

AMMB HOLDINGS BERHAD
Registration No. 199101012723 (223035-V)
(Incorporated in Malaysia)
and its subsidiaries

AUDITED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Note	Group		Company	
		31.03.20 RM'000	31.03.19 RM'000	31.03.20 RM'000	31.03.19 RM'000
ASSETS					
Cash and short-term funds	A8	15,611,728	7,073,744	322,262	81,005
Deposits and placements with banks and other financial institutions	A9	98,845	196,159	-	-
Derivative financial assets	A33	2,077,281	763,923	-	-
Financial assets at fair value through profit or loss	A10	12,545,857	19,365,595	1,078	1,044
Financial investments at fair value through other comprehensive income	A11	19,722,901	15,709,873	-	-
Financial investments at amortised cost	A12	4,852,813	5,146,316	-	-
Loans, advances and financing	A13	105,950,930	100,544,021	-	-
Statutory deposits with Bank Negara Malaysia		489,006	3,155,541	-	-
Deferred tax assets		51,457	66,162	-	-
Investment in subsidiaries and other investments		-	-	9,627,425	9,640,313
Investment in associates and joint ventures		699,275	710,091	-	-
Other assets	A14	2,809,434	1,983,451	1,571	1,670
Reinsurance assets and other insurance receivables	A15	457,906	525,547	-	-
Property and equipment		254,144	168,221	332	676
Intangible assets		3,261,506	3,379,727	-	-
Right-of-use assets		317,679	-	-	-
Asset held for sale	A31	2,324	5,029	-	-
TOTAL ASSETS		169,203,086	158,793,400	9,952,668	9,724,708
LIABILITIES AND EQUITY					
Deposits from customers	A16	112,966,712	106,915,989	-	-
Investment accounts of customers		208,726	353,451	-	-
Deposits and placements of banks and other financial institutions	A17	10,021,921	7,687,719	-	-
Securities sold under repurchase agreements		6,352,709	5,339,422	-	-
Recourse obligation on loans and financing sold to Cagamas Berhad		5,140,023	4,658,353	-	-
Derivative financial liabilities	A33	1,960,103	825,492	-	-
Term funding		2,501,739	3,634,754	-	-
Debt capital		3,745,000	4,230,000	-	-
Redeemable cumulative convertible preference share		231,311	224,229	-	-
Deferred tax liabilities		69,720	63,702	-	-
Other liabilities	A18	3,965,918	3,476,588	46,974	31,436
Insurance contract liabilities and other insurance payables	A19	2,479,164	2,693,249	-	-
Total Liabilities		149,643,046	140,102,948	46,974	31,436
Share capital		5,851,557	5,751,557	5,550,250	5,550,250
Shares held in trust		-	(31,483)	-	(31,483)
Treasury shares		(26,916)	-	(26,916)	-
Reserves		12,756,131	11,970,879	4,382,360	4,174,505
Equity attributable to equity holders of the Company		18,580,772	17,690,953	9,905,694	9,693,272
Non-controlling interests		979,268	999,499	-	-
Total Equity		19,560,040	18,690,452	9,905,694	9,693,272
TOTAL LIABILITIES AND EQUITY		169,203,086	158,793,400	9,952,668	9,724,708
COMMITMENTS AND CONTINGENCIES	A32	133,474,654	131,016,758	-	-
NET ASSETS PER SHARE (RM)		6.18	5.87	3.29	3.22

The audited condensed interim financial statements should be read in conjunction with the audited annual financial statements of the Group and the Company for the financial year ended 31 March 2019.

AMMB HOLDINGS BERHAD
Registration No. 199101012723 (223035-V)
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AUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2020

Group	Note	Individual Quarter		Cumulative Quarter	
		31.03.20 RM'000	31.03.19 RM'000	31.03.20 RM'000	31.03.19 RM'000
Operating revenue	A27	2,214,819	2,333,984	9,324,567	9,119,857
Interest income	A20	1,188,903	1,244,209	4,940,011	4,892,073
Interest expense	A21	(696,411)	(821,447)	(3,001,394)	(3,167,765)
Net interest income		492,492	422,762	1,938,617	1,724,308
Net income from Islamic banking		330,114	237,578	1,019,555	951,949
Income from insurance business		360,150	347,986	1,428,732	1,374,782
Insurance claims and commissions		(258,243)	(268,050)	(988,024)	(922,261)
Net income from insurance business	A22	101,907	79,936	440,708	452,521
Other operating income	A23	77,698	212,655	831,416	773,195
Share in results of associates and joint ventures		(13,130)	1,642	(3,140)	20,427
Net income		989,081	954,573	4,227,156	3,922,400
Other operating expenses	A24	(501,115)	(599,936)	(2,108,191)	(2,130,872)
Operating profit before impairment losses		487,966	354,637	2,118,965	1,791,528
(Allowance)/Writeback of allowance for impairment on loans, advances and financing	A25	(194,848)	271,560	(322,631)	301,303
Writeback of allowance/(Allowance) for impairment on:					
Financial investments	A26	(3,611)	1,240	(46,528)	(11,837)
Insurance receivables		2,604	(11)	8,602	4,961
Other financial assets	A26	(137)	(948)	1,308	(2,180)
Provision for commitments and contingencies		(6,143)	(1,176)	22,267	9,289
Other recoveries/(write-offs), net		(429)	(204)	873	2,310
Profit before taxation and zakat		285,402	625,098	1,782,856	2,095,374
Taxation and zakat	B5	(19,008)	(149,329)	(330,023)	(492,305)
Profit for the financial quarter/year		266,394	475,769	1,452,833	1,603,069
Attributable to:					
Equity holders of the Company		247,540	459,667	1,340,715	1,505,289
Non-controlling interests		18,854	16,102	112,118	97,780
Profit for the financial quarter/year		266,394	475,769	1,452,833	1,603,069
EARNINGS PER SHARE (SEN)	B11				
Basic/Diluted		8.23	15.28	44.64	50.03

The audited condensed interim financial statements should be read in conjunction with the audited annual financial statements of the Group and the Company for the financial year ended 31 March 2019.

AMMB HOLDINGS BERHAD
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AUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2020

Group	Individual Quarter		Cumulative Quarter	
	31.03.20 RM'000	31.03.19 RM'000	31.03.20 RM'000	31.03.19 RM'000
Profit for the financial year	266,394	475,769	1,452,833	1,603,069
Other comprehensive income/(loss):				
Items that will not be reclassified subsequently to statements of profit or loss				
Remeasurement of defined benefit liability	1,238	24	1,238	24
Financial investments at fair value through other comprehensive income ("FVOCI")				
- net unrealised gain on changes in fair value	-	-	69,337	-
Tax effect relating to components of other comprehensive income				
- defined benefit liability	-	-	(297)	(14)
- financial investments at FVOCI	-	-	40	-
	<u>1,238</u>	<u>24</u>	<u>70,318</u>	<u>10</u>
Items that may be reclassified subsequently to statements of profit or loss				
Translation gain of foreign operations	14,119	(5,091)	14,578	32,489
Cash flow hedge				
- loss arising during the financial quarter/year	(10,419)	(10,284)	(18,306)	(12,123)
- reclassification adjustments for gain included in profit or loss	-	-	(66)	(128)
- amortisation of fair value changes for terminated hedges	331	(1,560)	(2,787)	(7,812)
Financial investments at FVOCI				
- net unrealised gains on changes in fair value	(16,160)	85,658	169,104	99,921
- net gain reclassified to profit or loss	(6,082)	(25,047)	(98,384)	(31,589)
- expected credit loss	3,380	(585)	47,012	11,301
- foreign exchange differences	-	(1)	-	340
Tax effect relating to the components of other comprehensive (income)/loss				
- cash flow hedge	2,421	2,842	5,078	4,815
- financial investments at FVOCI	5,339	(14,986)	(31,414)	(13,540)
Share of reserve movements in equity accounted joint ventures	(1,032)	(3,161)	(354)	618
	<u>(8,103)</u>	<u>27,785</u>	<u>84,461</u>	<u>84,292</u>
Other comprehensive income for the financial quarter/year, net of tax	<u>(6,865)</u>	<u>27,809</u>	<u>154,779</u>	<u>84,302</u>
Total comprehensive income for the financial quarter/year	<u>259,529</u>	<u>503,578</u>	<u>1,607,612</u>	<u>1,687,371</u>
Total comprehensive income for the financial quarter/year attributable to:				
Equity holders of the Company	240,214	487,472	1,495,033	1,589,586
Non-controlling interests	19,315	16,106	112,579	97,785
	<u>259,529</u>	<u>503,578</u>	<u>1,607,612</u>	<u>1,687,371</u>

The audited condensed interim financial statements should be read in conjunction with the audited annual financial statements of the Group and the Company for the financial year ended 31 March 2019.

AMMB HOLDINGS BERHAD
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AUDITED STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2020

Company	Note	Individual Quarter		Cumulative Quarter	
		31.03.20 RM'000	31.03.19 RM'000	31.03.20 RM'000	31.03.19 RM'000
Operating revenue		52,987	892	858,518	1,210,101
Interest income	A20	1,516	569	5,247	62,104
Interest expense	A21	-	-	-	(69,515)
Net interest income/(expense)		1,516	569	5,247	(7,411)
Other operating income	A23	51,471	323	853,271	1,147,997
Net income		52,987	892	858,518	1,140,586
Other operating expenses	A24	(6,344)	(5,390)	(26,574)	(23,796)
Operating profit before impairment losses		46,643	(4,498)	831,944	1,116,790
Impairment of subsidiary		(12,888)	-	(12,888)	(24,083)
Profit before taxation		33,755	(4,498)	819,056	1,092,707
Taxation		(357)	(32)	(1,420)	(1,877)
Profit for the financial year representing total comprehensive income for the financial quarter/year		33,398	(4,530)	817,636	1,090,830

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AMMB HOLDINGS BERHAD
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AUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2020

Group	Attributable to Equity Holders of the Company											Total equity RM'000
	Non-Distributable							Distributable				
	Share capital RM'000	Regulatory reserve RM'000	Fair value reserve RM'000	Cash flow hedging reserve/ (deficit) RM'000	Foreign currency translation reserve RM'000	Executives' share scheme reserve RM'000	Shares held in trust for ESS RM'000	Retained Earnings		Total RM'000	Non-controlling interests RM'000	
								Non-participating funds RM'000	RM'000			
At 01.04.18	5,551,557	296,221	412,919	3,174	61,600	17,428	(41,620)	45,715	10,206,241	16,553,235	1,144,453	17,697,688
Profit for the financial year	-	-	-	-	-	-	-	-	1,505,289	1,505,289	97,780	1,603,069
Other comprehensive income/(loss), net	-	-	67,051	(15,248)	32,489	-	-	-	5	84,297	5	84,302
Total comprehensive income/(loss) for the financial year	-	-	67,051	(15,248)	32,489	-	-	-	1,505,294	1,589,586	97,785	1,687,371
Purchase of shares pursuant to Executives' Share Scheme ("ESS") ¹	-	-	-	-	-	-	(183)	-	-	(183)	-	(183)
Share-based payment under ESS, net	-	-	-	-	-	(5,270)	-	-	-	(5,270)	-	(5,270)
ESS shares vested to employees	-	-	-	-	-	(6,863)	10,320	-	-	3,457	-	3,457
Transfer of ESS shares recharged - difference on purchase price for shares vested	-	-	-	-	-	-	-	-	(3,373)	(3,373)	(109)	(3,482)
Dividend for ESS shares not vested	-	-	-	-	-	-	-	-	5,629	5,629	-	5,629
Transfer to regulatory reserve	-	153,937	-	-	-	-	-	-	(153,937)	-	-	-
Transfer from retained earnings arising from redemption of preference shares by a subsidiary	200,000	-	-	-	-	-	-	-	(200,000)	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	(452,128)	(452,128)	(242,630)	(694,758)
Transactions with owners and other equity movements	200,000	153,937	-	-	-	(12,133)	10,137	-	(803,809)	(451,868)	(242,739)	(694,607)
At 31.03.19	5,751,557	450,158	479,970	(12,074)	94,089	5,295	(31,483)	45,715	10,907,726	17,690,953	999,499	18,690,452

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AUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2020

Group	Attributable to Equity Holders of the Company												
	Non-Distributable							Distributable					
	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	Executives' share scheme reserve RM'000	Shares held in trust for ESS RM'000	Treasury shares RM'000	Retained Earnings			Non-controlling interests RM'000	Total equity RM'000
Non-participating funds RM'000									RM'000	Total RM'000			
At 01.04.19	5,751,557	450,158	479,970	(12,074)	94,089	5,295	(31,483)	-	45,715	10,907,726	17,690,953	999,499	18,690,452
Profit for the financial year	-	-	-	-	-	-	-	-	-	1,340,715	1,340,715	112,118	1,452,833
Other comprehensive income/(loss), net	-	-	155,341	(16,081)	14,578	-	-	-	-	480	154,318	461	154,779
Total comprehensive income/(loss) for the financial year	-	-	155,341	(16,081)	14,578	-	-	-	-	1,341,195	1,495,033	112,579	1,607,612
Disposal of shares held in trust for ESS	-	-	-	-	-	-	31,483	-	-	(12,385)	19,098	-	19,098
Buy-back of shares	-	-	-	-	-	-	-	(26,916)	-	-	(26,916)	-	(26,916)
Share-based payment under ESS, net	-	-	-	-	-	35,277	-	-	-	-	35,277	-	35,277
Dividend for ESS shares not vested	-	-	-	-	-	-	-	-	-	1,293	1,293	-	1,293
Transfer from regulatory reserve	-	(62,630)	-	-	-	-	-	-	-	62,630	-	-	-
Transfer from retained earnings arising from redemption of preference shares by a subsidiary	100,000	-	-	-	-	-	-	-	-	(100,000)	-	-	-
Dividend accrued for ESS shares	-	-	-	-	-	-	-	-	-	(1,001)	(1,001)	-	(1,001)
Return of capital by a subsidiary	-	-	-	-	-	-	-	-	-	-	-	(49,000)	(49,000)
Dividends paid	-	-	-	-	-	-	-	-	-	(632,965)	(632,965)	(83,810)	(716,775)
Transactions with owners and other equity movements	100,000	(62,630)	-	-	-	35,277	31,483	(26,916)	-	(682,428)	(605,214)	(132,810)	(738,024)
At 31.03.20	5,851,557	387,528	635,311	(28,155)	108,667	40,572	-	(26,916)	45,715	11,566,493	18,580,772	979,268	19,560,040

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AUDITED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2020

Company	Attributable to Equity Holders of the Company				
	Non-Distributable			Distributable	
	Ordinary share capital RM'000	Executives' share scheme reserve RM'000	Shares held in trust for ESS RM'000	Retained earnings RM'000	Total equity RM'000
At 01.04.18	5,550,250	17,428	(41,620)	3,525,115	9,051,173
Profit for the financial year	-	-	-	1,090,830	1,090,830
Total comprehensive income for the financial year	-	-	-	1,090,830	1,090,830
Purchase of shares pursuant to ESS ¹	-	-	(183)	-	(183)
Share-based payment under ESS, net	-	(5,270)	-	-	(5,270)
ESS shares vested to employees	-	(6,863)	10,320	(236)	3,221
Dividend for ESS shares not vested	-	-	-	5,629	5,629
Dividends paid	-	-	-	(452,128)	(452,128)
Transactions with owners and other equity movements	-	(12,133)	10,137	(446,735)	(448,731)
At 31.03.19	5,550,250	5,295	(31,483)	4,169,210	9,693,272

Company	Attributable to Equity Holders of the Company					
	Non-Distributable			Distributable		
	Ordinary share capital RM'000	Executives' share scheme reserve RM'000	Shares held in trust for ESS RM'000	Treasury shares RM'000	Retained earnings RM'000	Total equity RM'000
At 01.04.19	5,550,250	5,295	(31,483)	-	4,169,210	9,693,272
Profit for the financial year	-	-	-	-	817,636	817,636
Total comprehensive income for the financial year	-	-	-	-	817,636	817,636
Disposal of shares held in trust for ESS	-	-	31,483	-	(12,385)	19,098
Buy-back of shares	-	-	-	(26,916)	-	(26,916)
Share-based payment under ESS, net	-	35,277	-	-	-	35,277
Dividend for ESS shares not vested	-	-	-	-	1,293	1,293
Dividend accrued for ESS shares	-	-	-	-	(1,001)	(1,001)
Dividends paid	-	-	-	-	(632,965)	(632,965)
Transactions with owners and other equity movements	-	35,277	31,483	(26,916)	(645,058)	(605,214)
At 31.03.20	5,550,250	40,572	-	(26,916)	4,341,788	9,905,694

¹ Represents the purchase of 48,350 of the Company's issued ordinary shares from the open market by a trustee appointed by the ESS committee at an average price of RM3.79 per share.

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AUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2020

	Group		Company	
	31.03.20 RM'000	31.03.19 RM'000	31.03.20 RM'000	31.03.19 RM'000
Profit before taxation and zakat	1,782,856	2,095,374	819,056	1,092,707
Adjustments for:				
Net accretion of discount for securities	(89,821)	(294,392)	-	-
Allowance for expected credit losses on loans, advances and financing, net	666,412	536,097	-	-
Dividend income	(7,806)	(2,897)	(851,836)	(1,122,065)
Capital repayment from subsidiary	-	-	-	(25,000)
Impairment loss on subsidiary	-	-	12,888	24,083
Net gain on revaluation of derivatives	(197,119)	(103,858)	-	-
Net loss on revaluation of financial assets at fair value through profit or loss	19,240	33,751	-	-
Net gain on sale of financial investments at fair value through other comprehensive income	(98,384)	(31,590)	-	-
Net gain on sale of financial assets at fair value through profit or loss	(52,111)	(48,624)	-	-
Other non-operating and non-cash items	328,231	201,248	116	409
Operating profit/(loss) before working capital changes	2,351,498	2,385,109	(19,776)	(29,866)
<i>Decrease/(Increase) in operating assets:</i>				
Deposits and placements with banks and other financial institutions	3,283	12,318	-	-
Financial assets at fair value through profit or loss	6,919,750	(5,721,450)	(34)	(36)
Loans, advances and financing	(6,073,320)	(6,148,778)	-	-
Statutory deposits with Bank Negara Malaysia	2,666,535	(318,700)	-	-
Other assets	(721,352)	160,448	700	3,598
Reinsurance assets and other insurance receivables	76,243	15,402	-	-
<i>Increase/(Decrease) in operating liabilities:</i>				
Deposits from customers	6,050,722	11,110,802	-	-
Investment accounts of customers	(144,725)	214,496	-	-
Deposits and placements of banks and other financial institutions	2,334,202	4,255,140	-	-
Securities sold under repurchase agreements	1,013,287	5,339,422	-	-
Recourse obligation on loans and financing sold to Cagamas Berhad	481,671	384,731	-	-
Term funding	(1,175,575)	(788,113)	-	(500,000)
Other liabilities	241,376	186,694	49,814	6,714
Insurance contract liabilities and other insurance payables	(214,085)	(70,263)	-	-
Cash generated from/(used in) operations	13,809,510	11,017,258	30,704	(519,590)
Taxation and zakat paid, net	(475,776)	(262,482)	(2,021)	(1,611)
Net cash generated from/(used in) operating activities	13,333,734	10,754,776	28,683	(521,201)
<i>Cash flows from investing activities</i>				
Purchase of shares by the appointed trustee	-	(183)	-	(183)
Purchase of treasury shares	(26,916)	-	(26,916)	-
Dividend/Distribution income received	15,127	10,109	851,836	1,122,065
Subscription of shares in subsidiary and joint venture	-	(6,000)	-	(177,257)
Proceeds from disposal of property and equipment	438	2,858	228	-
Proceeds from disposal of shares by the appointed trustee	19,098	-	19,098	-
Capital repayment from subsidiary	-	-	-	25,000
Net purchase of financial investments	(3,431,761)	(8,055,012)	-	-
Purchase of property and equipment and intangible assets	(145,794)	(123,563)	-	-
Net cash (used in)/generated from investing activities	(3,569,808)	(8,171,791)	844,246	969,625
carried forward				

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AUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2020 (CONT'D.)

