

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**  
**30 September 2020**  
(In Ringgit Malaysia)

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

**UNAUDITED STATEMENTS OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2020**

	Note	Group		Bank	
		30 September 2020 RM'000	31 March 2020 RM'000	30 September 2020 RM'000	31 March 2020 RM'000
<b>ASSETS</b>					
Cash and short-term funds	A8	4,195,136	9,722,230	4,190,122	9,717,446
Deposits and placements with banks and other financial institutions	A9	1,860,552	285,369	1,860,552	285,369
Investment account placement	A10	717,198	715,722	717,198	715,722
Derivative financial assets		1,727,622	2,102,981	1,727,622	2,102,981
Financial assets at fair value through profit or loss	A11	7,315,262	7,324,710	7,315,213	7,324,676
Financial investments at fair value through other comprehensive income	A12	13,792,010	14,895,518	13,794,253	14,903,364
Financial investments at amortised cost	A13	3,018,762	3,028,699	3,018,762	3,028,699
Loans and advances	A14	74,994,171	73,741,662	74,949,204	73,692,525
Statutory deposit with Bank Negara Malaysia		364,253	339,356	364,253	339,356
Deferred tax assets		-	21,896	-	21,861
Investment in subsidiaries		-	-	31,492	31,492
Investment in associates		31,017	32,624	32,302	32,302
Other assets	A15	1,618,501	1,946,382	1,615,507	1,943,403
Property and equipment		206,222	219,504	187,148	200,164
Right-of-use assets		248,068	264,394	249,784	264,394
Intangible assets		263,637	264,492	263,637	264,492
<b>TOTAL ASSETS</b>		<b>110,352,411</b>	<b>114,905,539</b>	<b>110,317,049</b>	<b>114,868,246</b>
<b>LIABILITIES AND EQUITY</b>					
Deposits from customers	A16	80,174,521	78,808,367	80,187,076	78,820,486
Deposits and placements of banks and other financial institutions	A17	6,201,431	6,894,370	6,211,086	6,903,983
Securities sold under repurchase agreements		3,188,551	6,352,709	3,188,551	6,352,709
Recourse obligation on loans sold to Cagamas Berhad		2,875,013	4,140,023	2,875,013	4,140,023
Derivative financial liabilities		1,815,779	1,961,585	1,815,779	1,961,585
Term funding		774,889	1,467,043	774,889	1,467,043
Debt capital		2,595,000	2,595,000	2,595,000	2,595,000
Deferred tax liabilities		54,960	-	54,977	-
Other liabilities	A18	2,051,999	2,567,827	2,043,212	2,554,987
<b>TOTAL LIABILITIES</b>		<b>99,732,143</b>	<b>104,786,924</b>	<b>99,745,583</b>	<b>104,795,816</b>
Share capital		1,940,465	1,940,465	1,940,465	1,940,465
Reserves		8,679,657	8,177,996	8,631,001	8,131,965
<b>Equity attributable to equity holder of the Bank</b>		<b>10,620,122</b>	<b>10,118,461</b>	<b>10,571,466</b>	<b>10,072,430</b>
Non-controlling interests		146	154	-	-
<b>TOTAL EQUITY</b>		<b>10,620,268</b>	<b>10,118,615</b>	<b>10,571,466</b>	<b>10,072,430</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>110,352,411</b>	<b>114,905,539</b>	<b>110,317,049</b>	<b>114,868,246</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	A33	<b>117,334,753</b>	<b>125,862,246</b>	<b>117,394,103</b>	<b>125,917,196</b>
<b>NET ASSETS PER SHARE (RM)</b>		<b>12.69</b>	<b>12.09</b>	<b>12.63</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 30 SEPTEMBER 2020**

Group	Note	Individual Quarter		Cumulative Quarter	
		30 September 2020 RM'000	30 September 2019 RM'000	30 September 2020 RM'000	30 September 2019 RM'000
Operating revenue		1,201,801	1,389,555	2,440,352	2,788,257
Interest income	A19	1,022,564	1,209,213	2,060,890	2,463,982
Interest expense	A20	(524,219)	(763,273)	(1,162,771)	(1,573,462)
Net interest income		498,345	445,940	898,119	890,520
Other operating income	A21	180,738	180,342	381,070	324,275
Share in results of an associate		(1,501)	-	(1,608)	-
Net income		677,582	626,282	1,277,581	1,214,795
Other operating expenses	A22	(314,132)	(308,932)	(613,885)	(625,717)
Operating profit		363,450	317,350	663,696	589,078
Allowance for impairment on loans and advances	A23	(225,627)	(104,413)	(239,287)	(5,889)
Writeback of provision for commitments and contingencies		10,325	32,420	6,143	18,914
Writeback of allowance/(Allowance) for impairment on:					-
Financial investments	A24	3,711	(44,002)	6,725	(42,651)
Other financial assets	A25	1,320	3,871	1,148	4,916
Other recoveries		32	28	87	29
<b>Profit before taxation</b>		153,211	205,254	438,512	564,397
Taxation		(19,386)	(27,872)	(85,306)	(119,935)
<b>Profit for the financial period</b>		<b>133,825</b>	<b>177,382</b>	<b>353,206</b>	<b>444,462</b>
Attributable to:					
Equity holder of the Bank		133,838	177,382	353,214	444,462
Non-controlling interests		(13)	-	(8)	-
Profit for the financial period		133,825	177,382	353,206	444,462
<b>Earnings per share (sen)</b>					
Basic/Diluted	A26	15.99	21.20	42.21	53.11

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 STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2020**

Group	Individual Quarter		Cumulative Quarter	
	30 September 2020 RM'000	30 September 2019 RM'000	30 September 2020 RM'000	30 September 2019 RM'000
Profit for the financial period	133,825	177,382	353,206	444,462
<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	22,314	67,648	92,837	62,143
Tax effect	653	453	(8)	1,774
<b>Items that may be reclassified subsequently to profit or loss</b>				
Currency translation on offshore operations	(8,068)	3,707	(10,191)	6,846
Cash flow hedge				
- gain/(loss) arising during the financial period	2,491	(4,889)	4,400	(11,068)
- amortisation of fair value changes of terminated hedge	1,949	(1,227)	3,618	(2,721)
- reclassification adjustments for gain included in profit or loss	-	-	-	(66)
Tax effect	(1,065)	1,468	(1,924)	3,325
Financial investments at fair value through other comprehensive income				
- net gain on changes in fair value	92,660	38,229	276,211	133,165
- net gain reclassified to profit or loss	(1,829)	(45,717)	(16,616)	(53,687)
- expected credit loss	(2,665)	44,673	(5,357)	43,311
- foreign exchange differences	5	(2)	5	-
Tax effect	(21,802)	1,767	(62,305)	(19,178)
Other comprehensive income, net of tax	84,643	106,110	280,670	163,844
<b>Total comprehensive income for the financial period, net of tax</b>	<b>218,468</b>	<b>283,492</b>	<b>633,876</b>	<b>608,306</b>
Attributable to:				
Equity holder of the Bank	218,481	283,492	633,884	608,306
Non-controlling interests	(13)	-	(8)	-
	<b>218,468</b>	<b>283,492</b>	<b>633,876</b>	<b>608,306</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 30 SEPTEMBER 2020**

	Note	Individual Quarter		Cumulative Quarter	
		30 September 2020 RM'000	30 September 2019 RM'000	30 September 2020 RM'000	30 September 2019 RM'000
<b>Bank</b>					
Operating revenue		1,202,376	1,388,304	2,440,208	2,785,743
Interest income	A19	1,021,253	1,207,975	2,058,410	2,461,670
Interest expense	A20	(524,265)	(763,300)	(1,162,875)	(1,573,518)
Net interest income		496,988	444,675	895,535	888,152
Other operating income	A21	181,123	180,329	381,798	324,073
Net income		678,111	625,004	1,277,333	1,212,225
Other operating expenses	A22	(313,831)	(308,664)	(614,076)	(625,231)
Operating profit		364,280	316,340	663,257	586,994
Allowance for impairment on loans and advances	A23	(228,567)	(104,400)	(242,167)	(5,868)
Writeback of provision for commitments and contingencies		10,330	32,428	6,147	18,916
Writeback of allowance/(Allowance) for impairment on:					
Financial investments	A24	3,713	(44,000)	6,729	(42,645)
Other financial assets	A25	1,320	3,872	1,148	4,922
Other recoveries		33	28	88	29
<b>Profit before taxation</b>		<b>151,109</b>	<b>204,268</b>	<b>435,202</b>	<b>562,348</b>
Taxation		(19,035)	(27,596)	(84,576)	(119,375)
<b>Profit for the financial period</b>		<b>132,074</b>	<b>176,672</b>	<b>350,626</b>	<b>442,973</b>
<b>Earnings per share (sen)</b>					
Basic/Diluted	A26	15.78	21.11	41.90	52.93

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)  
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**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2020**

