

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 June 2020**  
(In Ringgit Malaysia)

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

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

	Note	Group		Bank	
		30 June 2020 RM'000	31 March 2020 RM'000	30 June 2020 RM'000	31 March 2020 RM'000
<b>ASSETS</b>					
Cash and short-term funds	A8	4,045,713	9,722,230	4,041,062	9,717,446
Deposits and placements with banks and other financial institutions	A9	957,048	285,369	957,048	285,369
Investment account placement	A10	717,018	715,722	717,018	715,722
Derivative financial assets		1,841,890	2,102,981	1,841,890	2,102,981
Financial assets at fair value through profit or loss	A11	9,048,525	7,324,710	9,048,476	7,324,676
Financial investments at fair value through other comprehensive income	A12	13,755,514	14,895,518	13,760,655	14,903,364
Financial investments at amortised cost	A13	3,033,361	3,028,699	3,033,361	3,028,699
Loans and advances	A14	73,678,065	73,741,662	73,630,638	73,692,525
Statutory deposit with Bank Negara Malaysia		190,000	339,356	190,000	339,356
Deferred tax assets		-	21,896	-	21,861
Investment in subsidiaries		-	-	31,492	31,492
Investment in associates		32,518	32,624	32,302	32,302
Other assets	A15	1,851,030	1,946,382	1,848,141	1,943,403
Property and equipment		215,070	219,504	195,862	200,164
Right-of-use assets		253,726	264,394	255,532	264,394
Intangible assets		262,367	264,492	262,367	264,492
<b>TOTAL ASSETS</b>		<b>109,881,845</b>	<b>114,905,539</b>	<b>109,845,844</b>	<b>114,868,246</b>
<b>LIABILITIES AND EQUITY</b>					
Deposits from customers	A16	79,396,979	78,808,367	79,409,430	78,820,486
Deposits and placements of banks and other financial institutions	A17	5,850,523	6,894,370	5,860,079	6,903,983
Securities sold under repurchase agreements		2,402,753	6,352,709	2,402,753	6,352,709
Recourse obligation on loans sold to Cagamas Berhad		4,440,023	4,140,023	4,440,023	4,140,023
Derivative financial liabilities		1,840,551	1,961,585	1,840,551	1,961,585
Term funding		784,860	1,467,043	784,860	1,467,043
Debt capital		2,595,000	2,595,000	2,595,000	2,595,000
Deferred tax liabilities		65,679	-	65,718	-
Other liabilities	A18	1,971,454	2,567,827	1,960,406	2,554,987
<b>TOTAL LIABILITIES</b>		<b>99,347,822</b>	<b>104,786,924</b>	<b>99,358,820</b>	<b>104,795,816</b>
Share capital		1,940,465	1,940,465	1,940,465	1,940,465
Reserves		8,593,399	8,177,996	8,546,559	8,131,965
<b>Equity attributable to equity holder of the Bank</b>		<b>10,533,864</b>	<b>10,118,461</b>	<b>10,487,024</b>	<b>10,072,430</b>
Non-controlling interests		159	154	-	-
<b>TOTAL EQUITY</b>		<b>10,534,023</b>	<b>10,118,615</b>	<b>10,487,024</b>	<b>10,072,430</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>109,881,845</b>	<b>114,905,539</b>	<b>109,845,844</b>	<b>114,868,246</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	A32	<b>124,718,125</b>	<b>125,862,246</b>	<b>124,774,975</b>	<b>125,917,196</b>
<b>NET ASSETS PER SHARE (RM)</b>		<b>12.59</b>	<b>12.09</b>	<b>12.53</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 JUNE 2020**

Group	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
Operating revenue		1,238,551	1,398,702	1,238,551	1,398,702
Interest income	A19	1,038,326	1,254,769	1,038,326	1,254,769
Interest expense	A20	(638,552)	(810,189)	(638,552)	(810,189)
Net interest income		399,774	444,580	399,774	444,580
Other operating income	A21	200,332	143,933	200,332	143,933
Share in results of an associate		(107)	-	(107)	-
Net income		599,999	588,513	599,999	588,513
Other operating expenses	A22	(299,753)	(316,785)	(299,753)	(316,785)
Operating profit		300,246	271,728	300,246	271,728
(Allowance)/Writeback of allowance for impairment on loans and advances	A23	(13,660)	98,524	(13,660)	98,524
Provision for commitments and contingencies		(4,182)	(13,506)	(4,182)	(13,506)
Writeback of allowance/(Allowance) for impairment on:					
Financial investments	A24	3,014	1,351	3,014	1,351
Other financial assets	A25	(172)	1,045	(172)	1,045
Other recoveries		55	1	55	1
<b>Profit before taxation</b>		<b>285,301</b>	<b>359,143</b>	<b>285,301</b>	<b>359,143</b>
Taxation		(65,920)	(92,063)	(65,920)	(92,063)
<b>Profit for the financial period</b>		<b>219,381</b>	<b>267,080</b>	<b>219,381</b>	<b>267,080</b>
Attributable to:					
Equity holder of the Bank		219,376	267,080	219,376	267,080
Non-controlling interests		5	-	5	-
Profit for the financial period		219,381	267,080	219,381	267,080
<b>Earnings per share (sen)</b>					
Basic/Diluted	A26	26.21	31.91	26.21	31.91

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**AmBank (M) Berhad**  
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**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2020**

Group	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	219,381	267,080	219,381	267,080
<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/(loss) on changes in fair value	70,523	(5,505)	70,523	(5,505)
Tax effect	(661)	1,321	(661)	1,321
<b>Items that may be reclassified subsequently to profit or loss</b>				
Currency translation on offshore operations	(2,123)	3,139	(2,123)	3,139
Cash flow hedge				
- gain/(loss) arising during the financial period	1,909	(6,179)	1,909	(6,179)
- amortisation of fair value changes of terminated hedge	1,669	(1,494)	1,669	(1,494)
- reclassification adjustments for gain included in profit or loss	-	(66)	-	(66)
Tax effect	(859)	1,857	(859)	1,857
Financial investments at fair value through other comprehensive income				
- net gain on changes in fair value	183,551	94,936	183,551	94,936
- net gain reclassified to profit or loss	(14,787)	(7,970)	(14,787)	(7,970)
- expected credit loss	(2,692)	(1,362)	(2,692)	(1,362)
- foreign exchange differences	-	2	-	2
Tax effect	(40,503)	(20,945)	(40,503)	(20,945)
Other comprehensive income, net of tax	196,027	57,734	196,027	57,734
<b>Total comprehensive income for the financial period, net of tax</b>	<b>415,408</b>	<b>324,814</b>	<b>415,408</b>	<b>324,814</b>
Attributable to:				
Equity holder of the Bank	415,403	324,814	415,403	324,814
Non-controlling interests	5	-	5	-
	415,408	324,814	415,408	324,814

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 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
<b>Bank</b>					
Operating revenue		1,237,832	1,397,439	1,237,832	1,397,439
Interest income	A19	1,037,157	1,253,695	1,037,157	1,253,695
Interest expense	A20	(638,610)	(810,218)	(638,610)	(810,218)
Net interest income		398,547	443,477	398,547	443,477
Other operating income	A21	200,675	143,744	200,675	143,744
Net income		599,222	587,221	599,222	587,221
Other operating expenses	A22	(300,245)	(316,567)	(300,245)	(316,567)
Operating profit		298,977	270,654	298,977	270,654
(Allowance)/Writeback of allowance for impairment on loans and advances	A23	(13,600)	98,532	(13,600)	98,532
Provision for commitments and contingencies		(4,183)	(13,512)	(4,183)	(13,512)
Writeback of allowance/(Allowance) for impairment on:					
Financial investments	A24	3,016	1,355	3,016	1,355
Other financial assets	A25	(172)	1,050	(172)	1,050
Other recoveries		55	1	55	1
<b>Profit before taxation</b>		<b>284,093</b>	<b>358,080</b>	<b>284,093</b>	<b>358,080</b>
Taxation		(65,541)	(91,779)	(65,541)	(91,779)
<b>Profit for the financial period</b>		<b>218,552</b>	<b>266,301</b>	<b>218,552</b>	<b>266,301</b>
<b>Earnings per share (sen)</b>					
Basic/Diluted	A26	26.12	31.82	26.12	31.82

