

AMMB HOLDINGS BERHAD
Registration No. 199101012723 (223035-V)
(Incorporated in Malaysia)
Condensed Financial Statements

AUDITED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Note	Group		Company	
		31.03.2021 RM'000	31.03.2020 RM'000	31.03.2021 RM'000	31.03.2020 RM'000
ASSETS					
Cash and short-term funds	A8	18,809,478	15,611,728	689,326	322,262
Deposits and placements with banks and other financial institutions	A9	103,028	98,845	-	-
Derivative financial assets	A32	1,291,190	2,077,281	-	-
Financial assets at fair value through profit or loss	A10	9,561,974	12,545,857	1,104	1,078
Financial investments at fair value through other comprehensive income	A11	17,786,198	19,722,901	-	-
Financial investments at amortised cost	A12	4,192,424	4,852,813	-	-
Loans, advances and financing	A13	112,478,319	105,950,930	-	-
Statutory deposits with Bank Negara Malaysia		425,278	489,006	-	-
Deferred tax assets		134,350	51,457	-	-
Investments in subsidiaries and other investments		-	-	10,407,425	9,627,425
Investments in associates and joint ventures		588,937	699,275	-	-
Other assets	A14	2,441,436	2,809,434	1,833,358	1,571
Reinsurance assets and other insurance receivables	A15	432,684	457,906	-	-
Property and equipment		215,934	254,144	1	332
Right-of-use assets		270,753	317,679	-	-
Intangible assets		1,443,947	3,261,506	-	-
Assets held for sale		2,324	2,324	-	-
TOTAL ASSETS		170,178,254	169,203,086	12,931,214	9,952,668
LIABILITIES AND EQUITY					
Deposits from customers	A16	120,543,186	112,966,712	-	-
Investment accounts of customers		94,834	208,726	-	-
Deposits and placements of banks and other financial institutions	A17	9,920,887	10,021,921	-	-
Securities sold under repurchase agreements		810,171	6,352,709	-	-
Recourse obligation on loans and financing sold to Cagamas Berhad		7,275,018	5,140,023	-	-
Derivative financial liabilities	A32	1,269,809	1,960,103	-	-
Term funding		1,749,870	2,501,739	-	-
Debt capital		4,295,000	3,745,000	-	-
Redeemable cumulative convertible preference share		238,713	231,311	-	-
Deferred tax liabilities		19,669	69,720	-	-
Other liabilities	A18	5,891,731	3,965,918	2,872,422	46,974
Insurance contract liabilities and other insurance payables	A19	2,479,007	2,479,164	-	-
Total Liabilities		154,587,895	149,643,046	2,872,422	46,974
Share capital		5,951,557	5,851,557	5,550,250	5,550,250
Treasury shares		(20,970)	(26,916)	(20,970)	(26,916)
Reserves		8,710,190	12,756,131	4,529,512	4,382,360
Equity attributable to equity holders of the Company		14,640,777	18,580,772	10,058,792	9,905,694
Non-controlling interests		949,582	979,268	-	-
Total Equity		15,590,359	19,560,040	10,058,792	9,905,694
TOTAL LIABILITIES AND EQUITY		170,178,254	169,203,086	12,931,214	9,952,668
COMMITMENTS AND CONTINGENCIES	A31	136,999,665	133,474,654	-	-
NET ASSETS PER SHARE (RM)		4.87	6.18	3.34	3.29

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 2020.

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AUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2021

Group	Note	Individual Quarter		Cumulative Quarter	
		31.03.2021 RM'000	31.03.2020 RM'000	31.03.2021 RM'000	31.03.2020 RM'000
Operating revenue	A27	1,969,891	2,214,819	8,412,644	9,324,567
Interest income	A20	1,009,189	1,188,903	4,155,780	4,940,011
Interest expense	A21	(436,462)	(696,411)	(2,063,873)	(3,001,394)
Net interest income		572,727	492,492	2,091,907	1,938,617
Net income from Islamic banking		201,559	330,114	929,659	1,019,555
Income from insurance business		336,681	360,150	1,398,558	1,428,732
Insurance claims and commissions		(199,220)	(258,243)	(904,245)	(988,024)
Net income from insurance business	A22	137,461	101,907	494,313	440,708
Other operating income	A23	210,729	77,698	992,763	831,416
Share in results of associates and joint ventures		6,860	(13,130)	43,813	(3,140)
Net income		1,129,336	989,081	4,552,455	4,227,156
Other operating expenses	A24	(524,654)	(501,115)	(2,132,235)	(2,108,191)
Operating profit before impairment losses and settlement		604,682	487,966	2,420,220	2,118,965
Allowances for impairment on loans, advances and financing	A25	(455,409)	(194,848)	(1,116,936)	(322,631)
(Allowances for)/Writeback of impairment on:					
Financial investments	A26	(1,584)	(3,611)	8,476	(46,528)
Insurance receivables		3,113	2,604	6,208	8,602
Other financial assets	A26	115	(137)	332	1,308
Provision for commitments and contingencies - (charge)/writeback		(45,294)	(6,143)	(39,296)	22,267
Other recoveries/(write-offs), net		6,832	(429)	4,469	873
Impairment of goodwill	A29	(1,789,153)	-	(1,789,153)	-
Impairment of investment in associate		(147,819)	-	(147,819)	-
Settlement	A29	(2,830,000)	-	(2,830,000)	-
(Loss)/Profit before taxation and zakat		(4,654,517)	285,402	(3,483,499)	1,782,856
Taxation and zakat	B5	(15,034)	(19,008)	(228,595)	(330,023)
(Loss)/Profit for the financial quarter/year		(4,669,551)	266,394	(3,712,094)	1,452,833
Attributable to:					
Equity holders of the Company		(4,692,781)	247,540	(3,826,466)	1,340,715
Non-controlling interests		23,230	18,854	114,372	112,118
(Loss)/Profit for the financial quarter/year		(4,669,551)	266,394	(3,712,094)	1,452,833
(LOSS)/EARNINGS PER SHARE (SEN)	B10				
Basic/Diluted		(156.00)	8.23	(127.22)	44.64