	Individual Quarter		Cumulative Quarter	
	30 September 2020 RM'000	30 September 2019 RM'000	30 September 2020 RM'000	30 September 2019 RM'000
<b>Bank</b>				
Profit for the financial period	132,074	176,672	350,626	442,973
<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	22,314	67,648	92,837	62,143
Tax effect	653	453	(8)	1,774
<b>Items that may be reclassified subsequently to profit or loss</b>				
Currency translation on offshore operations	(8,050)	3,696	(10,166)	6,828
Cash flow hedge				
- gain/(loss) arising during the financial period	2,491	(4,889)	4,400	(11,068)
- amortisation of fair value changes of terminated hedge	1,949	(1,227)	3,618	(2,721)
- reclassification adjustments for gain included in profit or loss	-	-	-	(66)
Tax effect	(1,065)	1,468	(1,924)	3,325
Financial investments at fair value through other comprehensive income				
- net gain on changes in fair value	92,570	38,293	276,135	133,427
- net gain reclassified to profit or loss	(1,829)	(45,717)	(16,616)	(53,687)
- expected credit loss	(2,667)	44,671	(5,361)	43,305
- foreign exchange differences	5	(2)	5	-
Tax effect	(21,780)	1,782	(62,287)	(19,138)
Other comprehensive income, net of tax	84,591	106,176	280,633	164,122
<b>Total comprehensive income for the financial period, net of tax</b>	<b>216,665</b>	<b>282,848</b>	<b>631,259</b>	<b>607,095</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 30 SEPTEMBER 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	-	-	-	-	-	-	444,462	444,462	-	444,462
Other comprehensive income/(loss), net	-	-	-	167,528	(10,530)	6,846	-	163,844	-	163,844
Total comprehensive income/(loss) for the financial period	-	-	-	167,528	(10,530)	6,846	444,462	608,306	-	608,306
Transfer to regulatory reserve	-	76,631	-	-	-	-	(76,631)	-	-	-
Dividend on ordinary shares: - final, financial year ended 31 March 2019	-	-	-	-	-	-	(318,004)	(318,004)	-	(318,004)
Transaction with owner and other equity movements	-	76,631	-	-	-	-	(394,635)	(318,004)	-	(318,004)
<b>At 30 September 2019</b>	<b>1,940,465</b>	<b>357,187</b>	<b>104,149</b>	<b>413,194</b>	<b>(22,604)</b>	<b>88,092</b>	<b>7,007,449</b>	<b>9,887,932</b>	<b>162</b>	<b>9,888,094</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 30 SEPTEMBER 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	-	-	-	-	-	-	353,214	353,214	(8)	353,206
Other comprehensive income/(loss), net	-	-	-	284,767	6,094	(10,191)	-	280,670	-	280,670
Total comprehensive income/(loss) for the financial period	-	-	-	284,767	6,094	(10,191)	353,214	633,884	(8)	633,876
Transfer from regulatory reserve*	-	(311,003)	-	-	-	-	311,003	-	-	-
Dividend on ordinary shares: - final, financial year ended 31 March 2020	-	-	-	-	-	-	(132,223)	(132,223)	-	(132,223)
Transaction with owner and other equity movements	-	(311,003)	-	-	-	-	178,780	(132,223)	-	(132,223)
<b>At 30 September 2020</b>	<b>1,940,465</b>	<b>-</b>	<b>104,149</b>	<b>653,498</b>	<b>(22,061)</b>	<b>85,575</b>	<b>7,858,496</b>	<b>10,620,122</b>	<b>146</b>	<b>10,620,268</b>

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

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 March 2020.



**AmBank (M) Berhad**  
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**UNAUDITED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2020**

	Attributable to equity holder of the Bank						Total equity RM'000
	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>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	-	-	-	-	-	442,973	442,973
Other comprehensive income/(loss), net	-	-	167,824	(10,530)	6,828	-	164,122
Total comprehensive income/(loss) for the financial period	-	-	167,824	(10,530)	6,828	442,973	607,095
Transfer to regulatory reserve	-	76,631	-	-	-	(76,631)	-
Dividend on ordinary shares: - final, financial year ended 31 March 2019	-	-	-	-	-	(318,004)	(318,004)
Transaction with owner and other equity movements	-	76,631	-	-	-	(394,635)	(318,004)
<b>At 30 September 2019</b>	<b>1,940,465</b>	<b>357,187</b>	<b>413,660</b>	<b>(22,604)</b>	<b>91,937</b>	<b>7,063,178</b>	<b>9,843,823</b>

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**AmBank (M) Berhad**  
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**UNAUDITED STATEMENT OF CHANGES IN EQUITY (CONT'D.)  
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 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	-	-	-	-	-	350,626	350,626
Other comprehensive income/(loss), net	-	-	284,705	6,094	(10,166)	-	280,633
Total comprehensive income/(loss) for the financial period	-	-	284,705	6,094	(10,166)	350,626	631,259
Transfer from regulatory reserve*	-	(311,003)	-	-	-	311,003	-
Dividend on ordinary shares: - final, financial year ended 31 March 2020	-	-	-	-	-	(132,223)	(132,223)
Transaction with owner and other equity movements	-	(311,003)	-	-	-	178,780	(132,223)
<b>At 30 September 2020</b>	<b>1,940,465</b>	<b>-</b>	<b>653,552</b>	<b>(22,061)</b>	<b>89,421</b>	<b>7,910,089</b>	<b>10,571,466</b>

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

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**AmBank (M) Berhad**  
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**UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS  
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2020**

	Group		Bank	
	30 September 2020 RM'000	30 September 2019 RM'000	30 September 2020 RM'000	30 September 2019 RM'000
Profit before taxation	438,512	564,397	435,202	562,348
Adjustments for non-operating and non-cash items	708,195	(3,194,109)	707,453	(3,194,420)
Operating profit/(loss) before working capital changes	1,146,707	(2,629,712)	1,142,655	(2,632,072)
Changes in working capital:				
Net change in operating assets	(1,365,422)	1,312,888	(1,370,369)	1,308,351
Net change in operating liabilities	(4,940,607)	1,119,725	(4,938,060)	1,118,773
Tax paid	(82,504)	(144,322)	(82,016)	(143,735)
Net cash used in operating activities	(5,241,826)	(341,421)	(5,247,790)	(348,683)
Net cash generated from/(used in) investing activities	1,423,313	(641,887)	1,429,243	(635,207)
Net cash used in financing activities	(169,522)	(832,801)	(169,718)	(832,801)
Net decrease in cash and cash equivalents	(3,988,035)	(1,816,109)	(3,988,265)	(1,816,691)
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	152	(13)	152	(13)
Cash and cash equivalents at end of financial period	6,021,034	3,655,252	6,016,020	3,649,959
Cash and cash equivalents comprise:				
Cash and short-term funds	4,195,136	3,261,618	4,190,122	3,256,325
Deposits and placements with banks and other financial institutions	1,860,552	392,500	1,860,552	392,500
	6,055,688	3,654,118	6,050,674	3,648,825
Less: Deposits and placements with original maturity of more than 3 months	(36,974)	-	(36,974)	-
	6,018,714	3,654,118	6,013,700	3,648,825
Allowances for expected credit loss ("ECL") for cash and cash equivalents at end of the financial period	2,320	1,134	2,320	1,134
	6,021,034	3,655,252	6,016,020	3,649,959

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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**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.

Under the government support measures to assist customers adversely impacted by the COVID-19 pandemic, the moratorium on repayment/payment of loan and advances does not automatically result in stage transfer under MFRS 9 *Financial Instruments* in the absence of other factors relevant to the assessment.

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 30 September 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 has 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 has 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 RM137,000, had been credited to profit or loss during the period ended 30 September 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 Insurance Contracts	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 standards 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.

**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) Standards and 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 Company 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 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.



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**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 ("SME") 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 banking industry had introduced targeted repayment assistance to assist customers impacted by the COVID-19 pandemic. This includes targeted extension of the moratorium and repayment flexibility options to help customers based on their specific financial situation. The Group has under *AmBank Assist*, extended weekend banking at selected branches to assist customers who are facing financial constraints to apply for post-moratorium repayment assistance.

The Bank had participated in government support measures in response to COVID-19 pandemic which includes providing financing at concessionary rate to assist SME 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.

**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 30 September 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	
	30 September 2020 RM'000	31 March 2020 RM'000	30 September 2020 RM'000	31 March 2020 RM'000
Cash and bank balances	1,289,638	1,873,882	1,287,554	1,872,086
Deposit placements maturing within one month:				
Licensed banks	2,191,774	579,181	2,188,844	576,193
Bank Negara Malaysia	715,000	7,270,000	715,000	7,270,000
	<u>2,906,774</u>	<u>7,849,181</u>	<u>2,903,844</u>	<u>7,846,193</u>
Total cash and bank balances and deposit placements	4,196,412	9,723,063	4,191,398	9,718,279
Less: Allowances for Expected Credit Losses ("ECL")	(1,276)	(833)	(1,276)	(833)
	<u>4,195,136</u>	<u>9,722,230</u>	<u>4,190,122</u>	<u>9,717,446</u>

Movements in allowances for ECL are as follows:

Group and Bank	Stage 1	Stage 2	Total
	12-Month ECL RM'000	Lifetime ECL not credit impaired RM'000	
<b>30 September 2020</b>			
Balance at beginning of the financial period	804	29	833
(Writeback) of/allowances for ECL:	471	7	478
New financial assets originated	538	-	538
Financial assets derecognised	(1,233)	-	(1,233)
Transfer from deposits and placements with banks and other financial institution (Note A9)	1,907	-	1,907
Net remeasurement of allowances	(679)	7	(672)
Changes in model assumptions and methodologies	(62)	-	(62)
Foreign exchange differences	(35)	-	(35)
Balance at end of the financial period	<u>1,240</u>	<u>36</u>	<u>1,276</u>

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	<u>804</u>	<u>29</u>	<u>833</u>

