197,431	441,838	23,661	(354,166)	657,626	
Taxation	(58,797)	(24,297)	(44,693)	(104,390)	(4,194)	101,489	(134,882)	
Profit/(loss) for the financial period	185,000	80,768	152,738	337,448	19,467	(252,677)	522,744	
<b>Other information</b>								
Total segment assets	45,694,693	8,264,012	21,754,542	36,577,047	1,281,582	1,849,620	115,421,496	
Total segment liabilities	36,507,153	5,758,955	10,409,170	41,436,326	710,812	9,836,560	104,658,976	
Cost to income ratio	55.6%	43.7%	30.3%	11.6%	25.3%	>100.0%	48.0%	
Gross loans and advances	45,357,100	8,348,259	21,925,362	-	1,274,419	(97,491)	76,807,649	
Net loans and advances	44,706,148	8,251,593	21,677,613	-	1,273,964	(356,115)	75,553,203	
Impaired loans and advances	866,596	155,262	294,752	-	455	-	1,317,065	
Total deposits	35,948,356	5,683,021	10,247,059	34,902,959	699,580	650,796	88,131,771	
Additions to:								
Property and equipment	14,651	112	105	1,388	5	8,460	24,721	
Intangible assets	19,005	537	3,019	7,668	-	29,739	59,968	

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

Group For the financial period ended 31 December 2019 (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	1,857,090	374,002	904,922	937,946	53,126	56,898	4,183,984
Revenue from other segments	(165,072)	(71,116)	(417,371)	323,038	(17,945)	348,466	-
Total operating revenue	<u>1,692,018</u>	<u>302,886</u>	<u>487,551</u>	<u>1,260,984</u>	<u>35,181</u>	<u>405,364</u>	<u>4,183,984</u>
Net interest income	670,389	153,727	312,711	117,411	13,486	101,029	1,368,753
Other operating income	165,673	55,947	93,155	167,064	9,934	21,275	513,048
Gain on disposal of associate	(14)	-	-	-	-	-	(14)
Net income	<u>836,048</u>	<u>209,674</u>	<u>405,866</u>	<u>284,475</u>	<u>23,420</u>	<u>122,304</u>	<u>1,881,787</u>
Other operating expenses of which:	(496,647)	(103,102)	(124,481)	(49,489)	(4,323)	(182,732)	(960,774)
<i>Depreciation of property and equipment</i>	(14,552)	(549)	(853)	(67)	(2)	(15,183)	(31,206)
<i>Depreciation of right-of-use</i>	-	-	-	-	-	(48,179)	(48,179)
<i>Amortisation of intangible assets</i>	(12,982)	(58)	(4,427)	(973)	-	(43,785)	(62,225)
Profit/(loss) before impairment losses (Allowance)/writeback of allowance for impairment on loans and advances	339,401	106,572	281,385	234,986	19,097	(60,428)	921,013
Writeback of provision/(provision) for commitments and contingencies	(100,047)	(31,413)	71,565	-	8,246	11	(51,638)
Writeback of allowance/(allowance) for impairment on other assets	3,504	4,680	15,461	-	-	(6)	23,639
Other recoveries	27	-	1,155	(42,702)	-	5,300	(36,220)
Profit/(loss) before taxation	<u>30</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30</u>
Taxation	242,915	79,839	369,566	192,284	27,343	(55,123)	856,824
Profit/(loss) for the financial period	<u>(58,303)</u>	<u>(18,043)</u>	<u>(88,835)</u>	<u>(40,611)</u>	<u>(5,621)</u>	<u>20,645</u>	<u>(190,768)</u>
	<u>184,612</u>	<u>61,796</u>	<u>280,731</u>	<u>151,673</u>	<u>21,722</u>	<u>(34,478)</u>	<u>666,056</u>
<b>Other information</b>							
Total segment assets	43,525,369	7,351,931	22,116,419	29,718,131	1,357,187	3,621,925	107,690,962
Total segment liabilities	34,966,553	4,982,369	7,206,537	41,651,668	859,890	8,066,322	97,733,339
Cost to income ratio	59.4%	49.2%	30.7%	17.4%	18.5%	>100.0%	51.1%
Gross loans and advances	43,071,562	7,432,384	22,226,308	-	1,304,759	(98,041)	73,936,972
Net loans and advances	42,492,094	7,349,409	22,059,806	-	1,303,926	(97,959)	73,107,276
Impaired loans and advances	719,260	160,072	324,155	-	-	-	1,203,487
Total deposits	34,350,544	4,885,289	7,038,120	35,535,455	850,178	9,392	82,668,978
Additions to:							
Property and equipment	15,215	267	545	222	-	12,875	29,124
Intangible assets	11,449	26	409	3,079	-	28,396	43,359



#### **A28. PERFORMANCE REVIEW FOR THE PERIOD ENDED 31 DECEMBER 2020**

The Group reported a profit before taxation of RM657.6 million for the financial period ended 31 December 2020 compared to RM856.8 million in the corresponding period last year.

