

Registration No. 199401009897 (295576-U)

AmBank Islamic Berhad
(Incorporated in Malaysia)

Condensed Interim Financial Statements
For the Financial Period
1 April 2020 to
30 June 2020
(In Ringgit Malaysia)

**UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020**

		30 June 2020 RM'000	31 March 2020 RM'000
	Note		
ASSETS			
Cash and short-term funds	A8	2,447,277	5,923,761
Deposits and placements with banks and other financial institutions		100,000	-
Derivative financial assets		43,778	59,653
Financial assets at fair value through profit or loss	A9	3,694,650	1,750,250
Financial investments at fair value through other comprehensive income	A10	4,872,394	4,896,694
Financial investments at amortised cost	A11	1,691,011	1,689,082
Financing and advances	A12	32,138,330	31,906,797
Statutory deposit with Bank Negara Malaysia		95,000	147,000
Other assets	A13	433,175	255,124
Property and equipment		462	481
Right-of-use assets		2,682	2,759
Intangible assets		946	1,034
TOTAL ASSETS		45,519,705	46,632,635
LIABILITIES AND EQUITY			
Deposits from customers	A14	35,335,889	34,672,130
Investment accounts of customers	A15	122,348	208,726
Deposits and placements of banks and other financial institutions	A16	2,640,588	3,541,575
Investment account due to a licensed bank	A17	718,606	718,005
Recourse obligation on financing sold to Cagamas Berhad		400,000	1,000,000
Derivative financial liabilities		69,841	83,865
Term funding		1,034,714	1,034,697
Subordinated Sukuk		1,150,000	1,150,000
Deferred tax liability		21,745	7,884
Other liabilities	A18	241,220	549,734
Provision for zakat		3,275	2,641
TOTAL LIABILITIES		41,738,226	42,969,257
Share capital		1,387,107	1,387,107
Reserves		2,394,372	2,276,271
Equity attributable to equity holder of the Bank		3,781,479	3,663,378
TOTAL LIABILITIES AND EQUITY		45,519,705	46,632,635
COMMITMENTS AND CONTINGENCIES	A34	14,363,000	13,487,792
NET ASSETS PER SHARE (RM)		7.65	7.41

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

**UNAUDITED STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2020**

	Note	Individual Quarter		Cumulative Quarter	
		30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
Income derived from investment of depositors' funds	A19	412,675	453,056	412,675	453,056
Income derived from investment of investment account funds	A20	8,949	20,072	8,949	20,072
Income derived from investment of shareholder's funds	A21	41,340	46,655	41,340	46,655
Allowance for impairment on financing and advances - net	A22	(29,875)	(31,369)	(29,875)	(31,369)
Impairment writeback/(losses) on financial investments	A23	(414)	671	(414)	671
Impairment writeback on other financial assets	A24	11	3	11	3
Provision for commitments and contingencies	A25	(2,092)	(478)	(2,092)	(478)
Total distributable income		430,594	488,610	430,594	488,610
Income attributable to the depositors and others	A26	(235,333)	(260,823)	(235,333)	(260,823)
Income attributable to the investment account holders	A27	(7,677)	(18,793)	(7,677)	(18,793)
Total net income		187,584	208,994	187,584	208,994
Other operating expenses	A28	(72,870)	(75,153)	(72,870)	(75,153)
Finance cost		(24,657)	(25,704)	(24,657)	(25,704)
Profit before zakat and taxation		90,057	108,137	90,057	108,137
Zakat		(634)	(717)	(634)	(717)
Taxation		(19,296)	(23,293)	(19,296)	(23,293)
Profit for the financial period		70,127	84,127	70,127	84,127
Basic/Diluted earnings per share (sen)	A29	14.19	17.02	14.19	17.02

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

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

	Individual Quarter		Cumulative Quarter	
	30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
Profit for the financial period	70,127	84,127	70,127	84,127
Other comprehensive income/(loss):				
Items that may be reclassified subsequently to profit or loss:				
Financial investments at fair value through other comprehensive income:				
Net unrealised gain on changes in fair value	63,027	25,800	63,027	25,800
Expected credit loss	101	(640)	101	(640)
Net gain reclassified to statement of profit or loss	(36)	(2,996)	(36)	(2,996)
Income tax effect	(15,118)	(5,473)	(15,118)	(5,473)
Other comprehensive income for the period, net of tax	47,974	16,691	47,974	16,691
Total comprehensive income for the financial period	118,101	100,818	118,101	100,818

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

**UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2020**

	Attributable to Equity Holder of the Bank				Total equity RM'000
	Non-distributable		Distributable		
	Share capital RM'000	Regulatory reserve RM'000	Fair value reserve RM'000	Retained earnings RM'000	
At 1 April 2019	1,387,107	164,928	39,151	1,933,885	3,525,071
Profit for the financial period	-	-	-	84,127	84,127
Other comprehensive income, net of tax	-	-	16,691	-	16,691
Total comprehensive income for the financial period	-	-	16,691	84,127	100,818
Transfer to regulatory reserve	-	76,773	-	(76,773)	-
Dividend on ordinary shares:					
- interim, financial year ended 31 March 2020	-	-	-	(163,142)	(163,142)
Transactions with owner and other equity movements	-	76,773	-	(239,915)	(163,142)
At 30 June 2019	1,387,107	241,701	55,842	1,778,097	3,462,747
At 1 April 2020	1,387,107	71,612	56,249	2,148,410	3,663,378
Profit for the financial period	-	-	-	70,127	70,127
Other comprehensive income, net of tax	-	-	47,974	-	47,974
Total comprehensive income for the financial period	-	-	47,974	70,127	118,101
Transfer from regulatory reserve	-	(14,712)	-	14,712	-
Transactions with owner and other equity movements	-	(14,712)	-	14,712	-
At 30 June 2020	1,387,107	56,900	104,223	2,233,249	3,781,479

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

**UNAUDITED CONDENSED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2020**

	30 June 2020 RM'000	30 June 2019 RM'000
Profit before zakat and taxation	90,057	108,137
Adjustments for non-operating and non-cash items	150,860	26,772
Operating profit before working capital changes	<u>240,917</u>	<u>134,909</u>
Changes in working capital:		
Net change in operating assets	(2,425,487)	2,831,575
Net change in operating liabilities	(1,233,532)	(3,105,875)
Taxation paid	(51,951)	(31,662)
Net cash used in operating activities	<u>(3,470,053)</u>	<u>(171,053)</u>
Net cash generated from/(used in) investing activities	93,642	(814,000)
Net cash used in financing activities	(84)	(163,142)
Net decrease in cash and cash equivalents	<u>(3,376,495)</u>	<u>(1,148,195)</u>
Cash and cash equivalents at beginning of the financial year	5,923,787	1,568,649
Cash and cash equivalents at end of the financial period	<u>2,547,292</u>	<u>420,454</u>
Cash and cash equivalents comprise:		
Cash and short-term funds	2,447,277	420,451
Deposits and placements with banks and other financial institutions with original maturity of less than 3 months	100,000	-
	<u>2,547,277</u>	<u>420,451</u>
Allowances for expected credit loss for cash and cash equivalents at end of the financial period	15	3
	<u>2,547,292</u>	<u>420,454</u>

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

Explanatory Notes

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 financing and advances does not automatically result in stage transfer under MFRS9 *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 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 which became effective for the first time for the Bank on 1 April 2020:

- 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)

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

The nature of the amendments to published standards relevant to 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 Bank.