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

	<b>Group and Bank</b>	
	<b>30 September 2020 RM'000</b>	<b>31 March 2020 RM'000</b>
Licensed banks	1,674,622	165,854
Licensed islamic bank (a related company)	36,974	-
Licensed investment banks	150,000	120,000
	<u>1,861,596</u>	<u>285,854</u>
Less: Allowances for ECL	(1,044)	(485)
	<u>1,860,552</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>30 September 2020</b>	
Balance at beginning of the financial period	485
Allowances for ECL:	559
New financial assets originated	2,836
Transfer to cash and short term funds (Note A8)	(1,907)
Net remeasurement of allowances	5
Changes in model assumptions and methodologies	(375)
	<u>1,044</u>
Balance at end of the financial period	<u>1,044</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>30 September 2020 RM'000</b>	<b>31 March 2020 RM'000</b>
Licensed Islamic bank	718,418	718,006
Less: Allowances for ECL	(1,220)	(2,284)
	<u>717,198</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 30 September 2020, the gross exposure relating to the RA financing for the Group and the Bank amounted to RM720.0 million (31 March 2020: RM719.9 million). No stage 3 ECL is provided for the RA financing as at 30 September 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>30 September 2020</b>		
Balance at beginning of the financial period	2,284	2,284
Writeback of ECL:	(1,064)	(1,064)
Net remeasurement of allowances	(290)	(290)
Changes in model assumptions and methodologies	(774)	(774)
Balance at end of the financial period	1,220	1,220

<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	2,284	-	2,284

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

	Group		Bank	
	30 September 2020 RM'000	31 March 2020 RM'000	30 September 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	3,028,492	418,543	3,028,492	418,543
Malaysian Government Investment Issues	292,372	1,892,213	292,372	1,892,213
Malaysian Government Securities	915,853	2,712,517	915,853	2,712,517
Malaysian Treasury Bills	1,693,698	606,027	1,693,698	606,027
	<u>5,930,415</u>	<u>6,678,433</u>	<u>5,930,415</u>	<u>6,678,433</u>
Quoted securities:				
<i>In Malaysia:</i>				
Shares	481,548	301,896	481,548	301,896
Unit trusts	17,404	28,194	17,404	28,194
Sukuk	38,436	37,500	38,436	37,500
	<u>537,388</u>	<u>367,590</u>	<u>537,388</u>	<u>367,590</u>
<i>Outside Malaysia:</i>				
Shares	90,581	80,589	90,577	80,586
Unquoted securities:				
<i>In Malaysia:</i>				
Shares	45	31	-	-
Corporate bonds and sukuk	756,833	198,067	756,833	198,067
	<u>756,878</u>	<u>198,098</u>	<u>756,833</u>	<u>198,067</u>
	<u>7,315,262</u>	<u>7,324,710</u>	<u>7,315,213</u>	<u>7,324,676</u>

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

	Group		Bank	
	30 September 2020 RM'000	31 March 2020 RM'000	30 September 2020 RM'000	31 March 2020 RM'000
<b>At fair value</b>				
Money market instruments:				
Malaysian Government Investment Issues	2,514,222	3,689,158	2,514,222	3,689,158
Malaysian Government Securities	3,224,312	3,195,316	3,224,312	3,195,316
Foreign Government Securities	76,768	-	76,768	-
Islamic Negotiable Instruments of Deposit	199,503	-	199,503	-
Negotiable Instruments of Deposit	451,077	-	451,077	-
	<u>6,465,882</u>	<u>6,884,474</u>	<u>6,465,882</u>	<u>6,884,474</u>
Quoted securities:				
<i>In Malaysia:</i>				
Unit trusts	74,313	74,313	74,313	74,313
	<u>74,313</u>	<u>74,313</u>	<u>74,313</u>	<u>74,313</u>
Unquoted securities:				
<i>In Malaysia:</i>				
Corporate bonds and sukuk	6,437,698	7,140,823	6,439,941	7,148,669
Shares	680,874	588,065	680,874	588,065
	<u>7,118,572</u>	<u>7,728,888</u>	<u>7,120,815</u>	<u>7,736,734</u>
<i>Outside Malaysia:</i>				
Sukuk	132,731	207,359	132,731	207,359
Shares	512	484	512	484
	<u>133,243</u>	<u>207,843</u>	<u>133,243</u>	<u>207,843</u>
	<u>13,792,010</u>	<u>14,895,518</u>	<u>13,794,253</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 RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
<b>30 September 2020</b>				
Balance at beginning of the financial period	12,101	774	-	12,875
Writeback of ECL:	(4,971)	(386)	-	(5,357)
- Transfer to Stage 1	134	(387)	-	(253)
- Transfer to Stage 2	(155)	249	-	94
New financial assets originated	1,189	-	-	1,189
Financial assets derecognised	(2,306)	-	-	(2,306)
Net remeasurement of allowances	(736)	(31)	-	(767)
Changes in model assumptions and methodologies	(3,097)	(217)	-	(3,314)
Foreign exchange differences	(5)	-	-	(5)
Balance at end of the financial period	7,125	388	-	7,513

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	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>30 September 2020</b>				
Balance at beginning of the financial period	12,105	774	-	12,879
Writeback of ECL:	(4,975)	(386)	-	(5,361)
- Transfer to Stage 1	134	(387)	-	(253)
- Transfer to Stage 2	(155)	249	-	94
New financial assets originated	1,189	-	-	1,189
Financial assets derecognised	(2,306)	-	-	(2,306)
Net remeasurement of allowances	(740)	(31)	-	(771)
Changes in model assumptions and methodologies	(3,097)	(217)	-	(3,314)
Foreign exchange differences	(5)	-	-	(5)
Balance at end of the financial period	7,125	388	-	7,513

<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>30 September 2020</b>	<b>31 March 2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>At amortised cost</b>		
Money market instruments:		
Malaysian Government Investment Issues	111,695	111,670
Unquoted securities:		
<i>In Malaysia:</i>		
Corporate bonds and sukuk	2,910,330	2,921,660
	3,022,025	3,033,330
Less: Allowances for ECL	(3,263)	(4,631)
	3,018,762	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>30 September 2020</b>		
Balance at beginning of the financial period	4,631	4,631
Writeback of ECL:	(1,368)	(1,368)
Net remeasurement of allowances	(137)	(137)
Financial assets derecognised	(71)	(71)
Changes in model assumptions and methodologies	(1,160)	(1,160)
Balance at end of the financial period	3,263	3,263

<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	
	30 September 2020 RM'000	31 March 2020 RM'000	30 September 2020 RM'000	31 March 2020 RM'000
<b>At amortised cost:</b>				
Overdraft	2,055,044	2,498,179	2,055,044	2,498,179
Term loans	21,936,361	19,790,674	21,936,361	19,790,674
Housing loan receivables	26,182,344	25,392,048	26,046,046	25,247,277
Hire purchase receivables	10,717,927	10,537,867	10,717,927	10,537,867
Bills receivables	1,614,180	1,616,752	1,614,180	1,616,752
Trust receipts	1,486,242	1,625,545	1,486,242	1,625,545
Claims on customers under acceptance credits	3,155,504	3,666,541	3,155,504	3,666,541
Card receivables	1,522,437	1,600,482	1,522,437	1,600,482
Revolving credits	6,876,603	7,294,436	6,967,645	7,389,985
Staff loans	95,140	92,493	95,140	92,493
Others	489,860	523,693	489,860	523,693
<b>Gross loans and advances</b>	<b>76,131,642</b>	<b>74,638,710</b>	<b>76,086,386</b>	<b>74,589,488</b>
<b>Allowances for ECL:</b>				
- Stage 1 - 12 months ECL	(117,412)	(179,447)	(117,400)	(179,464)
- Stage 2 - Lifetime ECL not credit impaired	(494,933)	(371,842)	(494,928)	(371,822)
- Stage 3 - Lifetime ECL credit impaired	(525,126)	(345,759)	(524,854)	(345,677)
<b>Net loans and advances</b>	<b>74,994,171</b>	<b>73,741,662</b>	<b>74,949,204</b>	<b>73,692,525</b>

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

	Group		Bank	
	30 September 2020 RM'000	31 March 2020 (Restated) (Note A37) RM'000	30 September 2020 RM'000	31 March 2020 (Restated) (Note A37) RM'000
Domestic banking institutions	-	13	-	13
Domestic non-bank financial institutions	769,471	1,145,064	860,513	1,240,613
Domestic business enterprises				
- Small medium enterprises	15,883,609	14,187,034	15,883,609	14,187,034
- Others	16,800,221	18,086,671	16,800,221	18,086,671
Government and statutory bodies	44,732	45,870	44,732	45,870
Individuals	41,216,831	40,171,728	41,080,533	40,026,957
Other domestic entities	11,173	10,968	11,173	10,968
Foreign individuals and entities	1,405,605	991,362	1,405,605	991,362
<b>Total</b>	<b>76,131,642</b>	<b>74,638,710</b>	<b>76,086,386</b>	<b>74,589,488</b>

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

	Group		Bank	
	30 September 2020 RM'000	31 March 2020 RM'000	30 September 2020 RM'000	31 March 2020 RM'000
In Malaysia	75,385,959	74,241,914	75,340,703	74,192,692
Outside Malaysia	745,683	396,796	745,683	396,796
	<u>76,131,642</u>	<u>74,638,710</u>	<u>76,086,386</u>	<u>74,589,488</u>