The decrease in Group's profit before taxation for the period is attributable to higher impairment allowances on loans and advances of RM327.6 million compared to the same corresponding period last year mainly from additional forward looking provision made following the impact of the COVID-19 pandemic.

The decrease was partly offset by higher other operating income of RM58.1 million mainly from trading and investment income and higher net interest income of RM40.8 million.

The Group's ratio of impaired loans and advances slightly higher at 1.71% compared to 1.66% as at 31 March 2020. Loan loss coverage remained consistently above 100.00%.

The Group and the Bank remained well capitalised with risk weighted capital adequacy ratios of 17.36% and 17.22% 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 2021**

Impacted by the rise in COVID-19 cases and restrictive measures imposed to contain the spread of the virus, the fourth quarter 2020 Gross Domestic Product ("GDP") grew at a weaker pace by -3.4% year-on-year compared to -2.6% year-on-year in third quarter 2020. With three straight quarters of negative growth, the full-year GDP fell by 5.6%, the worst since the 1997/1998 Asian financial crisis where the GDP plunged by -7.4%. The COVID-19 pandemic and restrictive measures dampened private consumption and weighed on both private and public and investment. However, government consumption, net exports and the stimulus measures provided some cushion to the downside. Capex during the year was weak.

The outlook for 2021 suggests a rebound in the economy in tandem with the global scenario. Domestic economy will be supported by global GDP and trade, stimulus measures, vaccine deployment, better management of Covid-19 pandemic and stable commodity prices. Business sentiments and consumer confidence are poised to improve. The GDP outlook for 2021 is projected between 5.2% and 5.9%, partly affected by the restrictive measures (movement control order ("MCO") 2.0) to contain the virus spread early 2021.

Inflation in December remained in the negative growth trajectory for the 10th consecutive month, down by 1.4% year-on-year. As a result, the overall headline inflation averaged at -1.1%. This is the first time since 1969 that Malaysia experienced a negative inflation. Poor inflation was due to the combined collapse of demand-pull and cost-push factors. In 2021, inflationary pressure is expected to pick up. Firmer commodity prices, higher input prices due to supply chain disruption and a gradual pick-up from demand-pull as well as low base would see inflation averaging around 1.9%–2.1%.

Underpinned by weak economic activities, the overall banking system loans grew at a slower pace by 3.4% in 2020 from 3.9% in 2019. The drag came from business loans largely impacted by the COVID-19 pandemic that disrupted their supply chain and orders in view of collapsed demand. The outlook for loan growth in 2021 would be around 4% and 5% in 2021. Improved economic activities should see loans picking up.

Liquidity in the banking system remains healthy. It is reflected by the banking industry's liquidity coverage ratio which stood at 148% at end-2020. It is well above the regulatory requirement of 100%. Besides, funding profiles are well diversified. The industry's loan-to-fund ratio and loan-to-fund-and-equity ratio as at end December were 82.5% and 72.0% respectively.

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**A29. PROSPECTS FOR FINANCIAL YEAR ENDING 31 MARCH 2021 (CONT'D.)**

The monetary policy will remain accommodative. In 2020, Bank Negara Malaysia ("BNM") reduced the overnight policy rate ("OPR") by 125bps to 1.75%, with the aim of supporting the economy. A total of three rate cuts were instituted by BNM from six Monetary Policy Committee ("MPC") meetings held during the year. For 2021, the central bank will remain accommodative and at the same time vigilant. Room for BNM to further reduce the policy rate remains. Much will depend on the health of the domestic and external environment, in particular the deployment of vaccines and the management of the pandemic crisis.

Meanwhile, BNM extended the 2% Reserve Requirement ("SRR") flexibility that would end on 31 May 2021 to 31 December 2022. With the extension of the SRR, it allows BNM to ensure sufficient liquidity to support financial intermediation activity. Banks can substitute Malaysian Government Securities ("MGS") and Malaysian Government Investment Issues ("MGII") papers to meet the SRR compliance.