A1. BASIS OF PREPARATION (CONT'D.)

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

(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 is no business combination or asset acquisition that occurred during the financial quarter ended 30 June 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 Bank.

(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 Bank to assume that the profit rate on which the hedged cash flows are based does not change as a result of the reform. Accordingly, 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.

A1. BASIS OF PREPARATION (CONT'D.)

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

Standards issued but not yet effective

Description	Effective for annual periods beginning on or after
- Covid-19-Related Rent Concessions (Amendment of MFRS 16)	1 June 2020
- MFRS 17 <i>Insurance Contracts</i>	1 January 2021
- Classification of Liabilities as Current or Non-Current (Amendments to MFRS 101)	1 January 2022
- 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
- Amendments to MFRS 17	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 amendments to published standards that are issued but not yet effective are described below. The Bank is assessing the financial effects of their adoption except for MFRS 17 which is not relevant to the Bank as the Bank do not issue any insurance contract or investment contract with discretionary participation features.

(a) Amendments to published standards effective for financial year ending 31 March 2022

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. This amendment is not expected to have any impact to the Group as the Group has not revised or is seeking any revision to lease payments in its lease arrangements as a consequence of the Covid-19 pandemic.

A1. BASIS OF PREPARATION (CONT'D.)

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

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

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 2022. Early adoption is permitted. Nevertheless, the effective date may be deferred by a year to 1 January 2023, subject to the standard setter's consultations. The amendments are not expected to result in any impact as the Bank presents all assets and liabilities in the statement of financial position in order of liquidity.

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 it 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.)

(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.

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*

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.

(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 IFRS 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.

(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.

A1. BASIS OF PREPARATION (CONT'D.)

A1.2 Significant Accounting judgements, Estimates and Assumptions

The preparation of the condensed interim financial statements in accordance with MFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of revenue, expenses, assets and liabilities, the accompanying disclosures and the disclosure of contingent liabilities. judgements, estimates and assumptions are continually evaluated and are based on the 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 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.

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 Bank were not materially affected by any seasonal or cyclical fluctuation in the current financial quarter.

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 financing 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 financing, denominated in Ringgit Malaysia, that have not been in arrears for more than 90 days as at 1 April 2020.

The Bank had participated in government support measures in response to COVID-19 pandemic which includes providing Special Relief Facility ("SRF") financing at concessionary rate to assist SME businesses adversely impacted by the COVID-19 pandemic. Funding for the SRF was provided by a related company at a concessionary rate and the fair value gain of RM8,966,000 was recognised in income attributable to depositors and others in the statement of profit or loss.

The financial impact arising from the measures implemented in response to COVID-19 as disclosed in Note A19 and A21.

Other than the impact of COVID-19 as disclosed above, there were no unusual items during the current financial quarter.

A5. CHANGES IN ESTIMATES

There was no material change in estimates of amounts reported in prior financial years that have a material effect on the financial period ended 30 June 2020.

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

There were no new issuance of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares nor resale of treasury shares and repayment of debt securities by the Bank during the financial quarter.

A7. DIVIDENDS

The Directors do not recommend the payment of any dividend in respect of the financial quarter ended 30 June 2020 and no dividends were paid in the current financial quarter.

A8. CASH AND SHORT-TERM FUNDS

		30 June 2020 RM'000	31 March 2020 RM'000
	Note		
Cash and bank balances		128,292	457,567
Less: Allowances for Expected Credit Loss ("ECL")	(a)	(15)	(26)
		<u>128,277</u>	<u>457,541</u>
Deposits and placements maturing within one month:			
Other financial institutions		100,000	350,000
Bank Negara Malaysia		2,219,000	5,116,220
		<u>2,319,000</u>	<u>5,466,220</u>
		<u>2,447,277</u>	<u>5,923,761</u>

(a) The movements in allowances for ECL are as follow:

	Stage 1 12-Month ECL RM'000
30 June 2020	
Balance at beginning of the financial period	26
Allowances for ECL:	(11)
Changes in model assumptions and methodologies	(8)
Net remeasurement of allowances	(3)
Balance at end of the financial period	<u>15</u>
31 March 2020	
Balance at beginning of the financial year	6
Allowances for ECL:	19
Changes in model assumptions and methodologies	8
Net remeasurement of allowances	11
Foreign exchange differences	1
Balance at end of the financial year	<u>26</u>

A9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2020 RM'000	31 March 2020 RM'000
At fair value:		
Money Market Instruments:		
Malaysian Islamic Treasury bills	2,175,349	468,011
Islamic Negotiable instruments of deposit	999,025	-
Malaysian Government Investment Issues	512,426	870,243
Bank Negara Monetary Notes	-	299,187
	<u>3,686,800</u>	<u>1,637,441</u>
Unquoted Securities:		
In Malaysia:		
Sukuk	7,850	112,809
	<u>3,694,650</u>	<u>1,750,250</u>

A10. FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 June 2020 RM'000	31 March 2020 RM'000
At fair value:		
Money Market Instruments:		
Malaysian Government Investment Issues	1,227,229	1,301,151
Islamic Negotiable Instruments of Deposit	446,067	299,544
	<u>1,673,296</u>	<u>1,600,695</u>
Unquoted Securities:		
In Malaysia:		
Sukuk	3,199,098	3,295,999
	<u>4,872,394</u>	<u>4,896,694</u>

A10. FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONT'D.)

The Bank had undertaken a fair value hedge on the profit rate risk of unquoted sukuk of RM350.0 million using profit rate swap with AmBank (M) Berhad ("AmBank"). The gain/(loss) arising from the fair value hedge during the current financial period/year is as follows:

	30 June 2020 RM'000	31 March 2020 RM'000
Relating to hedged item	1,572	14,479
Relating to hedging instrument	(1,676)	(15,347)
	<u>(104)</u>	<u>(868)</u>

The fair value changes on the hedge item is taken up under fair value reserve and the hedging gain or loss on the hedged item is reclassified to profit or loss.

Movements in allowances for ECL are as follows:

	Stage 1 12-Month ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Total RM'000
30 June 2020			
Balance at beginning of the financial period	3,958	15,675	19,633
(Writeback of allowances for)/allowances for ECL:	(711)	812	101
New financial assets originated	465	-	465
Financial assets derecognised	(497)	-	(497)
Changes in model assumptions and methodologies	(704)	(199)	(903)
Net remeasurement of allowances	25	1,011	1,036
Balance at end of the financial period	<u>3,247</u>	<u>16,487</u>	<u>19,734</u>

31 March 2020

Balance at beginning of the financial year	2,383	18,636	21,019
Allowances for/(writeback of allowances for) ECL:	1,575	(2,961)	(1,386)
- Transfer to Stage 1	561	(689)	(128)
- Transfer to Stage 2	(260)	334	74
New financial assets originated	4,546	2,759	7,305
Financial assets derecognised	(4,100)	(2,722)	(6,822)
Changes in model assumptions and methodologies	1,149	2,199	3,348
Net remeasurement of allowances	(321)	(4,842)	(5,163)
Balance at end of the financial year	<u>3,958</u>	<u>15,675</u>	<u>19,633</u>