	Group		Company	
	31.03.20	31.03.19	31.03.20	31.03.19
	RM'000	RM'000	RM'000	RM'000
Net cash (used in)/generated investing activities				
brought forward	(3,569,808)	(8,171,791)	844,246	969,625
Net proceeds from disposal of assets held for sale (properties)	8,868	10,584	-	-
Net cash (used in)/generated from investing activities	<u>(3,560,940)</u>	<u>(8,161,207)</u>	<u>844,246</u>	<u>969,625</u>
<i>Cash flows from financing activities</i>				
Dividends paid by Company to its shareholders	(632,965)	(452,128)	(632,965)	(452,128)
Repayment of lease liabilities	(81,522)	-	-	-
Dividends paid to non-controlling interests by subsidiaries	(83,810)	(242,630)	-	-
Dividends refunded by Trustee for ESS shares not vested	1,293	5,629	1,293	5,629
Debt capital - repayment, net	(485,000)	(350,000)	-	-
Return of capital to non-controlling interest	(49,000)	-	-	-
Net cash used in financing activities	<u>(1,331,004)</u>	<u>(1,039,129)</u>	<u>(631,672)</u>	<u>(446,499)</u>
Net increase in cash and cash equivalents	8,441,790	1,554,440	241,257	1,925
Cash and cash equivalents at beginning of the financial year	7,270,046	5,715,856	81,005	79,080
Effect of exchange rate changes	83	(250)	-	-
Cash and cash equivalents at end of the financial year	<u>15,711,919</u>	<u>7,270,046</u>	<u>322,262</u>	<u>81,005</u>

Cash and cash equivalents included in the statements of cash flows comprise the following amounts:

	Group		Company	
	31.03.20	31.03.19	31.03.20	31.03.19
	RM'000	RM'000	RM'000	RM'000
Cash and short-term funds	15,611,728	7,073,744	322,262	81,005
Deposits and placements with banks and other financial institutions	98,845	196,159	-	-
	<u>15,710,573</u>	<u>7,269,903</u>	<u>322,262</u>	<u>81,005</u>
Less: Deposits with original maturity of more than three months	-	(3,283)	-	-
	<u>15,710,573</u>	<u>7,266,620</u>	<u>322,262</u>	<u>81,005</u>
Add:				
Allowances for expected credit loss ("ECL") for cash and cash equivalents	1,346	3,426	-	-
Cash and cash equivalents	<u>15,711,919</u>	<u>7,270,046</u>	<u>322,262</u>	<u>81,005</u>

The audited condensed interim financial statements should be read in conjunction with the audited annual financial statements of the Group and the Company for the financial year ended 31 March 2019.

AMMB HOLDINGS BERHAD

Registration No. 199101012723 (223035-V)
(Incorporated in Malaysia)
and its subsidiaries

EXPLANATORY NOTES :

A1. BASIS OF PREPARATION

These condensed interim financial statements have been prepared in accordance with MFRS 134 *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board ("MASB") and paragraph 9.22 of the Listing Requirements of Bursa Malaysia. These financial statements also comply with IAS 34 *Interim Financial Reporting* issued by the International Accounting Standards Board.

These condensed interim financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the annual financial statements of the Group and the Company for the financial year ended 31 March 2019 which are available upon request from the Company's registered office at Level 22, Bangunan AmBank Group, No. 55, Jalan Raja Chulan, 50200 Kuala Lumpur.

The condensed interim financial statements incorporate those activities relating to Islamic banking which have been undertaken by the Group. Islamic banking refers generally to the acceptance of deposits, granting of financing and dealing in Islamic securities under Shariah principles.

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 new standards, amendments to published standards and new interpretation which became effective for the first time for the Group and the Company on 1 April 2019:

- MFRS 16 *Leases*
- IC Interpretation 23 *Uncertainty over Income Tax Treatments*
- Prepayment Features with Negative Compensation (Amendments to MFRS 9)
- Long-term interests in Associates and Joint Ventures (Amendments to MFRS 128)
- Plan Amendment, Curtailment or Settlement (Amendments to MFRS119)
- Annual Improvements to MFRSs 2015-2017 Cycle

The adoption of these new standards, amendments to published standards and new interpretation did not have any material impact on the financial statements of the Group and the Company except for those arising from the adoption of MFRS 16 as disclosed below. Other than the adoption of new accounting policies as disclosed in Note A1.2, the Group and the Company did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amendments to published standards and new interpretation.

The nature of the new standards, amendments to published standards and new interpretation relevant to the Group and the Company are described below:

(a) MFRS 16 Leases

As a lessee, the Group previously classified each of its leases as operating leases (off balance sheet) in accordance with MFRS 117 *Leases* if the arrangements do not transfer substantially all the risks and rewards incidental to ownership of the leased assets to the Group; otherwise, they were classified as finance leases (on balance sheet).

MFRS 16, which supersedes MFRS 117, eliminates the classification of leases by the lessee as either finance leases or operating leases. MFRS 16 requires a lessee to account for all leases under a single on balance sheet model similar to the accounting for a finance lease under MFRS 117 which involves the recognition of a "right-of-use" of the underlying asset and a lease liability reflecting future lease payments.

The right-of-use asset is depreciated in accordance with the principle in MFRS 116 'Property, Plant and Equipment' and the lease liability is accreted over time with interest expense recognised in the statement of profit or loss.

A1. BASIS OF PREPARATION (CONT'D.)

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

(a) MFRS 16 Leases (Cont'd.)

The Group has adopted MFRS 16 for the first time since 1 April 2019. In its transition to MFRS 16, the Group has elected to apply the simplified transition approach whereby the comparative amounts were not restated. For leases previously classified as operating leases with remaining lease term greater than 12 months from the date of initial application, the Group recognised the lease liabilities at the date of initial application which were measured at the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application. Correspondingly, the Group recognised the right-of-use assets at an amount equal to the lease liabilities and hence the Group did not make any adjustment to the opening retained earnings. In addition, the Group has made use of the following transitional practical expedients for recognition and measurement purposes at the date of initial application:

- (i) The Group has elected not to reassess whether an agreement is, or contains a lease at the date of initial application. Instead, for agreements entered into before the transition date, the Group relied on its previous assessments made in accordance with MFRS 117 and IC Interpretation 4 *Determining whether an Arrangement contains a Lease*.
- (ii) Lease agreements for which the remaining lease term ends within 12 months from the date of initial application are accounted as short-term leases whereby the Group has elected not to recognise the associated right-of-use assets and lease liabilities.
- (iii) A single discount rate was applied for those portfolio of leases with reasonably similar characteristics, such as leases with a similar remaining lease term for a similar class of underlying asset in a similar economic environment.
- (iv) Initial direct costs were excluded from the measurement of the right-of-use assets at the date of initial application.

The Group has elected not to recognise a right-of-use asset and a lease liability for short-term leases, i.e. leases without purchase option with a lease term of 12 months or less from the commencement date. Similarly, the Group will not recognise a right-of-use asset and a lease liability on leases for which the underlying asset is of low value.

The financial impact of the adoption of MFRS 16 on the financial statements of the Group are as disclosed in Note A38.

(b) IC Interpretation 23 *Uncertainty over Income Tax Treatments*

The Interpretation provides guidance on how to recognise and measure deferred and current income tax assets and liabilities in situations where there is uncertainty over whether the tax treatment applied by an entity will be accepted by the tax authority. If it is probable that the tax authority will accept an uncertain tax treatment that has been taken or is expected to be taken on a tax return, the accounting for income taxes shall be determined consistently with that tax treatment. If an entity concludes that it is not probable that the treatment will be accepted, it should reflect the effect of the uncertainty in its income tax accounting in the period in which that determination is made, by applying the most likely amount method or the expected value method. The adoption of this Interpretation did not have any material financial impact to the Group and the Company.

(c) Prepayment Features with Negative Compensation (Amendments to MFRS 9)

Under the current MFRS 9 requirements, the "solely payments of principal and interest on the principal amount outstanding" ("SPPI") condition is not met if the lender has to make a settlement payment in the event of early termination by the borrower. The existing requirements are amended to enable entities, to measure at amortised cost or at fair value through other comprehensive income (depending on the business model), some prepayable financial assets with negative compensation if the negative compensation is a reasonable compensation for early termination of the contract. An example of such reasonable compensation is an amount that reflects the effect of the change in the relevant benchmark rate of interest at the time of termination; the calculation of this compensation payment must be the same for both the case of an early repayment penalty and the case of an early repayment gain. The adoption of these amendments did not result in any impact as the Group and the Company do not hold any prepayable financial asset with negative compensation.

A1. BASIS OF PREPARATION (CONT'D.)

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

(d) Long-term Interests in associates and Joint Ventures (Amendments to MFRS 128)

The amendments clarify that MFRS 9 including its impairment requirements shall be applied to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The adoption of these amendments did not result in any impact as the Group's net investments in the associates and joint ventures do not include any long-term financial assets that are in the scope of MFRS 9.

(e) Plan Amendment, Curtailment or Settlement (Amendments to MFRS 119)

Currently, MFRS 119 did not specify how current service cost and net interest should be determined for the remainder of the period after a plan amendment, curtailment or settlement. The standard has been amended to mandate the use of updated assumptions from the remeasurement of net defined benefit liability or asset upon a change to the plan to determine current service cost and net interest for the remainder of the period after the change to the plan. The adoption of these amendments did not result in any impact as there is no plan amendment, settlement or curtailment that occurred during the financial year ended 31 March 2020.

(f) Annual Improvements to MFRSs 2015-2017 Cycle

The Annual Improvements to MFRSs 2015-2017 Cycle include minor amendments affecting 4 MFRSs, as summarised below:

(i) MFRS 3 *Business Combinations*

The amendments clarified that obtaining control of a business that is a joint operation is a business combination achieved in stages. The acquirer shall remeasure its previously held interest in the joint operation at fair value at the acquisition date. The amendment has no impact as the Group does not hold interest in any joint operation.

(ii) MFRS 11 *Joint Arrangements*

The amendments clarified that the party obtaining joint control of a business that is a joint operation shall not remeasure any previously held interest in the joint operation. The amendment has no impact as the Group does not hold interest in any joint operation.

(iii) MFRS 112 *Income Taxes*

The amendments clarified that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated the distributable amounts were recognised. Hence the tax consequences are recognised in profit or loss only when an entity determines payments on such instruments are distributions of profits. The amendment did not have any material financial impact to the Group and the Company.

(iv) MFRS 123 *Borrowing Costs*

The amendments clarified that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The amendment did not have any material financial impact to the Group and the Company.

A1. BASIS OF PREPARATION (CONT'D.)

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

Standards issued but not yet effective

Description	Effective for annual periods beginning on or after
- Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
- Definition of a Business (Amendments to MFRS 3)	1 January 2020
- Definition of Material (Amendments to MFRS 101 and MFRS 108)	1 January 2020
- Interest Rate Benchmark Reform (Amendments to MFRS 9, MFRS 139 and MFRS 7)	1 January 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
- 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, amendments to published standards and new interpretation that are issued but not yet effective are described below. The Group and the Company are assessing the financial effects of their adoption.

(a) Amendments to published standards effective for financial year ending 31 March 2021

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") on 30 April 2018. 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 amendments are effective for annual periods beginning on or after 1 January 2020 for entities that develop an accounting policy by reference to the Conceptual Framework.

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 amendments are applied prospectively to business combinations and asset acquisitions that occur on or after the beginning of the first annual reporting period beginning on or after 1 January 2020. Early adoption is permitted.

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 judgements. The amendments are applied prospectively from annual reporting period beginning on or after 1 January 2020. Early adoption is permitted.

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 interest rate benchmark reform may affect the application of cash flow hedge accounting because at some point in time, forecast cash flows based on interbank offered rates may no longer meet the highly probable requirement due to uncertainties arising from interest rate benchmark reform. The relief provided by the amendments requires an entity to assume that the interest rate on which the hedged cash flows are based does not change as a result of the reform. Similarly, an entity shall assume 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 when performing hedge effectiveness assessments. The amendments are applied prospectively from annual reporting period beginning on or after 1 January 2020. 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) Standards effective for financial year ending 31 March 2022

MFRS 17 Insurance Contracts

MFRS 17 supersedes MFRS 4 *Insurance Contracts*.

MFRS 17 requires a current measurement model, where estimates are remeasured in each reporting period. The measurement is based on the building blocks of discounted, probability-weighted cash flows, a risk adjustment and a contractual service margin ("CSM") representing the unearned profit of the contract. A simplified premium allocation approach is permitted for the liability for the remaining coverage if it provides a measurement that is not materially different from the general model or if the coverage period is one year or less. However, claims incurred will need to be measured based on the building blocks of discounted, risk-adjusted, probability weighted cash flows.

Changes in cash flows related to future services should be recognised against the CSM. The CSM cannot be negative, so changes in future cash flows that are greater than the remaining CSM are recognised in profit or loss. Interest is accreted on the CSM at rates locked in at initial recognition of a contract. To reflect the service provided, the CSM is released to profit or loss in each period on the basis of passage of time. Entities have an accounting policy choice to recognise the impact of changes in discount rates and other assumptions that relate to financial risks either in profit or loss or in other comprehensive income.

MFRS 17 is effective for annual periods beginning on or after 1 January 2021. Nevertheless, the effective date of MFRS 17 may be deferred by a year to 1 January 2022, subject to the standard setter's consultations. Early application is permitted provided MFRS 9 and MFRS 15 are also applied. A full retrospective application is required; an entity is permitted to choose between a modified retrospective approach and the fair value approach if full retrospective application is impracticable.

The Group plans to adopt MFRS 17 on the required effective date and a Project Steering Committee has been formed to oversee the implementation of MFRS 17. The Group expects that MFRS 17 will result in an important change to the accounting policies for insurance contract liabilities of the Group and is likely to have a significant impact on profit and total equity of its Insurance business segment.

(c) 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. The amendments are not expected to result in any impact as the Group and the Company present all assets and liabilities in the statements of financial position in order of liquidity.

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

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 and MFRS 128)

The amendments clarify that:

- gains and losses resulting from transactions involving assets that do not constitute a business, between investor and its associate or joint venture are recognised in the entity's financial statements only to the extent of unrelated investors' interests in the associate or joint venture; and
- gains and losses resulting from transactions involving the sale or contribution to an associate of a joint venture of assets that constitute a business is recognised in full.

A1. BASIS OF PREPARATION (CONT'D.)

A1.2 Summary of Significant Accounting Policies Applied from 1 April 2019

The significant accounting policies adopted in preparing these condensed interim financial statements are consistent with those as disclosed in the annual financial statements of the Group and the Company for the financial year ended 31 March 2019 except for the following new accounting policies which has been applied from 1 April 2019 following the adoption of MFRS 16:

(a) Leases

The determination of whether an arrangement is, or contains, a lease is based on whether the arrangement conveys a right to control the use of the asset, even if that right is not explicitly specified in an arrangement.

(i) The Group as a lessee (Policy applicable before 1 April 2019)

Leases that transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item are classified as finance leases, and are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. The corresponding lease obligations, net of finance charges, are included in other short-term and long-term payables. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Leases that do not transfer to the Group substantially all the risks and benefits incidental to ownership of the leased items are operating leases. Operating lease payments are recognised as an operating expense in profit or loss on a straight-line basis over the lease term. The aggregate benefits of incentives provided by the lessor are recognised as a reduction of rental expenses over the lease term on a straight-line basis.

(ii) The Group as a lessee (Policy applicable from 1 April 2019)

Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group.

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received (if any). Where applicable, the cost of right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located. Unless the Group is reasonably certain to obtain ownership of the underlying asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. If the Group is reasonably certain to obtain ownership of the underlying asset at the end of the lease term, the right-of-use asset is depreciated over the underlying asset's useful life. Right-of-use assets are assessed for impairment whenever there is an indication that the right-of-use assets may be impaired.

A1. BASIS OF PREPARATION (CONT'D.)

A1.2 Summary of Significant Accounting Policies Applied from 1 April 2019 (Cont'd.)

(a) Leases (Cont'd.)

(ii) The Group as a lessee (Policy applicable from 1 April 2019) (Cont'd.)

The Group applies the short-term lease recognition exemption to its short-term leases, i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value, i.e. those with a value of RM20,000 or less when new. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(ii) The Group as a lessor

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Rental income is recognised over the term of the lease on a straight-line basis. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

A1.3 Significant Changes In Regulatory Requirements

Bank Negara Malaysia ("BNM") letter on Additional Measures to Assist Borrowers/Customers Affected by the COVID-19 Outbreak

On 24 March 2020, BNM issued a letter to all licensed banks and prescribed development financial institutions on additional measures to be implemented to assist borrowers/customers experiencing temporary financial constraints due to the COVID-19. These measures include:

- (a) automatic moratorium on repayment/payment of loans/financing which is effective for a period of 6 months from 1 April 2020. In relation to any loan/financing that is granted a moratorium, converted or restructured and rescheduled:
 - (i) the moratorium is excluded in the determination of the period in arrears for the purpose of regulatory and accounting classifications;
 - (ii) the loans/financing need not be reported as rescheduled and restructured ("R&R") in the Central Credit Reference Information System ("CCRIS"); and
 - (iii) the R&R loans/financing need not be classified as credit impaired in CCRIS.

The regulatory treatment above shall also apply to any requests for a moratorium or to reschedule and restructure received by banking institutions on or before 31 December 2020. In addition, the regulatory flexibilities specified in BNM's announcement dated 28 February 2020 on *BNM's Measures to Assist Businesses and Households Affected by the COVID-19 Outbreak* shall continue to be applicable where relevant.

(b) lending/financing limits liberalised as follows:

- (i) requirements on lending/financing to the broad property sector, purchase of shares and units of unit trust fund to be uplifted with immediate effect. However, exposures of banking institutions shall continue to comply with the policy documents *Single Counterparty Exposure Limit ("SCEL")*, *Credit Risk* and *Internal Capital Adequacy Assessment Process (Pillar 2)*; and
- (ii) limit for exposures to counterparties that are connected to Tenaga Nasional Berhad, Petroliam Nasional Berhad and Telekom Malaysia Berhad based on economic dependence factors set out in the SCEL Policy Document, is temporarily increased from 25% to 35% of a banking institution's total capital, subject to the following:
 - the higher limit is only applicable for exposures acquired until 31 December 2021;
 - banking institutions must pare down any exposures in excess of 25% of total capital by 31 December 2022; and
 - banking institutions shall continue to ensure appropriate risk assessments, monitoring and independent review of exposures in line with the expectations set out in the policy document on *Credit Risk*.

A1. BASIS OF PREPARATION (CONT'D.)

A1.3 Significant Changes In Regulatory Requirements (Cont'd.)

Bank Negara Malaysia ("BNM") letter on Additional Measures to Assist Borrowers/Customers Affected by the COVID-19 Outbreak (Cont'd.)

On 24 March 2020, BNM issued a letter to all licensed banks and prescribed development financial institutions on additional measures to be implemented to assist borrowers/customers experiencing temporary financial constraints due to the COVID-19. These measures include: (cont'd.)

(c) drawdown of prudential buffers. Banking institutions are allowed during this period to:

- (i) drawdown the capital conservation buffer of 2.5%;
- (ii) operate below the minimum liquidity coverage ratio ("LCR") of 100%; and
- (iii) reduce the regulatory reserves held against expected losses to 0%.

Banking institutions will be given reasonable time to rebuild their buffers after 31 December 2020 and restore their buffers to the minimum regulatory requirements by 30 September 2021, subject to public health concerns abating and economic conditions improving.

(d) lowering the minimum Net Stable Funding Ratio ("NSFR") requirement to 80% when the requirement is effective on 1 July 2020 and increasing to 100% from 30 September 2021.