For FY2021, the AMMB Group will be operating under our new strategy roadmap focusing on eight key areas, namely:

- Deliver growth in targeted segments;
- Build capital light business;
- Ramp up digital strategy;
- Explore digital bank option;
- Leverage strategic partnerships;
- Increase Return on Equity (ROE);
- Build sustainability and
- Connecting people.

Meanwhile, the AMMB Group will remain disciplined in managing expenses and continue to drive operational efficiencies through simplification and automation of processes via the second phase of its Business Efficiency Transformation program.

With the continuing uncertainties in global economy triggered by the COVID-19 outbreak, liquidity and capital management become paramount in preserving the continuity and proper functioning of the banks. At AMMB Group, our liquidity and capital management framework aims to ensure adequate liquidity under adverse market conditions as well as to strengthen our loss absorption capacity. Greater emphasis shall be placed on risk management, stress testing, capital planning and liquidity management in order to safeguard the AMMB Group's financial resilience in the face of heightened market volatility.

Additionally, the Bank had implemented a range of financial relief measures to help targeted customers to weather the impact of COVID-19 post BNM's repayment moratorium which ended on 30 September 2020. The Bank closely monitor its credit portfolio for the potential signs of stress and actively manage its provision to factor in underlying economic data and expected credit losses.

**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**

**Global Settlement with Ministry of Finance ("MOF") Malaysia**

On 26 February 2021, AMMB Holdings Berhad ("AMMB"), the holding company has reached an agreement with the MOF for a sum of RM2.83 billion ("Payment sum") to be paid towards the full and final settlement ("Global 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.

A provision for the Payment Sum will be established in the final quarter of the AMMB Group's financial year ending 31 March 2021, which will translate to a proforma AMMB Group loss of 93.89 sen per share. While this will have a material impact on the earnings of AMMB Group for the financial year ending 31 March 2021, there are adequate capital buffers to absorb this settlement without an immediate need to raise additional equity capital of AMMB. As a result of the Global Settlement, AMMB will not be proposing any final dividend for the financial year ending 31 March 2021.

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**A31. EVENT SUBSEQUENT TO REPORTING PERIOD (CONT'D.)**

Based on the latest consolidated financial statements of the AMMB Group as at 31 March 2020, the proforma effects of the Global Settlement will reduce the AMMB Group's net assets per share from RM6.18 to RM5.22.

As at 31 December 2020, the estimated proforma impact of AMMB Group to CET1 and Total Capital Ratios are estimated to be reduced from 13.52% to 11.01%; and 16.39% to 13.88%, respectively after the provision for the Global Settlement.

AMMB Group remains highly liquid with Liquidity Coverage Ratio of 155.8% and Net Stable Funding Ratio for all operating entities above 100%. However, AMMB Group plans to raise Tier 2 debt capital in its banking subsidiaries to increase total capital available for on-going working capital purposes.

The new management team under the leadership of the Board of Directors ("the Board") of AMMB Group has been rebuilding the banking group, strengthening the Group's governance structures as well as enhancing the robustness of processes. As part of the global settlement, AMMB Group will continue as it has been for the past five years, to strengthen its fundamentals, particularly in terms of corporate governance by continuing to improve systems and processes to strengthen due diligence. The Group is therefore committed to putting behind these historical matters and to move forward to deliver value to all shareholders, stakeholders and customers.

The Board wishes to assure all its shareholders and other stakeholders that AMMB Group remains resilient as the Group continues to build on the effort by the new management team and direct its renewed focus to the growth strategies of the Group's branding and franchise.

Other than as disclosed above, there were no significant events subsequent 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**

**Winding-up of MBF Trustee Berhad**

MBF Trustee Berhad ("MBF Trustee"), the Group's dormant subsidiary and the Bank's dormant associate has, at its Extraordinary General Meeting held on 17 September 2020, resolved that it be wound up by way of a members' voluntary winding up, pursuant to Section 439(1)(b) of the Companies Act, 2016. The winding up of MBF Trustee will not have any material effect on the Group's earnings and net assets for the financial year ending 31 March 2021.