A11. FINANCIAL INVESTMENTS AT AMORTISED COST

	Note	30 June 2020 RM'000	31 March 2020 RM'000
At amortised cost:			
Money Market Instruments:			
Malaysian Government Investment Issues		260,763	260,733
Unquoted Securities:			
In Malaysia:			
Sukuk		1,430,844	1,428,632
Less: Allowances for ECL	(a)	(596)	(283)
		<u>1,691,011</u>	<u>1,689,082</u>

(a) The movements in allowances for ECL are as follows:

	Stage 1 12-Month ECL RM'000
30 June 2020	
Balance at beginning of the financial period	283
Allowances for ECL:	313
Changes in model assumptions and methodologies	278
Net remeasurement of allowances	35
Balance at end of the financial period	<u>596</u>
31 March 2020	
Balance at beginning of the financial year	307
Writeback of ECL:	(24)
Financial asset derecognised	(32)
Changes in model assumptions and methodologies	71
Net remeasurement of allowances	(63)
Balance at end of the financial year	<u>283</u>

A12. FINANCING AND ADVANCES

A12a. Financing and advances by type and Shariah contracts are as follows:

30 June 2020

	Bai' Bithaman		Musharakah	Al-Ijarah	Bai' Inah	Others	Total
	Ajil	Murabahah	Mutanaqisah	Thummah Al			
	RM'000	RM'000	RM'000	-Bai' ("AITAB") RM'000	RM'000	RM'000	RM'000
At amortised cost:							
Cash lines	-	530,121	-	-	640,321	-	1,170,442
Term financing	584,310	9,526,887	9,716	-	1,679,251	43,411	11,843,575
Revolving credit	42,088	3,945,961	-	-	1,223,553	-	5,211,602
Housing financing	2,827,271	4,847,865	46,049	-	-	-	7,721,185
Hire purchase receivables	4	-	-	3,614,598	-	-	3,614,602
Bills receivables	-	573,309	-	-	-	15,350	588,659
Credit card receivables	-	-	-	-	-	459,722	459,722
Trust receipts	-	220,926	-	-	-	-	220,926
Staff financing	-	3,409	-	-	-	-	3,409
Claims on customers under acceptance credits	-	1,213,484	-	-	-	172,828	1,386,312
Others	-	265,587	-	-	-	21,978	287,565
Gross financing and advances*	<u>3,453,673</u>	<u>21,127,549</u>	<u>55,765</u>	<u>3,614,598</u>	<u>3,543,125</u>	<u>713,289</u>	<u>32,507,999</u>
Less: Allowance for ECL (Note A12(j))							
- Stage 1 - 12 months ECL							(100,714)
- Stage 2 - Lifetime ECL not credit impaired							(185,177)
- Stage 3 - Lifetime ECL credit impaired							(83,778)
Net financing and advances							<u>32,138,330</u>

A12. FINANCING AND ADVANCES (CONT'D.)

A12a. Financing and advances by type and Shariah contracts are as follows (Cont'd.):

31 March 2020

	Bai' Bithaman		Musharakah	Al-Ijarah	Bai' Inah	Others	Total
	Ajil	Murabahah	Mutanaqisah	Thummah Al			
	RM'000	RM'000	RM'000	-Bai' ("AITAB")	RM'000	RM'000	RM'000
				RM'000			
At amortised cost:							
Cash lines	-	590,232	-	-	852,540	-	1,442,772
Term financing	592,256	8,977,666	9,683	-	1,768,433	46,485	11,394,523
Revolving credit	42,097	3,611,362	-	-	1,438,189	-	5,091,648
Housing financing	2,818,376	4,608,763	46,279	-	-	-	7,473,418
Hire purchase receivables	4	-	-	3,769,943	-	-	3,769,947
Bills receivables	-	188,629	-	-	-	19,886	208,515
Credit card receivables	-	-	-	-	-	504,532	504,532
Trust receipts	-	231,520	-	-	-	-	231,520
Staff financing	-	2,443	-	-	-	-	2,443
Claims on customers under acceptance credits	-	1,638,191	-	-	-	295,391	1,933,582
Others	-	220,375	-	-	-	-	220,375
Gross financing and advances*	<u>3,452,733</u>	<u>20,069,181</u>	<u>55,962</u>	<u>3,769,943</u>	<u>4,059,162</u>	<u>866,294</u>	<u>32,273,275</u>
Less: Allowance for ECL (Note A12(j))							
- Stage 1 - 12 months ECL							(101,638)
- Stage 2 - Lifetime ECL not credit impaired							(167,791)
- Stage 3 - Lifetime ECL credit impaired							(97,049)
Net financing and advances							<u>31,906,797</u>

* Included in financing and advances are exposures to the Restricted Investment Account ("RA") arrangement between the Bank and AmBank (M) Berhad ("AmBank") amounting to RM720.2 million (31 March 2020: RM719.9 million). Under the RA contract, the profit is shared based on a pre-agreed ratio. AmBank is exposed to the risks and rewards on the RA financing and it shall account for all allowance for impairment arising from the RA financing. Further details of the RA are disclosed in Note A17.

A12. FINANCING AND ADVANCES (CONT'D.)

A12b. Gross financing and advances analysed by type of customer are as follows:

	30 June 2020 RM'000	31 March 2020 RM'000
Domestic non-bank financial institutions	1,673,771	1,409,310
Domestic business enterprises		
- Small medium enterprises ("SME")	6,252,816	6,408,267
- Others	8,420,678	8,600,865
Government and statutory bodies	506,207	506,597
Individuals	15,560,895	15,247,461
Other domestic entities	7,797	14,905
Foreign individuals and entities	85,835	85,870
	<u>32,507,999</u>	<u>32,273,275</u>

A12c. All financing and advances reside in Malaysia.

A12d. Gross financing and advances analysed by profit rate sensitivity are as follows:

	30 June 2020 RM'000	31 March 2020 RM'000
Fixed rate		
- Housing financing	207,299	192,850
- Hire purchase receivables	3,523,418	3,671,333
- Other financing	3,302,381	3,472,327
Variable rate		
- Base rate and base financing rate plus	13,777,455	13,308,991
- Cost plus	9,689,264	9,473,109
- Other variable rates	2,008,182	2,154,665
	<u>32,507,999</u>	<u>32,273,275</u>

A12. FINANCING AND ADVANCES (CONT'D.)

A12e. Gross financing and advances analysed by sector are as follows:

	30 June 2020 RM'000	31 March 2020 RM'000
Agriculture	1,232,458	1,377,805
Mining and quarrying	1,086,038	1,115,289
Manufacturing	4,021,611	3,939,010
Electricity, gas and water	159,546	164,430
Construction	1,165,761	1,226,178
Wholesale and retail trade and hotel and restaurants	1,736,962	1,889,223
Transport, storage and communication	1,628,600	1,609,027
Finance and insurance	1,673,771	1,409,310
Real estate	2,071,284	2,026,922
Business activities	1,326,972	1,386,013
Education and health	758,266	796,737
Household of which:	15,646,730	15,333,331
- Purchase of residential properties	7,667,517	7,425,842
- Purchase of transport vehicles	3,260,009	3,416,102
- Others	4,719,204	4,491,387
	<u>32,507,999</u>	<u>32,273,275</u>

A12f. Gross financing and advances analysed by residual contractual maturity are as follows:

	30 June 2020 RM'000	31 March 2020 RM'000
Maturing within one year	10,576,061	10,373,051
Over one year to three years	2,487,095	2,573,817
Over three years to five years	3,509,687	3,663,358
Over five years	15,935,156	15,663,049
	<u>32,507,999</u>	<u>32,273,275</u>

A12. FINANCING AND ADVANCES (CONT'D.)