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

	Group		Bank	
	30 September 2020 RM'000	31 March 2020 (Restated) (Note A37) RM'000	30 September 2020 RM'000	31 March 2020 (Restated) (Note A37) RM'000
Fixed rate				
- Housing loans	210,016	207,234	73,718	62,463
- Hire purchase receivables	10,126,986	9,932,527	10,126,986	9,932,527
- Other fixed rate loans	5,866,528	5,440,013	5,866,528	5,440,013
Variable rate				
- Base rate and base lending rate plus	41,722,241	40,410,100	41,722,241	40,410,100
- Cost plus	17,611,296	18,003,845	17,702,338	18,099,394
- Other variable rates	594,575	644,991	594,575	644,991
	<u>76,131,642</u>	<u>74,638,710</u>	<u>76,086,386</u>	<u>74,589,488</u>

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

	Group		Bank	
	30 September 2020 RM'000	31 March 2020 (Restated) (Note A37) RM'000	30 September 2020 RM'000	31 March 2020 (Restated) (Note A37) RM'000
Agriculture	1,500,610	1,582,046	1,500,610	1,582,046
Mining and quarrying	1,665,244	1,393,232	1,665,244	1,393,232
Manufacturing	9,204,648	9,481,669	9,204,648	9,481,669
Electricity, gas and water	925,826	630,130	925,826	630,130
Construction	3,453,844	3,564,782	3,453,844	3,564,782
Wholesale and retail trade and hotel and restaurants	6,065,999	5,865,204	6,065,999	5,865,204
Transport, storage and communication	2,015,382	1,840,993	2,015,382	1,840,993
Finance and insurance	1,299,657	1,648,079	1,299,657	1,743,628
Real estate	5,615,709	5,637,751	5,706,751	5,637,751
Business activities	1,895,211	1,604,708	1,895,211	1,604,708
Education and health	668,654	634,497	668,654	634,497
Household of which:	41,795,695	40,729,176	41,659,397	40,584,405
- purchase of residential properties	26,441,914	25,657,002	26,305,616	25,512,231
- purchase of transport vehicles	9,717,426	9,528,678	9,717,426	9,528,678
- others	5,636,355	5,543,496	5,636,355	5,543,496
Others	25,163	26,443	25,163	26,443
	<u>76,131,642</u>	<u>74,638,710</u>	<u>76,086,386</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	
	30 September 2020	31 March 2020 (Restated) (Note A37)	30 September 2020	31 March 2020 (Restated) (Note A37)
	RM'000	RM'000	RM'000	RM'000
Maturing within one year	18,146,170	19,602,203	18,234,740	19,695,825
Over one year to three years	3,897,329	3,608,920	3,890,954	3,602,019
Over three years to five years	8,437,409	7,075,578	8,425,955	7,064,531
Over five years	45,650,734	44,352,009	45,534,737	44,227,113
	<u>76,131,642</u>	<u>74,638,710</u>	<u>76,086,386</u>	<u>74,589,488</u>

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

	Group		Bank	
	30 September 2020	31 March 2020	30 September 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	320,194	1,034,759	319,167	1,034,601
Reclassified as non-impaired	(88,563)	(119,326)	(88,528)	(119,125)
Recoveries	(173,020)	(307,055)	(173,016)	(306,840)
Amount written off	(133,306)	(423,126)	(133,306)	(423,126)
Foreign exchange differences	(3,116)	3,785	(3,116)	3,785
Balance at end of the financial period/year	<u>1,157,668</u>	<u>1,235,479</u>	<u>1,156,195</u>	<u>1,234,994</u>
Gross impaired loans and advances as % of gross loans and advances	<u>1.52%</u>	<u>1.66%</u>	<u>1.52%</u>	<u>1.66%</u>
Loan loss coverage (Including regulatory reserve)	<u>102.6%</u>	<u>102.4%</u>	<u>102.7%</u>	<u>102.4%</u>

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

	Group		Bank	
	30 September 2020	31 March 2020	30 September 2020	31 March 2020
	RM'000	RM'000	RM'000	RM'000
In Malaysia	1,115,162	1,191,357	1,113,689	1,190,872
Outside Malaysia	42,506	44,122	42,506	44,122
	<u>1,157,668</u>	<u>1,235,479</u>	<u>1,156,195</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	
	30 September 2020	31 March 2020 (Restated) (Note A37)	30 September 2020	31 March 2020 (Restated) (Note A37)
	RM'000	RM'000	RM'000	RM'000
Agriculture	36,372	36,745	36,372	36,745
Mining and quarrying	49,041	51,220	49,041	51,220
Manufacturing	268,307	218,153	268,307	218,153
Electricity, gas and water	142	495	142	495
Construction	93,689	81,019	93,689	81,019
Wholesale and retail trade and hotel and restaurants	117,167	78,793	117,167	78,793
Transport, storage and communication	11,342	31,715	11,342	31,715
Finance and insurance	2	2	2	2
Real estate	71,518	71,264	71,518	71,264
Business activities	35,549	35,637	35,549	35,637
Education and health	9,077	8,734	9,077	8,734
Household of which:	465,462	621,702	463,989	621,217
- purchase of residential properties	361,443	406,931	359,970	406,446
- purchase of transport vehicles	17,994	113,483	17,994	113,483
- others	86,025	101,288	86,025	101,288
	<u>1,157,668</u>	<u>1,235,479</u>	<u>1,156,195</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>30 September 2020</b>				
Balance at beginning of the financial period	179,447	371,842	345,759	897,048
(Writeback of)/allowances for ECL:	(61,833)	123,176	313,862	375,205
- Transfer to Stage 1	1,862	(12,305)	(762)	(11,205)
- Transfer to Stage 2	(9,545)	33,788	(11,873)	12,370
- Transfer to Stage 3	(281)	(3,196)	69,658	66,181
New financial assets originated	21,770	67,685	4,273	93,728
Net remeasurement of allowances	(9,042)	15,708	130,881	137,547
Modification of contractual cash flows of financial assets	6,645	(6,627)	(2,607)	(2,589)
Financial assets derecognised	(21,529)	(21,860)	(40,312)	(83,701)
Changes to model assumptions and methodologies	(51,713)	49,983	164,604	162,874
Foreign exchange differences	(202)	(85)	(1,189)	(1,476)
Amount written-off	-	-	(133,306)	(133,306)
Balance at end of the financial period	117,412	494,933	525,126	1,137,471
<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>30 September 2020</b>				
Balance at beginning of the financial period	179,464	371,822	345,677	896,963
(Writeback of)/allowances for ECL:	(61,862)	123,191	313,672	375,001
- Transfer to Stage 1	1,862	(12,305)	(762)	(11,205)
- Transfer to Stage 2	(9,544)	33,788	(11,867)	12,377
- Transfer to Stage 3	(280)	(3,181)	69,471	66,010
New financial assets originated	21,770	67,686	4,273	93,729
Net remeasurement of allowances	(9,074)	15,707	130,872	137,505
Modification of contractual cash flows of financial assets	6,645	(6,627)	(2,607)	(2,589)
Financial assets derecognised	(21,528)	(21,860)	(40,312)	(83,700)
Changes to model assumptions and methodologies	(51,713)	49,983	164,604	162,874
Foreign exchange differences	(202)	(85)	(1,189)	(1,476)
Amount written-off	-	-	(133,306)	(133,306)
Balance at end of the financial period	117,400	494,928	524,854	1,137,182
<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	
	30 September 2020 RM'000	31 March 2020 RM'000	30 September 2020 RM'000	31 March 2020 RM'000
Other receivables, deposits and prepayments	396,316	293,964	394,817	292,459
Interest receivable	317,049	362,395	317,047	362,395
Amount due from related companies	34,254	46,774	35,318	47,905
Collateral pledged for derivative and securities transactions	639,562	1,035,710	639,562	1,035,710
Foreclosed properties	2,612	2,607	2,305	2,300
Deferred charges	120,082	106,793	120,082	106,793
Tax recoverable	110,930	101,569	108,214	98,806
	<u>1,620,805</u>	<u>1,949,812</u>	<u>1,617,345</u>	<u>1,946,368</u>
Less: Accumulated impairment losses	(2,304)	(3,430)	(1,838)	(2,965)
	<u>1,618,501</u>	<u>1,946,382</u>	<u>1,615,507</u>	<u>1,943,403</u>

**A16. DEPOSITS FROM CUSTOMERS**

	Group		Bank	
	30 September 2020 RM'000	31 March 2020 RM'000	30 September 2020 RM'000	31 March 2020 RM'000
Demand deposits	17,791,575	14,993,521	17,802,104	15,003,635
Savings deposits	4,045,310	3,682,178	4,045,310	3,682,178
Term/Investment deposits	53,217,636	56,260,636	53,219,662	56,262,641
Negotiable instruments of deposits	5,120,000	3,872,032	5,120,000	3,872,032
	<u>80,174,521</u>	<u>78,808,367</u>	<u>80,187,076</u>	<u>78,820,486</u>

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

	Group		Bank	
	30 September 2020 RM'000	31 March 2020 RM'000	30 September 2020 RM'000	31 March 2020 RM'000
Government and other statutory bodies	1,018,062	1,395,524	1,018,062	1,395,524
Business enterprises	38,352,466	38,400,525	38,365,021	38,412,644
Individuals	32,321,573	30,757,101	32,321,573	30,757,101
Others	8,482,420	8,255,217	8,482,420	8,255,217
	<u>80,174,521</u>	<u>78,808,367</u>	<u>80,187,076</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	
	30 September 2020 RM'000	31 March 2020 RM'000	30 September 2020 RM'000	31 March 2020 RM'000
Due within six months	47,694,093	48,151,160	47,696,119	48,153,165
Over six months to one year	9,488,243	10,608,603	9,488,243	10,608,603
Over one year to three years	1,061,757	1,250,625	1,061,757	1,250,625
Over three years to five years	93,543	122,280	93,543	122,280
	<u>58,337,636</u>	<u>60,132,668</u>	<u>58,339,662</u>	<u>60,134,673</u>