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AUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2021

Group	Individual Quarter		Cumulative Quarter	
	31.03.2021 RM'000	31.03.2020 RM'000	31.03.2021 RM'000	31.03.2020 RM'000
(Loss)/Profit for the financial quarter/year	(4,669,551)	266,394	(3,712,094)	1,452,833
Other comprehensive income/(loss):				
Items that will not be reclassified subsequently to statement of profit or loss				
Remeasurement of defined benefit liability	1,623	1,238	1,213	1,238
Financial investments at fair value through other comprehensive income ("FVOCI")				
- net unrealised (loss)/gain on changes in fair value	(33)	-	93,242	69,337
Tax effect relating to components of other comprehensive income				
- defined benefit liability	(389)	-	(291)	(297)
- financial investments at FVOCI	6	-	314	40
	<u>1,207</u>	<u>1,238</u>	<u>94,478</u>	<u>70,318</u>
Items that may be reclassified subsequently to statement of profit or loss				
Currency translation gain/(loss) on foreign operations	7,975	14,119	(13,675)	14,578
Cash flow hedge				
- gain/(loss) arising during the financial quarter/year	630	(10,419)	5,615	(18,306)
- reclassification adjustments for gain included in profit or loss	-	-	-	(66)
- amortisation of fair value changes for terminated hedges	2,740	331	9,130	(2,787)
Financial investments at FVOCI				
- net unrealised (loss)/gain on changes in fair value	(305,811)	(16,160)	19,166	169,104
- net gain reclassified to profit or loss	(6,596)	(6,082)	(25,507)	(98,384)
- changes in expected credit losses	(5,783)	3,380	(14,392)	47,012
- foreign exchange differences	4	-	(5)	-
Tax effect relating to the components of other comprehensive (income)/loss				
- cash flow hedge	(809)	2,421	(3,539)	5,078
- financial investments at FVOCI	66,995	5,339	1,691	(31,414)
Share of reserve movements in equity accounted joint ventures	(589)	(1,032)	(1,030)	(354)
	<u>(241,244)</u>	<u>(8,103)</u>	<u>(22,546)</u>	<u>84,461</u>
Other comprehensive (loss)/income for the financial quarter/year, net of tax	<u>(240,037)</u>	<u>(6,865)</u>	<u>71,932</u>	<u>154,779</u>
Total comprehensive (loss)/income for the financial quarter/year	<u>(4,909,588)</u>	<u>259,529</u>	<u>(3,640,162)</u>	<u>1,607,612</u>
Total comprehensive (loss)/income for the financial quarter/year attributable to:				
Equity holders of the Company	(4,933,423)	240,214	(3,754,986)	1,495,033
Non-controlling interests	23,835	19,315	114,824	112,579
	<u>(4,909,588)</u>	<u>259,529</u>	<u>(3,640,162)</u>	<u>1,607,612</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 2020.

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AUDITED STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2021

Company	Note	Individual Quarter		Cumulative Quarter	
		31.03.2021 RM'000	31.03.2020 RM'000	31.03.2021 RM'000	31.03.2020 RM'000
Operating revenue		53,483	52,987	362,050	858,518
Interest income	A20	2,211	1,516	6,550	5,247
Other operating income	A23	51,272	51,471	355,500	853,271
Net income		53,483	52,987	362,050	858,518
Other operating expenses	A24	(5,237)	(6,344)	(22,411)	(26,574)
Operating profit before impairment losses		48,246	46,643	339,639	831,944
Impairment of subsidiary		-	(12,888)	-	(12,888)
Profit before taxation		48,246	33,755	339,639	819,056
Taxation		(499)	(357)	(1,532)	(1,420)
Profit for the financial quarter/year representing total comprehensive income for the financial quarter/year		47,747	33,398	338,107	817,636