A12g. Movements in impaired financing and advances are as follows:

	30 June 2020 RM'000	31 March 2020 RM'000
Balance at beginning of the financial period/year	615,350	572,549
Additions during the period/year	33,759	455,618
Reclassified as non-impaired	(14,757)	(46,370)
Recoveries	(19,852)	(88,965)
Amount written off	(39,142)	(277,482)
Balance at end of the financial period/year	<u>575,358</u>	<u>615,350</u>
Gross impaired financing and advances as % of gross financing and advances	<u>1.77%</u>	<u>1.91%</u>
Financing loss coverage (including regulatory reserve)	<u>77.7%</u>	<u>74.2%</u>

A12h. All impaired financing and advances reside in Malaysia.

A12i. Impaired financing and advances by sector are as follows:

	30 June 2020 RM'000	31 March 2020 RM'000
Agriculture	47,724	47,758
Mining and quarrying	2,216	2,370
Manufacturing	34,292	29,443
Construction	3,271	3,221
Wholesale and retail trade and hotel and restaurants	55,660	55,256
Transport, storage and communication	48,991	49,007
Real estate	243,087	243,083
Business activities	10,502	10,486
Education and health	2,294	2,325
Household of which:	127,318	172,401
- Purchase of residential properties	84,787	89,370
- Purchase of transport vehicles	17,867	43,072
- Others	24,664	39,959
	<u>575,358</u>	<u>615,350</u>

A12. FINANCING AND ADVANCES (CONT'D.)

A12j. The movements in the allowances for ECL are as follows:

	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL Not Credit Impaired RM'000	Stage 3 Lifetime ECL Credit Impaired RM'000	Total RM'000
30 June 2020				
Balance at beginning of the financial period	101,638	167,791	97,049	366,478
(Writeback) of/allowances for ECL:	(949)	17,386	25,871	42,308
- Transfer to Stage 1	1,963	(11,192)	(186)	(9,415)
- Transfer to Stage 2	(3,586)	20,534	(4,517)	12,431
- Transfer to Stage 3	(57)	(383)	3,931	3,491
New financial assets originated	6,179	5,337	61	11,577
Net remeasurement of allowances	(3,633)	3,951	39,723	40,041
Changes to model assumptions and methodologies	2,465	2,416	(98)	4,783
Modification of contractual cash flows of financial assets	(7)	297	-	290
Financial assets derecognised	(4,273)	(3,574)	(13,043)	(20,890)
Foreign exchange differences	25	-	-	25
Amount written-off	-	-	(39,142)	(39,142)
Balance at end of the financial period	<u>100,714</u>	<u>185,177</u>	<u>83,778</u>	<u>369,669</u>
31 March 2020				
Balance at beginning of the financial year	80,362	204,632	122,627	407,621
Allowances for/(writeback of) ECL:	21,299	(36,841)	251,904	236,362
- Transfer to Stage 1	3,659	(35,197)	(1,531)	(33,069)
- Transfer to Stage 2	(7,841)	60,718	(9,447)	43,430
- Transfer to Stage 3	(883)	(6,440)	34,238	26,915
New financial assets originated	27,824	18,218	2,134	48,176
Net remeasurement of allowances*	(8,935)	(66,765)	260,423	184,723
Changes to model assumptions and methodologies	22,825	20,731	(312)	43,244
Modification of contractual cash flows of financial assets	410	(179)	-	231
Financial assets derecognised	(15,760)	(27,927)	(33,601)	(77,288)
Foreign exchange differences	(23)	-	-	(23)
Amount written-off	-	-	(277,482)	(277,482)
Balance at end of the financial year	<u>101,638</u>	<u>167,791</u>	<u>97,049</u>	<u>366,478</u>

* Included an ECL amount transferred from AmBank of RM3.3 million due to early redemption of RA.

A13. OTHER ASSETS

	30 June 2020 RM'000	31 March 2020 RM'000
Other receivables, deposits and prepayments	122,741	29,322
Amount due from related companies	133,840	77,114
Profit receivable	74,025	62,910
Tax recoverable	39,438	24,848
Deferred charges	63,131	60,930
	<u>433,175</u>	<u>255,124</u>

A14. DEPOSITS FROM CUSTOMERS

	30 June 2020 RM'000	31 March 2020 RM'000
(i) By type of deposit:		
Savings deposit:		
Commodity Murabahah	2,616,060	2,365,009
Qard	77,257	61,836
Demand deposit:		
Commodity Murabahah	7,797,924	7,812,982
Qard	689,324	337,707
Term deposits:		
Commodity Murabahah	23,921,402	23,517,738
Qard	233,922	278,734
Negotiable instruments of deposits:		
Bai' Bithaman Ajil	-	298,124
Total	<u>35,335,889</u>	<u>34,672,130</u>

(ii) The deposits are sourced from the following types of customers:

Government and statutory bodies	3,783,266	3,024,183
Business enterprises	21,044,112	21,496,027
Individuals	9,275,057	9,110,214
Others	1,233,454	1,041,706
	<u>35,335,889</u>	<u>34,672,130</u>

(iii) The maturity structure of all term deposits and negotiable instruments of deposits are as follows:

Due within six months	19,208,734	19,728,247
Over six months to one year	3,920,055	3,207,927
Over one year to three years	1,014,063	1,141,416
Over three years to five years	12,472	17,006
	<u>24,155,324</u>	<u>24,094,596</u>

A15. INVESTMENT ACCOUNTS OF CUSTOMERS

	30 June 2020 RM'000	31 March 2020 RM'000
Unrestricted investment account:		
Without maturity		
- Wakalah	17,489	16,087
With maturity		
- Mudarabah	104,859	192,639
	<u>122,348</u>	<u>208,726</u>

The investments accounts are sourced from the following types of customers:

Business enterprises	90,673	170,926
Individuals	31,675	37,800
	<u>122,348</u>	<u>208,726</u>

	Wakalah RM'000	Mudarabah RM'000
Investment assets:		
30 June 2020		
Interbank placement	17,489	-
House financing	-	104,859
Total investment	<u>17,489</u>	<u>104,859</u>
31 March 2020		
Interbank placement	16,087	-
House financing	-	192,639
Total investment	<u>16,087</u>	<u>192,639</u>

A15. INVESTMENT ACCOUNTS OF CUSTOMERS (CONT'D.)

Average Rate of Return and Average Performance Incentive Fee for the investment accounts are as follows:

	Investment account holder		
	Average profit sharing ratio (%)	Average rate of return (%)	Average performance incentive fee (%)
30 June 2020			
Maturity :			
- less than 3 months	63.90	2.03	2.29
- between 3 months to 12 months	74.06	3.31	-
31 March 2020			
Maturity :			
- less than 3 months	75.03	3.12	2.99
- between 3 months to 12 months	82.09	3.77	-

A16. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	30 June 2020 RM'000	31 March 2020 RM'000
<u>Non-Mudarabah</u>		
Licensed Islamic banks	249,010	399,390
Licensed banks	518,874	921,876
Licensed investment bank	332,957	480,845
Other financial institutions	1,529,897	1,729,954
Bank Negara Malaysia	9,850	9,510
Total	<u>2,640,588</u>	<u>3,541,575</u>

A17. INVESTMENT ACCOUNT DUE TO A LICENSED BANK

	30 June 2020 RM'000	31 March 2020 RM'000
<u>Restricted investment account ("RA")</u>		
- Mudarabah Muqayyadah	<u>718,606</u>	<u>718,005</u>
Investment asset:		
Financing	<u>718,606</u>	<u>718,005</u>
Total investment	<u>718,606</u>	<u>718,005</u>

A17. INVESTMENT ACCOUNT DUE TO A LICENSED BANK (CONT'D.)