In the same letter, banking institutions are reminded to ensure that any forward-looking information used to incorporate the impact of COVID-19 on the ECL estimates is reasonable and supportable. Banking institutions should also appropriately reflect the temporary nature of the shock, and fully account for the economic and financial support measures that have been announced to mitigate the impact of COVID-19 on the economy. In particular, moratoriums provided to borrowers/customers should not automatically result in a stage transfer under MFRS 9 in the absence of other factors relevant to the assessment of whether there has been a significant increase in credit risk.

As at 31 March 2020, the Group had incorporated forward-looking ("FL") estimates, assumptions and judgements specific to the impact of the COVID-19 pandemic to businesses, moratorium granted to customers and global oil price slump in the measurement of ECL for all financial assets in the form of FL ECL overlay which amounted to approximately RM167.3 million for the Group. This is reflected in the movements of ECL of RM71,000 (in Note A8 - Cash and short term funds), RM375,000 (in Note A9 - Deposits and placements with banks and other financial institutions), RM6.7 million (in Note A11 - Financial investments at fair value through other comprehensive income), RM1.2 million (in Note A12 - Financial investments at amortised cost), RM142.0 million (in Note A13 - Loans, advances and financing) and RM17.0 million (in Note A18 - Other liabilities) as disclosed in the financial statements.

A1.4 Significant Accounting Judgements, Estimates and Assumptions

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

A1. BASIS OF PREPARATION (CONT'D.)

A1.4 Significant Accounting Judgements, Estimates and Assumptions (Cont'd.)

In the process of applying the Group's and the Company'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 2019, as well as the following:

Lease term of agreements with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised.

The Group has the option, under some of its leases to lease the assets for additional terms of three to twelve years. The extension options held are exercisable only by the Group and not by the respective lessor. In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option. Factors considered include historical lease durations and the costs and business disruption required to replace the leased asset. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew. The Group included the renewal period as part of the lease term for most of its leases of premises due to the significance of these assets to its operations.

A2. AUDIT QUALIFICATION

There was no audit qualification in the annual financial statements for the financial year ended 31 March 2019.

A3. SEASONALITY OR CYCLICALITY OF OPERATIONS

The operations of the Group and the Company are not materially affected by any seasonal or cyclical fluctuation in the current financial quarter and year.

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

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

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 year ended 31 March 2020 except for the reversal of approximately RM51.2 million relating to the provision for estimated expenditure in respect of the Group's obligations to repurchase loans/financing. The Group's commercial banking subsidiaries, AmBank (M) Berhad ("AmBank") and AmBank Islamic Berhad ("AmBank Islamic") had entered into Supplemental Sales and Purchase Agreements ("Supplemental SPAs") with the purchasers of non-performing loans/financing, Aiqon Amanah Sdn Bhd and Aiqon Islamic Sdn Bhd respectively on 30 August 2019. The Supplemental SPAs for variation of terms and conditions of the original Sales and Purchase Agreements had included a limit of RM18.0 million to the Group's liabilities for repurchase of loans/financing.

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

Share buy-back

During the current financial year, the Company bought back from the open market, a total of 7,495,900 ordinary shares listed on the Main Market of Bursa Malaysia Securities Berhad at an average buy-back price of RM3.58 per share. The total consideration paid for the share buy-back including transaction costs was approximately RM26.9 million and was financed by internally generated funds. The shares bought back are held as treasury shares in accordance with Section 127(4)(b) of the Companies Act 2016.

Issuance of debt securities

On 27 March 2020, AmBank Islamic issued tranche 5 and 6 of Senior Sukuk Musyarakah with nominal value of RM200.0 million and RM800.0 million respectively under its Senior Sukuk Musyarakah Programme of RM3.0 billion in nominal value. The profit rate charged for tranche 5 and 6 is 3.55% and 4.10% per annum respectively. Tranches 5 and 6 have a maturity date of 2 years and 5 years from issuance date.

A6. ISSUANCE, REPURCHASE AND REPAYMENT OF DEBT AND EQUITY SECURITIES (CONT'D.)

Redemption of debt securities

- a) On 3 July 2019, AmBank repaid in full the debt securities of USD400.0 million (equivalent to approximately RM1,655.0 million) nominal value issued under its Euro Medium-Term Note programme of up to USD2.0 billion in nominal value (or its equivalent).
- b) On the first call date of 19 August 2019, AmBank redeemed Tranche 1 of the Innovative Tier 1 Capital Securities of RM300.0 million in nominal value issued under its RM500.0 million Innovative Tier 1 Capital Securities Programme ("IT1CS Programme"). On the first call of 30 September 2019, AmBank redeemed Tranche 2 of RM185.0 million in nominal value issued under its IT1CS Programme and cancelled the programme after this final redemption.
- c) AmBank Islamic redeemed the following tranches of the Senior Sukuk Musyarakah issued under its Senior Sukuk Musyarakah Programme of RM3.0 billion in nominal value:
 - (i) Tranche 2 with nominal value of RM100.0 million on maturity date of 5 November 2019; and
 - (ii) Tranche 4 with nominal value of RM900.0 million on maturity date of 6 March 2020

Other than as disclosed above, there were no new share issuance, repayment of debt securities, share buy-backs, share cancellations, shares held as treasury shares nor resale of treasury shares by the Group and the Company during the financial quarter and year.

A7. DIVIDENDS PAID

- a) The final single-tier dividend of 15.0 sen per share for the financial year ended 31 March 2019 which amounted to approximately RM452,127,727 was paid on 5 July 2019 to shareholders whose names appear in the record of Depositors as at 26 June 2019.
- b) The interim single-tier dividend of 6.0 sen per share for the financial year ended 31 March 2020 which amounted to approximately RM180,837,591 (excluding treasury shares held by the Company) was paid on 27 December 2019 to shareholders whose names appear in the record of Depositors as at 16 December 2019.

A8. CASH AND SHORT-TERM FUNDS

	Group		Company	
	31.03.20	31.03.19	31.03.20	31.03.19
	RM'000	RM'000	RM'000	RM'000
Cash and balances with banks and other financial institutions	2,484,253	1,468,715	322,262	81,005
Deposit placements maturing within one month:				
Licensed banks	378,474	3,767,374	-	-
Bank Negara Malaysia	12,386,220	1,826,000	-	-
Other financial institutions	363,642	13,006	-	-
	13,128,336	5,606,380	-	-
	15,612,589	7,075,095	322,262	81,005
Less :				
Allowances for ECL	(861)	(1,351)	-	-
	15,611,728	7,073,744	322,262	81,005

Movements in allowances for ECL are as follows:

Group	Stage 1	Stage 2	Total
31.03.20	12-month	Lifetime ECL	
	ECL	not credit	RM'000
	RM'000	impaired	RM'000
		RM'000	
Balance at beginning of the financial year	1,320	31	1,351
(Writeback of)/Allowances for ECL	(508)	(4)	(512)
Transfer from deposits and placements with banks and other financial institutions (Note A9)	4,432	-	4,432
New financial assets originated	198	30	228
Financial assets derecognised	(4,873)	(36)	(4,909)
Changes in assumptions and methodologies	71	-	71
Net remeasurement of allowances	(336)	2	(334)
Exchange difference	21	1	22
Balance at end of the financial year	833	28	861

Group	Stage 1	Stage 2	Total
31.03.19	12-month	Lifetime ECL	
	ECL	not credit	RM'000
	RM'000	impaired	RM'000
		RM'000	
Balance at beginning of the financial year	983	-	983
Net remeasurement of allowances	298	32	330
Exchange difference	39	(1)	38
Balance at end of the financial year	1,320	31	1,351

A9. DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group		Company	
	31.03.20 RM'000	31.03.19 RM'000	31.03.20 RM'000	31.03.19 RM'000
Deposits and placements with maturity more than one month				
Licensed banks	99,330	198,234	-	-
	99,330	198,234	-	-
Less : Allowances for ECL	(485)	(2,075)	-	-
	98,845	196,159	-	-

Movements in allowances for ECL are as follows:

Group 31.03.20	Stage 1 12-month ECL RM'000
Balance at beginning of the financial year	2,075
(Writeback of)/Allowances for ECL	(1,590)
Transfer to cash and short term funds (Note A8)	(4,432)
New financial assets originated	2,570
Net remeasurement of allowances	(103)
Changes in model assumptions and methodologies	375
Balance at end of the financial year	485
Group 31.03.19	Stage 1 12-month ECL RM'000
Balance at beginning of the financial year	-
Net remeasurement of allowances	2,075
Balance at end of the financial year	2,075

A10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

	Group		Company	
	31.03.20	31.03.19	31.03.20	31.03.19
	RM'000	RM'000	RM'000	RM'000
At Fair Value				
Money Market Instruments:				
Malaysian Treasury Bills	606,027	689,738	-	-
Malaysian Islamic Treasury Bills	886,554	164,980	-	-
Malaysian Government Securities	2,712,517	3,670,874	-	-
Malaysian Government Investment Issues	2,970,436	3,430,028	-	-
Cagamas bonds	101,883	101,181	-	-
Bank Negara Monetary Notes	1,348,320	6,388,520	-	-
	<u>8,625,737</u>	<u>14,445,321</u>	<u>-</u>	<u>-</u>
Quoted Securities:				
In Malaysia:				
Shares	330,662	369,730	-	-
Unit trusts	227,426	194,376	1,078	1,044
Corporate bonds and sukuk	37,500	37,937	-	-
Outside Malaysia:				
Shares	80,588	117,962	-	-
	<u>676,176</u>	<u>720,005</u>	<u>1,078</u>	<u>1,044</u>
Unquoted Securities:				
In Malaysia:				
Shares	2,766	2,813	-	-
Corporate bonds and sukuk	3,241,178	4,197,456	-	-
	<u>3,243,944</u>	<u>4,200,269</u>	<u>-</u>	<u>-</u>
Total	<u>12,545,857</u>	<u>19,365,595</u>	<u>1,078</u>	<u>1,044</u>

A11. FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	Group	
	31.03.20	31.03.19
	RM'000	RM'000
At Fair Value		
Money Market Instruments:		
Malaysian Government Securities	3,195,317	2,841,636
Malaysian Government Investment Issues	4,990,309	2,776,050
Negotiable instruments of deposit	-	299,979
Islamic negotiable instruments of deposit	299,544	-
	<u>8,485,170</u>	<u>5,917,665</u>
Unquoted Securities:		
In Malaysia:		
Shares	593,049	523,665
Corporate bonds and sukuk	10,436,822	9,161,866
Outside Malaysia:		
Shares	501	548
Corporate bonds and sukuk	207,359	106,129
	<u>11,237,731</u>	<u>9,792,208</u>
Total	<u>19,722,901</u>	<u>15,709,873</u>

Movements in allowances for ECL are as follows:

Group	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Stage 3 Lifetime ECL credit impaired RM'000	Total RM'000
Balance at beginning of the financial year	11,872	21,830	-	33,702
Allowances for/(Writeback of) ECL	4,148	(5,381)	48,245	47,012
- Transfer to 12-month ECL (Stage 1)	1,154	(1,695)	-	(541)
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(585)	846	-	261
- Transfer to Lifetime ECL credit impaired (Stage 3)	-	(260)	48,245	47,985
New financial assets originated	12,624	2,759	-	15,383
Financial assets derecognised	(12,129)	(2,963)	-	(15,092)
Net remeasurement of allowances	(1,162)	(6,484)	-	(7,646)
Changes in model assumptions and methodologies	4,246	2,416	-	6,662
Financial assets written-off	-	-	(48,245)	(48,245)
Balance at end of the financial year	<u>16,020</u>	<u>16,449</u>	<u>-</u>	<u>32,469</u>

A11. FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONT'D.)

Movements in allowances for ECL are as follows: (Cont'd.)

Group	Stage 1	Stage 2	Stage 3	Total
31.03.19	12-month	Lifetime	Lifetime	
	ECL	ECL	ECL	
	RM'000	not credit	credit	RM'000
	RM'000	impaired	impaired	RM'000
Balance at beginning of the financial year	14,797	7,264	5,000	27,061
Allowances for/(Writeback of) ECL	(3,265)	14,566	-	11,301
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(2,929)	16,379	-	13,450
New financial assets originated	21,563	1,972	-	23,535
Financial assets derecognised	(8,483)	(4,244)	-	(12,727)
Net remeasurement of allowances	(13,416)	459	-	(12,957)
Financial assets written-off	-	-	(5,000)	(5,000)
Foreign exchange difference	340	-	-	340
Balance at end of the financial year	<u>11,872</u>	<u>21,830</u>	<u>-</u>	<u>33,702</u>

A12. FINANCIAL INVESTMENTS AT AMORTISED COST

	Group	
	31.03.20	31.03.19
	RM'000	RM'000
At Amortised Cost		
Money Market Instruments:		
Malaysian Government Investment Issues	432,436	472,186
Unquoted Securities:		
In Malaysia:		
Corporate Bonds and sukuk	4,425,291	4,679,528
	4,857,727	5,151,714
Less: Allowances for ECL	(4,914)	(5,398)
Total	4,852,813	5,146,316

Movements in allowances for ECL are as follows:

Group	Stage 1	Stage 3	Total
	12-Month	Lifetime ECL	
31.03.20	ECL	credit	RM'000
	RM'000	impaired	RM'000
Balance at beginning of the financial year	5,398	-	5,398
(Writeback of)/Allowances for ECL	(484)	-	(484)
Net remeasurement of allowances	(1,684)	-	(1,684)
Financial assets derecognised	(32)	-	(32)
Changes in model assumptions and methodologies	1,232	-	1,232
Balance at end of the financial year	4,914	-	4,914

Group	Stage 1	Stage 3	Total
	12-Month	Lifetime ECL	
31.03.19	ECL	credit	RM'000
	RM'000	impaired	RM'000
Balance at beginning of the financial year	3,403	2,550	5,953
Allowances for/(Writeback of) ECL	1,995	(1,459)	536
Net remeasurement of allowances	1,995	-	1,995
Financial assets derecognised	-	(1,459)	(1,459)
Amount written off	-	(1,091)	(1,091)
Balance at end of the financial year	5,398	-	5,398

A13. LOANS, ADVANCES AND FINANCING

	Group	
	31.03.20	31.03.19
	RM'000	RM'000
At Amortised Cost:		
Loans, advances and financing:		
Term loans/financing	31,486,276	26,421,666
Revolving credit	12,397,147	12,720,054
Housing loans/financing	32,865,466	30,463,942
Hire purchase receivables	14,307,814	16,496,256
Card receivables	2,105,014	2,228,984
Overdraft	3,933,941	4,271,329
Claims on customers under acceptance credits	5,600,123	5,322,723
Trust receipts	1,857,065	1,872,490
Bills receivables	1,825,267	1,572,401
Staff loans	96,429	97,711
Others	744,068	377,006
Gross loans, advances and financing	<u>107,218,610</u>	<u>101,844,562</u>
Allowance for impairment on loans, advances and financing:		
Allowances for ECL:		
- Stage 1 - 12 month ECL	(283,434)	(275,818)
- Stage 2 - Lifetime ECL not credit impaired	(539,633)	(622,411)
- Stage 3 - Lifetime ECL credit impaired	(444,613)	(402,312)
	<u>(1,267,680)</u>	<u>(1,300,541)</u>
Net loans, advances and financing	<u>105,950,930</u>	<u>100,544,021</u>

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

	Group	
	31.03.20	31.03.19
	RM'000	RM'000
Domestic banking institutions	-	124,371
Domestic non-bank financial institutions	2,555,132	2,457,535
Domestic business enterprises:		
- Small and medium enterprises	20,589,193	20,238,234
- Others	26,730,467	22,473,666
Government and statutory bodies	552,467	551,785
Individuals	55,439,538	54,660,848
Other domestic entities	29,034	19,296
Foreign individuals and entities	1,322,779	1,318,827
	<u>107,218,610</u>	<u>101,844,562</u>

A13. LOANS, ADVANCES AND FINANCING (CONT'D.)

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

	Group	
	31.03.20	31.03.19
	RM'000	RM'000
In Malaysia	106,821,814	101,566,469
Outside Malaysia	396,796	278,093
	<u>107,218,610</u>	<u>101,844,562</u>

(c) Gross loans, advances and financing analysed by interest rate/rate of return sensitivity are as follows:

	Group	
	31.03.20	31.03.19
	RM'000	RM'000
Fixed rate:		
- Housing loans/financing	421,771	443,683
- Hire purchase receivables	13,583,749	15,434,981
- Other loans/financing	11,314,043	9,941,797
Variable rate:		
- Base rate and lending/financing rate plus	50,774,273	46,723,728
- Cost plus	24,764,864	22,156,095
- Other variable rates	6,359,910	7,144,278
	<u>107,218,610</u>	<u>101,844,562</u>

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

	Group	
	31.03.20	31.03.19
	RM'000	RM'000
Agriculture	2,899,663	3,284,337
Mining and quarrying	2,515,031	1,705,878
Manufacturing	13,728,007	11,770,889
Electricity, gas and water	673,985	442,498
Construction	4,701,804	4,422,781
Wholesale and retail trade and hotels and restaurants	7,799,262	6,793,566
Transport, storage and communication	2,686,052	2,741,298
Finance and insurance	2,581,109	2,603,147
Real estate	7,705,377	8,289,464
Business activities	3,385,227	2,279,216
Education and health	2,161,841	1,571,964
Household of which:	56,320,467	55,688,901
Purchase of residential properties	32,387,265	29,884,774
Purchase of transport vehicles	12,922,272	15,065,225
Others	11,010,930	10,738,902
Others	60,785	250,623
	<u>107,218,610</u>	<u>101,844,562</u>

A13. LOANS, ADVANCES AND FINANCING (CONT'D.)

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

	Group	
	31.03.20	31.03.19
	RM'000	RM'000
Maturing within one year	26,249,106	25,773,375
Over one year to three years	6,528,551	8,347,291
Over three years to five years	10,776,558	10,025,352
Over five years	63,664,395	57,698,544
	<u>107,218,610</u>	<u>101,844,562</u>

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

	Group	
	31.03.20	31.03.19
	RM'000	RM'000
Gross		
Balance at beginning of the financial year	1,620,662	1,638,405
Additions during the financial year	1,490,510	1,123,123
Reclassified as non-impaired	(165,696)	(306,127)
Recoveries	(396,019)	(207,813)
Amount written off	(700,608)	(632,072)
Foreign exchange differences	3,784	5,146
Balance at end of the financial year	<u>1,852,633</u>	<u>1,620,662</u>
Gross impaired loans, advances and financing as % of gross loans, advances and financing	<u>1.73%</u>	<u>1.59%</u>
Loan loss coverage (including regulatory reserve)	<u>93.40%</u>	<u>113.99%</u>

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

	Group	
	31.03.20	31.03.19
	RM'000	RM'000
In Malaysia	1,808,511	1,562,438
Outside Malaysia	44,122	58,224
	<u>1,852,633</u>	<u>1,620,662</u>

A13. LOANS, ADVANCES AND FINANCING (CONT'D.)