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

**AmBank (M) Berhad**  
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**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL QUARTER ENDED 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
<b>Bank</b>				
Profit for the financial period	218,552	266,301	218,552	266,301
<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/(loss) on changes in fair value	70,523	(5,505)	70,523	(5,505)
Tax effect	(661)	1,321	(661)	1,321
<b>Items that may be reclassified subsequently to profit or loss</b>				
Currency translation on offshore operations	(2,116)	3,132	(2,116)	3,132
Cash flow hedge				
- gain/(loss) arising during the financial period	1,909	(6,179)	1,909	(6,179)
- amortisation of fair value changes of terminated hedge	1,669	(1,494)	1,669	(1,494)
- reclassification adjustments for gain included in profit or loss	-	(66)	-	(66)
Tax effect	(859)	1,857	(859)	1,857
Financial investments at fair value through other comprehensive income				
- net gain on changes in fair value	183,565	95,134	183,565	95,134
- net gain reclassified to profit or loss	(14,787)	(7,970)	(14,787)	(7,970)
- expected credit loss	(2,694)	(1,366)	(2,694)	(1,366)
- foreign exchange differences	-	2	-	2
Tax effect	(40,507)	(20,920)	(40,507)	(20,920)
Other comprehensive income, net of tax	196,042	57,946	196,042	57,946
<b>Total comprehensive income for the financial period, net of tax</b>	<b>414,594</b>	<b>324,247</b>	<b>414,594</b>	<b>324,247</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 JUNE 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	-	-	-	-	-	-	267,080	267,080	-	267,080
Other comprehensive income/(loss), net	-	-	-	60,477	(5,882)	3,139	-	57,734	-	57,734
Total comprehensive income/(loss) for the financial period	-	-	-	60,477	(5,882)	3,139	267,080	324,814	-	324,814
Transfer to regulatory reserve	-	90,666	-	-	-	-	(90,666)	-	-	-
Dividend on ordinary shares: - final, financial year ended 31 March 2019	-	-	-	-	-	-	(318,004)	(318,004)	-	(318,004)
Transaction with owner and other equity movements	-	90,666	-	-	-	-	(408,670)	(318,004)	-	(318,004)
<b>At 30 June 2019</b>	<b>1,940,465</b>	<b>371,222</b>	<b>104,149</b>	<b>306,143</b>	<b>(17,956)</b>	<b>84,385</b>	<b>6,816,032</b>	<b>9,604,440</b>	<b>162</b>	<b>9,604,602</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 JUNE 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	-	-	-	-	-	-	219,376	219,376	5	219,381
Other comprehensive income/(loss), net	-	-	-	195,431	2,719	(2,123)	-	196,027	-	196,027
Total comprehensive income/(loss) for the financial period	-	-	-	195,431	2,719	(2,123)	219,376	415,403	5	415,408
Transfer to regulatory reserve	-	8,792	-	-	-	-	(8,792)	-	-	-
Transaction with owner and other equity movements	-	8,792	-	-	-	-	(8,792)	-	-	-
<b>At 30 June 2020</b>	<b>1,940,465</b>	<b>319,795</b>	<b>104,149</b>	<b>564,162</b>	<b>(25,436)</b>	<b>93,643</b>	<b>7,537,086</b>	<b>10,533,864</b>	<b>159</b>	<b>10,534,023</b>

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



**AmBank (M) Berhad**  
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**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		
<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	-	-	-	-	-	266,301	266,301
Other comprehensive income/(loss), net	-	-	60,696	(5,882)	3,132	-	57,946
Total comprehensive income/(loss) for the financial period	-	-	60,696	(5,882)	3,132	266,301	324,247
Transfer to regulatory reserve	-	90,666	-	-	-	(90,666)	-
Dividend on ordinary shares: - final, financial year ended 31 March 2019	-	-	-	-	-	(318,004)	(318,004)
Transaction with owner and other equity movements	-	90,666	-	-	-	(408,670)	(318,004)
<b>At 30 June 2019</b>	<b>1,940,465</b>	<b>371,222</b>	<b>306,532</b>	<b>(17,956)</b>	<b>88,241</b>	<b>6,872,471</b>	<b>9,560,975</b>

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

**AmBank (M) Berhad**  
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**UNAUDITED STATEMENT OF CHANGES IN EQUITY (CONT'D.)**  
**FOR THE FINANCIAL QUARTER ENDED 30 JUNE 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	-	-	-	-	-	218,552	218,552
Other comprehensive income/(loss), net	-	-	195,439	2,719	(2,116)	-	196,042
Total comprehensive income/(loss) for the financial period	-	-	195,439	2,719	(2,116)	218,552	414,594
Transfer to regulatory reserve	-	8,792	-	-	-	(8,792)	-
Transaction with owner and other equity movements	-	8,792	-	-	-	(8,792)	-
<b>At 30 June 2020</b>	<b>1,940,465</b>	<b>319,795</b>	<b>564,286</b>	<b>(25,436)</b>	<b>97,471</b>	<b>7,590,443</b>	<b>10,487,024</b>

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

**AmBank (M) Berhad**  
(Incorporated in Malaysia)  
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**UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS  
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2020**

	Group		Bank	
	30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
Profit before taxation	285,301	359,143	284,093	358,080
Adjustments for non-operating and non-cash items	263,573	(62,429)	263,863	(62,570)
Operating profit before working capital changes	548,874	296,714	547,956	295,510
Changes in working capital:				
Net change in operating assets	(1,619,479)	892,330	(1,621,145)	890,400
Net change in operating liabilities	(5,224,247)	(45,190)	(5,224,332)	(45,878)
Tax paid	(82,221)	(101,476)	(82,016)	(101,235)
Net cash (used in)/generated from operating activities	(6,377,073)	1,042,378	(6,379,537)	1,038,797
Net cash generated from/(used in) investing activities	1,357,704	(1,807,006)	1,360,424	(1,803,626)
Net cash used in financing activities	(19,497)	(331,881)	(19,620)	(331,881)
Net decrease in cash and cash equivalents	(5,038,866)	(1,096,509)	(5,038,733)	(1,096,710)
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	79	65	79	65
Cash and cash equivalents at end of financial period	4,970,130	4,374,930	4,965,479	4,370,018
Cash and cash equivalents comprise:				
Cash and short-term funds	4,045,713	4,203,752	4,041,062	4,198,840
Deposits and placements with banks and other financial institutions	957,048	168,923	957,048	168,923
	5,002,761	4,372,675	4,998,110	4,367,763
Less: Deposits and placements with original maturity of more than 3 months	(36,193)	-	(36,193)	-
	4,966,568	4,372,675	4,961,917	4,367,763
Allowances for expected credit loss ("ECL") for cash and cash equivalents at end of the financial period	3,562	2,255	3,562	2,255
	4,970,130	4,374,930	4,965,479	4,370,018

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 which became effective for the first time for the Group and 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 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 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 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.

**Standards issued but not yet effective**

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
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 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.

**(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 and the Bank as the Group and the Bank have not revised or are seeking any revision to lease payments in its lease arrangements as a consequence of the Covid-19 pandemic.

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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**

**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 Group and the Company present all assets and liabilities in the statements 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.)**

**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.

**(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.

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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.)**

**(c) Standard effective on a date to be determined by MASB**

**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.

**A1.3 Significant Accounting Judgements, Estimates and Assumptions**

The preparation of the condensed interim financial statements in accordance with MFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of revenue, expenses, assets and liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Judgements, estimates and assumptions are continually evaluated and are based on past experience, reasonable expectations of future events and other factors. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the Group's and the Bank's accounting policies, the significant judgements, estimates and assumptions made by management were the same as those applied to the annual financial statements for the financial year ended 31 March 2020.

**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.

**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.



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**A4. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE (CONT'D.)**

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.

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 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 the 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 for debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares, resale of treasury shares and repayment of debt securities by the Group and the Bank during the financial quarter.

**A7. DIVIDENDS**

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

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

	Group		Bank	
	30 June 2019 RM'000	31 March 2020 RM'000	30 June 2019 RM'000	31 March 2020 RM'000
Cash and bank balances	1,538,643	1,873,882	1,536,879	1,872,086
Deposit placements maturing within one month:				
Licensed banks	2,509,629	579,181	2,506,742	576,193
Bank Negara Malaysia	-	7,270,000	-	7,270,000
	2,509,629	7,849,181	2,506,742	7,846,193
Total cash and bank balances and deposit placements	4,048,272	9,723,063	4,043,621	9,718,279
Less: Allowances for ECL	(2,559)	(833)	(2,559)	(833)
	4,045,713	9,722,230	4,041,062	9,717,446

Movements in allowances for ECL are as follows:

Group and Bank	Stage 1	Stage 2	Total
	12-Month ECL RM'000	Lifetime ECL not credit impaired RM'000	
<b>30 June 2020</b>			
Balance at beginning of the financial period	804	29	833
(Writeback) of/allowances for ECL:	1,766	(7)	1,759
New financial assets originated	2,381	-	2,381
Financial assets derecognised	(586)	-	(586)
Transfer from deposits and placements with banks and other financial institution (Note A9)	668	-	668
Net remeasurement of allowances	(644)	(7)	(651)
Changes in model assumptions and methodologies	(53)	-	(53)
Exchange difference	(33)	-	(33)
Balance at end of the financial period	2,537	22	2,559

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
Exchange difference	20	1	21
Balance at end of the financial year	804	29	833

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

	<b>Group and Bank</b>	
	<b>30 June 2020 RM'000</b>	<b>31 March 2020 RM'000</b>
Licensed banks	821,858	165,854
Licensed islamic bank (a related company)	36,193	-
Licensed investment banks	100,000	120,000
	<u>958,051</u>	<u>285,854</u>
Less: Allowances for ECL	(1,003)	(485)
	<u>957,048</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 June 2020</b>	
Balance at beginning of the financial period	485
Allowances for ECL:	518
New financial assets originated	1,408
Transfer to cash and short term funds (Note A8)	(668)
Net remeasurement of allowances	2
Changes in model assumptions and methodologies	(224)
	<u>1,003</u>
Balance at end of the financial period	<u>1,003</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 June 2020 RM'000</b>	<b>31 March 2020 RM'000</b>
Licensed Islamic bank	718,606	718,006
Less: Allowances for ECL	(1,588)	(2,284)
	<u>717,018</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 June 2020, the gross exposure relating to the RA financing for the Group and the Bank amounted to RM720.2 million (31 March 2020: RM719.9 million). No stage 3 ECL is provided for the RA financing as at 30 June 2020 and 31 March 2020 respectively.