Average Profit Sharing Ratio and Average Rate of Return for the investment account based on original contractual maturity are as follows:

	Investment account holder			
	30 June 2020	31 March 2020	30 June 2020	31 March 2020
	Average profit sharing ratio (%)	Average profit sharing ratio (%)	Average rate of return (%)	Average rate of return (%)
Maturity:				
over 2 years to 5 years	90	89	3.39	4.04
more than 5 years	90	90	4.34	3.76

The RA is a contract based on the Shariah concept of Mudarabah between two parties, that is, capital provider and entrepreneur to finance a business venture where the business venture is managed solely by the Bank as the entrepreneur. The profit of the business venture is shared between both parties based on a pre-agreed ratio. The capital provider for the RA contracts is AmBank, a related company.

As at 30 June 2020, ECL allowance for the investment asset borne by AmBank amounted to RM1.6 million (31 March 2020: RM2.3 million).

As at 30 June 2020, the tenure of the RA contracts is for a period of 2 years to 10 years (31 March 2020: 2 years to 10 years).

A18. OTHER LIABILITIES

	Note	30 June 2020 RM'000	31 March 2020 RM'000
Profit payable		147,538	153,819
Other creditors and accruals		40,297	346,511
Lease liabilities		2,639	2,704
Provision for reinstatement for leased properties		80	79
Deferred income		14,736	13,344
Advance rental		10,047	9,508
Amount due to related companies		24	-
Provision for commitments and contingencies		5,500	5,500
Allowances for ECL on financing commitments and financial guarantees	(a)	20,359	18,269
		<u>241,220</u>	<u>549,734</u>

A18. OTHER LIABILITIES (CONT'D.)

(a) The movements in allowances for ECL are as follows:

	Stage 1	Stage 2	Stage 3	
	12-month	Lifetime ECL	Lifetime ECL	
	ECL	Not Credit	Credit	
	RM'000	Impaired	Impaired	Total
		RM'000	RM'000	RM'000
30 June 2020				
Balance at beginning of the financial period	11,681	6,581	7	18,269
Allowances for/(writeback of allowances for) ECL:	779	1,313	-	2,092
- Transfer to Stage 1	302	(1,675)	-	(1,373)
- Transfer to Stage 2	(295)	2,368	-	2,073
- Transfer to Stage 3	(8)	(44)	52	-
New exposures originated	1,961	492	-	2,453
Net remeasurement of allowances	2,207	291	-	2,498
Changes to model assumptions and methodologies	(806)	290	-	(516)
Exposures derecognised/withdrawn	(2,582)	(409)	(52)	(3,043)
Foreign exchange differences	(2)	-	-	(2)
Balance at end of the financial period	<u>12,458</u>	<u>7,894</u>	<u>7</u>	<u>20,359</u>
31 March 2020				
Balance at beginning of the financial year	10,135	8,083	12	18,230
Allowances for/(writeback of) ECL:	1,539	(1,502)	(5)	32
- Transfer to Stage 1	234	(2,022)	-	(1,788)
- Transfer to Stage 2	(396)	2,384	-	1,988
- Transfer to Stage 3	(43)	(90)	-	(133)
New exposures originated	3,015	1,843	-	4,858
Net remeasurement of allowances	(1,065)	(3,167)	15	(4,217)
Changes in model assumptions and methodologies	3,160	714	(20)	3,854
Exposures derecognised	(3,366)	(1,164)	-	(4,530)
Foreign exchange differences	7	-	-	7
Balance at end of the financial year	<u>11,681</u>	<u>6,581</u>	<u>7</u>	<u>18,269</u>

A19. INCOME DERIVED FROM INVESTMENT OF DEPOSITORS' FUNDS

	Individual Quarter		Cumulative Quarter	
	30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
<u>Finance income and hibah:</u>				
Financing and advances				
- Financing income*	292,632	327,970	292,632	327,970
- Financing income on impaired financing	310	602	310	602
Financial assets at fair value through profit or loss	15,190	30,034	15,190	30,034
Financial investments at fair value through other comprehensive income	46,413	40,010	46,413	40,010
Financial investments at amortised cost	17,443	17,224	17,443	17,224
Deposits and placements with banks and other financial institutions	21,044	8,810	21,044	8,810
Total finance income and hibah	393,032	424,650	393,032	424,650
<u>Other operating income:</u>				
Fee and commission income:				
- Fees on financing, advances and securities	5,884	13,922	5,884	13,922
- Guarantee fees	3,183	4,094	3,183	4,094
- Remittances	18	38	18	38
- Service charges and fees	548	523	548	523
- Others	774	1,383	774	1,383
Foreign exchange	(658)	848	(658)	848
Gain from disposal of financial assets at fair value through profit or loss	10,567	4,589	10,567	4,589
Gain on revaluation of financial assets at fair value through profit or loss	778	661	778	661
Gain from disposal of financial investments at fair value through other comprehensive income	33	2,734	33	2,734
Net loss on derivatives	(1,532)	(502)	(1,532)	(502)
Others	48	116	48	116
Total other operating income	19,643	28,406	19,643	28,406
Total	412,675	453,056	412,675	453,056

* Included the net loss of RM34,801,000 from measures implemented in response to COVID-19 pandemic.

A20. INCOME DERIVED FROM INVESTMENT OF INVESTMENT ACCOUNT FUNDS

	Individual Quarter		Cumulative Quarter	
	30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
Income derived from investment of:				
- Restricted investment account	7,328	17,797	7,328	17,797
- Unrestricted investment accounts	1,621	2,275	1,621	2,275
	<u>8,949</u>	<u>20,072</u>	<u>8,949</u>	<u>20,072</u>

Income derived from investment of restricted investment account

Finance income and hibah:

Financing and advances

- Financing income	7,328	17,797	7,328	17,797
Total finance income and hibah	<u>7,328</u>	<u>17,797</u>	<u>7,328</u>	<u>17,797</u>

Income derived from investment of unrestricted investment accounts

Finance income and hibah:

Financing and advances

- Financing income	1,524	2,128	1,524	2,128
Deposits and placements with banks and other financial institutions	97	147	97	147
Total finance income and hibah	<u>1,621</u>	<u>2,275</u>	<u>1,621</u>	<u>2,275</u>

A21. INCOME DERIVED FROM INVESTMENT OF SHAREHOLDER'S FUNDS

	Individual Quarter		Cumulative Quarter	
	30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
<u>Finance income and hibah:</u>				
Financing and advances				
- Financing income*	27,034	31,455	27,034	31,455
- Financing income on impaired financing	29	58	29	58
Financial assets at fair value through profit or loss	1,403	2,880	1,403	2,880
Financial investments at fair value through other comprehensive income	4,288	3,837	4,288	3,837
Financial investments at amortised cost	1,611	1,652	1,611	1,652
Deposits and placements with banks and other financial institutions	1,944	845	1,944	845
Total finance income and hibah	<u>36,309</u>	<u>40,727</u>	<u>36,309</u>	<u>40,727</u>
<u>Other operating income:</u>				
Fee and commission income:				
- Bancassurance commission	1,612	1,518	1,612	1,518
- Fees on financing, advances and securities	556	1,353	556	1,353
- Guarantee fees	294	393	294	393
- Remittances	246	171	246	171
- Service charges and fees	858	819	858	819
- Others	613	865	613	865
Foreign exchange	(61)	81	(61)	81
Gain from disposal of financial assets at fair value through profit or loss	976	440	976	440
Gain on revaluation of financial assets at fair value through profit or loss	72	63	72	63
Gain from disposal of financial investments at fair value through other comprehensive income	3	262	3	262
Net loss on derivatives	(142)	(48)	(142)	(48)
Others	4	11	4	11
Total other operating income	<u>5,031</u>	<u>5,928</u>	<u>5,031</u>	<u>5,928</u>
Total	<u>41,340</u>	<u>46,655</u>	<u>41,340</u>	<u>46,655</u>

* Included the net loss of RM3,215,000 from measures implemented in response to COVID-19 pandemic.