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

	Group		Bank	
	30 September 2020 RM'000	31 March 2020 RM'000	30 September 2020 RM'000	31 March 2020 RM'000
Licensed banks	4,215,558	4,552,792	4,215,558	4,552,792
Licensed investment banks	129,603	129,650	129,603	129,650
Other financial institutions	1,006,649	1,980,889	1,016,304	1,990,502
Bank Negara Malaysia	849,621	231,039	849,621	231,039
	<u>6,201,431</u>	<u>6,894,370</u>	<u>6,211,086</u>	<u>6,903,983</u>

**A18. OTHER LIABILITIES**

	Group		Bank	
	30 September 2020 RM'000	31 March 2020 RM'000	30 September 2020 RM'000	31 March 2020 RM'000
Other payables and accruals	859,512	1,261,551	846,013	1,248,696
Lease liabilities	250,201	264,706	251,956	264,706
Provision for reinstatement for leased properties	7,884	7,527	7,884	7,527
Interest payable	571,637	568,789	571,639	568,791
Amount due to holding company and other related companies	2	73,679	3,143	73,681
Collateral received for derivative and securities transactions	210,939	227,924	210,939	227,924
Lease deposits and advance rentals	33,769	33,446	33,769	33,446
Provision for commitments and contingencies	15,726	15,318	15,726	15,318
Allowances for ECL on loan commitments and financial guarantees (Note (a))	50,195	56,935	50,216	56,959
Provision for taxation	1,118	1,657	911	1,644
Deferred income	51,016	56,295	51,016	56,295
	<u>2,051,999</u>	<u>2,567,827</u>	<u>2,043,212</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>30 September 2020</b>				
Balance at beginning of the financial period	30,823	25,938	174	56,935
(Writeback of)/allowances for ECL:	(11,045)	4,089	404	(6,552)
- Transfer to Stage 1	1,277	(8,318)	-	(7,041)
- Transfer to Stage 2	(1,467)	6,694	-	5,227
- Transfer to Stage 3	(75)	(172)	247	-
New exposure originated	4,227	12,064	-	16,291
Net remeasurement of allowances	(1,352)	3,108	358	2,114
Exposure derecognised/withdrawn	(5,181)	(4,615)	(201)	(9,997)
Changes to model assumptions and methodologies	(8,474)	(4,672)	-	(13,146)
Foreign exchange difference	(46)	(142)	-	(188)
Balance at end of the financial period	19,732	29,885	578	50,195

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	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
	RM'000	RM'000	RM'000	RM'000
<b>30 September 2020</b>				
Balance at beginning of the financial period	30,848	25,938	173	56,959
(Writeback of)/allowances for ECL:	(11,048)	4,089	404	(6,555)
- Transfer to Stage 1	1,277	(8,318)	-	(7,041)
- Transfer to Stage 2	(1,467)	6,694	-	5,227
- Transfer to Stage 3	(75)	(172)	247	-
New exposure originated	4,227	12,064	-	16,291
Net remeasurement of allowances	(1,355)	3,108	358	2,111
Exposure derecognised/withdrawn	(5,181)	(4,615)	(201)	(9,997)
Changes to model assumptions and methodologies	(8,474)	(4,672)	-	(13,146)
Foreign exchange differences	(46)	(142)	-	(188)
Balance at end of the financial period	19,754	29,885	577	50,216

Bank	Stage 1	Stage 2	Stage 3	Total
	12-Month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
	RM'000	RM'000	RM'000	RM'000
<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**

Group	Individual Quarter		Cumulative Quarter	
	30 September 2020 RM'000	30 September 2019 RM'000	30 September 2020 RM'000	30 September 2019 RM'000
Short-term funds and deposits and placements with financial institutions*	7,032	10,482	27,103	32,793
Financial assets at fair value through profit or loss	46,607	76,919	91,668	165,168
Financial investments at fair value through other comprehensive income	121,861	129,493	249,155	258,327
Financial investments at amortised cost	32,398	34,327	64,648	68,973
Loans and advances*	804,937	937,157	1,605,741	1,894,476
Investment account placement	5,835	15,066	12,430	31,088
Impaired loans and advances	939	1,724	2,929	4,533
Others	2,955	4,045	7,216	8,624
	<u>1,022,564</u>	<u>1,209,213</u>	<u>2,060,890</u>	<u>2,463,982</u>
<b>Bank</b>				
Short-term funds and deposits and placements with financial institutions*	7,016	10,450	27,066	32,728
Financial assets at fair value through profit or loss	46,607	76,919	91,668	165,168
Financial investments at fair value through other comprehensive income	121,912	129,700	249,292	258,781
Financial investments at amortised cost	32,398	34,327	64,648	68,973
Loans and advances*	803,591	935,744	1,603,161	1,891,775
Investment account placement	5,835	15,066	12,430	31,088
Impaired loans and advances	939	1,724	2,929	4,533
Others	2,955	4,045	7,216	8,624
	<u>1,021,253</u>	<u>1,207,975</u>	<u>2,058,410</u>	<u>2,461,670</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 57,725,000 respectively from measures implemented in response to COVID-19 pandemic.

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**A20. INTEREST EXPENSE**

	Individual Quarter		Cumulative Quarter	
	30 September 2020 RM'000	30 September 2019 RM'000	30 September 2020 RM'000	30 September 2019 RM'000
<b>Group</b>				
Deposits from customers	405,230	573,042	907,745	1,184,883
Deposits and placements of banks and other financial institutions	26,236	50,138	55,098	95,649
Securities sold under repurchase agreements	12,337	43,350	27,859	83,661
Recourse obligation on loans sold to Cagamas Berhad	36,828	41,586	80,024	84,955
Term funding	7,479	12,620	22,434	38,056
Debt capital	32,976	40,191	65,592	82,874
Others	3,133	2,346	4,019	3,384
	<u>524,219</u>	<u>763,273</u>	<u>1,162,771</u>	<u>1,573,462</u>
<b>Bank</b>				
Deposits from customers	405,275	573,071	907,848	1,184,913
Deposits and placements of banks and other financial institutions	26,237	50,136	55,099	95,675
Securities sold under repurchase agreements	12,337	43,350	27,859	83,661
Recourse obligation on loans sold to Cagamas Berhad	36,828	41,586	80,024	84,955
Term funding	7,479	12,620	22,434	38,056
Debt capital	32,976	40,191	65,592	82,874
Others	3,133	2,346	4,019	3,384
	<u>524,265</u>	<u>763,300</u>	<u>1,162,875</u>	<u>1,573,518</u>

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**A21. OTHER OPERATING INCOME**

Group	Individual Quarter		Cumulative Quarter	
	30 September 2020 RM'000	30 September 2019 RM'000	30 September 2020 RM'000	30 September 2019 RM'000
Fee and commission income:				
Bancassurance commission	7,208	7,127	12,736	13,907
Brokerage fees, commission and rebates	1,774	484	2,092	1,197
Fees on loans, advances and securities	30,900	44,132	54,572	81,946
Fees, service and commission charges	5,830	6,616	10,541	14,299
Unit trust fees, commission and charges	22,163	10,791	32,875	19,437
Guarantee fees	12,664	13,393	24,437	27,152
Remittances	5,205	6,565	8,174	12,363
Other fee and commission	3,347	4,489	6,259	8,811
	<u>89,091</u>	<u>93,597</u>	<u>151,686</u>	<u>179,112</u>
Investment and trading income:				
Foreign exchange (loss)/gain	(35,767)	17,091	17,515	33,637
Gross dividend income/distribution from:				
Financial assets at fair value through profit or loss	1,549	1,860	3,997	2,139
Financial investments at fair value through other comprehensive income	1,565	841	3,375	3,451
Net gain on sale of:				
Financial assets at fair value through profit or loss	107,988	32,832	184,639	46,514
Financial investments at fair value through other comprehensive income	1,829	45,717	16,616	53,687
Net (loss)/gain on revaluation of financial assets at fair value through profit or loss	(8,995)	(14,134)	40,992	8,535
Net gain/(loss) on derivatives	14,222	(5,561)	(57,055)	(21,638)
Others	695	493	3,392	3,602
	<u>83,086</u>	<u>79,139</u>	<u>213,471</u>	<u>129,927</u>
Other income:				
Gain/(loss) on disposal of foreclosed property	540	-	540	(1)
Net (loss)/gain on disposal of property and equipment	(21)	2	(23)	5
Net gain on non trading foreign exchange	265	236	561	653
Profit from sale of goods and services	4,486	4,565	8,725	8,926
Rental income	3,106	1,926	5,768	3,629
Others	185	877	342	2,024
	<u>8,561</u>	<u>7,606</u>	<u>15,913</u>	<u>15,236</u>
	<u>180,738</u>	<u>180,342</u>	<u>381,070</u>	<u>324,275</u>