Movements in allowances for ECL are as follows:

<b>Group and Bank</b>	<b>Stage 1</b>	
	<b>12-Month ECL RM'000</b>	<b>Total RM'000</b>
<b>30 June 2020</b>		
Balance at beginning of the financial period	2,284	2,284
Writeback of ECL:	(696)	(696)
Net remeasurement of allowances	7	7
Changes in model assumptions and methodologies	(703)	(703)
Balance at end of the financial period	1,588	1,588

<b>Group and Bank</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Total RM'000</b>
	<b>12-Month ECL RM'000</b>	<b>Lifetime ECL not credit impaired 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 June 2020 RM'000	31 March 2020 RM'000	30 June 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	1,828,053	418,543	1,828,053	418,543
Malaysian Government Investment Issues	462,225	1,892,213	462,225	1,892,213
Malaysian Government Securities	2,714,352	2,712,517	2,714,352	2,712,517
Malaysian Treasury Bills	3,027,293	606,027	3,027,293	606,027
	<u>8,031,923</u>	<u>6,678,433</u>	<u>8,031,923</u>	<u>6,678,433</u>
Quoted securities:				
<i>In Malaysia:</i>				
Shares	485,700	301,896	485,700	301,896
Unit trusts	28,364	28,194	28,364	28,194
Sukuk	38,046	37,500	38,046	37,500
	<u>552,110</u>	<u>367,590</u>	<u>552,110</u>	<u>367,590</u>
<i>Outside Malaysia:</i>				
Shares	90,963	80,589	90,959	80,586
Unquoted securities:				
<i>In Malaysia:</i>				
Shares	45	31	-	-
Corporate bonds and sukuk	373,484	198,067	373,484	198,067
	<u>373,529</u>	<u>198,098</u>	<u>373,484</u>	<u>198,067</u>
	<u>9,048,525</u>	<u>7,324,710</u>	<u>9,048,476</u>	<u>7,324,676</u>

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

	Group		Bank	
	30 June 2020 RM'000	31 March 2020 RM'000	30 June 2020 RM'000	31 March 2020 RM'000
<b>At fair value</b>				
Money market instruments:				
Malaysian Government Investment Issues	2,977,446	3,689,158	2,977,446	3,689,158
Malaysian Government Securities	3,106,233	3,195,316	3,106,233	3,195,316
Foreign Government Securities	74,988	-	74,988	-
Negotiable Instruments of Deposit	350,743	-	350,743	-
	<u>6,509,410</u>	<u>6,884,474</u>	<u>6,509,410</u>	<u>6,884,474</u>
Quoted securities:				
<i>In Malaysia:</i>				
Unit trusts	77,065	74,313	77,065	74,313
	<u>77,065</u>	<u>74,313</u>	<u>77,065</u>	<u>74,313</u>
Unquoted securities:				
<i>In Malaysia:</i>				
Corporate bonds and sukuk	6,379,963	7,140,823	6,385,104	7,148,669
Shares	655,835	588,065	655,835	588,065
	<u>7,035,798</u>	<u>7,728,888</u>	<u>7,040,939</u>	<u>7,736,734</u>
<i>Outside Malaysia:</i>				
Sukuk	132,757	207,359	132,757	207,359
Shares	484	484	484	484
	<u>133,241</u>	<u>207,843</u>	<u>133,241</u>	<u>207,843</u>
	<u>13,755,514</u>	<u>14,895,518</u>	<u>13,760,655</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 June 2020</b>				
Balance at beginning of the financial period	12,101	774	-	12,875
Writeback of ECL:	(2,540)	(152)	-	(2,692)
- Transfer to Stage 2	(11)	21	-	10
New financial assets originated	603	-	-	603
Financial assets derecognised	(1,410)	-	-	(1,410)
Net remeasurement of allowances	676	(4)	-	672
Changes in model assumptions and methodologies	(2,398)	(169)	-	(2,567)
Exchange difference	(1)	-	-	(1)
Balance at end of the financial period	9,560	622	-	10,182

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>12-Month</b> <b>ECL</b> <b>RM'000</b>	<b>Stage 2</b> <b>Lifetime ECL</b> <b>not credit</b> <b>impaired</b> <b>RM'000</b>	<b>Stage 3</b> <b>Lifetime ECL</b> <b>credit</b> <b>impaired</b> <b>RM'000</b>	<b>Total</b> <b>RM'000</b>
<b>30 June 2020</b>				
Balance at beginning of the financial period	12,105	774	-	12,879
Writeback of ECL:	(2,542)	(152)	-	(2,694)
- Transfer to Stage 2	(11)	21	-	10
New financial assets originated	603	-	-	603
Financial assets derecognised	(1,412)	-	-	(1,412)
Net remeasurement of allowances	676	(4)	-	672
Changes in model assumptions and methodologies	(2,398)	(169)	-	(2,567)
Exchange difference	(1)	-	-	(1)
Balance at end of the financial period	<u>9,562</u>	<u>622</u>	<u>-</u>	<u>10,184</u>

<b>Bank</b>	<b>Stage 1</b> <b>12-Month</b> <b>ECL</b> <b>RM'000</b>	<b>Stage 2</b> <b>Lifetime ECL</b> <b>not credit</b> <b>impaired</b> <b>RM'000</b>	<b>Stage 3</b> <b>Lifetime ECL</b> <b>credit</b> <b>impaired</b> <b>RM'000</b>	<b>Total</b> <b>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	<u>12,105</u>	<u>774</u>	<u>-</u>	<u>12,879</u>



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**A13. FINANCIAL INVESTMENTS AT AMORTISED COST**

	<b>Group and Bank</b>	
	<b>30 June 2020 RM'000</b>	<b>31 March 2020 RM'000</b>
<b>At amortised cost</b>		
Money market instruments:		
Malaysian Government Investment Issues	111,683	111,670
Unquoted securities:		
<i>In Malaysia:</i>		
Corporate bonds and sukuk	2,925,987	2,921,660
	3,037,670	3,033,330
Less: Allowances for ECL	(4,309)	(4,631)
	3,033,361	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 June 2020</b>		
Balance at beginning of the financial period	4,631	4,631
Writeback of ECL:	(322)	(322)
Net remeasurement of allowances	647	647
Changes in model assumptions and methodologies	(969)	(969)
Balance at end of the financial period	4,309	4,309

<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 June 2020 RM'000	31 March 2020 RM'000	30 June 2020 RM'000	31 March 2020 RM'000
<b>At amortised cost:</b>				
Overdraft	2,192,535	2,498,179	2,192,535	2,498,179
Term loans	21,307,021	19,790,674	21,307,021	19,790,674
Housing loan receivables	25,690,776	25,392,048	25,549,634	25,247,277
Hire purchase receivables	10,383,594	10,537,867	10,383,594	10,537,867
Bills receivables	2,303,893	1,616,752	2,303,893	1,616,752
Trust receipts	1,117,002	1,625,545	1,117,002	1,625,545
Claims on customers under acceptance credits	2,443,745	3,666,541	2,443,745	3,666,541
Card receivables	1,499,938	1,600,482	1,499,938	1,600,482
Revolving credits	7,066,872	7,294,436	7,160,442	7,389,985
Staff loans	93,011	92,493	93,011	92,493
Others	470,159	523,693	470,159	523,693
<b>Gross loans and advances</b>	<b>74,568,546</b>	<b>74,638,710</b>	<b>74,520,974</b>	<b>74,589,488</b>
Allowances for ECL:				
- Stage 1 - 12 months ECL	(169,378)	(179,447)	(169,396)	(179,464)
- Stage 2 - Lifetime ECL not credit impaired	(396,727)	(371,842)	(396,705)	(371,822)
- Stage 3 - Lifetime ECL credit impaired	(324,376)	(345,759)	(324,235)	(345,677)
<b>Net loans and advances</b>	<b>73,678,065</b>	<b>73,741,662</b>	<b>73,630,638</b>	<b>73,692,525</b>