A22. ALLOWANCES FOR IMPAIRMENT ON FINANCING AND ADVANCES

	Individual Quarter		Cumulative Quarter	
	30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
Allowance for impairment on financing and advances	42,308	49,065	42,308	49,065
Impaired financing and advances recovered, net	(12,433)	(17,696)	(12,433)	(17,696)
Total	29,875	31,369	29,875	31,369

A23. IMPAIRMENT LOSSES/(WRITEBACK) ON FINANCIAL INVESTMENTS

	Individual Quarter		Cumulative Quarter	
	30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
Financial investments at amortised cost - sukuk	313	(31)	313	(31)
Financial investments at fair value through other comprehensive income - sukuk	101	(640)	101	(640)
Total	414	(671)	414	(671)

A24. IMPAIRMENT (WRITEBACK)/LOSSES ON OTHER ASSETS

	Individual Quarter		Cumulative Quarter	
	30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
Cash and short-term funds	(11)	(3)	(11)	(3)

A25. PROVISION FOR COMMITMENTS AND CONTINGENCIES

	Individual Quarter		Cumulative Quarter	
	30 June	30 June	30 June	30 June
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Provision for commitments and contingencies - financing commitments and financial guarantee contracts	2,092	478	2,092	478

A26. INCOME ATTRIBUTABLE TO THE DEPOSITORS AND OTHERS

	Individual Quarter		Cumulative Quarter	
	30 June	30 June	30 June	30 June
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
<u>Non-Mudarabah fund</u>				
Deposit from customers	218,180	234,354	218,180	234,354
Deposits and placements of banks and other financial institutions	9,057	19,364	9,057	19,364
	<u>227,237</u>	<u>253,718</u>	<u>227,237</u>	<u>253,718</u>
Others	8,096	7,105	8,096	7,105
Total	<u>235,333</u>	<u>260,823</u>	<u>235,333</u>	<u>260,823</u>

A27. INCOME ATTRIBUTABLE TO THE INVESTMENT ACCOUNT HOLDERS

	Individual Quarter		Cumulative Quarter	
	30 June	30 June	30 June	30 June
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
<u>Unrestricted investment accounts</u>				
Customers	1,082	2,770	1,082	2,770
<u>Restricted investment account</u>				
Licensed bank	6,595	16,023	6,595	16,023
	<u>7,677</u>	<u>18,793</u>	<u>7,677</u>	<u>18,793</u>

A28. OTHER OPERATING EXPENSES

	Individual Quarter		Cumulative Quarter	
	30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
Personnel costs:				
Salaries, allowances, bonuses and incentives	4,324	4,573	4,324	4,573
Amortisation for share granted under AMMB ESS	128	70	128	70
Contributions to Employees' Provident Fund/Private Retirement Scheme	697	721	697	721
Social security cost	20	19	20	19
Others	232	647	232	647
	<u>5,401</u>	<u>6,030</u>	<u>5,401</u>	<u>6,030</u>
Establishment costs:				
Amortisation of intangible assets	94	91	94	91
Cleaning, maintenance and security	5	3	5	3
Computerisation costs	359	349	359	349
Depreciation of property and equipment	32	32	32	32
Depreciation of right-of-use assets	77	-	77	-
Rental of premises	201	201	201	201
Finance cost:				
- Lease liabilities	20	-	20	-
Others	5	7	5	7
	<u>793</u>	<u>683</u>	<u>793</u>	<u>683</u>
Marketing and communication expenses:				
Advertising, marketing and communication	1,527	1,101	1,527	1,101
Others	16	37	16	37
	<u>1,543</u>	<u>1,138</u>	<u>1,543</u>	<u>1,138</u>
Administration and general expenses:				
Professional services	709	1,158	709	1,158
Others	2,149	73	2,149	73
	<u>2,858</u>	<u>1,231</u>	<u>2,858</u>	<u>1,231</u>
Service transfer pricing expense, net	<u>62,275</u>	<u>66,071</u>	<u>62,275</u>	<u>66,071</u>
	<u>72,870</u>	<u>75,153</u>	<u>72,870</u>	<u>75,153</u>

A29. BASIC EARNINGS PER SHARE

Basic/Diluted

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

	Individual Quarter		Cumulative Quarter	
	30 June	30 June	30 June	30 June
	2020	2019	2020	2019
Net profit attributable to equity holder of the Bank (RM'000)	<u>70,127</u>	<u>84,127</u>	<u>70,127</u>	<u>84,127</u>
Number of ordinary shares at beginning of the financial year and end of the financial period representing the weighted average number of ordinary shares in issue ('000)	<u>494,369</u>	<u>494,369</u>	<u>494,369</u>	<u>494,369</u>
Basic/Diluted earnings per share (sen)	<u>14.19</u>	<u>17.02</u>	<u>14.19</u>	<u>17.02</u>

A30. BUSINESS SEGMENT ANALYSIS

Segment information is presented in respect of the Bank'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 Bank 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 financing, credit cards, small business financing, 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 Financing and Project Financing.

(c) Wholesale Banking

Wholesale Banking comprises Corporate Banking and Group Treasury and Markets:

(i) Corporate Banking

Corporate Banking offers a full range of products and services of corporate lending, trade finance 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 Shariah compliant products and services relating to treasury activities, including foreign exchange, derivatives and fixed income. It also offers Shariah compliant customised investment solutions for customers.

A30. BUSINESS SEGMENT ANALYSIS (CONT'D.)

The Bank comprises the following main business segments (cont'd.):

(d) Investment Banking

Investment Banking offer Islamic advisory services and a wide range of Shariah-compliant financial and investment solutions that include sukuk origination, Islamic equity or equity related capital markets offerings, Islamic structured finance and Islamic syndicated financing.

(e) Group Funding and Others

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

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 comprise finance income. The Chief Operating Decision Maker relies primarily on the net finance 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 Bank's activities are principally conducted in Malaysia.
- (iii) The comparative have been restated with current business realignment.

A30. BUSINESS SEGMENT ANALYSIS (CONT'D.)