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

	Group	
	31.03.20	31.03.19 (Restated) (Note A38)
	RM'000	RM'000
Agriculture	84,501	554
Mining and quarrying	53,591	78,964
Manufacturing	247,956	164,731
Electricity, gas and water	137	140
Construction	84,241	23,265
Wholesale and retail trade and hotels and restaurants	134,049	58,976
Transport, storage and communication	80,709	73,255
Finance and insurance	2	1
Real estate	314,347	503,656
Business activities	33,605	14,831
Education and health	25,260	11,418
Household of which:	794,235	690,871
Purchase of residential properties	496,301	374,701
Purchase of transport vehicles	156,556	193,826
Others	141,378	122,344
	<u>1,852,633</u>	<u>1,620,662</u>

(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	
Balance at beginning of the financial year	275,818	622,411	402,312	1,300,541
Allowance for/(Writeback of) ECL	7,354	(82,982)	742,040	666,412
- Transfer to 12 month ECL (Stage 1)	11,911	(133,978)	(5,119)	(127,186)
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(20,433)	206,235	(25,924)	159,878
- Transfer to Lifetime ECL credit impaired (Stage 3)	(3,502)	(27,987)	159,124	127,635
New financial assets originated	72,796	56,706	13,572	143,074
Net remeasurement of allowances	(29,892)	(165,109)	699,181	504,180
Modification of contractual cash flows of financial assets	(3,741)	(180)	198	(3,723)
Financial assets derecognised	(67,416)	(77,194)	(98,224)	(242,834)
Changes to model assumptions and methodologies	47,631	58,525	(768)	105,388
Foreign exchange differences	262	204	869	1,335
Amount written off	-	-	(700,608)	(700,608)
Balance at end of the financial year	<u>283,434</u>	<u>539,633</u>	<u>444,613</u>	<u>1,267,680</u>

A13. LOANS, ADVANCES AND FINANCING (CONT'D.)

(i) Movements in allowances for ECL are as follows (Cont'd.):

Group	Stage 1 12-Month ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Stage 3 Lifetime ECL credit impaired RM'000	Total RM'000
Balance at beginning of the financial year	268,685	689,245	441,293	1,399,223
Allowance for/(Writeback of) ECL	6,889	(66,898)	596,106	536,097
- Transfer to 12 month ECL (Stage 1)	12,698	(135,350)	(6,903)	(129,555)
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(23,638)	206,313	(25,259)	157,416
- Transfer to Lifetime ECL credit impaired (Stage 3)	(2,898)	(35,316)	243,125	204,911
New financial assets originated	74,555	179,608	12,774	266,937
Net remeasurement of allowances	(9,077)	(222,774)	457,461	225,610
Modification of contractual cash flows of financial assets	(1,141)	(693)	112	(1,722)
Financial assets derecognised	(43,610)	(58,686)	(85,204)	(187,500)
Foreign exchange differences	244	64	(3,015)	(2,707)
Amount written off	-	-	(632,072)	(632,072)
Balance at end of the financial year	<u>275,818</u>	<u>622,411</u>	<u>402,312</u>	<u>1,300,541</u>

A14. OTHER ASSETS

	Group		Company	
	31.03.20 RM'000	31.03.19 RM'000	31.03.20 RM'000	31.03.19 RM'000
Trade receivables	505,330	435,443	-	-
Other receivables, deposits and prepayments	570,623	569,727	255	955
Interest/Profit receivable	458,935	443,227	-	-
Fee receivable	26,192	29,656	-	-
Amount due from originators	-	18,350	-	-
Amount due from agents, brokers and reinsurers	50,416	54,399	-	-
Foreclosed properties	2,607	2,596	-	-
Tax recoverable	167,930	52,111	1,316	715
Collateral pledged for derivative transactions	1,035,710	386,679	-	-
	<u>2,817,743</u>	<u>1,992,188</u>	<u>1,571</u>	<u>1,670</u>
Accumulated impairment losses	(8,309)	(8,737)	-	-
	<u>2,809,434</u>	<u>1,983,451</u>	<u>1,571</u>	<u>1,670</u>

A15. REINSURANCE ASSETS AND OTHER INSURANCE RECEIVABLES

	Note	Group	
		31.03.20 RM'000	31.03.19 RM'000
Reinsurance assets from general insurance business	(i)	393,370	464,854
Other insurance receivables	(ii)	64,536	60,693
		<u>457,906</u>	<u>525,547</u>
 (i) Movements in allowances for impairment on reinsurance assets are as follows:			
Balance at beginning of the financial year		2,639	7,514
Writeback for the financial year		(379)	(4,875)
Balance at end of the financial year		<u>2,260</u>	<u>2,639</u>
 (ii) Other insurance receivables			
Due premiums including agents/brokers and co-insurers' balances		83,266	82,329
Amount owing by reinsurance and cedants		6,025	11,342
Accumulated impairment losses		(24,755)	(32,978)
		<u>64,536</u>	<u>60,693</u>
 Movements in allowances for impairment on other insurance receivables are as follows:			
Balance at beginning of the financial year		32,978	33,064
Writeback for the financial year		(8,223)	(86)
Balance at end of the financial year		<u>24,755</u>	<u>32,978</u>

A16. DEPOSITS FROM CUSTOMERS

	Group	
	31.03.20	31.03.19
	RM'000	RM'000
Demand deposits	22,721,480	19,464,525
Savings deposits	6,109,023	5,407,991
Term/Investment deposits	79,966,053	78,033,665
Negotiable instruments of deposits	4,170,156	4,009,808
	<u>112,966,712</u>	<u>106,915,989</u>

The maturity structure of term/investment deposits and negotiable instruments of deposits is as follows:

	Group	
	31.03.20	31.03.19
	RM'000	RM'000
Due within six months	67,788,352	60,434,612
Six months to one year	13,816,530	18,760,401
Over one year to three years	2,392,042	1,819,272
Over three years to five years	139,285	1,029,188
	<u>84,136,209</u>	<u>82,043,473</u>

The deposits are sourced from the following types of customers:

	Group	
	31.03.20	31.03.19
	RM'000	RM'000
Government and statutory bodies	4,419,707	4,916,717
Business enterprises	59,382,766	48,942,882
Individuals	39,867,316	45,673,217
Others	9,296,923	7,383,173
	<u>112,966,712</u>	<u>106,915,989</u>

A17. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group	
	31.03.20	31.03.19
	RM'000	RM'000
Licensed banks	5,701,479	5,018,484
Licensed investment banks	439,041	808,355
Bank Negara Malaysia	240,549	124,231
Other financial institutions	3,640,852	1,736,649
	<u>10,021,921</u>	<u>7,687,719</u>

A18. OTHER LIABILITIES

	Group		Company	
	31.03.20	31.03.19	31.03.20	31.03.19
	RM'000	RM'000	RM'000	RM'000
Trade payables	505,342	445,075	-	-
Other payables and accruals	1,943,131	1,584,142	32,837	23,303
Interest payable on deposits and borrowings	719,606	966,826	-	-
Lease deposits and advance rental	42,954	33,620	-	-
Provision for commitments and contingencies	28,014	81,779	-	-
Allowances for ECL on loan commitments and financial guarantees	75,203	96,749	-	-
Lease liabilities	316,888	-	-	-
Provision for reinstatement for leased properties	10,927	-	-	-
Amount due to subsidiaries	-	-	14,137	8,133
Provision for taxation	19,261	44,294	-	-
Collateral received for derivative transactions	227,924	140,104	-	-
Deferred income	76,668	83,999	-	-
	3,965,918	3,476,588	46,974	31,436

Movements in allowances for ECL on loan commitments and financial guarantees are as follows:

Group	Stage 1	Stage 2	Stage 3	Total
	12-Month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
31.03.20	RM'000	RM'000	RM'000	RM'000
Balance at beginning of the financial year	51,703	34,141	10,905	96,749
(Writeback of)/Allowances for ECL	(9,370)	(1,690)	(10,717)	(21,777)
- Transfer to 12 month ECL (Stage 1)	1,068	(10,450)	-	(9,382)
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(840)	11,037	-	10,197
- Transfer to Lifetime ECL credit impaired (Stage 3)	(217)	(366)	1,027	444
New exposures originated	12,118	8,790	-	20,908
Net remeasurement of allowances	(6,072)	(2,333)	(1,332)	(9,737)
Exposures derecognised	(24,306)	(12,747)	(10,390)	(47,443)
Changes to model assumptions and methodologies	8,879	4,379	(22)	13,236
Foreign exchange differences	170	68	(7)	231
Balance at the end of the financial year	42,503	32,519	181	75,203

A18. OTHER LIABILITIES (CONT'D.)

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

Group	Stage 1	Stage 2	Stage 3	Total
31.03.19	12-Month	Lifetime ECL	Lifetime ECL	
	ECL	not credit	credit	
	RM'000	impaired	impaired	RM'000
		RM'000	RM'000	
Balance at beginning of the financial year	58,069	45,950	243	104,262
(Writeback of)/Allowances for ECL	(6,472)	(11,774)	10,661	(7,585)
- Transfer to 12 month ECL (Stage 1)	1,337	(14,395)	-	(13,058)
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(2,031)	10,414	-	8,383
- Transfer to Lifetime ECL credit impaired (Stage 3)	(136)	(217)	10,893	10,540
New exposures originated	19,512	13,733	-	33,245
Net remeasurement of allowances	(7,737)	(9,622)	(232)	(17,591)
Exposures derecognised	(17,417)	(11,687)	-	(29,104)
Foreign exchange differences	106	(35)	1	72
Balance at the end of the financial year	<u>51,703</u>	<u>34,141</u>	<u>10,905</u>	<u>96,749</u>

A19. INSURANCE CONTRACT LIABILITIES AND OTHER INSURANCE PAYABLES

Group

	Note	31.03.20	31.03.19
		RM'000	RM'000
Insurance contract liabilities	(i)	2,437,059	2,527,045
Other insurance payables	(ii)	42,105	166,204
		<u>2,479,164</u>	<u>2,693,249</u>
(i) Insurance contract liabilities			
		31.03.20	31.03.19
		Gross contract liabilities	Reinsurance assets
		RM'000	RM'000
General insurance business		<u>2,437,059</u>	<u>(393,370)</u>
			Net contract liabilities
			RM'000
			31.03.19
		Gross contract liabilities	Reinsurance assets
		RM'000	RM'000
General insurance business		<u>2,527,045</u>	<u>(464,854)</u>
			Net contract liabilities
			RM'000
(ii) Other insurance payables			
		31.03.20	31.03.19
		RM'000	RM'000
Amount due to agents and intermediaries		17,068	29,184
Amount due to reinsurers and cedants		25,037	137,020
		<u>42,105</u>	<u>166,204</u>

A20. INTEREST INCOME

Group	Individual Quarter		Cumulative Quarter	
	31.03.20 RM'000	31.03.19 RM'000	31.03.20 RM'000	31.03.19 RM'000
Short-term funds and deposits and placements with banks and other financial institutions	15,017	32,218	68,761	108,589
Financial assets at fair value through profit or loss	91,729	127,859	422,901	481,238
Financial investments at fair value through other comprehensive income	116,814	106,530	493,365	332,903
Financial investments at amortised cost	34,492	35,730	141,970	142,211
Loans and advances	925,509	932,217	3,788,345	3,783,703
Impaired loans and advances	997	4,701	6,539	19,337
Others	4,345	4,954	18,130	24,092
	<u>1,188,903</u>	<u>1,244,209</u>	<u>4,940,011</u>	<u>4,892,073</u>
Company				
Short-term funds and deposits and placements with banks and other financial institutions	1,516	569	5,247	9,155
Financial investments at amortised cost	-	-	-	52,949
	<u>1,516</u>	<u>569</u>	<u>5,247</u>	<u>62,104</u>

A21. INTEREST EXPENSE

Group	Individual Quarter		Cumulative Quarter	
	31.03.20 RM'000	31.03.19 RM'000	31.03.20 RM'000	31.03.19 RM'000
Deposits from customers	520,321	651,505	2,256,333	2,430,465
Deposit and placements of banks and other financial institutions	51,085	22,350	188,196	158,560
Senior notes	7,853	26,627	45,585	121,801
Credit-Linked Notes	1,838	1,856	7,547	7,531
Securities sold under repurchase agreements	36,454	21,261	162,647	43,044
Recourse obligation on loans sold to Cagamas Berhad	34,380	42,894	159,662	169,235
Term loans and revolving credit	2,995	-	3,619	-
Subordinated bonds and notes	32,657	32,137	131,459	130,898
Medium term notes	-	-	-	822
Tier 1 capital securities	-	17,411	17,103	81,462
Other structured products and others	8,828	5,406	29,243	23,947
	<u>696,411</u>	<u>821,447</u>	<u>3,001,394</u>	<u>3,167,765</u>
Company				
Senior notes	-	-	-	16,151
Subordinated notes	-	-	-	53,364
	<u>-</u>	<u>-</u>	<u>-</u>	<u>69,515</u>

A22. NET INCOME FROM INSURANCE BUSINESS

Group	Note	Individual Quarter		Cumulative Quarter	
		31.03.20 RM'000	31.03.19 RM'000	31.03.20 RM'000	31.03.19 RM'000
Income from insurance business:	(a)				
Premium income from general insurance business		360,150	347,986	1,428,732	1,374,782
		<u>360,150</u>	<u>347,986</u>	<u>1,428,732</u>	<u>1,374,782</u>
Insurance claims and commissions:	(b)				
Insurance commission ¹		34,421	38,159	137,753	130,678
General insurance claims		223,822	229,891	850,271	791,583
		<u>258,243</u>	<u>268,050</u>	<u>988,024</u>	<u>922,261</u>
Total income from insurance business, net		<u>101,907</u>	<u>79,936</u>	<u>440,708</u>	<u>452,521</u>
(a) Income from insurance business					
Gross Premium					
- insurance contract		402,573	410,942	1,575,869	1,526,545
- change in unearned premium provision		(14,312)	(31,138)	(8,460)	(22,245)
		<u>388,261</u>	<u>379,804</u>	<u>1,567,409</u>	<u>1,504,300</u>
Premium ceded					
- insurance contract		(38,370)	(36,438)	(140,045)	(130,782)
- change in unearned premium provision		10,259	4,620	1,368	1,264
		<u>(28,111)</u>	<u>(31,818)</u>	<u>(138,677)</u>	<u>(129,518)</u>
		<u>360,150</u>	<u>347,986</u>	<u>1,428,732</u>	<u>1,374,782</u>
(b) Insurance claims					
- gross benefits and claims paid		218,419	238,280	977,341	934,564
- claims ceded to reinsurers		(18,206)	(17,182)	(101,854)	(76,714)
- change in contract liabilities - insurance contract		45,753	29,312	(98,452)	(77,667)
- change in contract liabilities ceded to reinsurers					
- insurance contract		(22,144)	(20,519)	73,236	11,400
		<u>223,822</u>	<u>229,891</u>	<u>850,271</u>	<u>791,583</u>

¹ Net of bancassurance commission paid/payable to other subsidiaries of the Group of RM15,859,000 (31 March 2019: RM12,861,000) eliminated upon consolidation.

A23. OTHER OPERATING INCOME

Group	Individual Quarter		Cumulative Quarter	
	31.03.20 RM'000	31.03.19 RM'000	31.03.20 RM'000	31.03.19 RM'000
Fee and commission income:				
Fees on loans and securities	24,192	34,646	155,310	154,239
Corporate advisory	2,054	5,575	17,933	14,901
Guarantee fees	13,662	13,459	54,071	58,001
Underwriting commission	-	-	323	870
Portfolio management fees	12,188	11,109	35,364	36,356
Unit trust fees, commission and charges	31,473	24,515	125,394	112,136
Property trust management fees	1,850	1,832	7,348	7,383
Brokerage fees and commission	10,683	9,032	34,108	35,549
Bancassurance commission	3,981	2,903	14,089	11,887
Wealth management fees	6,840	3,632	26,867	11,673
Remittances	5,478	5,556	24,626	21,948
Fees, service and commission charges	6,002	6,733	27,971	31,154
Others	4,757	6,588	20,429	20,398
	<u>123,160</u>	<u>125,580</u>	<u>543,833</u>	<u>516,495</u>
Investment and trading income:				
Net gain/(loss) from sale of financial assets at fair value through profit or loss	(16,518)	10,365	36,617	40,337
Net gain from sale of financial investments at fair value through other comprehensive income	4,987	15,594	87,756	20,352
Net gain on redemption of financial investments at amortised cost	11,676	-	11,676	-
Net (loss)/gain on revaluation of financial assets at fair value through profit or loss	(87,872)	37,686	(19,587)	(34,067)
Net gain on foreign exchange	42,348	26,349	102,409	161,403
Net loss on derivatives	(12,594)	(16,572)	(5,881)	(31,674)
Dividend income from:				
Financial assets at fair value through profit or loss	4,223	3,428	26,330	25,308
Financial investments at fair value through other comprehensive income	-	-	7,806	2,897
Others	629	1,215	282	5,103
	<u>(53,121)</u>	<u>78,065</u>	<u>247,408</u>	<u>189,659</u>

A23. OTHER OPERATING INCOME (CONT'D.)

	Individual Quarter		Cumulative Quarter	
	31.03.20 RM'000	31.03.19 RM'000	31.03.20 RM'000	31.03.19 RM'000
Other income:				
Net (loss)/gain on non-trading foreign exchange	(1,914)	411	1,237	1,359
Net gain/(loss) on disposal of property and equipment	1,146	(936)	1,635	2,764
Rental income	1,283	1,854	5,046	6,045
Profit from sale of goods and services	4,653	4,417	18,030	18,486
(Loss)/Gain on disposal of foreclosed properties	-	(317)	(1)	21,336
Others	2,491	3,581	14,228	17,051
	<u>7,659</u>	<u>9,010</u>	<u>40,175</u>	<u>67,041</u>
	<u>77,698</u>	<u>212,655</u>	<u>831,416</u>	<u>773,195</u>

Company	Individual Quarter		Cumulative Quarter	
	31.03.20 RM'000	31.03.19 RM'000	31.03.20 RM'000	31.03.19 RM'000
Investment and trading income:				
Dividend income from:				
Subsidiaries	51,198	-	851,836	1,122,065
Financial assets at fair value through profit or loss	7	9	34	36
Distribution from capital repayment by subsidiary	-	-	-	25,000
	<u>51,205</u>	<u>9</u>	<u>851,870</u>	<u>1,147,101</u>
Other income:				
Net gain on disposal of property and equipment	103	-	103	-
Others	163	314	1,298	896
	<u>266</u>	<u>314</u>	<u>1,401</u>	<u>896</u>
	<u>51,471</u>	<u>323</u>	<u>853,271</u>	<u>1,147,997</u>

A24. OTHER OPERATING EXPENSES

Group	Individual Quarter		Cumulative Quarter	
	31.03.20 RM'000	31.03.19 RM'000	31.03.20 RM'000	31.03.19 RM'000
Personnel costs:				
Salaries, allowances and bonuses	190,771	280,196	918,356	981,583
Shares granted under ESS				
- charge/(writeback)	18,505	2,663	35,263	(5,269)
Contributions to Employees' Provident Fund ("EPF")/Private Retirement Schemes	31,490	44,433	153,901	155,747
Social security cost	2,176	2,017	8,356	8,259
Other staff related expenses	33,596	35,823	125,149	120,177
	<u>276,538</u>	<u>365,132</u>	<u>1,241,025</u>	<u>1,260,497</u>
Establishment costs:				
Depreciation of property and equipment	22,484	11,692	62,866	50,712
Depreciation of right-of-use assets	21,691	-	81,210	-
Amortisation of intangible assets	28,890	29,808	108,908	118,394
Computerisation costs	40,311	52,489	195,207	193,465
Rental of premises	(107)	23,599	11,790	96,492
Cleaning, maintenance and security	8,740	9,495	30,118	29,224
Finance costs:				
- interest on lease liabilities	2,550	-	10,141	-
- provision for reinstatement for leased properties	20	-	307	-
Others	9,425	8,784	34,123	36,047
	<u>134,004</u>	<u>135,867</u>	<u>534,670</u>	<u>524,334</u>
Marketing and communication expenses:				
Sales commission	3,089	2,896	9,676	11,928
Advertising, promotional and other marketing activities	20,240	21,688	64,694	54,200
Telephone charges	6,505	4,435	23,616	19,000
Postage	2,455	4,426	9,528	9,794
Travelling and entertainment	3,889	3,564	15,092	14,522
Others	4,611	4,829	15,437	19,566
	<u>40,789</u>	<u>41,838</u>	<u>138,043</u>	<u>129,010</u>
Administration and general expenses:				
Professional services	29,449	27,148	96,428	89,141
Travelling	1,355	1,436	5,987	5,351
Insurance	1,970	1,406	4,234	4,523
Subscriptions and periodicals	3,745	2,764	9,984	9,482
Others	13,265	24,345	77,820	108,534
	<u>49,784</u>	<u>57,099</u>	<u>194,453</u>	<u>217,031</u>
Total	<u>501,115</u>	<u>599,936</u>	<u>2,108,191</u>	<u>2,130,872</u>

A24. OTHER OPERATING EXPENSES (CONT'D.)