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

	Group		Bank	
	30 June 2020 RM'000	31 March 2020 RM'000	30 June 2020 RM'000	31 March 2020 RM'000
Domestic banking institutions	5,216	-	5,216	-
Domestic non-bank financial institutions	849,727	1,152,833	943,299	1,248,382
Domestic business enterprises				
- Small medium enterprises	15,122,437	14,178,544	15,122,437	14,178,544
- Others	16,854,069	18,071,248	16,854,069	18,071,248
Government and statutory bodies	45,296	45,870	45,296	45,870
Individuals	40,059,755	39,939,177	39,918,611	39,794,406
Other domestic entities	15,415	14,129	15,415	14,129
Foreign individuals and entities	1,616,631	1,236,909	1,616,631	1,236,909
<b>Total</b>	<b>74,568,546</b>	<b>74,638,710</b>	<b>74,520,974</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 June 2020 RM'000	31 March 2020 RM'000	30 June 2020 RM'000	31 March 2020 RM'000
In Malaysia	73,806,924	74,241,914	73,759,352	74,192,692
Outside Malaysia	761,622	396,796	761,622	396,796
	<u>74,568,546</u>	<u>74,638,710</u>	<u>74,520,974</u>	<u>74,589,488</u>

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

	Group		Bank	
	30 June 2020 RM'000	31 March 2020 RM'000	30 June 2020 RM'000	31 March 2020 RM'000
Fixed rate				
- Housing loans	229,425	227,520	88,282	82,749
- Hire purchase receivables	9,772,220	9,912,397	9,772,219	9,912,397
- Other fixed rate loans	6,487,402	7,541,214	6,487,402	7,541,214
Variable rate				
- Base rate and base lending rate plus	38,307,702	37,472,292	38,307,702	37,472,292
- Cost plus	15,752,290	15,280,042	15,845,862	15,375,591
- Other variable rates	4,019,507	4,205,245	4,019,507	4,205,245
	<u>74,568,546</u>	<u>74,638,710</u>	<u>74,520,974</u>	<u>74,589,488</u>

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

	Group		Bank	
	30 June 2020 RM'000	31 March 2020 RM'000	30 June 2020 RM'000	31 March 2020 RM'000
Agriculture	1,467,856	1,521,858	1,467,856	1,521,858
Mining and quarrying	1,829,660	1,399,742	1,829,660	1,399,742
Manufacturing	9,252,554	9,788,997	9,252,554	9,788,997
Electricity, gas and water	631,248	509,555	631,248	509,555
Construction	3,311,502	3,474,824	3,311,502	3,474,824
Wholesale and retail trade and hotel and restaurants	6,009,337	5,910,039	6,009,337	5,910,039
Transport, storage and communication	1,091,893	1,077,025	1,091,893	1,077,025
Finance and insurance	888,612	1,178,160	982,183	1,273,709
Real estate	5,576,782	5,672,767	5,576,782	5,672,767
Business activities	2,179,059	1,945,242	2,179,059	1,945,242
Education and health	1,408,015	1,365,104	1,408,015	1,365,104
Household of which:	40,858,654	40,734,612	40,717,511	40,589,841
- purchase of residential properties	25,252,605	24,960,022	25,111,462	24,815,251
- purchase of transport vehicles	9,377,240	9,506,078	9,377,240	9,506,078
- others	6,228,809	6,268,512	6,228,809	6,268,512
Others	63,374	60,785	63,374	60,785
	<u>74,568,546</u>	<u>74,638,710</u>	<u>74,520,974</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 June 2020 RM'000	31 March 2020 RM'000	30 June 2020 RM'000	31 March 2020 RM'000
Maturing within one year	14,883,291	15,570,677	14,974,273	15,664,299
Over one year to three years	4,595,455	3,954,425	4,588,881	3,947,524
Over three years to five years	7,416,302	7,112,986	7,405,366	7,101,939
Over five years	47,673,498	48,000,622	47,552,454	47,875,726
	<u>74,568,546</u>	<u>74,638,710</u>	<u>74,520,974</u>	<u>74,589,488</u>

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

	Group		Bank	
	30 June 2020 RM'000	31 March 2020 RM'000	30 June 2020 RM'000	31 March 2020 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	214,079	1,034,759	213,547	1,034,601
Reclassified as non-impaired	(60,283)	(119,326)	(60,283)	(119,125)
Recoveries	(99,557)	(307,055)	(99,554)	(306,840)
Amount written off	(86,215)	(423,126)	(86,215)	(423,126)
Foreign exchange differences	(550)	3,785	(550)	3,785
Balance at end of the financial period/year	<u>1,202,953</u>	<u>1,235,479</u>	<u>1,201,939</u>	<u>1,234,994</u>
Gross impaired loans and advances as % of gross loans and advances	<u>1.61%</u>	<u>1.66%</u>	<u>1.61%</u>	<u>1.66%</u>
Loan loss coverage (Including regulatory reserve)	<u>105.6%</u>	<u>102.4%</u>	<u>105.7%</u>	<u>102.4%</u>

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

	Group		Bank	
	30 June 2020 RM'000	31 March 2020 RM'000	30 June 2020 RM'000	31 March 2020 RM'000
In Malaysia	1,159,159	1,191,357	1,158,145	1,190,872
Outside Malaysia	43,794	44,122	43,794	44,122
	<u>1,202,953</u>	<u>1,235,479</u>	<u>1,201,939</u>	<u>1,234,994</u>

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

	Group		Bank	
	30 June 2020 RM'000	31 March 2020 RM'000	30 June 2020 RM'000	31 March 2020 RM'000
Agriculture	36,834	36,743	36,834	36,743
Mining and quarrying	50,317	51,220	50,317	51,220
Manufacturing	269,864	218,512	269,864	218,512
Electricity, gas and water	139	136	139	136
Construction	92,574	81,021	92,574	81,021
Wholesale and retail trade and hotel and restaurants	93,637	78,793	93,637	78,793
Transport, storage and communication	12,611	31,703	12,611	31,703
Finance and insurance	2	2	2	2
Real estate	71,592	71,264	71,592	71,264
Business activities	26,716	21,448	26,716	21,448
Education and health	18,472	22,935	18,472	22,935
Household of which:	530,195	621,702	529,181	621,217
- purchase of residential properties	398,183	406,931	397,169	406,446
- purchase of transport vehicles	48,701	113,484	48,701	113,484
- others	83,311	101,287	83,311	101,287
	<u>1,202,953</u>	<u>1,235,479</u>	<u>1,201,939</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 June 2020</b>				
Balance at beginning of the financial period	179,447	371,842	345,759	897,048
(Writeback of)/allowances for ECL:	(10,005)	24,903	65,057	79,955
- Transfer to Stage 1	6,171	(37,092)	(912)	(31,833)
- Transfer to Stage 2	(6,708)	39,766	(9,471)	23,587
- Transfer to Stage 3	(212)	(2,197)	23,872	21,463
New financial assets originated	19,166	18,638	1,313	39,117
Net remeasurement of allowances	(6,923)	7,101	77,842	78,020
Modification of contractual cash flows of financial assets	(114)	2	(1)	(113)
Financial assets derecognised	(17,133)	(14,492)	(27,250)	(58,875)
Changes to model assumptions and methodologies	(4,252)	13,177	(336)	8,589
Foreign exchange differences	(64)	(18)	(225)	(307)
Amount written-off	-	-	(86,215)	(86,215)
Balance at end of the financial period	169,378	396,727	324,376	890,481
<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 June 2020</b>				
Balance at beginning of the financial period	179,464	371,822	345,677	896,963
(Writeback of)/allowances for ECL:	(10,004)	24,901	64,998	79,895
- Transfer to Stage 1	6,171	(37,092)	(912)	(31,833)
- Transfer to Stage 2	(6,708)	39,758	(9,471)	23,579
- Transfer to Stage 3	(212)	(2,191)	23,823	21,420
New financial assets originated	19,166	18,638	1,313	39,117
Net remeasurement of allowances	(6,922)	7,100	77,832	78,010
Modification of contractual cash flows of financial assets	(114)	2	(1)	(113)
Financial assets derecognised	(17,133)	(14,491)	(27,250)	(58,874)
Changes to model assumptions and methodologies	(4,252)	13,177	(336)	8,589
Foreign exchange differences	(64)	(18)	(225)	(307)
Amount written-off	-	-	(86,215)	(86,215)
Balance at end of the financial period	169,396	396,705	324,235	890,336
<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**

	<b>Group</b>		<b>Bank</b>	
	<b>30 June 2020 RM'000</b>	<b>31 March 2020 RM'000</b>	<b>30 June 2020 RM'000</b>	<b>31 March 2020 RM'000</b>
Other receivables, deposits and prepayments	413,416	293,964	411,898	292,459
Interest receivable	303,863	362,395	303,861	362,395
Amount due from related companies	30,687	46,774	31,852	47,905
Collateral pledged for derivative and securities transactions	827,668	1,035,710	827,668	1,035,710
Foreclosed properties	2,610	2,607	2,302	2,300
Deferred charges	111,929	106,793	111,929	106,793
Tax recoverable	162,877	101,569	160,186	98,806
	<u>1,853,050</u>	<u>1,949,812</u>	<u>1,849,696</u>	<u>1,946,368</u>
Less: Accumulated impairment losses	(2,020)	(3,430)	(1,555)	(2,965)
	<u>1,851,030</u>	<u>1,946,382</u>	<u>1,848,141</u>	<u>1,943,403</u>