For the financial period ended 30 June 2020

	Retail Banking RM'000	Business Banking RM'000	Wholesale banking		Investment Banking RM'000	Group Funding and Others RM'000	Total RM'000
			Corporate Banking RM'000	Group Treasury and Market RM'000			
External revenue	185,961	46,843	158,810	108,814	388	(37,852)	462,964
Revenue from other segments	(41,657)	(18,715)	(75,928)	79,418	9	56,873	-
Total operating revenue	144,304	28,128	82,882	188,232	397	19,021	462,964
Net finance income	77,544	15,615	55,818	33,787	9	(11,814)	170,959
Other operating income	5,237	2,042	5,262	11,245	388	164	24,338
Net (loss)/income	82,781	17,657	61,080	45,032	397	(11,650)	195,297
Other operating expenses of which:	(46,329)	(2,189)	(13,220)	(2,020)	(41)	(9,071)	(72,870)
<i>Depreciation of property and equipment</i>	-	-	-	-	-	(32)	(32)
<i>Depreciation of right-of-use-assets</i>	-	-	-	-	-	(77)	(77)
<i>Amortisation of intangible assets</i>	(3)	-	-	-	-	(91)	(94)
(Loss)/Profit before impairment losses	36,452	15,468	47,860	43,012	356	(20,721)	122,427
Allowance for impairment on financing and advances	(4,154)	(1,839)	(18,641)	-	-	(5,241)	(29,875)
Impairment writeback/(charge) on financial investments	-	-	(1,037)	(2)	-	625	(414)
Impairment writeback other financial assets	-	-	-	3	-	8	11
Provision for commitments and contingencies - (allowance)/writeback	(350)	(196)	(2,056)	-	-	510	(2,092)
(Loss)/Profit before zakat and taxation	31,948	13,433	26,126	43,013	356	(24,819)	90,057
Zakat and taxation	(7,668)	(3,224)	(6,270)	(7,955)	(86)	5,273	(19,930)
(Loss)/Profit for the financial period	24,280	10,209	19,856	35,058	270	(19,546)	70,127
Other information							
Total segment assets	15,753,580	3,585,852	13,769,745	12,191,897	-	218,631	45,519,705
Total segment liabilities	11,807,991	1,881,665	5,199,939	19,473,198	1,358	3,374,075	41,738,226
Cost to income ratio	56.0%	12.4%	21.6%	4.5%	10.3%	-77.9%	37.3%
Gross financing and advances	15,889,580	3,632,739	12,985,680	-	-	-	32,507,999
Net financing and advances	15,685,382	3,583,943	12,925,306	-	-	(56,301)	32,138,330
Impaired financing and advances	140,741	128,544	306,073	-	-	-	575,358
Total deposits	11,700,535	1,853,595	5,145,125	19,241,029	-	36,193	37,976,477
Additions to :							
Property and Equipment	-	-	-	-	-	13	13
Intangible assets	-	-	-	-	-	6	6

A30. BUSINESS SEGMENT ANALYSIS (CONT'D.)

For the financial period ended 30 June 2019

	Retail Banking RM'000	Business Banking RM'000	Wholesale banking		Investment Banking RM'000	Group Funding and Others RM'000	Total RM'000
			Corporate Banking RM'000	Group Treasury and Market RM'000			
External revenue	194,082	48,112	173,872	103,175	391	151	519,783
Revenue from other segments	(12,882)	(20,068)	(84,190)	54,822	11	62,307	-
Total operating revenue	181,200	28,044	89,682	157,997	402	62,458	519,783
Net finance income	81,432	16,409	56,636	12,974	11	15,116	182,578
Other operating income	6,554	2,470	13,732	8,587	391	151	31,885
Net income	87,986	18,879	70,368	21,561	402	15,267	214,463
Other operating expenses of which:	(48,459)	(2,140)	(12,995)	(1,967)	(78)	(9,514)	(75,153)
<i>Depreciation of property and equipment</i>	-	-	-	-	-	(32)	(32)
<i>Amortisation of intangible assets</i>	(3)	-	-	-	-	(88)	(91)
Profit before impairment losses and provision	39,527	16,739	57,373	19,594	324	5,753	139,310
Allowance for impairment on financing and advances	(23,183)	(7,943)	(243)	-	-	-	(31,369)
Impairment (losses)/writeback on financial investments	-	-	588	83	-	-	671
Impairment losses on other financial assets	-	-	-	3	-	-	3
Provision for commitments and contingencies - (allowance)/writeback	(1,283)	(384)	1,189	-	-	-	(478)
Profit before zakat and taxation	15,061	8,412	58,907	19,680	324	5,753	108,137
Zakat and taxation	(3,615)	(2,019)	(14,137)	(4,723)	(78)	562	(24,010)
Profit for the financial period	11,446	6,393	44,770	14,957	246	6,315	84,127
Other information							
Total segment assets	14,280,626	3,149,880	11,950,443	9,610,080	-	65,875	39,056,904
Total segment liabilities	12,658,332	1,294,274	4,178,408	13,322,166	1,380	4,139,597	35,594,157
Cost to income ratio	55.1%	11.3%	18.5%	9.1%	19.4%	62.3%	35.0%
Gross financing and advances	14,461,139	3,180,195	11,185,385	-	-	-	28,826,719
Net financing and advances	14,213,989	3,148,123	11,099,495	-	-	-	28,461,607
Impaired financing and advances	192,314	102,472	311,850	-	-	-	606,636
Total deposits	12,511,196	1,268,388	4,112,785	12,963,430	-	-	30,855,799
Additions to :							
Intangible assets	-	-	-	-	-	21	21

Notes:

- Operating revenue of the Bank comprise financing income and hibah and other operating income.

A31. PERFORMANCE REVIEW FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

The Bank reported a lower profit before zakat and taxation of RM90.1 million for the financial period ended 30 June 2020 which was RM18.1 million or 16.7% lower compared to the corresponding period ended 30 June 2019 of RM108.1 million. The lower profit was mainly due to lower net finance income of RM11.6 million, lower other operating income of RM7.5 million, higher allowances for ECL on financing commitments and financial guarantee contracts of RM1.6 million and higher impairment losses of financial investments of RM1.1 million mitigated by lower other operating expenses of RM2.3 million and lower net allowance for impairment on financing and advances of RM1.5 million.

In the opinion of the directors, the results of operations of the Bank for the financial period have not been substantially affected by any item, transaction or event of a material and unusual nature other than as disclosed in Note A4.

A32. PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 MARCH 2021

The domestic economy has crashed into recession for the third time since Independence. The meltdown showcased the destructive impact of lockdowns and Malaysia's movement control order ("MCO") beginning 18 March to curb the spread of the COVID-19 virus. In line with sharp contractions of other countries' second quarter Gross Domestic Product ("GDP") as a result of the containment measures on the virus spread, Malaysia's second quarter GDP was worse off than both the consensus and our estimation as well as that during the 1997 Asian financial crisis as it plunged by 17.1% year on year.

Meanwhile, supported by the stimulus fiscal policy and monetary measures added with the gradual improvement of the global economy, the domestic economy is expected to see positive growth in 4Q2020. For the full year, the GDP growth has been revised downwards to -3.6% (previously -2.0%) with the downside at -5.6% (previously -5.0%). Meanwhile, the economy is likely headed for a base effect-induced bounce in 2021 and a return to a growth trajectory of 6.5% to 7.0%.

Inflation is expected to remain subdued in 2020 partly due to weak global crude oil prices which translates to softer fuel pump prices, added with lackluster demand-pull factors reflecting rising job losses and loss of income from the virus impact. The headline inflation is projected to average around -0.6% with room to slide further to average -1.5%.