Other than as disclosed above, 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	
	31 December 2020 RM'000	31 March 2020 RM'000	31 December 2020 RM'000	31 March 2020 RM'000
<b>Contingencies</b>				
Direct credit substitutes	1,749,618	1,999,189	1,749,618	1,999,189
Transaction related contingent items	3,373,939	3,538,912	3,373,939	3,538,912
Short term self liquidating trade related contingencies	516,670	642,162	516,670	642,162
Obligations under on-going underwriting agreements	-	20,000	-	20,000
	5,640,227	6,200,263	5,640,227	6,200,263
<b>Commitments</b>				
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	12,084,362	12,167,747	12,146,512	12,222,647
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	1,345,116	1,620,291	1,345,116	1,620,291
Unutilised credit card lines	3,769,107	3,772,652	3,769,107	3,772,652
Forward asset purchase	-	1,829,169	-	1,829,169
Others	-	-	50	50
	17,198,585	19,389,859	17,260,785	19,444,809
<b>Derivative Financial Instruments</b>				
<b>Foreign exchange related contracts</b>				
- One year or less	33,995,831	37,428,983	33,995,831	37,428,983
- Over one year to five years	5,600,815	6,079,342	5,600,815	6,079,342
- Over five years	1,093,796	940,724	1,093,796	940,724
<b>Interest rate related contracts</b>				
- One year or less	11,930,288	10,348,960	11,930,288	10,348,960
- Over one year to five years	30,088,856	36,813,230	30,088,856	36,813,230
- Over five years	4,836,497	6,534,985	4,836,497	6,534,985
<b>Credit related contracts</b>				
- One year or less	342,039	-	342,039	-
- Over one year to five years	-	356,069	-	356,069
<b>Equity and commodity related contracts</b>				
- One year or less	1,666,168	1,637,791	1,666,168	1,637,791
- Over one year to five years	68,232	132,040	68,232	132,040
	89,622,522	100,272,124	89,622,522	100,272,124
<b>Total</b>	112,461,334	125,862,246	112,523,534	125,917,196

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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 3.3% of the Group's and the Bank's (31 March 2020: 2.4% and 2.5% 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>31 December 2020</b>								
<b>Financial assets measured at fair value</b>								
Derivative financial assets	-	1,619,758	-	1,619,758	-	1,619,758	-	1,619,758
Financial assets at fair value through profit or loss								
- Money market securities	-	1,508,843	-	1,508,843	-	1,508,843	-	1,508,843
- Shares	1,100,473	-	45	1,100,518	1,100,469	-	-	1,100,469
- Unit trust	18,541	-	-	18,541	18,541	-	-	18,541
- Quoted sukuk	-	38,089	-	38,089	-	38,089	-	38,089
- Unquoted corporate bonds and sukuk	-	850,206	-	850,206	-	850,206	-	850,206
Financial investments at fair value through other comprehensive income								
- Money market securities	-	7,851,920	-	7,851,920	-	7,851,920	-	7,851,920
- Shares	-	-	681,386	681,386	-	-	681,386	681,386
- Unit trust	76,148	-	-	76,148	76,148	-	-	76,148
- Unquoted corporate bonds and sukuk	-	6,836,194	-	6,836,194	-	6,836,194	-	6,836,194
	<u>1,195,162</u>	<u>18,705,010</u>	<u>681,431</u>	<u>20,581,603</u>	<u>1,195,158</u>	<u>18,705,010</u>	<u>681,386</u>	<u>20,581,554</u>
<b>Financial liabilities measured at fair value</b>								
Derivative financial liabilities	54,282	1,720,768	-	1,775,050	54,282	1,720,768	-	1,775,050

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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 2020</b>								
<b>Financial assets measured at fair value</b>								
Derivative financial assets	-	2,102,981	-	2,102,981	-	2,102,981	-	2,102,981
Financial assets at fair value through profit or loss								
- Money market securities	-	6,678,433	-	6,678,433	-	6,678,433	-	6,678,433
- Quoted shares	382,485	-	-	382,485	382,482	-	-	382,482
- Unquoted shares	-	-	31	31	-	-	-	-
- Quoted unit trust	28,194	-	-	28,194	28,194	-	-	28,194
- Quoted sukuk	-	37,500	-	37,500	-	37,500	-	37,500
- Unquoted corporate bond and sukuk	-	198,067	-	198,067	-	198,067	-	198,067
Financial investments at fair value through other comprehensive income								
- Money market securities	-	6,884,474	-	6,884,474	-	6,884,474	-	6,884,474
- Unquoted shares	-	-	588,549	588,549	-	-	588,549	588,549
- Quoted unit trust	74,313	-	-	74,313	74,313	-	-	74,313
- Unquoted corporate bond and sukuk	-	7,348,182	-	7,348,182	-	7,348,182	7,846	7,356,028
	<u>484,992</u>	<u>23,249,637</u>	<u>588,580</u>	<u>24,323,209</u>	<u>484,989</u>	<u>23,249,637</u>	<u>596,395</u>	<u>24,331,021</u>
<b>Financial liabilities measured at fair value</b>								
Derivative financial liabilities	10,784	1,950,801	-	1,961,585	10,784	1,950,801	-	1,961,585