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

	Individual Quarter		Cumulative Quarter	
	30 September 2020 RM'000	30 September 2019 RM'000	30 September 2020 RM'000	30 September 2019 RM'000
<b>Bank</b>				
Fee and commission income:				
Bancassurance commission	7,208	7,127	12,736	13,907
Brokerage fees, commission and rebates	1,774	484	2,092	1,197
Fees on loans, advances and securities	30,900	44,132	54,572	81,946
Fees, service and commission charges	5,725	6,511	10,338	14,100
Unit trust fees, commission and charges	22,163	10,791	32,875	19,437
Guarantee fees	12,665	13,393	24,438	27,152
Remittances	5,205	6,565	8,174	12,363
Other fee and commission	3,347	4,489	6,259	8,811
	<u>88,987</u>	<u>93,492</u>	<u>151,484</u>	<u>178,913</u>
Investment and trading income:				
Foreign exchange (loss)/gain	(35,767)	17,091	17,515	33,637
Gross dividend income/distribution from:				
Financial assets at fair value through profit or loss	1,549	1,860	3,997	2,139
Financial investments at fair value through other comprehensive income	1,565	841	3,375	3,451
Subsidiary	400	-	400	-
Net gain on sale of:				
Financial assets at fair value through profit or loss	107,988	32,832	184,639	46,514
Financial investments at fair value through other comprehensive income	1,829	45,717	16,616	53,687
Net (loss)/gain on revaluation of financial assets at fair value through profit or loss	(8,995)	(14,120)	40,978	8,549
Net gain/(loss) on derivatives	14,222	(5,561)	(57,055)	(21,638)
Others	695	493	3,392	3,602
	<u>83,486</u>	<u>79,153</u>	<u>213,857</u>	<u>129,941</u>
Other income:				
Gain/(loss) on disposal of foreclosed property	540	-	540	(1)
Net (loss)/gain on disposal of property and equipment	(21)	2	(23)	5
Net gain on non trading foreign exchange	245	242	534	669
Profit from sale of goods and services	4,486	4,565	8,725	8,926
Rental income	3,143	1,860	6,293	3,487
Others	257	1,015	388	2,133
	<u>8,650</u>	<u>7,684</u>	<u>16,457</u>	<u>15,219</u>
	<u>181,123</u>	<u>180,329</u>	<u>381,798</u>	<u>324,073</u>

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**A22. OTHER OPERATING EXPENSES**

Group	Individual Quarter		Cumulative Quarter	
	30 September 2020 RM'000	30 September 2019 RM'000	30 September 2020 RM'000	30 September 2019 RM'000
Personnel costs:				
Medical	7,153	6,007	10,553	10,941
Insurance	5,843	4,503	12,051	10,874
Contributions to Employees' Provident Fund/ Private Retirement Schemes ("PRS")	28,137	29,051	58,419	60,304
Salaries, bonuses, allowances and incentives	181,690	183,662	370,825	383,510
Share granted under AMMB ESS	17,287	2,976	20,461	4,922
Social security costs	1,646	1,619	3,270	3,215
Recruitment costs	1,315	1,319	3,263	2,727
Training	1,421	5,972	3,127	9,184
Others	5,386	1,921	7,407	2,293
	<u>249,878</u>	<u>237,030</u>	<u>489,376</u>	<u>487,970</u>
Establishment costs:				
Amortisation of intangible assets	19,252	22,487	37,248	44,809
Cleaning, maintenance and security	6,658	6,052	12,664	12,029
Computerisation cost	32,933	42,205	63,723	81,639
Depreciation of property and equipment	15,483	8,502	31,125	16,991
Depreciation of right-of-use assets	16,492	16,030	34,728	29,968
Rental of premises	1,689	3,282	1,694	7,665
Finance cost:				
- Lease liabilities	2,083	2,235	4,232	4,347
- Provision for reinstatement for leased properties	33	108	71	209
Others	9,193	7,966	16,280	15,351
	<u>103,816</u>	<u>108,867</u>	<u>201,765</u>	<u>213,008</u>
Marketing and communication expenses:				
Advertising, marketing and communication	15,054	14,631	25,893	24,956
Commission	1,686	128	3,452	2,219
Others	934	1,866	1,614	3,492
	<u>17,674</u>	<u>16,625</u>	<u>30,959</u>	<u>30,667</u>
Administration and general expenses:				
Bank charges	2,259	3,012	4,400	4,994
Insurance	1,830	582	2,497	1,372
Professional services	12,351	13,505	25,683	27,221
Travelling	510	1,226	919	2,200
Subscriptions and periodicals	627	(102)	670	256
Others	2,805	6,121	8,369	13,186
	<u>20,382</u>	<u>24,344</u>	<u>42,538</u>	<u>49,229</u>
Service transfer pricing recovery - net	(77,618)	(77,934)	(150,753)	(155,157)
	<u>314,132</u>	<u>308,932</u>	<u>613,885</u>	<u>625,717</u>



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

	Individual Quarter		Cumulative Quarter	
	30 September 2020 RM'000	30 September 2019 RM'000	30 September 2020 RM'000	30 September 2019 RM'000
<b>Bank</b>				
Personnel costs:				
Medical	7,153	6,007	10,553	10,941
Insurance	5,843	4,503	12,051	10,874
Contributions to Employees' Provident Fund/ PRS	28,137	29,051	58,419	60,304
Salaries, bonuses, allowances and incentives	181,690	183,662	370,825	383,510
Share granted under AMMB ESS	17,287	2,976	20,461	4,922
Social security costs	1,646	1,619	3,270	3,215
Recruitment costs	1,315	1,319	3,263	2,727
Training	1,421	5,972	3,127	9,184
Others	5,386	1,921	7,407	2,293
	<u>249,878</u>	<u>237,030</u>	<u>489,376</u>	<u>487,970</u>
Establishment costs:				
Amortisation of intangible assets	19,252	22,487	37,248	44,810
Cleaning, maintenance and security	6,521	5,833	12,403	11,798
Computerisation cost	32,933	42,205	63,723	81,639
Depreciation of property and equipment	15,350	8,371	30,860	16,729
Depreciation of right-of-use assets	16,582	16,030	35,315	29,968
Rental of premises	1,810	3,403	1,936	7,907
Finance cost:				
- Lease liabilities	2,100	2,235	4,328	4,347
- Provision for reinstatement for leased properties	33	108	71	209
Others	9,177	7,937	16,253	15,250
	<u>103,758</u>	<u>108,609</u>	<u>202,137</u>	<u>212,657</u>
Marketing and communication expenses:				
Advertising, marketing and communication	15,052	14,630	25,891	24,954
Commission	1,686	128	3,452	2,219
Others	934	1,866	1,614	3,492
	<u>17,672</u>	<u>16,624</u>	<u>30,957</u>	<u>30,665</u>
Administration and general expenses:				
Bank charges	2,259	3,012	4,400	4,993
Insurance	1,744	605	2,477	1,335
Professional services	12,201	13,452	25,536	27,111
Travelling	510	1,226	919	2,200
Subscriptions and periodicals	627	(102)	670	256
Others	2,800	6,142	8,357	13,201
	<u>20,141</u>	<u>24,335</u>	<u>42,359</u>	<u>49,096</u>
Service transfer pricing recovery - net	(77,618)	(77,934)	(150,753)	(155,157)
	<u>313,831</u>	<u>308,664</u>	<u>614,076</u>	<u>625,231</u>

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**A23. ALLOWANCE/(WRITEBACK OF ALLOWANCE) FOR IMPAIRMENT ON LOANS AND ADVANCES**

Group	Individual Quarter		Cumulative Quarter	
	30 September	30 September	30 September	30 September
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Allowance for impairment on loans and advances	295,250	195,591	375,205	171,922
Impaired loans and advances recovered, net	(69,623)	(91,178)	(135,918)	(166,033)
	<u>225,627</u>	<u>104,413</u>	<u>239,287</u>	<u>5,889</u>
<b>Bank</b>				
Allowance for impairment on loans and advances	295,106	195,578	375,001	171,901
Impaired loans and advances recovered, net	(66,539)	(91,178)	(132,834)	(166,033)
	<u>228,567</u>	<u>104,400</u>	<u>242,167</u>	<u>5,868</u>

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

Group	Individual Quarter		Cumulative Quarter	
	30 September	30 September	30 September	30 September
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Financial investments at fair value through other comprehensive income	(2,665)	44,673	(5,357)	43,311
Financial investments at amortised cost	(1,046)	(671)	(1,368)	(660)
	<u>(3,711)</u>	<u>44,002</u>	<u>(6,725)</u>	<u>42,651</u>
<b>Bank</b>				
Financial investments at fair value through other comprehensive income	(2,667)	44,671	(5,361)	43,305
Financial investments at amortised cost	(1,046)	(671)	(1,368)	(660)
	<u>(3,713)</u>	<u>44,000</u>	<u>(6,729)</u>	<u>42,645</u>

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

	Individual Quarter		Cumulative Quarter	
	30 September 2020 RM'000	30 September 2019 RM'000	30 September 2020 RM'000	30 September 2019 RM'000
<b>Group</b>				
Cash and short-term funds	(1,281)	165	478	(305)
Deposits and placements with banks and other financial institutions	41	(1,292)	559	(1,964)
Investment account placement	(368)	(2,751)	(1,064)	(2,654)
Other assets	288	7	(1,121)	7
	<u>(1,320)</u>	<u>(3,871)</u>	<u>(1,148)</u>	<u>(4,916)</u>
<b>Bank</b>				
Cash and short-term funds	(1,281)	165	478	(305)
Deposits and placements with banks and other financial institutions	41	(1,292)	559	(1,964)
Investment account placement	(368)	(2,751)	(1,064)	(2,654)
Other assets	288	6	(1,121)	1
	<u>(1,320)</u>	<u>(3,872)</u>	<u>(1,148)</u>	<u>(4,922)</u>

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**A26. EARNINGS PER SHARE ("EPS")**

**Basic/Diluted**

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

	Individual Quarter		Cumulative Quarter	
	30 September 2020	30 September 2019	30 September 2020	30 September 2019
<b>Group</b>				
Net profit attributable to equity holder of the Bank (RM'000)	133,838	177,382	353,214	444,462
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)	15.99	21.20	42.21	53.11
<b>Bank</b>				
Net profit attributable to equity holder of the Bank (RM'000)	132,074	176,672	350,626	442,973
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)	15.78	21.11	41.90	52.93

**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

The core products are capital markets group, private banking and equity markets.