On the health of the banking system, the industry enjoys sufficient liquid assets. The industry liquidity coverage ratio is at 149% as at the end of June 2020 which is well above the regulatory requirement of 100%. Funding profiles have been well diversified with the industry's loan-to-fund ratio and loan-to-fund-and-equity ratio reading at 82.1% and 71.5% respectively as at June 2020.

BNM has so far reduced the Overnight Policy Rate ("OPR") by 125 basis points to 1.75% between January and August this year. At the same time, BNM lowered the Statutory Reserve Requirement ("SRR") by 100bps to 2.00% with the aim to increase liquidity. With the ringgit at a strong level, it provides ample room for another 25bps OPR cut in September from the current 1.75%. We have now factored in a 70% chance of a 50bps OPR cut in September.

A32. PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 MARCH 2021 (CONT'D.)

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 AMMB Group, our liquidity and capital management framework aims to ensure adequate liquidity under adverse market conditions as well as to strengthen our loss absorption capacity. Greater emphasis shall be placed on risk management, stress testing, capital planning and liquidity management in order to safeguard the AMMB Group's financial resilience in the face of heightened market volatility.

A33. VALUATION OF PROPERTY AND EQUIPMENT

The Bank's property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses (if any).

A34. COMMITMENTS AND CONTINGENCIES

- a) On 9 December 2019, the Bank and AMMB were served with a writ and statement of claim by Dato' Sri Mohd Najib bin Hj. Abd. Razak seeking damages in relation to the conduct of his current accounts opened with the Bank.

The Bank and AMMB have appointed solicitors to defend the suit and have been advised by solicitors that the allegations are not sustainable and both AMMB and the Bank have a strong defense. The Bank and AMMB will vigorously oppose the action. The suit will not have a material impact on the operations of the Bank.

As at reporting date, the matter is still pending before the High Court.

A34. COMMITMENTS AND CONTINGENCIES (CONT'D.)

- (b) In the normal course of business, the Bank makes various commitments and incurs 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 Bank's assets.

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

	30 June 2020 RM'000	31 March 2020 RM'000
Commitments		
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	5,833,193	4,991,693
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	642,154	408,285
Unutilised credit card lines	1,359,123	1,354,936
Forward asset purchase	150,054	159,934
	<u>7,984,524</u>	<u>6,914,848</u>
Contingencies		
Direct credit substitutes	557,332	570,619
Transaction related contingent items	772,633	751,997
Short-term self liquidating trade-related contingencies	50,256	80,958
	<u>1,380,221</u>	<u>1,403,574</u>
Derivative Financial Instruments		
Foreign exchange related contracts		
- One year or less	2,093,873	2,200,167
- Over one year to five years	2,481,708	2,545,986
Profit rate related contracts		
- Over one year to five years	350,000	350,000
Commodity related contracts		
- Over one year to five years	72,674	73,217
	<u>4,998,255</u>	<u>5,169,370</u>
Total	<u>14,363,000</u>	<u>13,487,792</u>

A35. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Determination of fair value and fair value hierarchy

The Bank uses 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 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 a valuation technique 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 Bank'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 Bank. Therefore, unobservable inputs reflect 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 Bank's own data. The Bank does not have any financial assets or liabilities measured at level 3 as at the end of the reporting period and 31 March 2020.

A35. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONT'D.)

a) The following table provides the fair value measurement hierarchy of the Bank's assets and liabilities.

	Valuation techniques			Total RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
30 June 2020				
Assets measured at fair value				
Derivative financial assets	-	43,778	-	43,778
Financial assets at fair value through profit or loss				
- Money market securities	-	3,686,800	-	3,686,800
- Unquoted sukuk	-	7,850	-	7,850
Financial investments at fair value through other comprehensive income				
- Money market securities	-	1,673,296	-	1,673,296
- Unquoted sukuk	-	3,199,098	-	3,199,098
	<u>-</u>	<u>8,610,822</u>	<u>-</u>	<u>8,610,822</u>
Liabilities measured at fair value				
Derivative financial liabilities	-	69,841	-	69,841
	<u>-</u>	<u>69,841</u>	<u>-</u>	<u>69,841</u>
31 March 2020				
Assets measured at fair value				
Derivative financial assets	-	59,653	-	59,653
Financial assets at fair value through profit or loss				
- Money market securities	-	1,637,441	-	1,637,441
- Unquoted sukuk	-	112,809	-	112,809
Financial investments at fair value through other comprehensive income				
- Money market securities	-	1,600,695	-	1,600,695
- Unquoted sukuk	-	3,295,999	-	3,295,999
	<u>-</u>	<u>6,706,597</u>	<u>-</u>	<u>6,706,597</u>
Liabilities measured at fair value				
Derivative financial liabilities	-	83,865	-	83,865
	<u>-</u>	<u>83,865</u>	<u>-</u>	<u>83,865</u>

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

A36. CAPITAL ADEQUACY

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

	30 June 2020	31 March 2020
Common Equity Tier 1 ("CET 1") Capital Ratio	11.086%	11.165%
Tier 1 Capital ratio	11.086%	11.165%
Total Capital ratio	15.801%	15.950%

Notes:

- (i) The capital adequacy ratios of the Bank are computed in accordance with BNM's policy document on Capital Adequacy Framework for Islamic Banks (Capital Components) issued on 5 February 2020 and Capital Adequacy Framework for Islamic Banks (Risk-Weighted Assets) issued on 3 May 2019. The Bank has 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 for Islamic Banks (Risk-Weighted Assets).
- (ii) Pursuant to BNM's Capital Adequacy Framework (Capital Components), financial institutions are required to maintain minimum Common Equity Tier 1 ("CET1") Capital Ratio of 4.5%, Tier 1 Capital Ratio of 6.0% and Total Capital Ratio of 8.0% at all times. The Bank is also required to maintain the following capital buffers:
- (a) a Capital Conservation Buffer ("CCB") of 2.5%; and
 - (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 ("DSIB").

A37. CAPITAL ADEQUACY (CONT'D.)

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

	30 June 2020 RM'000	31 March 2020 RM'000
CET 1 Capital		
Ordinary shares	1,387,107	1,387,107
Retained earnings	2,163,122	2,148,410
Fair value reserve	104,223	56,249
Regulatory reserve	56,900	71,612
Less : Regulatory adjustments applied on CET 1 Capital		
- Intangible assets	(946)	(1,034)
- 55% of cumulative gain of FVOCI financial instruments	(57,323)	(30,937)
- Regulatory reserve	(56,900)	(71,612)
- Unrealised fair value gains on financial liabilities due to changes in own credit risk	(233)	(148)
CET 1 Capital/ Tier 1 Capital	<u>3,595,950</u>	<u>3,559,647</u>
Tier 2 Capital		
Tier 2 Capital instruments meeting all relevant criteria for inclusion	1,150,000	1,150,000
General provisions*	379,742	375,600
Tier 2 Capital	<u>1,529,742</u>	<u>1,525,600</u>
Total Capital	<u>5,125,692</u>	<u>5,085,247</u>

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

	30 June 2020 RM'000	31 March 2020 RM'000
Credit RWA	31,204,476	30,960,556
Less : Credit RWA absorbed by Investment Account	(825,095)	(912,582)
Total Credit RWA	<u>30,379,381</u>	<u>30,047,974</u>
Market RWA	516,244	294,650
Operational RWA	1,542,518	1,539,751
Total Risk Weighted Assets	<u>32,438,143</u>	<u>31,882,375</u>

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