Company	Individual Quarter		Cumulative Quarter	
	31.03.20 RM'000	31.03.19 RM'000	31.03.20 RM'000	31.03.19 RM'000
Personnel costs:				
Salaries, allowances and bonuses	-	(3,412)	-	8,436
Shares granted under ESS				
- charge/(writeback)	-	180	-	(270)
Contributions to EPF/Private Retirement Scheme	-	(554)	-	1,221
Social security cost	-	-	-	5
Other staff related expenses	11	35	-	386
	<u>11</u>	<u>(3,751)</u>	<u>-</u>	<u>9,778</u>
Establishment costs:				
Depreciation of property and equipment	47	57	219	264
Computerisation costs	-	-	230	3
Others	-	-	-	4
	<u>47</u>	<u>57</u>	<u>449</u>	<u>271</u>
Marketing and communication expenses:				
Advertising, promotional and other marketing activities	3	1	347	386
Telephone charges	2	8	8	25
Travelling and entertainment	8	64	61	201
Others	-	2	-	90
	<u>13</u>	<u>75</u>	<u>416</u>	<u>702</u>
Administration and general expenses:				
Professional services	276	1,016	1,425	2,841
Travelling	1	12	1	31
Insurance	-	-	-	18
Subscriptions and periodicals	-	5	4	23
Others	1,368	1,015	5,617	6,191
	<u>1,645</u>	<u>2,048</u>	<u>7,047</u>	<u>9,104</u>
Service transfer pricing expense, net	4,628	6,961	18,662	3,941
Total	<u>6,344</u>	<u>5,390</u>	<u>26,574</u>	<u>23,796</u>

A25. (ALLOWANCE)/WRITEBACK OF ALLOWANCE FOR IMPAIRMENT ON LOANS, ADVANCES AND FINANCING

Group	Individual Quarter		Cumulative Quarter	
	31.03.20 RM'000	31.03.19 RM'000	31.03.20 RM'000	31.03.19 RM'000
Impaired loans, advances and financing:				
Allowances for ECL	248,773	99,558	666,412	536,097
Impaired loans, advances and financing:				
Recovered, net	(53,925)	(371,118)	(343,781)	(837,400)
	<u>194,848</u>	<u>(271,560)</u>	<u>322,631</u>	<u>(301,303)</u>

A26. (WRITEBACK OF ALLOWANCE)/ALLOWANCE FOR IMPAIRMENT ON FINANCIAL INVESTMENTS AND OTHER FINANCIAL ASSETS

	Individual Quarter		Cumulative Quarter	
	31.03.20 RM'000	31.03.19 RM'000	31.03.20 RM'000	31.03.19 RM'000
Group				
Financial investments				
Financial investments at fair value				
through other comprehensive income	3,380	(585)	47,012	11,301
Financial investments at amortised cost	231	(655)	(484)	536
	<u>3,611</u>	<u>(1,240)</u>	<u>46,528</u>	<u>11,837</u>
Other financial assets				
Cash and short-term funds	(286)	(731)	(512)	330
Deposits and placements with banks				
and other financial institutions	485	1,788	(1,590)	2,075
Other assets	(62)	(109)	794	(225)
	<u>137</u>	<u>948</u>	<u>(1,308)</u>	<u>2,180</u>

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 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.
- (c) **Wholesale Banking**
Wholesale Banking comprises Corporate Banking and Group Treasury & Markets.
 - (i) 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 & 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.
- (d) **Investment Banking**
Investment Banking offers investment banking solutions and services, encompassing capital markets (primary) activities, broking, private banking services, corporate advisory and fund raising services (equity and debt capital).
- (e) **Fund Management**
Fund Management comprises the asset and fund management services, offering a variety of investment solutions for various asset classes to retail, corporate and institutional clients.
- (f) **Insurance**
Insurance segment offers a broad range of general insurance products, namely motor, personal accident, property and household. It also offers life insurance and takaful products namely wealth protection/savings, health and medical protection and family takaful solutions provided through our joint venture operations.
- (g) **Group Funding and Others**
Group Funding and Others comprises 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.

Note:

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

A27. BUSINESS SEGMENT ANALYSIS (CONT'D.)

Group

For the financial year ended 31 March 2020	Wholesale banking							Group funding and others RM'000	Total RM'000
	Retail banking RM'000	Business banking RM'000	Corporate banking RM'000	Group Treasury & Markets RM'000	Investment banking RM'000	Fund management RM'000	Insurance RM'000		
External revenue	3,275,523	705,023	1,911,350	1,541,785	229,276	112,998	1,608,540	(59,928)	9,324,567
Revenue from other segments	(358,915)	(176,091)	(915,220)	736,213	(21,298)	-	-	735,311	-
Total operating revenue	<u>2,916,608</u>	<u>528,932</u>	<u>996,130</u>	<u>2,277,998</u>	<u>207,978</u>	<u>112,998</u>	<u>1,608,540</u>	<u>675,383</u>	<u>9,324,567</u>
Net interest income	1,222,905	277,489	645,830	203,779	39,123	1,065	130,757	252,976	2,773,924
Other income	242,395	88,849	159,444	227,972	153,461	111,715	463,322	9,214	1,456,372
Share in results of associates and joint ventures	963	-	-	-	-	-	(9,878)	5,775	(3,140)
Net income	<u>1,466,263</u>	<u>366,338</u>	<u>805,274</u>	<u>431,751</u>	<u>192,584</u>	<u>112,780</u>	<u>584,201</u>	<u>267,965</u>	<u>4,227,156</u>
Other operating expenses	<u>(864,873)</u>	<u>(145,461)</u>	<u>(225,971)</u>	<u>(76,902)</u>	<u>(119,575)</u>	<u>(67,099)</u>	<u>(338,069)</u>	<u>(270,241)</u>	<u>(2,108,191)</u>
of which:									
Depreciation of property and equipment	(19,922)	(734)	(1,383)	(106)	(780)	(271)	(9,449)	(30,221)	(62,866)
Depreciation of right-of-use assets	-	-	-	-	(279)	-	(15,047)	(65,884)	(81,210)
Amortisation of intangible assets	(20,738)	(78)	(6,104)	(1,564)	(704)	(173)	(18,884)	(60,663)	(108,908)
Profit/(loss) before impairment losses (Allowance)/Writeback of allowance for loans, advances and financing	601,390	220,877	579,303	354,849	73,009	45,681	246,132	(2,276)	2,118,965
(Allowance)/Writeback of allowance for impairment of other assets	(194,079)	(64,089)	68,996	-	6,427	-	-	(139,886)	(322,631)
Provision for commitments and contingencies - writeback/(charge)	(20)	-	(40,753)	7,222	(591)	(125)	8,602	(10,953)	(36,618)
Other recoveries/(write-offs), net	7,012	7,064	24,665	-	-	-	-	(16,474)	22,267
Profit/(loss) before taxation and zakat	<u>31</u>	<u>-</u>	<u>73</u>	<u>-</u>	<u>34</u>	<u>(5)</u>	<u>(4,696)</u>	<u>5,436</u>	<u>873</u>
Taxation and zakat	414,334	163,852	632,284	362,071	78,879	45,551	250,038	(164,153)	1,782,856
Profit/(loss) for the financial year	<u>(99,171)</u>	<u>(38,214)</u>	<u>(151,622)</u>	<u>(70,755)</u>	<u>(17,398)</u>	<u>(8,737)</u>	<u>(31,810)</u>	<u>87,684</u>	<u>(330,023)</u>
Profit/(loss) for the financial year	<u>315,163</u>	<u>125,638</u>	<u>480,662</u>	<u>291,316</u>	<u>61,481</u>	<u>36,814</u>	<u>218,228</u>	<u>(76,469)</u>	<u>1,452,833</u>
Other information									
Total segment assets	59,094,425	11,133,363	37,203,662	51,074,177	2,222,739	107,207	5,330,724	3,036,789	169,203,086
Total segment liabilities	46,377,498	7,314,302	13,590,668	67,542,288	1,369,855	23,804	3,345,967	10,078,664	149,643,046
Cost to income ratio	59.0%	39.7%	28.1%	17.8%	62.1%	59.5%	57.9%	100.8%	49.9%
Gross loans, advances and financing	58,892,352	11,247,673	35,596,265	-	1,582,737	-	772	(101,189)	107,218,610
Net loans, advances and financing	58,109,154	11,125,236	35,382,588	-	1,577,913	-	702	(244,663)	105,950,930
Impaired loans, advances and financing	923,980	282,650	644,200	-	1,803	-	-	-	1,852,633
Total deposits	45,695,029	7,184,747	13,273,262	57,174,708	832,879	-	-	(1,171,992)	122,988,633
Additions to:									
Property and equipment	20,569	269	590	411	1,757	94	3,040	31,706	58,436
Intangible assets	19,044	34	1,501	8,896	829	219	9,494	47,341	87,358

A27. BUSINESS SEGMENT ANALYSIS (CONT'D.)

Group

For the financial year ended 31 March 2019 (Restated)	Wholesale banking						Group funding and others RM'000	Total RM'000	
	Retail banking RM'000	Business banking RM'000	Corporate banking RM'000	Group Treasury & Markets RM'000	Investment banking RM'000	Fund management RM'000			
External revenue	3,282,963	610,173	2,020,450	1,354,916	187,766	100,784	1,556,632	6,173	9,119,857
Revenue from other segments	(152,062)	(150,068)	(1,021,455)	671,069	(30,101)	-	-	682,617	-
Total operating revenue	<u>3,130,901</u>	<u>460,105</u>	<u>998,995</u>	<u>2,025,985</u>	<u>157,665</u>	<u>100,784</u>	<u>1,556,632</u>	<u>688,790</u>	<u>9,119,857</u>
Net interest income	1,189,868	244,119	658,983	107,881	46,695	1,038	133,167	198,583	2,580,334
Other income	257,129	78,873	179,224	130,158	95,229	99,485	456,186	25,355	1,321,639
Share in results of associates and joint ventures	2,167	-	-	-	-	-	12,324	5,936	20,427
Net income	<u>1,449,164</u>	<u>322,992</u>	<u>838,207</u>	<u>238,039</u>	<u>141,924</u>	<u>100,523</u>	<u>601,677</u>	<u>229,874</u>	<u>3,922,400</u>
Other operating expenses	(840,869)	(127,340)	(212,129)	(70,709)	(109,671)	(64,167)	(349,113)	(356,874)	(2,130,872)
of which:									
Depreciation of property and equipment	(20,932)	(597)	(810)	(328)	(969)	(331)	(11,113)	(15,632)	(50,712)
Amortisation of intangible assets	(19,838)	(54)	(3,480)	(2,334)	(705)	(219)	(22,911)	(68,853)	(118,394)
Profit/(Loss) before impairment losses	<u>608,295</u>	<u>195,652</u>	<u>626,078</u>	<u>167,330</u>	<u>32,253</u>	<u>36,356</u>	<u>252,564</u>	<u>(127,000)</u>	<u>1,791,528</u>
Writeback of allowance/(Allowance) for loans, advances and financing	124,763	(33,240)	227,345	-	6,997	-	-	(24,562)	301,303
Writeback of allowance/(Allowance) for impairment of other assets	1,137	4	(12,187)	2,085	16	(141)	4,961	(4,931)	(9,056)
Provision for commitments and contingencies -writeback/(charge)	13,030	2,524	1,380	-	-	-	-	(7,645)	9,289
Other recoveries/(write-offs), net	30	-	5,747	-	11	-	(3,668)	190	2,310
Profit/(loss) before taxation and zakat	<u>747,255</u>	<u>164,940</u>	<u>848,363</u>	<u>169,415</u>	<u>39,277</u>	<u>36,215</u>	<u>253,857</u>	<u>(163,948)</u>	<u>2,095,374</u>
Taxation and zakat	(178,784)	(38,935)	(200,701)	(34,196)	(7,890)	(6,669)	(43,529)	18,399	(492,305)
Profit/(loss) for the financial year	<u>568,471</u>	<u>126,005</u>	<u>647,662</u>	<u>135,219</u>	<u>31,387</u>	<u>29,546</u>	<u>210,328</u>	<u>(145,549)</u>	<u>1,603,069</u>
Other information									
Total segment assets	57,145,836	9,895,328	35,105,104	43,915,079	2,367,085	92,631	5,563,515	4,708,822	158,793,400
Total segment liabilities	52,563,296	5,949,809	11,814,715	54,970,735	1,205,996	19,672	3,515,603	10,063,122	140,102,948
Cost to income ratio	58.0%	39.4%	25.3%	29.7%	77.3%	63.8%	58.0%	155.2%	54.3%
Gross loans, advances and financing	56,864,668	9,964,004	33,518,564	-	1,591,783	-	974	(95,431)	101,844,562
Net loans, advances and financing	56,085,085	9,887,273	33,134,591	-	1,590,112	-	904	(153,944)	100,544,021
Impaired loans, advances and financing	727,585	216,877	674,532	-	1,668	-	-	-	1,620,662
Total deposits	51,640,507	5,832,393	11,538,263	45,590,043	743,811	-	-	(741,309)	114,603,708
Additions to:									
Property and equipment	9,882	1,363	1,891	220	436	53	2,831	15,050	31,726
Intangible assets	15,582	119	19,385	579	426	83	13,004	42,659	91,837

A28. VALUATION OF PROPERTY AND EQUIPMENT

Property and equipment are stated at cost less accumulated depreciation and impairment losses.

A29. EVENT SUBSEQUENT TO REPORTING PERIOD

Impact of moratorium granted to borrowers effective from 1 April 2020 for a period of 6 months

With effect from 1 April 2020, banking institutions are required to provide an automatic deferment of all loan/financing repayments (except for credit card balances) for a period of six (6) months. This is one of the measures implemented by BNM to assist individuals, small and medium enterprises ("SMEs") and corporations to manage the impact of the COVID-19 pandemic.

The 6-months moratorium granted to eligible borrowers is applicable to performing loans, denominated in Ringgit Malaysia, that have not been in arrears for more than 90 days as at 1 April 2020. The financial impact arising from this moratorium will be a modification to the contractual cash flows of loans, advances and financing of the Group which will result in a recognition of a modification loss to be recognised in profit or loss.

The Group's current financial year results ended 31 March 2020 is not impacted from the 6-months moratorium granted by BNM as the effective date is after the end of the Group's reporting period. Also, it is not an adjusting post balance sheet event in accordance with MFRS 110 *Events after the Reporting Period*.

The Group is currently monitoring and assessing the impact of this modification which is expected to be finalised by the first quarter of the financial year ending 31 March 2021.

Other than as disclosed above, there has not arisen in the interval between the end of the financial year 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 for the current financial quarter and period.

A30. CHANGES IN THE COMPOSITION OF THE GROUP AND THE COMPANY

a) Dissolution of subsidiary

AMBB Capital (L) Ltd which commenced Members' voluntary liquidation on 17 March 2017 was dissolved on 8 April 2019.

b) Winding-up of subsidiaries

- (i) An indirect wholly-owned dormant subsidiary, AmFraser International Pte Ltd ("AmFraser") (incorporated in Singapore) had at its Extraordinary General Meeting ("EGM") held on 30 August 2019, resolved that it be wound up by way of a members' voluntary winding up, pursuant to Section 290(1) of the Companies Act (Cap. 50) of Singapore.

AmFraser is a non-operating company and there is no plan for AmFraser to undertake any business activity. The winding up did not have any material effect on the earnings and net assets of the Group for the financial year ended 31 March 2020.

- (ii) An indirect wholly-owned subsidiary, AmPremier Capital Berhad ("AmPremier") had, at its Extraordinary General Meeting ("EGM") held on 25 October 2019, resolved that it be wound up by way of a member's voluntary winding up pursuant to Section 439(1)(b) of the Companies Act, 2016.

The winding up of AmPremier did not have any material effect on the earnings and net assets of AMMB for the financial year ended 31 March 2020.

Other than as disclosed above, there were no material changes in the composition of the Group and the Company for the current financial quarter and year.

A31. ASSET HELD FOR SALE

	Group	
	31.03.20	31.03.19
	RM'000	RM'000
<u>Asset held for sale</u>		
Proposed disposal of property	2,324	5,029

A32. COMMITMENTS AND CONTINGENCIES

In the normal course of business, the banking subsidiaries of the Company make various commitments and incur certain contingent liabilities with legal recourse to their customers. No material losses are anticipated as a result of these transactions other than those where provision had been made in the financial statements. The commitments and contingencies are not secured against the Group's assets.

As at the reporting date, the principal amounts of commitments and contingencies and notional contracted amounts of derivatives are as follows:

	Group	
	31.03.20	31.03.19
	Principal/ Notional Amount RM'000	Principal/ Notional Amount RM'000
Commitments		
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:		
up to one year	16,873,188	16,558,502
over one year	2,056,411	2,910,184
Unutilised credit card lines	5,127,590	5,174,605
Forward asset purchases	1,989,103	1,593,203
	<u>26,046,292</u>	<u>26,236,494</u>
Contingent Liabilities		
Direct credit substitutes	2,553,489	2,590,041
Transaction related contingent items	4,286,704	5,392,151
Obligations under underwriting agreements	20,000	100,000
Short term self liquidating trade related contingencies	723,120	900,886
	<u>7,583,313</u>	<u>8,983,078</u>
Derivative Financial Instruments		
Interest/Profit rate related contracts:	53,347,175	53,030,833
One year or less	10,348,960	7,320,942
Over one year to five years	36,463,230	35,609,670
Over five years	6,534,985	10,100,221
Foreign exchange related contracts:	44,371,910	41,370,547
One year or less	34,805,859	35,768,559
Over one year to five years	8,625,327	4,214,120
Over five years	940,724	1,387,868
Credit related contracts:	356,069	345,108
Over one year to five years	356,069	345,108
Equity and commodity related contracts:	1,769,895	1,050,698
One year or less	1,637,855	860,041
Over one year to five years	132,040	190,657
	<u>99,845,049</u>	<u>95,797,186</u>
	<u>133,474,654</u>	<u>131,016,758</u>

A32. COMMITMENTS AND CONTINGENCIES (CONT'D.)

As at the reporting date, updates on other commitments and contingencies of the Group and of the Company are as follows:

- (a) The Company's unsecured guarantee amounting to RM50.0 million (31 March 2019: RM70.0 million) given on behalf of AmInvestment Bank Berhad ("AmInvestment Bank") for the payment and discharge of all monies due on trading accounts maintained by Morgan Stanley & Co. International Plc. in respect of its futures trading activity with AmInvestment Bank ("the Corporate Guarantee"), has expired on 9 October 2019. The AMMB Board has on 31 March 2020 approved the issuance of the Corporate Guarantee amounting to RM50.0 million to be effected from 1 April 2020.
- (b) AmMetLife Insurance Berhad ("AmMetLife") had received complaints from 66 policyholders relating to the alleged mis-selling of certain insurance product of AmMetLife. AMAB Holdings Sdn Bhd ("AMAB Holdings") and MetLife International Holdings, Inc ("MetLife") are working jointly in the process of investigating these complaints and assessing any financial impact thereon.

Under the terms for the sale by AMAB Holdings to MetLife of shares in AmMetLife, the Group would fully indemnify MetLife or AmMetLife from any losses arising from incidences of mis-selling of certain specified insurance products occurring prior to the share sale.

- (c) **The Malaysia Competition Commission ("MyCC")'s Proposed Decision ("PD") against Persatuan Insurans Am Malaysia ("PIAM") and its 22 members (including AmGeneral Insurance Berhad, a subsidiary)**

On 13 May 2019, AmGeneral Insurance Berhad's legal counsel delivered 3rd oral representations to MyCC and followed up with Members of Commissioner ("MOC") on the proposed undertakings which is, reiterating its position that it has not infringed Section 4(2)(a) of the Competition Act, 2010 ("CA 2010") and that no infringement penalties should be imposed.