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

During the current financial quarter, 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 30 September 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	1,125,862	231,888	485,116	623,192	25,663	(51,369)	2,440,352
Revenue from other segments	(135,168)	(41,132)	(179,005)	171,122	(3,923)	188,106	-
Total operating revenue	990,694	190,756	306,111	794,314	21,740	136,737	2,440,352
Net interest income	456,692	101,800	190,444	175,792	9,619	(36,228)	898,119
Other operating income/(loss)	109,698	36,184	47,502	173,180	7,341	7,165	381,070
Share in results of an associate	(1,608)	-	-	-	-	-	(1,608)
Net income	564,782	137,984	237,946	348,972	16,960	(29,063)	1,277,581
Other operating expenses	(331,435)	(63,357)	(71,785)	(32,057)	(4,172)	(111,079)	(613,885)
<i>of which:</i>							
<i>Depreciation of property and equipment</i>	(10,994)	(853)	(971)	(64)	(1)	(18,242)	(31,125)
<i>Depreciation of right-of-use assets</i>	-	-	-	-	-	(34,728)	(34,728)
<i>Amortisation of intangible assets</i>	(9,403)	(428)	(3,715)	(724)	-	(22,978)	(37,248)
Profit/(Loss) before impairment losses (Allowance)/writeback of allowance for impairment on loans and advances	233,347	74,627	166,161	316,915	12,788	(140,142)	663,696
Writeback of provision/(provision) for commitments and contingencies	(25,003)	(4,179)	(50,129)	-	5,146	(165,122)	(239,287)
Impairment writeback on other assets	1,852	1,178	(9,571)	-	-	12,684	6,143
Other recoveries	134	-	1,255	804	-	5,680	7,873
Profit/(loss) before taxation	1	-	-	-	-	86	87
Taxation	210,331	71,626	107,716	317,719	17,934	(286,814)	438,512
Profit/(loss) for the financial period	(50,865)	(16,864)	(24,547)	(73,787)	(2,570)	83,327	(85,306)
	159,466	54,762	83,169	243,932	15,364	(203,487)	353,206
<b>Other information</b>							
Total segment assets	45,228,110	8,104,900	21,685,685	31,814,248	1,310,159	2,209,309	110,352,411
Total segment liabilities	36,918,921	5,945,213	10,010,728	38,874,758	751,341	7,231,182	99,732,143
Cost to income ratio	58.5%	45.9%	30.2%	9.2%	24.6%	>100.0%	48.0%
Gross loans and advances	44,918,316	8,185,717	21,880,540	-	1,243,032	(95,963)	76,131,642
Net loans and advances	44,395,273	8,094,101	21,613,956	-	1,242,063	(351,222)	74,994,171
Impaired loans and advances	558,721	160,140	431,589	-	7,218	-	1,157,668
Total deposits	36,339,090	5,863,714	9,807,950	33,008,871	739,513	616,814	86,375,952
Additions to:							
Property and equipment	12,458	90	71	1,276	5	4,619	18,519
Intangible assets	15,705	6	696	7,627	-	17,949	41,983

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

Group For the financial period ended 30 September 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	1,232,850	246,284	607,696	626,972	35,845	38,610	2,788,257
Revenue from other segments	(84,406)	(46,173)	(284,514)	204,493	(10,936)	221,536	-
Total operating revenue	<u>1,148,444</u>	<u>200,111</u>	<u>323,182</u>	<u>831,465</u>	<u>24,909</u>	<u>260,146</u>	<u>2,788,257</u>
Net interest income	437,702	100,619	208,323	85,557	12,103	46,216	890,520
Other operating income	111,497	36,930	62,683	94,152	4,799	14,214	324,275
Net income	549,199	137,549	271,006	179,709	16,902	60,430	1,214,795
Other operating expenses	(329,803)	(68,399)	(81,429)	(32,187)	(2,321)	(111,578)	(625,717)
<i>of which:</i>							
<i>Depreciation of property and equipment</i>	(9,315)	(356)	(521)	(53)	(1)	(6,745)	(16,991)
<i>Depreciation of right-of-use</i>	-	-	-	-	-	(29,968)	(29,968)
<i>Amortisation of intangible assets</i>	(8,372)	(38)	(2,987)	(614)	-	(32,799)	(44,810)
Profit/(loss) before impairment losses (Allowance)/writeback of allowance for impairment on loans and advances	219,396	69,150	189,577	147,522	14,581	(51,148)	589,078
Writeback of provision/(provision) for commitments and contingencies	(60,813)	(27,077)	81,466	(40)	580	(5)	(5,889)
Impairment (loss)/writeback on other assets	980	3,755	14,164	17	-	(2)	18,914
Other recoveries	(5)	-	2,664	(40,382)	-	(12)	(37,735)
Profit/(loss) before taxation	29	-	-	-	-	-	29
Taxation	159,587	45,828	287,871	107,117	15,161	(51,167)	564,397
Profit/(loss) for the financial period	<u>(38,301)</u>	<u>(10,483)</u>	<u>(68,658)</u>	<u>(23,798)</u>	<u>(2,903)</u>	<u>24,208</u>	<u>(119,935)</u>
	<u>121,286</u>	<u>35,345</u>	<u>219,213</u>	<u>83,319</u>	<u>12,258</u>	<u>(26,959)</u>	<u>444,462</u>
<b>Other information</b>							
Total segment assets	43,033,021	7,089,094	20,821,774	31,800,707	1,338,421	3,474,250	107,557,267
Total segment liabilities	35,899,896	4,837,799	6,137,132	41,564,171	777,835	8,452,340	97,669,173
Cost to income ratio	60.1%	49.7%	30.0%	17.9%	13.7%	>100.0%	51.5%
Gross loans and advances	42,679,695	7,169,065	20,947,937	-	1,319,181	(100,413)	72,015,465
Net loans and advances	42,085,119	7,085,642	20,766,496	-	1,319,181	(100,345)	71,156,093
Impaired loans and advances	683,852	147,731	361,926	-	-	-	1,193,509
Total deposits	35,249,673	4,738,947	5,991,704	33,925,181	774,800	20,092	80,700,397
Additions to:							
Property and equipment	8,769	220	324	6	-	10,011	19,330
Intangible assets	6,303	23	194	386	-	17,220	24,126

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**A28. PERFORMANCE REVIEW FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

The Group reported a profit before taxation of RM438.5 million for the financial period ended 30 September 2020 compared to RM564.4 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 RM233.4 million compared to the same quarter last year mainly from additional forward looking provision made following the impact of the COVID-19 pandemic.

The decrease was partly offset by higher trading and investment income, lower other operating expenses from lower establishment costs and net writeback of impairment allowance for financial investments.

The Group's ratio of impaired loans and advances improved to 1.52% from 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 17.67% and 17.52% 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**

The domestic economy in third quarter improved with a slower contraction of 2.7% year-on-year, after reporting the worst contraction in second quarter by 17.1% year-on-year as a result of the health measures to contain the spread of the pandemic virus via lockdowns and the movement control order ("MCO"). The slower contraction in third quarter was well within expectations. It was partly due to the relaxation of the restrictive measures to contain the spread of the pandemic virus. At the same time, consumer spending gained momentum, supported by pent-up demand. Besides, the RM305.0 billion stimulus measures also provided support to both the business and consumer spending.

Nevertheless, this improving trend is likely to be short-lived. The rising number of new COVID-19 cases since October has resulted in the imposition of a more restrictive measure i.e. the conditional movement control order ("CMCO"). Such measure is already impacting the domestic economy. Forward-looking indicators are presenting signs of cooling off in the month of October. Should that happen, fourth quarter 2020 Gross Domestic Product ("GDP") is expected to contract more compared to third quarter's -2.7%. This would translate to a full-year contraction of 5.3% to 5.7% from our earlier projection of -3.6% to -5.6%.

Inflation remains in the disinflationary scenario, with the average headline inflation for the first nine months of the year at -1.0%. Weighed down by softer fuel pump prices, added with lackluster demand-pull factors reflecting the poor job market, headline inflation for the full year is poised to hover between -0.9% and -1.1%.

On the back of a weak domestic economic outlook, loan growth from the banking system is poised to grow modestly during the year. Loans in September grew by 4.4%, similar to August. Overall, the banking industry loan growth for the full year is likely to hover between 4% and 5%, primarily supported by the government stimulus measures.

Despite the domestic economy projected to be in recession in 2020, the overall health of the banking system remains intact. Liquidity assets remain ample. Banking industry liquidity coverage ratio stood at 152% at the end of September 2020, 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 are at 81.9% and 71.5% respectively at end-September 2020.