**A16. DEPOSITS FROM CUSTOMERS**

	<b>Group</b>		<b>Bank</b>	
	<b>30 June 2020 RM'000</b>	<b>31 March 2020 RM'000</b>	<b>30 June 2020 RM'000</b>	<b>31 March 2020 RM'000</b>
Demand deposits	15,946,584	14,993,521	15,957,017	15,003,635
Savings deposits	3,915,683	3,682,178	3,915,683	3,682,178
Term/Investment deposits	54,234,712	56,260,636	54,236,730	56,262,641
Negotiable instruments of deposits	5,300,000	3,872,032	5,300,000	3,872,032
	<u>79,396,979</u>	<u>78,808,367</u>	<u>79,409,430</u>	<u>78,820,486</u>

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

	<b>Group</b>		<b>Bank</b>	
	<b>30 June 2020 RM'000</b>	<b>31 March 2020 RM'000</b>	<b>30 June 2020 RM'000</b>	<b>31 March 2020 RM'000</b>
Government and other statutory bodies	981,856	1,395,524	981,856	1,395,524
Business enterprises	37,414,714	38,400,525	37,427,165	38,412,644
Individuals	32,184,065	30,757,101	32,184,065	30,757,101
Others	8,816,344	8,255,217	8,816,344	8,255,217
	<u>79,396,979</u>	<u>78,808,367</u>	<u>79,409,430</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 June 2020 RM'000	31 March 2020 RM'000	30 June 2020 RM'000	31 March 2020 RM'000
Due within six months	45,004,050	48,151,160	45,006,068	48,153,165
Over six months to one year	13,307,795	10,608,603	13,307,795	10,608,603
Over one year to three years	1,101,206	1,250,625	1,101,206	1,250,625
Over three years to five years	121,661	122,280	121,661	122,280
	<u>59,534,712</u>	<u>60,132,668</u>	<u>59,536,730</u>	<u>60,134,673</u>

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

	Group		Bank	
	30 June 2020 RM'000	31 March 2020 RM'000	30 June 2020 RM'000	31 March 2020 RM'000
Licensed banks	3,932,011	4,552,792	3,932,011	4,552,792
Licensed investment banks	80,943	129,650	80,943	129,650
Other financial institutions	1,001,381	1,980,889	1,010,937	1,990,502
Bank Negara Malaysia	836,188	231,039	836,188	231,039
	<u>5,850,523</u>	<u>6,894,370</u>	<u>5,860,079</u>	<u>6,903,983</u>

**A18. OTHER LIABILITIES**

	Group		Bank	
	30 June 2020 RM'000	31 March 2020 RM'000	30 June 2020 RM'000	31 March 2020 RM'000
Other payables and accruals	804,253	1,261,551	791,454	1,248,696
Lease liabilities	255,064	264,706	256,903	264,706
Provision for reinstatement for leased properties	7,847	7,527	7,847	7,527
Interest payable	486,300	568,789	486,302	568,791
Amount due to holding company and other related companies	133,841	73,679	133,841	73,681
Collateral received for derivative and securities transactions	119,806	227,924	119,806	227,924
Lease deposits and advance rentals	32,212	33,446	32,212	33,446
Provision for commitments and contingencies	15,901	15,318	15,901	15,318
Allowances for ECL on loan commitments and financial guarantees (Note (a))	60,493	56,935	60,518	56,959
Provision for taxation	1,053	1,657	938	1,644
Deferred income	54,684	56,295	54,684	56,295
	<u>1,971,454</u>	<u>2,567,827</u>	<u>1,960,406</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 June 2020</b>				
Balance at beginning of the financial period	30,823	25,938	174	56,935
(Writeback of)/allowances for ECL:	(2,878)	6,483	(6)	3,599
- Transfer to Stage 1	814	(4,952)	-	(4,138)
- Transfer to Stage 2	(852)	5,588	-	4,736
- Transfer to Stage 3	(46)	(275)	321	-
New exposure originated	3,120	3,365	-	6,485
Net remeasurement of allowances	279	3,148	(6)	3,421
Exposure derecognised/withdrawn	(3,670)	(2,771)	(321)	(6,762)
Changes to model assumptions and methodologies	(2,523)	2,380	-	(143)
Foreign exchange difference	(23)	(18)	-	(41)
Balance at end of the financial period	27,922	32,403	168	60,493

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.):

<b>Bank</b>	<b>Stage 1 12-Month ECL RM'000</b>	<b>Stage 2 Lifetime ECL not credit impaired RM'000</b>	<b>Stage 3 Lifetime ECL credit impaired RM'000</b>	<b>Total RM'000</b>
<b>30 June 2020</b>				
Balance at beginning of the financial period	30,848	25,938	173	56,959
(Writeback of)/allowances for ECL:	(2,878)	6,483	(5)	3,600
- Transfer to Stage 1	814	(4,952)	-	(4,138)
- Transfer to Stage 2	(852)	5,588	-	4,736
- Transfer to Stage 3	(46)	(275)	321	-
New exposure originated	3,120	3,365	-	6,485
Net remeasurement of allowances	279	3,148	(5)	3,422
Exposure derecognised/withdrawn	(3,670)	(2,771)	(321)	(6,762)
Changes to model assumptions and methodologies	(2,523)	2,380	-	(143)
Foreign exchange differences	(23)	(18)	-	(41)
Balance at end of the financial period	<u>27,947</u>	<u>32,403</u>	<u>168</u>	<u>60,518</u>
<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	<u>30,848</u>	<u>25,938</u>	<u>173</u>	<u>56,959</u>

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**A19. INTEREST INCOME**

	Individual Quarter		Cumulative Quarter	
	30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
<b>Group</b>				
Short-term funds and deposits and placements with financial institutions*	20,071	22,311	20,071	22,311
Financial assets at fair value through profit or loss	45,061	88,249	45,061	88,249
Financial investments at fair value through other comprehensive income	127,294	128,834	127,294	128,834
Financial investments at amortised cost	32,250	34,646	32,250	34,646
Loans and advances*	800,804	957,319	800,804	957,319
Investment account placement	6,595	16,022	6,595	16,022
Impaired loans and advances	1,990	2,809	1,990	2,809
Others	4,261	4,579	4,261	4,579
	<u>1,038,326</u>	<u>1,254,769</u>	<u>1,038,326</u>	<u>1,254,769</u>
<b>Bank</b>				
Short-term funds and deposits and placements with financial institutions*	20,050	22,278	20,050	22,278
Financial assets at fair value through profit or loss	45,061	88,249	45,061	88,249
Financial investments at fair value through other comprehensive income	127,380	129,081	127,380	129,081
Financial investments at amortised cost	32,250	34,646	32,250	34,646
Loans and advances*	799,570	956,031	799,570	956,031
Investment account placement	6,595	16,022	6,595	16,022
Impaired loans and advances	1,990	2,809	1,990	2,809
Others	4,261	4,579	4,261	4,579
	<u>1,037,157</u>	<u>1,253,695</u>	<u>1,037,157</u>	<u>1,253,695</u>

\* Interest income on short-term funds and deposits and placements with financial institutions and loans and advances had included the net loss of RM8,966,000 and RM 58,284,000 respectively from measures implemented in response to COVID-19 pandemic.

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**A20. INTEREST EXPENSE**

	Individual Quarter		Cumulative Quarter	
	30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
<b>Group</b>				
Deposits from customers	502,515	611,841	502,515	611,841
Deposits and placements of banks and other financial institutions	28,862	45,511	28,862	45,511
Securities sold under repurchase agreements	15,522	40,311	15,522	40,311
Recourse obligation on loans sold to Cagamas Berhad	43,196	43,369	43,196	43,369
Term funding	14,955	25,436	14,955	25,436
Debt capital	32,616	42,683	32,616	42,683
Others	886	1,038	886	1,038
	<u>638,552</u>	<u>810,189</u>	<u>638,552</u>	<u>810,189</u>
<b>Bank</b>				
Deposits from customers	502,573	611,842	502,573	611,842
Deposits and placements of banks and other financial institutions	28,862	45,539	28,862	45,539
Securities sold under repurchase agreements	15,522	40,311	15,522	40,311
Recourse obligation on loans sold to Cagamas Berhad	43,196	43,369	43,196	43,369
Term funding	14,955	25,436	14,955	25,436
Debt capital	32,616	42,683	32,616	42,683
Others	886	1,038	886	1,038
	<u>638,610</u>	<u>810,218</u>	<u>638,610</u>	<u>810,218</u>

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**A21. OTHER OPERATING INCOME**