As at reporting date, MOC has not reached a decision and there is no final finding on infringement or non-infringement by MyCC. AmGeneral Insurance Berhad will continue to follow up on this matter.

- (d) On 9 December 2019, the Company and its wholly-owned subsidiary, AmBank Islamic were served with a writ and statement of claim by Dato' Sri Mohd Najib bin Hj Abd Razak ("Plaintiff"). In this action, the Plaintiff is seeking damages in relation to the conduct of his current accounts opened with AmBank Islamic.

The Company and AmBank Islamic have appointed solicitors to defend the suit and have been advised by solicitors that the allegations are not sustainable and AmBank Islamic and the Company have a strong defence. The Company and AmBank Islamic will vigorously oppose the action. The suit will not have a material impact on the operations of AmBank Islamic and the Company.

A33. DERIVATIVE FINANCIAL INSTRUMENTS

The following summarises the notional contracted amounts of derivatives held for trading and derivative designated in hedge accounting relationships of the Group and the revalued derivative financial instruments as at the reporting date:

Group	31.03.20			31.03.19		
	Contract/ Notional Amount RM'000	Fair Value		Contract/ Notional Amount RM'000	Fair Value	
		Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000
Trading derivatives						
Interest/Profit rate related contracts:	52,282,175	904,576	1,018,349	50,375,833	271,496	282,274
- One year or less	9,748,960	31,565	35,216	6,990,942	5,238	5,625
- Over one year to three years	23,674,467	282,051	306,685	19,781,143	57,841	62,843
- Over three years	18,858,748	590,960	676,448	23,603,748	208,417	213,806
Foreign exchange related contracts:	44,371,910	947,441	680,939	41,370,547	471,135	487,177
- One year or less	34,805,859	559,303	401,710	35,768,559	133,011	188,279
- Over one year to three years	4,529,891	136,246	133,423	3,471,372	69,209	109,736
- Over three years	5,036,160	251,892	145,806	2,130,616	268,915	189,162
Credit related contracts:	356,069	1,954	665	345,108	5,417	768
- Over one year to three years	356,069	1,954	665	345,108	5,417	768
Equity and commodity related contracts:	1,769,895	223,310	226,193	1,050,698	15,875	16,692
- One year or less	1,637,855	206,284	209,063	860,041	12,886	13,703
- Over one year to three years	58,823	9,219	9,319	190,657	2,989	2,989
- Over three years	73,217	7,807	7,811	-	-	-
	98,780,049	2,077,281	1,926,146	93,142,186	763,923	786,911
Hedging derivatives						
Interest rate related contracts:						
Interest rate swaps:						
Cash flow hedge	715,000	-	7,269	2,305,000	-	27,240
- One year or less	600,000	-	4,121	330,000	-	484
- Over one year to three years	115,000	-	3,148	1,095,000	-	12,660
- Over three years	-	-	-	880,000	-	14,096
Fair value hedge	350,000	-	26,688	350,000	-	11,341
- Over three years	350,000	-	26,688	350,000	-	11,341
Total	99,845,049	2,077,281	1,960,103	95,797,186	763,923	825,492

A34. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Determination of fair value and fair value hierarchy

The Group and the Company measure fair value using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

- 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 Company determine whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Financial assets and liabilities measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions are assets and liabilities for which pricing is obtained via pricing services, but where prices have not been determined in an active market, financial assets with fair values based on broker quotes, investments in private equity funds with fair values obtained via fund managers and assets that are valued using the Group's and the Company'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 or the Company. Therefore, unobservable inputs reflect the Group's and the Company'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 Company's own data, as well as financial information of the counterparties. Unquoted equity investments at FVOCI are revalued using adjusted net assets method.

About 1.7% (31 March 2019: 1.5%) of the Group'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.

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

Group	Level 1	Level 2	Level 3	Total
31.03.20	RM'000	RM'000	RM'000	RM'000
Derivative financial assets	-	2,077,281	-	2,077,281
Financial assets at fair value through profit or loss				
- Money market securities	-	8,625,737	-	8,625,737
- Shares	411,250	-	2,766	414,016
- Unit trusts	225,270	2,156	-	227,426
- Quoted corporate bonds and sukuk	-	37,500	-	37,500
- Unquoted corporate bonds and sukuk	-	3,241,178	-	3,241,178
Financial investments at fair value through other comprehensive income				
- Money market securities	-	8,485,170	-	8,485,170
- Shares	-	-	593,550	593,550
- Unquoted corporate bonds and sukuk	-	10,644,181	-	10,644,181
	<u>636,520</u>	<u>33,113,203</u>	<u>596,316</u>	<u>34,346,039</u>
Derivative financial liabilities	10,790	1,949,313	-	1,960,103

A34. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONT'D.)

Company 31.03.20	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial assets at fair value through profit or loss				
- Unit trusts	-	1,078	-	1,078
	<u>-</u>	<u>1,078</u>	<u>-</u>	<u>1,078</u>
Group 31.03.19	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Derivative financial assets	655	763,268	-	763,923
Financial assets at fair value through profit or loss				
- Money market securities	-	14,445,321	-	14,445,321
- Shares	487,692	-	2,813	490,505
- Unit trusts	33,563	160,813	-	194,376
- Quoted corporate bonds and sukuk	-	37,937	-	37,937
- Unquoted corporate bonds and sukuk	-	4,197,456	-	4,197,456
Financial investments at fair value through other comprehensive income				
- Money market securities	-	5,917,665	-	5,917,665
- Shares	-	-	524,213	524,213
- Unquoted corporate bonds and sukuk	-	9,267,995	-	9,267,995
	<u>521,910</u>	<u>34,790,455</u>	<u>527,026</u>	<u>35,839,391</u>
Derivative financial liabilities	1,300	824,192	-	825,492
Company 31.03.19				
Financial assets at fair value through profit or loss				
- Unit trusts	-	1,044	-	1,044
	<u>-</u>	<u>1,044</u>	<u>-</u>	<u>1,044</u>

A34. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONT'D.)

Movements in Level 3 financial instruments measured at fair value

The level of the fair value hierarchy of financial instruments is determined at the beginning of each reporting period. The following table shows a reconciliation of the opening and closing amounts of Level 3 financial assets which are recorded at fair value at the reporting date.

Group

	Financial assets at fair value through profit or loss RM'000	Financial investments at fair value through other comprehensive income RM'000	Total RM'000
31.03.20			
Balance at beginning of the financial year	2,813	524,213	527,026
Loss on revaluation of financial assets at fair value through profit or loss taken up in statement of profit or loss	(47)	-	(47)
Total gains recognised in other comprehensive income	-	69,337	69,337
Balance at end of the financial year	<u>2,766</u>	<u>593,550</u>	<u>596,316</u>
31.03.19			
Balance at beginning of the financial year	2,785	523,947	526,732
Addition during the financial year	28	288	316
Exchange fluctuation taken up in statement of profit or loss	-	(22)	(22)
Balance at end of the financial year	<u>2,813</u>	<u>524,213</u>	<u>527,026</u>

There were no transfers between Level 2 and Level 3 during the current financial year and previous financial year for the Group.

Total gains or losses included in the statement of profit or loss and statement of comprehensive income for financial instruments held at the end of the reporting date:

Group	31.03.20 RM'000	31.03.19 RM'000
Financial assets at fair value through profit or loss:		
Total losses included in:		
- investment and trading income in statement of profit or loss	<u>(47)</u>	<u>-</u>
Financial investments at fair value through other comprehensive income:		
Total gains/(losses) included in:		
- investment and trading income in statement of profit or loss	-	(22)
- fair value reserve in statement of comprehensive income	69,337	3
	<u>69,337</u>	<u>(19)</u>

Impact on fair value of Level 3 financial instruments measured at fair value arising from changes to key assumptions.

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.

A35. CAPITAL ADEQUACY

(a) The capital adequacy ratios of the Group and banking subsidiaries are as follows:

	31.03.20			Group
	AmBank	AmBank Islamic	AmInvestment Bank	
Before deducting proposed dividends:				
CET1 Capital ratio	12.220%	11.165%	40.638%	12.642%
Tier 1 Capital ratio	12.220%	11.165%	40.638%	12.642%
Total Capital ratio	16.769%	15.950%	41.076%	15.998%
After deducting proposed dividends:				
CET1 Capital ratio	12.046%	11.165%	37.161%	12.440%
Tier 1 Capital ratio	12.046%	11.165%	37.161%	12.440%
Total Capital ratio	16.595%	15.950%	37.600%	15.796%
	31.03.19			
	AmBank	AmBank Islamic	AmInvestment Bank	Group
Before deducting proposed dividend:				
CET1 Capital ratio	11.752%	11.654%	43.711%	12.328%
Tier 1 Capital ratio	12.406%	11.654%	43.711%	12.328%
Total Capital ratio	17.038%	16.836%	44.174%	15.864%
After deducting proposed dividend:				
CET1 Capital ratio	11.323%	11.084%	41.539%	11.890%
Tier 1 Capital ratio	11.977%	11.084%	41.539%	11.890%
Total Capital ratio	16.609%	16.267%	42.001%	15.426%

Notes:

- (1) The capital adequacy ratios are computed in accordance to BNM's policy document on Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework for Islamic Banks (Capital Components) issued on 5 February 2020, which is based on the Basel III capital accord. The Group has adopted the Standardised Approach for Credit and Market Risks and the Basic Indicator Approach for Operational Risk, based on BNM's policy document on Capital Adequacy Framework (Basel II - Risk Weighted Assets) and Capital Adequacy Framework for Islamic Banks (Risk Weighted Assets) issued on 3 May 2019.
- (2) The Company, being a financial holding company ("FHC") i.e. a financial holding company approved pursuant to section 112(3) of the FSA or section 124(3) of the IFSA and holds investment directly or indirectly in corporations that are engaged predominantly in banking business or Islamic banking business, has complied with BNM guidelines on minimum capital adequacy ratios and capital buffer requirements at the consolidated level effective 1 January 2019 and is presenting the capital adequacy ratios on FHC basis from 2019.

For regulatory capital reporting purposes, the consolidated level comprise the consolidation of all its financial and non-financial subsidiaries, excluding investments in insurance subsidiaries as per BNM's guidelines on Capital Adequacy Framework (Capital Components). Under the guidelines, investments in insurance subsidiaries shall be deducted in the calculation of CET1 Capital ratio.

- (3) Pursuant to the BNM's policy document on Capital Adequacy Framework (Capital Components) issued, a financial institution is required to hold and maintain, at all times, minimum capital adequacy ratios at 4.5% for CET1 Capital, 6.0% for Tier 1 Capital and 8.0% for Total Capital ratio. In addition, a financial institution is also required to hold and maintain capital buffers in the form of CET1 Capital above the minimum CET1 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%; and
 - (b) a Countercyclical Capital Buffer ("CCyB") determined as the weighted-average of the prevailing CCyB rates applied in the jurisdictions in which the banking institution 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 for exposures in Malaysia; and
 - (c) a Higher Loss Absorbency ("HLA") requirement for a financial institution that is designated as a domestic systemically important bank ("DSIB").

A35. CAPITAL ADEQUACY (CONT'D.)

- (b) The components of CET1 Capital, Additional Tier 1 Capital, Tier 2 Capital and Total Capital of the Group and its banking subsidiaries are as follows:

	31.03.20			Group RM'000
	AmBank RM'000	AmBank Islamic RM'000	AmInvestment Bank RM'000	
<u>CET1 Capital</u>				
Ordinary share capital	1,940,465	1,387,107	200,000	5,551,557
Retained earnings	7,380,683	2,148,410	313,545	11,557,241
Fair value reserve	368,847	56,249	999	616,558
Foreign exchange translation reserve	99,587	-	-	108,667
Treasury shares	-	-	-	(26,916)
Regulatory reserve	311,003	71,612	4,912	387,528
Cash flow hedging deficit	(28,155)	-	-	(28,155)
Other remaining disclosed reserves	-	-	-	40,572
Less: Regulatory adjustments applied on CET1 Capital				
Goodwill	-	-	-	(2,092,645)
Other intangible assets	(264,492)	(1,034)	(1,116)	(277,233)
Deferred tax assets	(33,439)	-	(7,179)	(23,114)
55% of cumulative gains in fair value reserve	(202,866)	(30,937)	(550)	(339,107)
Cash flow hedging deficit	28,155	-	-	28,155
Regulatory reserve	(311,003)	(71,612)	(4,912)	(387,528)
Investment in capital instruments of unconsolidated financial and insurance/ takaful entities	(8,488)	-	(49,809)	(1,334,000)
Unrealised fair value gains and losses on financial liabilities due to changes in own credit risk	(1,086)	(148)	-	(1,154)
CET1 Capital	9,279,211	3,559,647	455,890	13,780,426
<u>Additional Tier 1 Capital</u>				
Qualifying CET1, Additional Tier 1 capital instruments held by third parties	-	-	-	458
Tier 1 Capital	9,279,211	3,559,647	455,890	13,780,884
<u>Tier 2 Capital</u>				
Tier 2 Capital instruments meeting all relevant criteria for inclusion	2,595,000	1,150,000	-	-
Qualifying CET1, Additional Tier 1 and Tier 2 capital instruments held by third parties	-	-	-	2,420,697
General provisions*	858,821	375,600	4,916	1,237,269
Tier 2 Capital	3,453,821	1,525,600	4,916	3,657,966
Total Capital	12,733,032	5,085,247	460,806	17,438,850

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

A35. CAPITAL ADEQUACY (CONT'D.)

- (b) The components of CET1 Capital, Additional Tier 1 Capital, Tier 2 Capital and Total Capital of the Group and its banking subsidiaries are as follows: (Cont'd.)

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

	31.03.20			
	AmBank	AmBank	AmInvestment	Group
	RM'000	Islamic	Bank	
Credit RWA	68,705,693	30,960,556	841,125	99,174,151
Less: Credit RWA absorbed by Profit Sharing Investment Account	-	(912,582)	-	(192,639)
Total Credit RWA	68,705,693	30,047,974	841,125	98,981,512
Market RWA	2,351,627	294,650	17,004	3,176,949
Operational RWA	4,217,469	1,539,751	263,707	6,191,409
Large exposure risk RWA for equity holdings	657,669	-	-	658,015
Total RWA	75,932,458	31,882,375	1,121,836	109,007,885

	31.03.19			
	AmBank	AmBank	AmInvestment	Group
	RM'000	Islamic	Bank	
<u>CET1 Capital</u>				
Ordinary share capital	1,940,465	1,387,107	200,000	5,551,557
Retained earnings	7,014,840	1,933,885	296,696	10,773,243
Fair value reserve	245,836	39,151	1,089	460,863
Foreign exchange translation reserve	85,109	-	-	94,089
Regulatory reserve	280,556	164,928	4,674	450,158
Shares held in trust for ESS	-	-	-	(31,483)
Cash flow hedging deficit	(12,074)	-	-	(12,074)
Other remaining disclosed reserves	-	-	-	5,295
Less: Regulatory adjustments applied on CET1 Capital				
Goodwill	-	-	-	(2,092,645)
Other intangible assets	(368,654)	(1,351)	(1,750)	(386,109)
Deferred tax assets	(57,589)	-	(3,051)	(53,957)
55% of cumulative gains in fair value reserve	(135,210)	(21,533)	(599)	(253,475)
Cash flow hedging deficit	12,074	-	-	12,074
Regulatory reserve	(280,556)	(164,928)	(4,674)	(450,158)
Investment in capital instruments of unconsolidated financial and insurance/ takaful entities	(8,488)	-	(49,809)	(1,334,000)
CET1 Capital	8,716,309	3,337,259	442,576	12,733,378
<u>Additional Tier 1 Capital</u>				
Additional Tier 1 Capital instruments (subject to gradual phase-out treatment)	485,000	-	-	-
Qualifying CET1, Additional Tier 1 capital instruments held by third parties	-	-	-	439
Tier 1 Capital	9,201,309	3,337,259	442,576	12,733,817

A35. CAPITAL ADEQUACY (CONT'D.)

(b) The components of CET1 Capital, Additional Tier 1 Capital, Tier 2 Capital and Total Capital of the Group and its banking subsidiaries are as follows: (Cont'd.)

	31.03.19			Group RM'000
	AmBank RM'000	AmBank Islamic RM'000	AmInvestment Bank RM'000	
Tier 2 Capital				
Tier 2 Capital instruments meeting all relevant criteria for inclusion	2,595,000	1,150,000	-	-
Qualifying CET1, Additional Tier 1 and Tier 2 capital instruments held by third parties	-	-	-	2,476,745
General provisions*	840,495	334,015	4,684	1,175,912
Tier 2 Capital	3,435,495	1,484,015	4,684	3,652,657
Total Capital	12,636,804	4,821,274	447,260	16,386,474

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

Credit RWA	67,239,575	28,526,091	732,342	94,407,762
Less: Credit RWA absorbed by Profit Sharing Investment Account	-	(1,804,893)	-	(334,809)
Total Credit RWA	67,239,575	26,721,198	732,342	94,072,953
Market RWA	2,358,358	475,926	28,644	2,807,287
Operational RWA	4,037,878	1,439,025	251,510	5,880,399
Large exposure risk RWA for equity holdings	531,402	-	-	531,792
Total RWA	74,167,213	28,636,149	1,012,496	103,292,431

A36. CREDIT TRANSACTIONS AND EXPOSURES WITH CONNECTED PARTIES

	Group	
	31.03.20	31.03.19
Outstanding credit exposures with connected parties (RM'000)	5,389,736	2,299,375
Percentage of outstanding credit exposures to connected parties (%)		
- as a proportion of total credit exposures	4.18	1.98
- which is non-performing or in default	-	0.01

The disclosure on Credit Transactions and Exposures with Connected Parties above is presented in accordance with para 9.1 of Bank Negara Malaysia's revised Guidelines on Credit Transactions and Exposures with Connected Parties.

A37. INSURANCE BUSINESS

AmGeneral Holdings Berhad and its subsidiary

(I) CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

	General insurance fund		Shareholders' fund and Others		Total*	
	31.03.20 RM'000	31.03.19 RM'000	31.03.20 RM'000	31.03.19 RM'000	31.03.20 RM'000	31.03.19 RM'000
ASSETS						
Cash and short-term funds	176,935	245,368	107,419	70,496	284,354	315,865
Deposits and placements with banks and other financial institutions	19,766	15,241	-	-	19,766	15,241
Financial assets at fair value through profit or loss	2,311,801	2,405,241	4,522,749	4,547,707	3,468,693	3,602,272
Loans and advances	702	904	-	-	702	904
Deferred tax assets	18,211	25,778	-	-	18,211	25,778
Investment in a subsidiary	-	-	1,808,733	1,908,733	-	-
Other assets	1,013,413	791,058	64,616	63,436	135,757	134,223
Reinsurance assets and other insurance receivables	457,906	525,547	-	-	457,906	525,547
Property and equipment	16,019	25,535	(59)	978	15,960	26,513
Right-of-use assets	46,468	-	-	-	46,468	-
Intangible assets	49,873	55,180	62,829	66,867	891,628	900,973
Asset held for sale	1,562	5,029	762	-	2,324	5,029
TOTAL ASSETS	4,112,656	4,094,881	6,567,049	6,658,217	5,341,769	5,552,345
LIABILITIES AND EQUITY						
Redeemable cumulative convertible preference share	-	-	472,064	457,609	472,064	457,609
Deferred tax liabilities	-	-	64,275	70,187	64,275	70,186
Other liabilities	322,424	277,646	949,885	736,742	330,477	294,558
Insurance contract liabilities and other insurance payables	2,479,164	2,693,249	-	-	2,479,164	2,693,249
Total Liabilities	2,801,588	2,970,895	1,486,224	1,264,538	3,345,980	3,515,602
Share capital**	-	-	5,680,036	5,795,760	1,599,148	1,599,148
Reserves	1,311,068	1,123,986	(599,211)	(402,081)	396,641	437,595
Equity attributable to equity holders of the Company	1,311,068	1,123,986	5,080,825	5,393,679	1,995,789	2,036,743
TOTAL LIABILITIES AND EQUITY	4,112,656	4,094,881	6,567,049	6,658,217	5,341,769	5,552,345

* after elimination on consolidation

** Comprising:

Ordinary share capital	1,130,000	1,230,000
Preference share capital	169,148	169,148
Transfer from Retained Earnings arising from redemption of preference shares	300,000	200,000
	1,599,148	1,599,148

Note: Shareholders' funds and Others comprise the results of AmGeneral Holdings Berhad and collective investment schemes of its insurance subsidiary.