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 2020	31	588,549	588,580
Gain on revaluation of financial assets at FVTPL taken up in statement of profit or loss	14	-	14
Total gains recognised in other comprehensive income under fair value reserve	-	92,837	92,837
At 31 December 2020	45	681,386	681,431
	<b>Equity instruments at FVTPL RM'000</b>	<b>Equity instruments at FVOCI RM'000</b>	<b>Total RM'000</b>
At 1 April 2019	45	519,064	519,109
Loss on revaluation of financial assets at FVTPL taken up in statement of profit or loss	(14)	-	(14)
Total gains recognised in other comprehensive income under fair value reserve	-	69,485	69,485
At 31 March 2020	31	588,549	588,580
	<b>Debt instruments at FVOCI RM'000</b>	<b>Equity instruments at FVOCI RM'000</b>	<b>Total RM'000</b>
<b>Bank</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)	92,837	92,691
At 31 December 2020	-	681,386	681,386
	<b>Debt instruments at FVOCI RM'000</b>	<b>Equity instruments at FVOCI RM'000</b>	<b>Total RM'000</b>
At 1 April 2019	20,897	519,064	539,961
Settlements	(13,000)	-	(13,000)
Total (losses)/gains recognised in other comprehensive income under fair value reserve	(51)	69,485	69,434
At 31 March 2020	7,846	588,549	596,395



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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	
	31 December 2020 RM'000	31 March 2020 RM'000	31 December 2020 RM'000	31 March 2020 RM'000
<b>Financial assets at FVTPL</b>				
Total gains/(losses) included in:				
- profit or loss	14	(14)	-	-
<b>Financial investments at FVOCI</b>				
Total gains included in:				
- other comprehensive income	92,837	69,485	92,691	69,434

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>
<b>31 December 2020 (under transitional arrangement, refer Note (i) below)</b>		
CET 1 Capital Ratio	13.257%	13.135%
Tier 1 Capital Ratio	13.257%	13.135%
Total Capital Ratio	17.355%	17.217%
<b>31 March 2020</b>		
<b>Before deducting proposed dividends</b>		
CET 1 Capital Ratio	12.342%	12.220%
Tier 1 Capital Ratio	12.342%	12.220%
Total Capital Ratio	16.903%	16.769%
<b>After deducting proposed dividends</b>		
CET 1 Capital Ratio	12.167%	12.046%
Tier 1 Capital Ratio	12.167%	12.046%
Total Capital Ratio	16.728%	16.595%

Notes:

- (i) The capital adequacy ratios of the Group and the Bank as at 31 March 2020 are computed in accordance with BNM's policy document on Capital Adequacy Framework (Capital Components) issued on 5 February 2020 and Capital Adequacy Framework (Basel II – Risk-Weighted Assets) issued on 3 May 2019. The Group and the Bank have adopted the Standardised Approach for Credit and Market Risks and the Basic Indicator Approach for Operational Risk, based on BNM's Guidelines on Capital Adequacy Framework (Basel II - Risk-Weighted Assets).

Pursuant to the revised BNM policy document, Capital Adequacy Framework (Capital Component) issued on 9 December 2020, the capital ratios as at 31 December 2020 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 are as follow:

	<b>Group</b>	<b>Bank</b>
CET 1	12.742%	12.622%
Tier 1 Capital Ratio	12.742%	12.622%
Total Capital Ratio	17.187%	17.054%

- (ii) Pursuant to the above BNM's guideline on Capital Adequacy Framework (Capital Components), the minimum capital adequacy ratios to be maintained under the guideline are at 4.5% for CET 1 capital, 6.0% for Tier 1 capital and 8.0% for total capital ratio. In addition, banking institutions are also required to maintain capital buffers in form of CET 1 capital above the minimum CET 1 Capital, Tier 1 Capital and Total Capital adequacy levels. The capital buffers shall comprise the sum of the following:

- (a) a Capital Conservation Buffer ("CCB") of 2.5%;
- (b) a Countercyclical Capital Buffer ("CCyB") determined as the weighted-average of the prevailing CCyB rates applied in the jurisdictions in which the Bank has credit exposures. BNM will communicate any decision on the CCyB rate by up to 12 months before the date from which the rate applies; and
- (c) a Higher Loss Absorbency ("HLA") requirement for a financial institution that is designated as a domestic systemically important bank ("D-SIB").