Group	Individual Quarter		Cumulative Quarter	
	30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
Fee and commission income:				
Bancassurance commission	5,528	6,780	5,528	6,780
Brokerage fees, commission and rebates	318	713	318	713
Fees on loans, advances and securities	23,672	37,814	23,672	37,814
Fees, service and commission charges	4,711	7,683	4,711	7,683
Guarantee fees	11,773	13,759	11,773	13,759
Remittances	2,969	5,798	2,969	5,798
Other fee and commission	13,624	12,968	13,624	12,968
	<u>62,595</u>	<u>85,515</u>	<u>62,595</u>	<u>85,515</u>
Investment and trading income:				
Foreign exchange gain	53,282	16,546	53,282	16,546
Gross dividend income/distribution from:				
Financial assets at fair value through profit or loss	2,448	279	2,448	279
Financial investments at fair value through other comprehensive income	1,810	2,610	1,810	2,610
Net gain on sale of:				
Financial assets at fair value through profit or loss	76,651	13,682	76,651	13,682
Financial investments at fair value through other comprehensive income	14,787	7,970	14,787	7,970
Net gain on revaluation of financial assets at fair value through profit or loss	49,987	22,669	49,987	22,669
Net loss on derivatives	(71,277)	(16,077)	(71,277)	(16,077)
Others	2,697	3,109	2,697	3,109
	<u>130,385</u>	<u>50,788</u>	<u>130,385</u>	<u>50,788</u>
Other income:				
Loss on disposal of foreclosed property	-	(1)	-	(1)
Net (loss)/gain on disposal of property and equipment	(2)	3	(2)	3
Net gain on non trading foreign exchange	296	417	296	417
Profit from sale of goods and services	4,239	4,361	4,239	4,361
Rental income	2,662	1,703	2,662	1,703
Others	157	1,147	157	1,147
	<u>7,352</u>	<u>7,630</u>	<u>7,352</u>	<u>7,630</u>
	<u>200,332</u>	<u>143,933</u>	<u>200,332</u>	<u>143,933</u>

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

	Individual Quarter		Cumulative Quarter	
	30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
<b>Bank</b>				
Fee and commission income:				
Bancassurance commission	5,528	6,780	5,528	6,780
Brokerage fees, commission and rebates	318	713	318	713
Fees on loans, advances and securities	23,672	37,814	23,672	37,814
Fees, service and commission charges	4,613	7,589	4,613	7,589
Guarantee fees	11,773	13,759	11,773	13,759
Remittances	2,969	5,798	2,969	5,798
Other fee and commission	13,624	12,968	13,624	12,968
	<u>62,497</u>	<u>85,421</u>	<u>62,497</u>	<u>85,421</u>
Investment and trading income:				
Foreign exchange gain	53,282	16,546	53,282	16,546
Gross dividend income/distribution from:				
Financial assets at fair value through profit or loss	2,448	279	2,448	279
Financial investments at fair value through other comprehensive income	1,810	2,610	1,810	2,610
Net gain on sale of:				
Financial assets at fair value through profit or loss	76,651	13,682	76,651	13,682
Financial investments at fair value through other comprehensive income	14,787	7,970	14,787	7,970
Net gain on revaluation of financial assets at fair value through profit or loss	49,973	22,669	49,973	22,669
Net loss on derivatives	(71,277)	(16,077)	(71,277)	(16,077)
Others	2,697	3,109	2,697	3,109
	<u>130,371</u>	<u>50,788</u>	<u>130,371</u>	<u>50,788</u>
Other income:				
Loss on disposal of foreclosed property	-	(1)	-	(1)
Net (loss)/gain on disposal of property and equipment	(2)	3	(2)	3
Net gain on non trading foreign exchange	289	427	289	427
Profit from sale of goods and services	4,239	4,361	4,239	4,361
Rental income	3,150	1,627	3,150	1,627
Others	131	1,118	131	1,118
	<u>7,807</u>	<u>7,535</u>	<u>7,807</u>	<u>7,535</u>
	<u>200,675</u>	<u>143,744</u>	<u>200,675</u>	<u>143,744</u>

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**A22. OTHER OPERATING EXPENSES**

Group	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:				
Medical	3,400	4,934	3,400	4,934
Insurance	6,208	6,371	6,208	6,371
Contributions to Employees' Provident Fund/ Private Retirement Schemes ("PRS")	30,282	31,253	30,282	31,253
Salaries, bonuses, allowances and incentives	189,135	199,848	189,135	199,848
Share granted under AMMB ESS	3,174	1,946	3,174	1,946
Social security costs	1,624	1,596	1,624	1,596
Recruitment costs	1,948	1,408	1,948	1,408
Training	1,706	3,212	1,706	3,212
Others	2,021	372	2,021	372
	<u>239,498</u>	<u>250,940</u>	<u>239,498</u>	<u>250,940</u>
Establishment costs:				
Amortisation of intangible assets	17,996	22,322	17,996	22,322
Cleaning, maintenance and security	6,006	5,977	6,006	5,977
Computerisation cost	30,790	39,434	30,790	39,434
Depreciation of property and equipment	15,642	8,489	15,642	8,489
Depreciation of right-of-use assets	18,236	13,938	18,236	13,938
Rental of premises	5	4,383	5	4,383
Finance cost:				
- Lease liabilities	2,149	2,112	2,149	2,112
- Provision for reinstatement for leased properties	38	101	38	101
Others	7,087	7,385	7,087	7,385
	<u>97,949</u>	<u>104,141</u>	<u>97,949</u>	<u>104,141</u>
Marketing and communication expenses:				
Advertising, marketing and communication	10,839	10,325	10,839	10,325
Commission	1,766	2,091	1,766	2,091
Others	680	1,626	680	1,626
	<u>13,285</u>	<u>14,042</u>	<u>13,285</u>	<u>14,042</u>
Administration and general expenses:				
Bank charges	2,141	1,982	2,141	1,982
Insurance	667	790	667	790
Professional services	13,332	13,716	13,332	13,716
Travelling	409	974	409	974
Subscriptions and periodicals	43	358	43	358
Others	5,564	7,065	5,564	7,065
	<u>22,156</u>	<u>24,885</u>	<u>22,156</u>	<u>24,885</u>
Service transfer pricing recovery - net	(73,135)	(77,223)	(73,135)	(77,223)
	<u>299,753</u>	<u>316,785</u>	<u>299,753</u>	<u>316,785</u>



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

	Individual Quarter		Cumulative Quarter	
	30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
<b>Bank</b>				
Personnel costs:				
Medical	3,400	4,934	3,400	4,934
Insurance	6,208	6,371	6,208	6,371
Contributions to Employees' Provident Fund/ PRS	30,282	31,253	30,282	31,253
Salaries, bonuses, allowances and incentives	189,135	199,848	189,135	199,848
Share granted under AMMB ESS	3,174	1,946	3,174	1,946
Social security costs	1,624	1,596	1,624	1,596
Recruitment costs	1,948	1,408	1,948	1,408
Training	1,706	3,212	1,706	3,212
Others	2,021	372	2,021	372
	<u>239,498</u>	<u>250,940</u>	<u>239,498</u>	<u>250,940</u>
Establishment costs:				
Amortisation of intangible assets	17,996	22,323	17,996	22,323
Cleaning, maintenance and security	5,882	5,965	5,882	5,965
Computerisation cost	30,790	39,434	30,790	39,434
Depreciation of property and equipment	15,510	8,358	15,510	8,358
Depreciation of right-of-use assets	18,733	13,938	18,733	13,938
Rental of premises	126	4,504	126	4,504
Finance cost:				
- Lease liabilities	2,228	2,112	2,228	2,112
- Provision for reinstatement for leased properties	38	101	38	101
Others	7,076	7,313	7,076	7,313
	<u>98,379</u>	<u>104,048</u>	<u>98,379</u>	<u>104,048</u>
Marketing and communication expenses:				
Advertising, marketing and communication	10,839	10,324	10,839	10,324
Commission	1,766	2,091	1,766	2,091
Others	680	1,626	680	1,626
	<u>13,285</u>	<u>14,041</u>	<u>13,285</u>	<u>14,041</u>
Administration and general expenses:				
Bank charges	2,141	1,981	2,141	1,981
Insurance	733	730	733	730
Professional services	13,335	13,659	13,335	13,659
Travelling	409	974	409	974
Subscriptions and periodicals	43	358	43	358
Others	5,557	7,059	5,557	7,059
	<u>22,218</u>	<u>24,761</u>	<u>22,218</u>	<u>24,761</u>
Service transfer pricing recovery - net	(73,135)	(77,223)	(73,135)	(77,223)
	<u>300,245</u>	<u>316,567</u>	<u>300,245</u>	<u>316,567</u>