A37. INSURANCE BUSINESS (CONT'D.)

AmGeneral Holdings Berhad and its subsidiary

(II) CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2020

Group	General insurance fund		Shareholders' fund and Others		Total*	
	31.03.20	31.03.19	31.03.20	31.03.19	31.03.20	31.03.19
Interest income	3,765	3,305	147,447	149,695	151,212	153,000
Interest expense	-	-	(20,455)	(19,833)	(20,455)	(19,833)
Net interest income	3,765	3,305	126,992	129,862	130,757	133,167
Income from insurance business	1,428,732	1,374,782	-	-	1,428,732	1,374,782
Insurance claims and commissions**	(1,003,883)	(935,122)	-	-	(1,003,883)	(935,122)
Net income from insurance business	424,849	439,660	-	-	424,849	439,660
Other operating income	128,062	116,799	285,293	269,836	38,473	16,526
Net income	556,676	559,764	412,285	399,698	594,079	589,353
Other operating expenses	(327,530)	(337,910)	(10,539)	(11,203)	(338,069)	(349,113)
Operating profit	229,146	221,854	401,746	388,495	256,010	240,240
Writeback of allowance for impairment:						
Reinsurance assets and insurance receivables	8,602	4,961	-	-	8,602	4,961
Other write-offs, net	(4,696)	(3,668)	-	-	(4,696)	(3,668)
Profit before taxation	233,052	223,147	401,746	388,495	259,916	241,533
Taxation	(46,911)	(38,733)	15,101	(4,796)	(31,810)	(43,529)
Profit for the financial year	186,141	184,414	416,847	383,699	228,106	198,004

* after elimination on consolidation

** Includes commission paid/payable to related companies of the Group of RM15,859,000 (2019: RM12,861,000)

A38. FINANCIAL IMPACT ARISING FROM ADOPTION OF MFRS 16 LEASES AND RESTATEMENT OF COMPARATIVE INFORMATION

1. Adoption of MFRS 16 Leases

(a) The adoption of MFRS 16 Leases resulted in the following financial effects to the statements of financial position of the Group:

	31.03.19 RM'000	Effects of adoption of MFRS 16 RM'000	01.04.19 RM'000
Group ASSETS			
Right-of-use assets	-	328,629	328,629
LIABILITIES			
Other liabilities*	3,476,588	328,629	3,805,217

* includes provision for reinstatement of leased properties of RM15.5 million.

(b) The following table analyses the impact of Capital Adequacy Ratios of the Group:

	31.03.19	Effects of adoption of MFRS 16	01.04.19
CET1 Capital (RM'000)	12,733,378	-	12,733,378
Tier 1 Capital (RM'000)	12,733,817	-	12,733,817
Total Capital (RM'000)	16,386,474	3,449	16,389,923
Risk-weighted assets (RM'000)	103,292,431	275,940	103,568,371
Before deducting proposed dividends			
CET1 Capital ratio	12.328%	(0.033%)	12.295%
Tier 1 Capital ratio	12.328%	(0.033%)	12.295%
Total Capital ratio	15.864%	(0.039%)	15.825%
After deducting proposed dividends			
CET1 Capital ratio	11.890%	(0.032%)	11.858%
Tier 1 Capital ratio	11.890%	(0.031%)	11.859%
Total Capital ratio	15.426%	(0.037%)	15.389%

2. Restatement of comparative information

During the current financial year, the Group conducted a review of the reporting of its impaired loans, advances and financing portfolio. The review did not result in any changes to total impaired loans, advances and financing balances or impairment allowances for loans, advances and financing except for certain amendments in disclosure of impaired loans, advances and financing by sector as at 31 March 2019 as reflected in the restated disclosure in Note A13(h).

A39. OPERATIONS OF ISLAMIC BANKING

**AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020**

	Note	Group	
		31.03.20 RM'000	31.03.19 RM'000
ASSETS			
Cash and short-term funds		5,923,823	1,568,699
Derivative financial assets		59,653	43,136
Financial assets at fair value through profit or loss		1,750,250	5,113,974
Financial investments at fair value through other comprehensive income		4,896,694	3,492,140
Financial investments at amortised cost		1,689,082	1,705,455
Financing and advances	(a)	31,907,446	28,922,092
Statutory deposit with Bank Negara Malaysia		147,000	970,000
Deferred tax assets		299	240
Other assets		287,745	443,210
Property and equipment		481	580
Intangible assets		1,034	1,351
Right-of-use assets		2,759	-
TOTAL ASSETS		46,666,266	42,260,877
LIABILITIES AND ISLAMIC BANKING FUNDS			
Deposits from customers	(b)	34,672,130	31,139,936
Investment accounts of customers	(c)	208,726	353,451
Deposits and placements of banks and other financial institutions		3,449,770	2,536,724
Investment account due to a licensed bank	(d)	718,005	1,465,539
Recourse obligation on financing sold to Cagamas Berhad		1,000,000	518,350
Derivative financial liabilities		83,865	55,519
Term funding		1,034,697	1,080,000
Subordinated Sukuk		1,150,000	1,150,000
Deferred tax liabilities		9,639	7,511
Other liabilities	(e)	559,440	330,069
TOTAL LIABILITIES		42,886,272	38,637,099
Share capital/Capital funds		1,417,107	1,417,107
Reserves		2,362,887	2,206,671
TOTAL ISLAMIC BANKING FUNDS		3,779,994	3,623,778
TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS		46,666,266	42,260,877
COMMITMENTS AND CONTINGENCIES		13,487,793	11,593,921

A39. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

**AUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2020**

Group	Individual Quarter		Cumulative Quarter	
	31.03.20 RM'000	31.03.19 RM'000	31.03.20 RM'000	31.03.19 RM'000
Income derived from investment of depositors' funds	450,290	456,924	1,786,624	1,764,554
Income derived from investment of investment account funds	20,890	22,139	79,243	105,499
Income derived from Islamic Banking Funds	61,648	48,444	217,087	189,390
Allowance on financing and advances - net	(79,074)	21,340	(156,292)	(82,620)
Writeback of allowance/(Allowance) for impairment on:				
- Financial investments	(1,036)	(4,746)	1,410	(10,905)
- Other financial assets	(25)	(1)	(19)	(3)
Provision for commitments and contingencies	(3,718)	(3,187)	(32)	(3,464)
Total distributable income	448,975	540,913	1,928,021	1,962,451
Income attributable to the depositors and others	(249,782)	(263,480)	(1,006,466)	(1,023,458)
Income attributable to the investment account holders	(15,828)	(19,999)	(68,442)	(91,519)
Total net income	183,365	257,434	853,113	847,474
Operating expenses	(81,388)	(87,251)	(308,795)	(318,727)
Finance costs	(22,299)	(28,791)	(99,280)	(106,572)
Profit before taxation and zakat	79,678	141,392	445,038	422,175
Taxation and zakat	(12,683)	(34,013)	(93,341)	(97,930)
Profit for the financial period/year	66,995	107,379	351,697	324,245

**AUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2020**

Group	Individual Quarter		Cumulative Quarter	
	31.03.20 RM'000	31.03.19 RM'000	31.03.20 RM'000	31.03.19 RM'000
Profit for the financial period/year	66,995	107,379	351,697	324,245
Other comprehensive income/(loss):				
Items that may be reclassified subsequently to statements of profit or loss				
Financial investments at fair value through other comprehensive income:				
- net unrealised gain/(loss) for changes in fair value	(16,154)	23,036	34,949	28,101
- expected credit loss	992	4,747	(1,386)	10,799
- net gain reclassified to profit or loss	(1,094)	(9,453)	(10,627)	(11,237)
- tax effect	4,139	(3,260)	(5,838)	(4,047)
Other comprehensive income for the financial period/year, net of tax	(12,117)	15,070	17,098	23,616
Total comprehensive income for the financial period/year	54,878	122,449	368,795	347,861

A39. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

**AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2020**

Group	Share capital/ Capital funds RM'000	Non-Distributable		Distributable	
		Regulatory reserve RM'000	Fair value reserve RM'000	Retained earnings RM'000	Total Equity RM'000
At 1 April 2018	1,417,107	165,153	15,535	1,877,628	3,475,423
Profit for the financial year	-	-	-	324,245	324,245
Other comprehensive income, net	-	-	23,616	-	23,616
Total comprehensive income for the financial year	-	-	23,616	324,245	347,861
Transfer to retained earnings	-	(225)	-	225	-
Transfer of ESS shares recharged	-	-	-	(69)	(69)
- difference on purchase price of shares vested	-	-	-	(150,000)	(150,000)
Amount retained by conventional operations	-	-	-	(49,437)	(49,437)
Dividend paid	-	-	-	(199,281)	(199,506)
At 31 March 2019	1,417,107	164,928	39,151	2,002,592	3,623,778
At 1 April 2019	1,417,107	164,928	39,151	2,002,592	3,623,778
Profit for the financial year	-	-	-	351,697	351,697
Other comprehensive income, net	-	-	17,098	-	17,098
Total comprehensive income for the financial year	-	-	17,098	351,697	368,795
Transfer to retained earnings	-	(93,316)	-	93,316	-
Dividend paid	-	-	-	(212,579)	(212,579)
	-	(93,316)	-	(119,263)	(212,579)
At 31 March 2020	1,417,107	71,612	56,249	2,235,026	3,779,994

A39. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(a) Financing and Advances

Financing and advances by type of financing and Shariah contracts are as follows:

Group 31.03.20	Bai' Bithaman	Murabahah RM'000	Musharakah Mutanaqisah RM'000	Al-Ijarah Thummah	Bai' Inah RM'000	Others RM'000	Total RM'000
	Ajil RM'000			Al-Bai' (AITAB) RM'000			
At amortised cost:							
Cash lines	-	590,232	-	-	852,540	-	1,442,772
Term financing	592,256	8,978,315	9,683	-	1,768,433	46,486	11,395,173
Revolving credit	42,097	3,611,361	-	-	1,438,189	-	5,091,647
Housing financing	2,818,376	4,608,763	46,279	-	-	-	7,473,418
Hire purchase receivables	4	-	-	3,769,943	-	-	3,769,947
Bills receivables	-	188,629	-	-	-	19,886	208,515
Credit card receivables	-	-	-	-	-	504,532	504,532
Trust receipts	-	231,520	-	-	-	-	231,520
Claims on customers under acceptance credits	-	1,638,191	-	-	-	295,391	1,933,582
Staff financing	-	2,443	-	-	-	-	2,443
Others	-	220,375	-	-	-	-	220,375
Gross financing and advances*	3,452,733	20,069,829	55,962	3,769,943	4,059,162	866,295	32,273,924
Allowance for impairment on financing and advances							
- Stage 1 - 12 months ECL							(101,638)
- Stage 2 - Lifetime ECL not credit impaired							(167,791)
- Stage 3 - Lifetime ECL credit impaired							(97,049)
Net financing and advances							<u>31,907,446</u>

A39. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(a) Financing and Advances (Cont'd.)

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

Group 31.03.19	Bai' Bithaman Ajil RM'000	Murabahah RM'000	Musharakah Mutanaqisah RM'000	Al-Ijarah Thummah Al-Bai' (AITAB) RM'000	Bai' Inah RM'000	Others RM'000	Total RM'000
At amortised cost:							
Cash lines	-	426,594	-	-	1,050,183	-	1,476,777
Term financing	805,258	5,816,040	10,130	-	2,419,348	56,637	9,107,413
Revolving credit	42,075	3,478,539	-	-	1,592,275	-	5,112,889
Housing financing	2,970,696	3,235,311	49,022	-	-	-	6,255,029
Hire purchase receivables	4	-	-	4,618,823	-	-	4,618,827
Bills receivables	-	88,416	-	-	-	15,992	104,408
Credit card receivables	-	-	-	-	-	533,122	533,122
Trust receipts	-	324,347	-	-	-	-	324,347
Claims on customers under acceptance credits	-	1,558,829	-	-	-	236,875	1,795,704
Staff financing	-	1,197	-	-	-	-	1,197
Gross financing and advances*	3,818,033	14,929,273	59,152	4,618,823	5,061,806	842,626	29,329,713
Allowance for impairment on financing and advances							
- Stage 1 - 12 months ECL							(80,362)
- Stage 2 - Lifetime ECL not credit impaired							(204,632)
- Stage 3 - Lifetime ECL credit impaired							(122,627)
Net financing and advances							28,922,092

* Included in financing and advances are exposures to the Restricted Investment Account ("RA") arrangements between AmBank Islamic and AmBank. Under the RA contract, the profit is shared based on a pre-agreed ratio. AmBank is exposed to the risks and rewards on the RA financing and it had accounted for all allowances for impairment arising from the RA financing.

A39. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(a) Financing and Advances (Cont'd.)

(i) Movements in impaired financing and advances are as follows:

	Group	
	31.03.20 RM'000	31.03.19 RM'000
Balance at beginning of the financial year	572,549	582,538
Additions during the financial year	455,618	376,962
Reclassified to non-impaired financing	(46,370)	(131,055)
Recoveries	(88,965)	(27,839)
Amount written-off	(277,482)	(228,057)
Balance at end of the financial year	<u>615,350</u>	<u>572,549</u>
Gross impaired financing and advances as % of total gross financing and advances	<u>1.91%</u>	<u>1.95%</u>
Financing loss coverage (including regulatory reserve)	<u>74.2%</u>	<u>103.2%</u>

(ii) Movements in allowances for ECL are as follows:

Group 31.03.20	Stage 1	Stage 2	Stage 3	Total RM'000
	12-month ECL RM'000	Lifetime ECL Not Credit Impaired RM'000	Lifetime ECL Credit Impaired RM'000	
Balance at beginning of the financial year	80,362	204,632	122,627	407,621
Allowances for/(Writeback of) ECL	21,299	(36,841)	251,904	236,362
- Transfer to 12 month ECL (Stage 1)	3,659	(35,197)	(1,531)	(33,069)
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(7,841)	60,718	(9,447)	43,430
- Transfer to Lifetime ECL credit impaired (Stage 3)	(883)	(6,440)	34,238	26,915
New financial assets originated	27,824	18,218	2,134	48,176
Net remeasurement of allowances Note 1	(8,935)	(66,765)	260,423	184,723
Changes to model assumptions and methodologies	22,825	20,731	(312)	43,244
Modification of contractual cash flows of financial assets	410	(179)	-	231
Financial assets derecognised	(15,760)	(27,927)	(33,601)	(77,288)
Foreign exchange differences	(23)	-	-	(23)
Amount written-off	-	-	(277,482)	(277,482)
Balance at end of the financial year Note 2	<u>101,638</u>	<u>167,791</u>	<u>97,049</u>	<u>366,478</u>

Note:

1 Included ECL previously taken up by AmBank transferred in arising from early redemption of investment account contracts by AmBank which amounted to RM3.3 million (31 March 2019: RM3.7 million).

2 As at 31 March 2020, the gross exposure (including profit receivable) relating to RA financing amounted to RM719.9 million (31 March 2019: RM1,470.1 million). ECL allowance for the RA financing which amounted to RM2.3 million (31 March 2019: RM3.7 million) is taken up by AmBank.

A39. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(a) Financing and Advances (Cont'd.)

(ii) Movements in allowances for ECL are as follows: (Cont'd.)

Group 31.03.19	Stage 1	Stage 2	Stage 3	Total RM'000
	12-month ECL RM'000	Lifetime ECL Not Credit Impaired RM'000	Lifetime ECL Credit Impaired RM'000	
Balance at beginning of the financial year	72,384	204,922	125,244	402,550
Allowances for/(Writeback of) ECL	7,974	(290)	225,440	233,124
- Transfer to 12 month ECL (Stage 1)	3,319	(33,489)	(2,064)	(32,234)
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(7,165)	55,244	(8,080)	39,999
- Transfer to Lifetime ECL credit impaired (Stage 3)	(939)	(8,674)	85,704	76,091
New financial assets originated	22,540	67,790	5,309	95,639
Net remeasurement of allowances Note 1	(27)	(61,345)	172,865	111,493
Modification of contractual cash flows of financial assets	(30)	37	-	7
Financial assets derecognised	(9,724)	(19,853)	(28,294)	(57,871)
Foreign exchange differences	4	-	-	4
Amount written-off	-	-	(228,057)	(228,057)
Balance at end of the financial year	80,362	204,632	122,627	407,621

(b) Deposits From Customers

	Group	
	31.03.20 RM'000	31.03.19 RM'000
By type of deposit:		
Savings deposits		
<i>Commodity Murabahah</i>	2,365,009	2,002,816
<i>Qard</i>	61,836	15,041
Demand deposits		
<i>Commodity Murabahah</i>	7,812,982	6,935,337
<i>Qard</i>	337,707	15,375
Term deposits		
<i>Commodity Murabahah</i>	23,517,738	20,771,281
<i>Qard</i>	278,734	402,099
Negotiable instruments of deposits		
<i>Bai' Bithaman Ajil</i>	298,124	997,987
	<u>34,672,130</u>	<u>31,139,936</u>

The deposits are sourced from the following types of customers:

	Group	
	31.03.20 RM'000	31.03.19 RM'000
Business enterprises	21,496,027	15,833,377
Government and statutory bodies	3,024,183	4,030,053
Individuals	9,110,214	10,223,309
Others	1,041,706	1,053,197
	<u>34,672,130</u>	<u>31,139,936</u>

A39. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(b) Deposits From Customers (Cont'd.)

The maturity structure of term deposits and negotiable instruments of deposits are as follows:

	Group	
	31.03.20 RM'000	31.03.19 RM'000
Due within six months	19,728,247	16,032,555
Over six months to one year	3,207,927	4,994,369
Over one year to three years	1,141,416	602,241
Over three years to five years	17,006	542,202
	<u>24,094,596</u>	<u>22,171,367</u>

(c) Investment Accounts Of Customers

	Group	
	31.03.20 RM'000	31.03.19 RM'000
Unrestricted investment accounts:		
Without maturity		
- Wakalah	16,087	18,643
With maturity		
- Mudarabah	192,639	334,808
	<u>208,726</u>	<u>353,451</u>

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

	Group	
	31.03.20 RM'000	31.03.19 RM'000
Business enterprises	170,926	335,052
Individuals	37,800	18,399
	<u>208,726</u>	<u>353,451</u>

	Group	
	31.03.20 RM'000	31.03.19 RM'000
Investment asset:		
Interbank placement (Wakalah)	16,087	18,643
Housing financing (Mudarabah)	192,639	334,808
Total investment	<u>208,726</u>	<u>353,451</u>

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

	Investment account holder		
	Average profit sharing ratio (%)	Average rate of return (%)	Average Performance incentive fee (%)
31.03.20			
Maturity			
less than 3 months	75.03	3.12	2.99
over 3 months to 1 year	82.09	3.77	-
31.03.19			
Maturity			
less than 3 months	79.16	2.98	3.25
over 3 months to 1 year	87.59	4.04	-

A39. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(d) Investment Account Due to A Licensed Bank

	Group	
	31.03.20 RM'000	31.03.19 RM'000
<u>Restricted investment account ("RA")</u>		
- Mudarabah Muqayyadah	718,005	1,465,539
Investment asset:		
Financing	718,005	1,465,539
Total investment	718,005	1,465,539

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

On 27 August 2019 and 25 March 2020, AmBank early redeemed placements which amounted to total of RM188.2 million and RM837.0 million respectively. The expected credit losses on the financing funded by this contract is now taken up in AmBank Islamic as disclosed in Note A39(a)(ii).