In the final Monetary Policy Committee ("MPC") meeting for this year, Bank Negara Malaysia ("BNM") decided to maintain its overnight policy rate ("OPR") at 1.75%. It is the second time in a row BNM left the policy rate unchanged. This brings the cumulative rate cut to a total of 125bps. Despite its neutral stance, BNM cautioned that the balance of risk is still tilted to the downside, citing the risk of a further resurgence of COVID-19 infections which could lead to weaker business, employment and income conditions.



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

Nonetheless, with the fiscal stimulus worth RM305.0 billion or 21% of GDP, added with the continued support from monetary measures, BNM is expected to maintain an accommodative policy to support the domestic economy in 2022.

Meanwhile, downside risk remains. A still uncertain external environment underpinned by the COVID-19 pandemic, added with domestic events, could weigh on 2021's stronger growth outlook.

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 coronavirus (COVID-19) outbreak, liquidity and capital management become paramount in preserving the continuity and proper functioning of the banks. At the 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, AmBank Group has 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. Meanwhile, the Group is closely monitoring its credit portfolio for any potential signs of stress.

**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**

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	
	30 September 2020 RM'000	31 March 2020 RM'000	30 September 2020 RM'000	31 March 2020 RM'000
<b>Contingencies</b>				
Direct credit substitutes	1,753,542	1,999,189	1,753,542	1,999,189
Transaction related contingent items	3,363,609	3,538,912	3,363,609	3,538,912
Short term self liquidating trade related contingencies	583,119	642,162	583,119	642,162
Obligations under on-going underwriting agreements	-	20,000	-	20,000
	<u>5,700,270</u>	<u>6,200,263</u>	<u>5,700,270</u>	<u>6,200,263</u>
<b>Commitments</b>				
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	12,351,616	12,167,747	12,410,916	12,222,647
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	1,351,614	1,620,291	1,351,614	1,620,291
Unutilised credit card lines	3,772,406	3,772,652	3,772,406	3,772,652
Forward asset purchase	477,551	1,829,169	477,551	1,829,169
Others	-	-	50	50
	<u>17,953,187</u>	<u>19,389,859</u>	<u>18,012,537</u>	<u>19,444,809</u>
<b>Derivative Financial Instruments</b>				
<b>Foreign exchange related contracts</b>				
- One year or less	36,993,435	37,428,983	36,993,435	37,428,983
- Over one year to five years	5,410,132	6,079,342	5,410,132	6,079,342
- Over five years	1,234,638	940,724	1,234,638	940,724
<b>Interest rate related contracts</b>				
- One year or less	11,045,305	10,348,960	11,045,305	10,348,960
- Over one year to five years	31,932,026	36,813,230	31,932,026	36,813,230
- Over five years	5,290,229	6,534,985	5,290,229	6,534,985
<b>Credit related contracts</b>				
- One year or less	348,523	-	348,523	-
- Over one year to five years	-	356,069	-	356,069
<b>Equity and commodity related contracts</b>				
- One year or less	1,350,500	1,637,791	1,350,500	1,637,791
- Over one year to five years	76,508	132,040	76,508	132,040
- Over five years	-	-	-	-
	<u>93,681,296</u>	<u>100,272,124</u>	<u>93,681,296</u>	<u>100,272,124</u>
<b>Total</b>	<u>117,334,753</u>	<u>125,862,246</u>	<u>117,394,103</u>	<u>125,917,196</u>

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**A34. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS**

**Determination of fair value and fair value hierarchy**

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

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

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

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

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

About 3.0% 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>30 September 2020</b>								
<b>Financial assets measured at fair value</b>								
Derivative financial assets	-	1,727,622	-	1,727,622	-	1,727,622	-	1,727,622
Financial assets at fair value through profit or loss								
- Money market securities	-	5,930,415	-	5,930,415	-	5,930,415	-	5,930,415
- Shares	572,129	-	45	572,174	572,125	-	-	572,125
- Unit trust	17,404	-	-	17,404	17,404	-	-	17,404
- Quoted sukuk	-	38,436	-	38,436	-	38,436	-	38,436
- Unquoted corporate bonds and sukuk	-	756,833	-	756,833	-	756,833	-	756,833
Financial investments at fair value through other comprehensive income								
- Money market securities	-	6,465,882	-	6,465,882	-	6,465,882	-	6,465,882
- Shares	-	-	681,386	681,386	-	-	681,386	681,386
- Unit trust	74,313	-	-	74,313	74,313	-	-	74,313
- Unquoted corporate bonds and sukuk	-	6,570,429	-	6,570,429	-	6,570,429	2,243	6,572,672
	<u>663,846</u>	<u>21,489,617</u>	<u>681,431</u>	<u>22,834,894</u>	<u>663,842</u>	<u>21,489,617</u>	<u>683,629</u>	<u>22,837,088</u>
<b>Financial liabilities measured at fair value</b>								
Derivative financial liabilities	59,428	1,756,351	-	1,815,779	59,428	1,756,351	-	1,815,779

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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 30 September 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	(5,530)	-	(5,530)
Total (losses)/gains recognised in other comprehensive income under fair value reserve	(73)	92,837	92,764
At 30 September 2020	2,243	681,386	683,629
	<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:

	<b>Group</b>		<b>Bank</b>	
	<b>30 September</b>	<b>31 March</b>	<b>30 September</b>	<b>31 March</b>
	<b>2020</b>	<b>2020</b>	<b>2020</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Financial assets at FVTPL</b>				
Total 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	92,764	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>30 September 2020</b>		
Common Equity Tier 1 ("CET 1") Capital Ratio	13.317%	13.191%
Tier 1 Capital Ratio	13.317%	13.191%
Total Capital Ratio	17.666%	17.523%
<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 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).
- (ii) Pursuant to the above BNM's guideline on Capital Adequacy Framework (Capital Components), the minimum capital adequacy ratios to be maintained under the guideline are at 4.5% for CET 1 capital, 6.0% for Tier 1 capital and 8.0% for total capital ratio. In addition, banking institutions are also required to maintain capital buffers in form of CET 1 capital above the minimum CET 1 Capital, Tier 1 Capital and Total Capital adequacy levels. The capital buffers shall comprise the sum of the following:
- (a) a Capital Conservation Buffer ("CCB") of 2.5%;
  - (b) a Countercyclical Capital Buffer ("CCyB") determined as the weighted-average of the prevailing CCyB rates applied in the jurisdictions in which the Bank has credit exposures. BNM will communicate any decision on the CCyB rate by up to 12 months before the date from which the rate applies; and
  - (c) a Higher Loss Absorbency ("HLA") requirement for a financial institution that is designated as a domestic systemically important bank ("D-SIB").



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

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

	Group		Bank	
	30 September 2020 RM'000	31 March 2020 RM'000	30 September 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	7,855,522	7,326,502	7,910,089	7,380,683
Fair value reserve	653,498	368,731	653,552	368,847
Foreign currency translation reserve	85,575	95,766	89,421	99,587
Regulatory reserve	-	311,003	-	311,003
Merger reserve	104,149	104,149	-	-
Cash flow hedging deficit	(22,061)	(28,155)	(22,061)	(28,155)
Less: Regulatory adjustments applied on CET 1 Capital				
- Intangible assets	(263,637)	(264,492)	(263,637)	(264,492)
- Deferred tax assets	-	(33,475)	-	(33,439)
- 55% of cumulative fair value gains in fair value reserve	(359,424)	(202,802)	(359,454)	(202,866)
- Cash flow hedging deficit	22,061	28,155	22,061	28,155
- Regulatory reserve	-	(311,003)	-	(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	(1,017)	(1,086)	(1,017)	(1,086)
<b>Total CET 1 Capital</b>	<b>10,015,131</b>	<b>9,333,758</b>	<b>9,960,931</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>10,015,134</b>	<b>9,333,761</b>	<b>9,960,931</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*	676,280	854,827	676,284	858,821
<b>Total Tier 2 capital</b>	<b>3,271,281</b>	<b>3,449,828</b>	<b>3,271,284</b>	<b>3,453,821</b>
<b>Total Capital</b>	<b>13,286,415</b>	<b>12,783,589</b>	<b>13,232,215</b>	<b>12,733,032</b>

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

	Group		Bank	
	30 September 2020 RM'000	31 March 2020 RM'000	30 September 2020 RM'000	31 March 2020 RM'000
Credit RWA	67,736,356	68,386,131	68,059,312	68,705,693
Market RWA	2,239,461	2,352,255	2,235,743	2,351,627
Operational RWA	4,357,998	4,232,330	4,346,470	4,217,469
Large exposure risk RWA for equity holdings	873,872	657,669	873,872	657,669
<b>Total RWA</b>	<b>75,207,687</b>	<b>75,628,385</b>	<b>75,515,397</b>	<b>75,932,458</b>

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

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**A36. CREDIT EXPOSURE ARISING FROM CREDIT TRANSACTIONS WITH CONNECTED PARTIES**

	Group		Bank	
	30 September 2020 RM'000	31 March 2020 RM'000	30 September 2020 RM'000	31 March 2020 RM'000
Outstanding credit exposures with connected parties (RM'000)	4,742,618	3,976,922	4,847,690	4,091,152
Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures (%)	5.29	4.31	5.29	4.43
Percentage of outstanding credit exposures with connected parties which is non-performing or in default (%)	0.08	0.11	0.08	0.11

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

**A37. 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.