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

	Individual Quarter		Cumulative Quarter	
	30 June	30 June	30 June	30 June
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
<b>Group</b>				
Allowance for impairment on loans and advances	79,955	(23,669)	79,955	(23,669)
Impaired loans and advances recovered, net	(66,295)	(74,855)	(66,295)	(74,855)
	<u>13,660</u>	<u>(98,524)</u>	<u>13,660</u>	<u>(98,524)</u>
<b>Bank</b>				
Allowance for impairment on loans and advances	79,895	(23,677)	79,895	(23,677)
Impaired loans and advances recovered, net	(66,295)	(74,855)	(66,295)	(74,855)
	<u>13,600</u>	<u>(98,532)</u>	<u>13,600</u>	<u>(98,532)</u>

**A24. WRITEBACK OF ALLOWANCE FOR IMPAIRMENT ON FINANCIAL INVESTMENTS**

	Individual Quarter		Cumulative Quarter	
	30 June	30 June	30 June	30 June
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
<b>Group</b>				
Financial investments at fair value through other comprehensive income	(2,692)	(1,362)	(2,692)	(1,362)
Financial investments at amortised cost	(322)	11	(322)	11
	<u>(3,014)</u>	<u>(1,351)</u>	<u>(3,014)</u>	<u>(1,351)</u>
<b>Bank</b>				
Financial investments at fair value through other comprehensive income	(2,694)	(1,366)	(2,694)	(1,366)
Financial investments at amortised cost	(322)	11	(322)	11
	<u>(3,016)</u>	<u>(1,355)</u>	<u>(3,016)</u>	<u>(1,355)</u>

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**A25. ALLOWANCE/(WRITEBACK OF ALLOWANCE) FOR IMPAIRMENT ON OTHER FINANCIAL 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
<b>Group</b>				
Cash and short-term funds	1,759	(470)	1,759	(470)
Deposits and placements with banks and other financial institutions	518	(672)	518	(672)
Investment account placement	(696)	97	(696)	97
Other assets	(1,409)	-	(1,409)	-
	<u>172</u>	<u>(1,045)</u>	<u>172</u>	<u>(1,045)</u>
<b>Bank</b>				
Cash and short-term funds	1,759	(470)	1,759	(470)
Deposits and placements with banks and other financial institutions	518	(672)	518	(672)
Investment account placement	(696)	97	(696)	97
Other assets	(1,409)	(5)	(1,409)	(5)
	<u>172</u>	<u>(1,050)</u>	<u>172</u>	<u>(1,050)</u>

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

**Basic/Diluted**

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

	Individual Quarter		Cumulative Quarter	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
<b>Group</b>				
Net profit attributable to equity holder of the Bank (RM'000)	219,376	267,080	219,376	267,080
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)	26.21	31.91	26.21	31.91
<b>Bank</b>				
Net profit attributable to equity holder of the Bank (RM'000)	218,552	266,301	218,552	266,301
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)	26.12	31.82	26.12	31.82

**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.

(e) Group Funding and Others

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

Measurement of Segment Performance

The segment performance is measured on income, expenses and profit basis. These are shown after allocation of certain centralised costs, funding income and expenses directly associated with each segment. Transactions between segments are recorded within the segment as if they are third party transactions and are eliminated on aggregation.

Note:

- (i) The revenue generated by a majority of the operating segments substantially comprises interest income. The Chief Operating Decision Maker relies primarily on the net interest income information to assess the performance of, and to make decisions about resources to be allocated to these operating segments.
- (ii) The financial information by geographical segment is not presented as the Group's activities are principally conducted in Malaysia.
- (iii) The comparatives have been restated with current business realignment.

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

Group For the financial period ended 30 June 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	566,136	113,797	267,211	339,978	10,517	(59,088)	1,238,551
Revenue from other segments	(82,248)	(22,949)	(113,906)	103,954	(2,229)	117,378	-
Total operating revenue	483,888	90,848	153,305	443,932	8,288	58,290	1,238,551
Net interest income	213,891	46,830	95,262	72,051	4,888	(33,148)	399,774
Other operating income/(loss)	45,402	15,641	22,339	111,252	817	4,881	200,332
Share in results of an associate	(107)	-	-	-	-	-	(107)
Net income	259,186	62,471	117,601	183,303	5,705	(28,267)	599,999
Other operating expenses	(164,130)	(31,288)	(34,063)	(16,152)	(1,929)	(52,191)	(299,753)
<i>of which:</i>							
<i>Depreciation of property and equipment</i>	(5,637)	(423)	(499)	(36)	-	(9,047)	(15,642)
<i>Depreciation of right-of-use assets</i>	-	-	-	-	-	(18,236)	(18,236)
<i>Amortisation of intangible assets</i>	(4,510)	(225)	(1,815)	(330)	-	(11,116)	(17,996)
Profit/(Loss) before impairment losses (Allowance)/writeback of allowance for impairment on loans and advances	95,056	31,183	83,538	167,151	3,776	(80,458)	300,246
Writeback of provision/(provision) for commitments and contingencies	(32,137)	(3,990)	31,833	-	1,457	(10,823)	(13,660)
Impairment (loss)/writeback on other assets	128	(704)	(3,116)	-	-	(490)	(4,182)
Other recoveries	150	-	1,199	(3,022)	-	4,515	2,842
Profit/(loss) before taxation	1	-	-	-	-	54	55
Taxation	63,198	26,489	113,454	164,129	5,233	(87,202)	285,301
Profit/(loss) for the financial period	(15,193)	(6,201)	(25,221)	(38,144)	(732)	19,571	(65,920)
	48,005	20,288	88,233	125,985	4,501	(67,631)	219,381
<b>Other information</b>							
Total segment assets	44,061,897	7,708,127	22,755,455	31,634,572	1,343,459	2,378,335	109,881,845
Total segment liabilities	36,323,596	5,376,920	9,271,734	38,511,423	809,223	9,054,926	99,347,822
Cost to income ratio	63.3%	50.1%	29.0%	8.8%	33.8%	>100.0%	50.0%
Gross loans and advances	43,698,003	7,787,695	21,923,198	-	1,263,221	(103,571)	74,568,546
Net loans and advances	43,164,922	7,697,477	21,758,541	-	1,261,655	(204,530)	73,678,065
Impaired loans and advances	629,935	169,250	382,476	-	21,292	-	1,202,953
Total deposits	35,776,128	5,298,700	9,154,609	33,581,719	801,579	634,767	85,247,502
Additions to:							
Property and equipment	8,272	78	40	1,121	-	1,592	11,103
Intangible assets	12,110	5	279	558	621	8,022	21,595

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

Group For the financial period ended 30 June 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	616,963	122,262	323,621	295,274	17,032	23,550	1,398,702
Revenue from other segments	(30,612)	(22,751)	(155,125)	96,261	(5,796)	118,023	-
Total operating revenue	<u>586,351</u>	<u>99,511</u>	<u>168,496</u>	<u>391,535</u>	<u>11,236</u>	<u>141,573</u>	<u>1,398,702</u>
Net interest income	216,644	50,034	109,640	39,776	6,194	22,292	444,580
Other operating income	52,784	17,629	31,763	29,353	1,023	11,381	143,933
Net income	269,428	67,663	141,403	69,129	7,217	33,673	588,513
Other operating expenses	(156,400)	(32,847)	(39,961)	(15,904)	(1,742)	(69,931)	(316,785)
<i>of which:</i>							
<i>Depreciation of property and equipment</i>	(4,636)	(173)	(256)	(34)	(1)	(3,389)	(8,489)
<i>Depreciation of right-of-use</i>	-	-	-	-	-	(13,938)	(13,938)
<i>Amortisation of intangible assets</i>	(4,136)	(19)	(1,466)	(319)	-	(16,383)	(22,323)
Profit/(loss) before impairment losses (Allowance)/writeback of allowance for impairment on loans and advances	113,028	34,816	101,442	53,225	5,475	(36,258)	271,728
Writeback of provision/(provision) for commitments and contingencies	(31,750)	(10,817)	140,559	-	524	8	98,524
Impairment (loss)/writeback on other assets	(2,673)	5,314	(16,153)	-	-	6	(13,506)
Other recoveries	5	-	33	2,368	-	(10)	2,396
Profit/(loss) before taxation	1	-	-	-	-	-	1
Taxation	78,611	29,313	225,881	55,593	5,999	(36,254)	359,143
Profit/(loss) for the financial period	<u>(18,867)</u>	<u>(6,573)</u>	<u>(53,901)</u>	<u>(12,367)</u>	<u>(1,072)</u>	<u>717</u>	<u>(92,063)</u>
	<u>59,744</u>	<u>22,740</u>	<u>171,980</u>	<u>43,226</u>	<u>4,927</u>	<u>(35,537)</u>	<u>267,080</u>
<b>Other information</b>							
Total segment assets	43,005,275	6,830,792	21,913,878	33,088,293	1,570,084	3,374,751	109,783,073
Total segment liabilities	38,580,175	4,725,333	5,884,977	39,909,612	824,930	10,253,444	100,178,471
Cost to income ratio	58.0%	48.5%	28.3%	23.0%	24.1%	>100.0%	53.8%
Gross loans and advances	42,588,888	6,888,846	20,975,816	-	1,354,431	(82,202)	71,725,779
Net loans and advances	42,028,419	6,826,340	20,854,590	-	1,354,431	(82,122)	70,981,658
Impaired loans and advances	627,526	137,926	298,991	-	-	-	1,064,443
Total deposits	37,832,010	4,641,063	5,700,064	32,777,392	821,771	23,936	81,796,236
Additions to:							
Property and equipment	3,317	138	221	-	-	1,181	4,857
Intangible assets	5,654	14	108	544	-	9,207	15,527

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

The Group reported a profit before taxation of RM285.3 million for the financial period ended 30 June 2020 compared to RM359.1 million in the corresponding period last year.