On 16 December 2019, AmBank entered into a new contract with AmBank Islamic which amounted to RM210.0 million.

As at 31 March 2020 the tenure of the RA contracts is for a period ranging between 2 years to 10 years (31 March 2019: 8 months to 11 years).

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

	31.03.20		31.03.19	
	Profit sharing ratio (%)	Average rate of return (%)	Profit sharing ratio (%)	Average rate of return (%)
Maturity:				
between 1 year to 2 years	-	-	46	2.36
over 2 years to 5 years	89	4.04	90	4.62
more than 5 years	90	3.76	77	3.86

(e) Other Liabilities

	Group	
	31.03.20 RM'000	31.03.19 RM'000
Other payables and accruals	497,333	270,183
Deferred income	13,344	14,566
Lease liabilities	2,704	-
Provision for reinstatement for leased properties	79	-
Provision for zakat and taxation	12,703	6,016
Provision for commitments and contingencies	5,500	15,724
Allowances for ECL on financing commitments and financial guarantees	18,269	18,230
Security deposit and advance payment for financing and advances	9,508	5,350
	559,440	330,069

Part B - Explanatory Notes Pursuant to Appendix 9B of the Bursa Malaysia Securities Berhad Listing Requirements

B1. PERFORMANCE REVIEW ON THE RESULTS OF THE GROUP

Table 1: Financial review for current quarter and financial year to date

	Group				Group			
	Individual Quarter		Changes		Cumulative Quarter		Changes	
	31.03.20 RM'000	31.03.19 RM'000	Amount RM'000	%	31.03.20 RM'000	31.03.19 RM'000	Amount RM'000	%
Operating revenue	2,214,819	2,333,984	(119,165)	(5.1)	9,324,567	9,119,857	204,710	2.2
Operating profit before impairment losses	487,966	354,637	133,329	37.6	2,118,965	1,791,528	327,437	18.3
Profit before taxation and zakat	285,402	625,098	(339,696)	(54.3)	1,782,856	2,095,374	(312,518)	(14.9)
Profit for the financial year	266,394	475,769	(209,375)	(44.0)	1,452,833	1,603,069	(150,236)	(9.4)
Profit attributable to equity holders of the Company	247,540	459,667	(212,127)	(46.1)	1,340,715	1,505,289	(164,574)	(10.9)

Financial year to date - Cumulative period ended 31 March 2020 compared to 31 March 2019

For the financial year under review, the Group generated revenue of RM9,324.6 million, a growth of RM204.7 million (2.2%) compared to last year. Fund based income from interest bearing assets increased mainly from interest on fixed income securities. Non-interest income recorded substantial increase compared to last year.

Interest income from securities grew mainly from hold to collect and sell securities. Interest income from customer lending decreased attributable to hire purchase financing mitigated by increase in term loans and housing loans.

Funding costs decreased attributable to lower interest expense on customer deposits, term funding and debt capital. Interest on term funding and debt capital decreased due to redemption by the Group. The decrease was offset by higher interest on securities sold under repurchase agreements.

Fee based income recorded an increase of RM58.9 million driven by growth in income from wealth management and unit trust activities. Market based income increased from gains on trading/liquidation of securities and lower revaluation loss on trading securities and derivatives offset by decrease in gain from trading in foreign exchange. Decrease in other income was attributable to a significant gain on disposal of foreclosed property in prior year.

Net income from insurance business decreased mainly due to higher commission expense and insurance claims despite increase in net earned premium.

The Group's associates and joint ventures recorded lower profits as reflected by the share of losses of RM3.1 million compared to share of profits of RM20.4 million in prior year. The Group's share of losses was mainly due to the insurance-based joint ventures which recorded higher reserving mitigated by higher net earned premium.

Total operating expenses decreased by 1.1% attributable to disciplined cost management. Overall, the Group's cost to income ratio improved to 49.9% from 54.3% a year ago.

Credit costs recorded a higher charge for this financial year, attributable to lower recoveries from loans, advances and financing, higher impairment allowances for securities and loans, advances and financing. Higher impairment allowances was attributable to additional overlay adjustments in allowances arising from impact of COVID-19 pandemic and global oil price slump.

Profit before taxation and zakat for the current financial year was lower compared to a year ago at RM1,782.9 million, a decrease of RM312.5 million (14.9%). Profit for the financial year decreased by RM150.2 million to RM1,452.8 million compared to last year.

B1. PERFORMANCE REVIEW ON THE RESULTS OF THE GROUP (CONT'D.)

Commentary on key components of financial position

The Group's core interest bearing assets namely loans, advances and financing recorded a growth in gross balances by RM5,374.0 million from 31 March 2019 to RM107.2 billion. The Group's impaired loans ratio was at 1.7%.

Deposits from customers was higher compared to 31 March 2019 at RM113.0 billion. Low cost deposits which constituted 25.5% of total deposits from customers increased compared to 23.3% as at 31 March 2019.

Liquidity and capital strength

The Group is well-positioned to meet and comply with regulatory requirements. Its banking subsidiaries recorded Liquidity Coverage ratios in excess of minimum requirements. The Group's capital adequacy ratio is strong at 15.80% at the end of the reporting period.

Divisional performance

Retail Banking FY2020: RM414.3 million vs FY2019: RM747.3 million)

Profit before tax ("PBT") decreased by RM333.0 million mainly from higher other operating expenses and net impairment, partially offset by higher net income.

Net income increased mainly from net finance income due to higher margin and volume impact, partially offset by lower fee income from Cards.

Net impairment in FY20 versus net recovery in FY19 mainly from provision on loans, advances and financing due to lower debt sale gain and lower collections post debt sale, coupled with lower writeback from provision for commitment and contingencies.

Retail deposits dropped by 11.5% to RM45.7 billion attributed to lower fixed deposits, partially offset by higher current and savings accounts. Gross loans, advances and financing grew RM2.0 billion (3.6%) to close at RM58.9 billion mainly from mortgages, Retail SME and Personal Financing, partly offset by the dropped in Auto Finance.

Business Banking (FY2020: RM163.8 million vs FY2019: RM164.9 million)

PBT decreased by RM1.1 million due higher other operating expense and higher net impairment, offset by higher net income.

Higher other operating expense mainly due to higher service transfer pricing and personnel costs. Higher net impairment mainly on loans, advances and financing and lower recoveries, while higher net income arising from higher business volume.

Business Banking deposits increased by 23.2% to RM7.2 billion from both current accounts and fixed deposits, while gross loans, advances and financing grew by RM1.3 billion (12.9%) to close at RM11.2 billion.

Corporate Banking (FY2020: RM632.3 million vs FY2019: RM848.4 million)

PBT decreased by RM216.1 million from lower net income, higher other operating expense and lower writeback of impairment.

Net income decreased by 3.9% mainly arising from gain on disposal of foreclosed property in FY2019, coupled with lower net finance income from lower margin.

Lower writeback and lower recoveries from impairment on loans, advances and financing, coupled with higher provision for financial investment, partially offset by higher writeback from provision for commitment and contingencies.

Corporate Banking deposits increased by RM1.7 billion (15.0%) to close at RM13.3 billion, while gross loans, advances and financing grew by RM2.1 billion (6.2%) to close at RM35.6 billion.

Group Treasury and Markets (FY2020: RM362.1 million vs FY2019: RM169.4 million)

PBT grew RM192.7 million from higher net income and higher writeback of impairment, partly offset by higher other operating expense.

Net income increased by RM193.7 million driven by higher net finance income due to higher margin and volume, along with higher other income mainly from gain on disposal of money market securities.

B1. PERFORMANCE REVIEW ON THE RESULTS OF THE GROUP (CONT'D.)

Divisional performance (Cont'd.)

Investment Banking (FY2020: RM78.9 million vs FY2019: RM39.3 million)

PBT increased by RM39.6 million from higher net income mainly due to sizeable deals from Debt Capital Market, partly offset by higher other operating expenses and lower writeback of impairment.

Fund Management (FY2020: RM45.6 million vs FY2019: RM36.2 million)

PBT increased by RM9.4 million from higher management fee, offset by higher other operating expenses.

Insurance (FY2020: RM250.0 million vs FY2019: RM253.9 million)

Insurance PBT dropped by 1.5% mainly due to lower gain from share of associate and joint venture, partially offset by lower other operating expenses and higher writeback of impairment.

Group Funding & Others (FY2020: Loss of RM164.2 million vs FY2019: Loss of RM163.9 million)

Higher loss before tax from higher net impairment mainly due to forward looking provision in view of deterioration of macroeconomics variables, partially offset by higher income and lower other operating expenses.

B2. REVIEW OF MATERIAL CHANGES IN PROFIT BEFORE TAXATION

Table 2: Financial review for current quarter compared with immediate preceding quarter

	Group			
	Individual Quarter		Changes	
	31.03.20	31.12.19	Amount	%
	RM'000	RM'000	RM'000	
Operating revenue	2,214,819	2,370,031	(155,212)	(6.5)
Operating profit before impairment losses	487,966	552,324	(64,358)	(11.7)
Profit before taxation and zakat	285,402	495,404	(210,002)	(42.4)
Profit for the financial quarter	266,394	401,752	(135,358)	(33.7)
Profit attributable to equity holders of the Company	247,540	382,148	(134,608)	(35.2)

Current quarter compared to immediate preceding quarter

For the financial quarter under review, the Group generated revenue of RM2,214.8 million, a decrease of 6.5% over last quarter. Fund based income from interest bearing assets decreased mainly from interest on customer lending and deposits placed with banks. Non-interest income decreased mainly from trading and investment income as a result of unfavourable market conditions.

Funding costs decreased attributable to lower interest on deposits from customers and securities sold under repurchase agreements offset by increase in deposits and placements from banks and other financial institutions. For this quarter, net interest margin was 1.95% compared to 2.02% in the preceding quarter.

Overall other operating income decreased for this quarter compared to preceding quarter due to unfavourable market conditions as reflected in the lower gains from disposal of securities, revaluation of securities, and gains from derivatives mitigated by higher trading gains in foreign exchange.

Total operating expenses decreased by 9.3% compared to preceding quarter reflecting the Group's disciplined cost management.

Credit costs increased driven by additional overlay adjustment provided due to impact of COVID-19 pandemic and global oil price slump as reflected in higher impairment allowances for loans, advances and financing and commitments and contingencies.

Against the preceding quarter, profit before taxation and zakat for the current quarter is lower at RM285.4 million, a decrease of RM210.0 million (42.4%). Profit for the quarter decreased by RM135.3 million to RM266.4 million compared to preceding quarter.

B3. OUTLOOK FOR NEXT FINANCIAL YEAR

The Gross Domestic Product ("GDP") growth in Malaysia is estimated to be between -2.0% and 0.4% for 2020 (2019: 4.3%), impacted by the global economic crisis due to the coronavirus ("COVID-19") pandemic and plunging oil price. The COVID-19 pandemic has caused both supply and demand shocks. The impact from the pandemic is expected to taper by end of second quarter with the easing of the Movement Control Order ("MCO") and lockdown by major economies resulting to normalisation of both the global and domestic economy to take place in the second half of year 2020.

Malaysian companies and individuals are severely affected by this pandemic as economic activities grind to a halt following the MCO to curb the spread of the virus. The Group is fully supportive of the Government's stimulus packages as it is a move in the right direction to help our people and businesses to cope with the near term challenges. The Group had announced its Financial Relief Programme which includes financing to impacted small and medium enterprise ("SME") customers under Special Relief Facility on 11 February 2020, an initiative by BNM and moratorium or payment holiday up to six months to individuals and SME customers. Concerted effort is underway to ensure the Group's customers are able to weather through this trying period and to ensure viable businesses continue to operate. To-date, we have approved RM800 million of additional financing to approximately 1,000 SME customers via the Special Relief Facility and about 637,000 of our customers have opted in for the six-month loan moratorium.

To support our communities and front liners, the Group:

- i. Donated RM500,000 to Tabung COVID-19 via MERCY to support the national healthcare system; and
- ii. Collaborated with PichaEats to sponsor over 200 meals daily to University Malaya Medical Centre during the MCO period.

As the COVID-19 situation continues to evolve and amidst the plunge in global oil price, under the Group's provisioning methodology, additional allowances for expected credit losses i.e. anticipatory forward looking ECL overlay ("FL ECL overlay" and disclosed as changes in model assumptions and methodologies) was set aside by the Group in the last quarter of the current financial year. The Group continues to closely monitor the impact of COVID-19 on our credit portfolios during the moratorium period, especially certain vulnerable sectors such as oil and gas, hospitality, restaurants, manufacturing, trading, transportation and storage and plantation. A total of circa RM65 billion of our retail and SME loans are under moratorium until 1 October 2020.

In line with the subdued economic outlook, the banking system loans growth is expected to be flat in 2020. We foresee margin compression for banks stemming from further rate cuts, deposits competition and slower loans growth.

For FY2021, the Group will remain steadfast in exercising credit vigilance and proactively reaching out to our customers during this difficult time. Greater emphasis has been placed on risk management, stress testing, capital planning and liquidity management in order to safeguard the Group's financial resilience in the face of heightened market volatility. Operationally, we will continue our cost discipline and prioritise investments. The Group will continue to drive operational efficiencies through simplification and automation via the second phase of our Business Efficiency Transformation (BET) program.

BUSINESS PLAN AND STRATEGY

FY2020 marks the end of the Group's Top 4 Strategy, where the Group embarked on a new growth trajectory to strengthen our franchise value. The foundation has now been laid, with the right people in charge and processes in place, the Group will continue to drive growth in areas of focus identified under the Top 4 Strategy.

The Group will be operating under our refreshed strategy roadmap, focusing on the following themes:

1. Driving higher return on equity and sustainable dividend payout
2. Pushing capital light revenue
3. Sharpening our segment play by improving customer experience
4. Installing collaborative culture and partnerships
5. AmBank digital and building capacity
6. Connecting people
7. Promoting environment, Social and Governance including responsible banking
8. Digital banking opportunities

We will remain disciplined in managing costs and prioritising investments. The Group will continue to drive operational efficiencies through simplification and automation of processes via the second phase of its Business Efficiency Transformation program.

With the rising uncertainties in the 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 AmBank 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 Group's financial resilience in the face of heightened market volatility.

B4. VARIANCE FROM PROFIT FORECAST AND SHORTFALL FROM PROFIT GUARANTEE

This is not applicable to the Group.

B5. TAXATION AND ZAKAT

Group	Individual Quarter		Cumulative Quarter	
	31.03.20 RM'000	31.03.19 RM'000	31.03.20 RM'000	31.03.19 RM'000
Estimated current tax payable	62,507	225,495	353,365	543,573
Deferred tax	(26,381)	(57,693)	(5,870)	(29,110)
	<u>36,126</u>	<u>167,802</u>	<u>347,495</u>	<u>514,463</u>
Over provision of current taxation in respect of prior years	(17,927)	(18,881)	(20,499)	(24,559)
Taxation	<u>18,199</u>	<u>148,921</u>	<u>326,996</u>	<u>489,904</u>
Zakat	809	408	3,027	2,401
Taxation and zakat	<u>19,008</u>	<u>149,329</u>	<u>330,023</u>	<u>492,305</u>

The total tax charge of the Group for the financial year ended 31 March 2020 and 31 March 2019 reflects an effective tax rate which is lower than the statutory tax rate mainly due to income not subject to tax.

B6. CORPORATE PROPOSALS

- As at 31 March 2020, the trustee of the expired ESS had disposed off all the 4,951,750 ordinary shares representing 0.16% of the total number of issued and paid-up ordinary shares capital of the Company.
- On 8 July 2019, the Board of Directors of the Company announced that the Company intends to seek the approval of its shareholders for the proposed authority for the Company to purchase up to three percent (3%) of the total number of its issued shares at the general meeting of the Company scheduled on 31 July 2019. The ordinary resolution as set out in the Notice of Extraordinary General Meeting of the Company held on 31 July 2019 was duly passed by way of poll. During the current financial year, the Company bought back from the open market, a total of 7,495,900 ordinary shares as disclosed in Note A6.

B7. BORROWINGS AND DEBT SECURITIES

Group	Long term*		Short term*		Total	
	Foreign denomination USD'000	RM denomination RM'000	Foreign denomination USD'000	RM denomination RM'000	Foreign denomination USD'000	RM denomination RM'000
31.03.20						
Unsecured						
Term funding	100,000	1,614,280 #	-	887,459	100,000	2,501,739
Debt capital	-	3,745,000	-	-	-	3,745,000
31.03.19						
Unsecured						
Term funding	-	926,989	400,000	2,707,765 ^	400,000	3,634,754
Debt capital	-	4,230,000	-	-	-	4,230,000

Borrowings denominated in foreign currencies have not been hedged to RM; AmBank's US Dollar debts are maintained in the originating currency for purpose of funding the US Dollar balance sheet.

As at 31 March 2020, USD100 million term loan drawdown to be utilised for diversifying the sources of funding the growth of the USD balance sheet.

^ Included here an amount of RM1,633.4 million related to the USD400.0 million Medium Term Note outstanding as at 31 March 2019 translated at exchange rate of 4.085.

* remaining contractual maturity

Detailed explanations on the material changes to the borrowings (excluding structured deposits and Credit-Linked Notes) and debt securities as at the current year to-date compared with the corresponding period in the immediate preceding year:

Month of Issuance/ Redemption	Entity	Note/ Sukuk type and tenor	Nominal value RM'000	Weighted average interest / profit rate %	Net interest/ profit savings per annum for redemption RM'000
August 2019 - Redemption	AmBank	Innovative Tier 1 capital - 10 years	300,000	8.25	24,750
September 2019 - Redemption	AmBank	Innovative Tier 1 capital - 10 years	185,000	8.25	15,263
November 2019 - Redemption	AmBank Islamic	Subordinated Sukuk Tier 2 - 10 years	100,000	4.40	4,400
March 2020 - Issuance	AmBank Islamic	Senior Sukuk Musyarakah - 2 years	200,000	3.55	7,100
March 2020 - Issuance	AmBank Islamic	Senior Sukuk Musyarakah - 5 years	800,000	4.10	32,800
March 2020 - Redemption	AmBank Islamic	Senior Sukuk Musyarakah - 5 years	900,000	4.45	40,050

Borrowing and debt securities issued are for purposes of working capital, investment, enhancing capital position and other general funding requirements of the Company and its banking subsidiaries.

B8. MATERIAL LITIGATION

The Group and the Company do not have any material litigation which would materially affect the financial position of the Group and the Company. For other litigations, please refer to Note A32.

B9. DIVIDENDS

- (i) A proposed final cash dividend of 7.3 Sen per share for the financial year ended 31 March 2020 has been recommended by the directors;
- (ii) Previous corresponding period: 15.0 Sen;
- (iii) Payment date: To be determined and announced at a later date; and
- (iv) In respect of ordinary share capital, entitlement to the dividend will be determined on the basis of the Record of Depositors as at the close of business on the date to be determined and announced at a later date.

B10. DERIVATIVE FINANCIAL INSTRUMENTS

Please refer to Note A33.

B11. EARNINGS PER SHARE (SEN)

- (a) Basic/Diluted earnings per share

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

	Individual Quarter		Cumulative Quarter	
	31.03.20	31.03.19	31.03.20	31.03.19
Net profit attributable to equity holders of the Company (RM'000)	247,540	459,667	1,340,715	1,505,289
Weighted average number of ordinary shares in issue ('000)	3,007,122	3,009,233	3,003,677	3,008,907
Basic/diluted earnings per share (Sen)	8.23	15.28	44.64	50.03