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**A35. CAPITAL ADEQUACY (CONT'D.)**

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

	Group		Bank	
	31 December 2020 RM'000	31 March 2020 RM'000	31 December 2020 RM'000	31 March 2020 RM'000
<b>CET 1 Capital</b>				
Share Capital	1,940,465	1,940,465	1,940,465	1,940,465
Retained earnings	7,808,590	7,326,502	7,863,157	7,380,683
Fair value reserve	632,623	368,731	632,621	368,847
Foreign currency translation reserve	76,613	95,766	80,562	99,587
Regulatory reserve	46,932	311,003	46,932	311,003
Merger reserve	104,149	104,149	-	-
Cash flow hedging deficit	(19,510)	(28,155)	(19,510)	(28,155)
Less: Regulatory adjustments applied on CET 1 Capital				
- Intangible assets	(259,439)	(264,492)	(259,439)	(264,492)
- Deferred tax assets	(12,308)	(33,475)	(12,308)	(33,439)
- 55% of cumulative fair value gains in fair value reserve	(347,942)	(202,802)	(347,942)	(202,866)
- Cash flow hedging deficit	19,510	28,155	19,510	28,155
- Regulatory reserve	(46,932)	(311,003)	(46,932)	(311,003)
- 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	(1,049)	(1,086)	(1,049)	(1,086)
- Other CET1 regulatory adjustments specified by the BNM	401,529	-	401,487	-
<b>Total CET 1 Capital</b>	<b>10,343,231</b>	<b>9,333,758</b>	<b>10,289,066</b>	<b>9,279,211</b>
<b>Additional Tier 1 Capital</b>				
Qualifying CET 1, Additional Tier 1 capital instruments held by third parties	3	3	-	-
<b>Total Tier 1 Capital</b>	<b>10,343,234</b>	<b>9,333,761</b>	<b>10,289,066</b>	<b>9,279,211</b>
<b>Tier 2 Capital</b>				
Tier 2 Capital instruments meeting all relevant criteria for inclusion	2,595,000	2,595,000	2,595,000	2,595,000
Qualifying CET 1, Additional Tier 1 and Tier 2 capital instruments held by third parties	1	1	-	-
General provisions*	602,507	854,827	602,550	858,821
<b>Total Tier 2 capital</b>	<b>3,197,508</b>	<b>3,449,828</b>	<b>3,197,550</b>	<b>3,453,821</b>
<b>Total Capital</b>	<b>13,540,742</b>	<b>12,783,589</b>	<b>13,486,616</b>	<b>12,733,032</b>

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

	Group		Bank	
	31 December 2020 RM'000	31 March 2020 RM'000	31 December 2020 RM'000	31 March 2020 RM'000
Credit RWA	69,811,892	68,386,131	70,134,257	68,705,693
Market RWA	2,875,086	2,352,255	2,872,100	2,351,627
Operational RWA	4,453,689	4,232,330	4,447,169	4,217,469
Large exposure risk RWA for equity holdings	881,060	657,669	881,060	657,669
<b>Total RWA</b>	<b>78,021,727</b>	<b>75,628,385</b>	<b>78,334,586</b>	<b>75,932,458</b>

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

**A36. RESTATEMENT OF COMPARATIVE INFORMATION**

The Group continuously strengthen its regulatory reporting framework. The Group has in place, a Regulatory Reporting Policy that provides key principles and governance to cultivate an effective and efficient regulatory reporting process across all reporting entities. In the previous financial year, the Group had implemented a Regulatory Reporting Enhancement Programme (“REP”) aimed at amongst others, to improve the functional and data coverage of the regulatory reporting submissions as well as to upgrade infrastructure for and capability of reporting systems. REP had resulted in refinement to the approach in which the Group makes disclosures pertaining to loans, advances and financing. The comparatives on breakdown of loans and advances in Notes 14 (a),(c),(d),(e) and (h) are now presented on the same basis as current year’s presentation. The restatement did not have any effect on reported cashflows from operations, financial position and performance of the Group.