The decrease in Group's profit before taxation for the period is attributable to lower net interest income mainly due to loss from measures implemented in response to COVID-19 of RM67.3 million and allowance for impairment allowances on loans and advances of RM79.9 million compared to a writeback of RM23.7 million same quarter last year.

The decrease was partly offset by higher higher trading and investment income and lower other operating expenses from lower personnel cost and establishment cost.

The Group's ratio of impaired loans and advances decreased to 1.61% 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 16.90% and 16.77% 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 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 fourth quarter 2020. 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 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%.

In tandem with a weaker economic outlook, the banking system's loan growth is poised to grow modestly in 2020. As at end June, loans growth grew to 4.1% from 3.9% in May 2020. For the full year of 2020, the industry loans growth is likely to hover between flat and 2% growth, which is much lower than 2019's loans growth of 3.9%.

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.



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

Bank Negara Malaysia ("BNM") has so far reduced the Overnight Policies 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.

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.

**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. SIGNIFICANT EVENT DURING THE REPORTING PERIOD**

There has not arisen in the interval between the end of the financial period and the date of this report any items, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and the Bank for the current financial period.

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**A32. 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:

	<b>Group</b>		<b>Bank</b>	
	<b>30 June 2020 RM'000</b>	<b>31 March 2020 RM'000</b>	<b>30 June 2020 RM'000</b>	<b>31 March 2020 RM'000</b>
<b>Contingencies</b>				
Direct credit substitutes	1,849,322	1,999,189	1,849,322	1,999,189
Transaction related contingent items	3,499,994	3,538,912	3,499,994	3,538,912
Short term self liquidating trade related contingencies	422,566	642,162	422,566	642,162
Obligations under on-going underwriting agreements	-	20,000	-	20,000
	<u>5,771,882</u>	<u>6,200,263</u>	<u>5,771,882</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	13,422,724	12,167,747	13,479,524	12,222,647
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	1,615,214	1,620,291	1,615,214	1,620,291
Unutilised credit card lines	3,775,958	3,772,652	3,775,958	3,772,652
Forward asset purchase	501,032	1,829,169	501,032	1,829,169
Others	-	-	50	50
	<u>19,314,928</u>	<u>19,389,859</u>	<u>19,371,778</u>	<u>19,444,809</u>
<b>Derivative Financial Instruments</b>				
<b>Foreign exchange related contracts</b>				
- One year or less	37,915,802	37,428,983	37,915,802	37,428,983
- Over one year to five years	6,115,919	6,079,342	6,115,919	6,079,342
- Over five years	1,042,951	940,724	1,042,951	940,724
<b>Interest rate related contracts</b>				
- One year or less	12,267,081	10,348,960	12,267,081	10,348,960
- Over one year to five years	35,150,145	36,813,230	35,150,145	36,813,230
- Over five years	5,226,898	6,534,985	5,226,898	6,534,985
<b>Credit related contracts</b>				
- Over one year to five years	354,541	356,069	354,541	356,069
<b>Equity and commodity related contracts</b>				
- One year or less	1,479,151	1,637,791	1,479,151	1,637,791
- Over one year to five years	78,827	132,040	78,827	132,040
	<u>99,631,315</u>	<u>100,272,124</u>	<u>99,631,315</u>	<u>100,272,124</u>
<b>Total</b>	<u>124,718,125</u>	<u>125,862,246</u>	<u>124,774,975</u>	<u>125,917,196</u>

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**A33. 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 2.7% 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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**A33. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONT'D.)**

(a) The following tables show the Group's and the Bank's financial instruments that are measured at fair value at the reporting date analysed by levels within the fair value hierarchy.

	Group				Bank			
	Valuation technique			Total RM'000	Valuation technique			Total RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
<b>30 June 2020</b>								
<b>Financial assets measured at fair value</b>								
Derivative financial assets	-	1,841,890	-	1,841,890	-	1,841,890	-	1,841,890
Financial assets at fair value through profit or loss								
- Money market securities	-	8,031,923	-	8,031,923	-	8,031,923	-	8,031,923
- Shares	576,663	-	45	576,708	576,659	-	-	576,659
- Unit trust	28,364	-	-	28,364	28,364	-	-	28,364
- Quoted sukuk	-	38,046	-	38,046	-	38,046	-	38,046
- Unquoted corporate bonds and sukuk	-	373,484	-	373,484	-	373,484	-	373,484
Financial investments at fair value through other comprehensive income								
- Money market securities	-	6,509,410	-	6,509,410	-	6,509,410	-	6,509,410
- Shares	-	-	656,319	656,319	-	-	656,319	656,319
- Unit trust	77,065	-	-	77,065	77,065	-	-	77,065
- Unquoted corporate bonds and sukuk	-	6,512,720	-	6,512,720	-	6,512,720	5,141	6,517,861
	<u>682,092</u>	<u>23,307,473</u>	<u>656,364</u>	<u>24,645,929</u>	<u>682,088</u>	<u>23,307,473</u>	<u>661,460</u>	<u>24,651,021</u>
<b>Financial liabilities measured at fair value</b>								
Derivative financial liabilities	68,493	1,772,058	-	1,840,551	68,493	1,772,058	-	1,840,551

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**A33. 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	<u>10,784</u>	<u>1,950,801</u>	<u>-</u>	<u>1,961,585</u>	<u>10,784</u>	<u>1,950,801</u>	<u>-</u>	<u>1,961,585</u>

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.

**A33. 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	-	67,770	67,770
At 30 June 2020	45	656,319	656,364
	<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	-	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	(2,720)	-	(2,720)
Total gains recognised in other comprehensive income	15	67,770	67,785
At 30 June 2020	5,141	656,319	661,460
	<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	(51)	69,485	69,434
At 31 March 2020	7,846	588,549	596,395

**A33. 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 June 2020 RM'000</b>	<b>31 March 2020 RM'000</b>	<b>30 June 2020 RM'000</b>	<b>31 March 2020 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	67,770	69,485	67,785	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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**A34. CAPITAL ADEQUACY**

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

	<b>Group</b>	<b>Bank</b>
<b>30 June 2020</b>		
Common Equity Tier 1 ("CET 1") Capital Ratio	12.342%	12.220%
Tier 1 Capital Ratio	12.342%	12.220%
Total Capital Ratio	16.903%	16.768%
<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").



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

**A34. CAPITAL ADEQUACY (CONT'D.)**

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

	Group		Bank	
	30 June 2020 RM'000	31 March 2020 RM'000	30 June 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	7,185,487	7,326,502	7,239,668	7,380,683
Fair value reserve	564,162	368,731	564,286	368,847
Foreign currency translation reserve	93,643	95,766	97,471	99,587
Regulatory reserve	319,795	311,003	319,795	311,003
Merger reserve	104,149	104,149	-	-
Cash flow hedging deficit	(25,436)	(28,155)	(25,436)	(28,155)
Less: Regulatory adjustments applied on CET 1 Capital				
- Intangible assets	(262,367)	(264,492)	(262,367)	(264,492)
- Deferred tax assets	-	(33,475)	-	(33,439)
- 55% of cumulative fair value gains in fair value reserve	(310,289)	(202,802)	(310,357)	(202,866)
- Cash flow hedging deficit	25,436	28,155	25,436	28,155
- Regulatory reserve	(319,795)	(311,003)	(319,795)	(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	(627)	(1,086)	(627)	(1,086)
Total CET 1 Capital	9,314,623	9,333,758	9,260,051	9,279,211
<b>Additional Tier 1 Capital</b>				
Qualifying CET 1, Additional Tier 1 capital instruments held by third parties	3	3	-	-
Total Tier 1 Capital	9,314,626	9,333,761	9,260,051	9,279,211
<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*	846,899	854,827	850,917	858,821
Total Tier 2 capital	3,441,900	3,449,828	3,445,917	3,453,821
<b>Total Capital</b>	12,756,526	12,783,589	12,705,968	12,733,032

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

	Group		Bank	
	30 June 2020 RM'000	31 March 2020 RM'000	30 June 2020 RM'000	31 March 2020 RM'000
Credit RWA	67,751,911	68,386,131	68,073,367	68,705,693
Market RWA	2,622,906	2,352,255	2,622,272	2,351,627
Operational RWA	4,258,289	4,232,330	4,245,427	4,217,469
Large exposure risk RWA for equity holdings	835,628	657,669	835,628	657,669
<b>Total RWA</b>	75,468,734	75,628,385	75,776,694	75,932,458

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