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AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2021

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 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			Non-controlling interests RM'000		
Treasury shares RM'000								Non-participating funds RM'000	RM'000	Total RM'000			
At 01.04.2019	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 31.03.2020	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 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2021

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 deficit RM'000	Foreign currency translation reserve RM'000	Executives' share scheme reserve RM'000	Treasury shares RM'000	Retained Earnings		Total RM'000	Non-controlling interests RM'000	
							Non-participating funds RM'000					
At 01.04.2020	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
(Loss)/Profit for the financial year	-	-	-	-	-	-	-	-	(3,826,466)	(3,826,466)	114,372	(3,712,094)
Other comprehensive income/(loss), net	-	-	73,479	11,206	(13,675)	-	-	-	470	71,480	452	71,932
Total comprehensive income/(loss) for the financial year	-	-	73,479	11,206	(13,675)	-	-	-	(3,825,996)	(3,754,986)	114,824	(3,640,162)
Buy-back of shares	-	-	-	-	-	-	(4,588)	-	-	(4,588)	-	(4,588)
Share-based payment under ESS, net	-	-	-	-	-	39,275	-	-	-	39,275	-	39,275
ESS shares vested to employees	-	-	-	-	-	(12,069)	10,534	-	1,535	-	-	-
Transfer from regulatory reserve*	-	(387,528)	-	-	-	-	-	-	387,528	-	-	-
Transfer from retained earnings arising from redemption of preference shares by a subsidiary	100,000	-	-	-	-	-	-	-	(100,000)	-	-	-
Return of capital by a subsidiary	-	-	-	-	-	-	-	-	-	-	(49,000)	(49,000)
Dividends paid	-	-	-	-	-	-	-	-	(219,696)	(219,696)	(95,510)	(315,206)
Transactions with owners and other equity movements	100,000	(387,528)	-	-	-	27,206	5,946	-	69,367	(185,009)	(144,510)	(329,519)
At 31.03.2021	5,951,557	-	708,790	(16,949)	94,992	67,778	(20,970)	45,715	7,809,864	14,640,777	949,582	15,590,359

* Bank Negara Malaysia ("BNM") had in March 2020 implemented additional measures in response to COVID-19 pandemic. These measures, amongst others, aim to ensure that the financial intermediation function of the financial sector remains intact and banking institutions remain focused on supporting the economy during these exceptional circumstances. As at 31 March 2021, no regulatory reserve was held against expected losses, one of the drawdown of prudential buffers as allowed by BNM. However, the Group is expected to replenish the prudential buffers to the minimum regulatory requirements by 30 September 2021.

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AUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2021

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 01.04.2019	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 31.03.2020	5,550,250	40,572	-	(26,916)	4,341,788	9,905,694

Company	Attributable to Equity Holders of the Company				
	Non-Distributable			Distributable	
	Ordinary share capital RM'000	Executives' share scheme reserve RM'000	Treasury shares RM'000	Retained earnings RM'000	Total equity RM'000
At 01.04.2020	5,550,250	40,572	(26,916)	4,341,788	9,905,694
Profit for the financial year	-	-	-	338,107	338,107
Total comprehensive income for the financial year	-	-	-	338,107	338,107
Buy-back of shares	-	-	(4,588)	-	(4,588)
Share-based payment under ESS, net	-	39,275	-	-	39,275
ESS shares vested to employees	-	(12,069)	10,534	1,535	-
Dividends paid	-	-	-	(219,696)	(219,696)
Transactions with owners and other equity movements	-	27,206	5,946	(218,161)	(185,009)
At 31.03.2021	5,550,250	67,778	(20,970)	4,461,734	10,058,792

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AUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2021

	Group		Company	
	31.03.2021 RM'000	31.03.2020 RM'000	31.03.2021 RM'000	31.03.2020 RM'000
Profit before taxation and zakat	(3,483,499)	1,782,856	339,639	819,056
Adjustments for:				
Net accretion of discount for securities	(65,135)	(89,821)	-	-
Allowance for expected credit losses on loans, advances and financing, net	1,468,550	666,412	-	-
Dividend income	(3,689)	(7,806)	(354,260)	(851,836)
Impairment loss on subsidiary	-	-	-	12,888
Net loss/(gain) on revaluation of derivatives	101,411	(197,119)	-	-
Net (gain)/loss on revaluation of financial assets at fair value through profit or loss	(65,713)	19,240	-	-
Net gain on sale of financial investments at fair value through other comprehensive income	(25,507)	(98,384)	-	-
Net gain on sale of financial assets at fair value through profit or loss	(292,893)	(52,111)	-	-
Impairment loss on investment in associate	147,819	-	-	-
Impairment of goodwill	1,789,153	-	-	-
Settlement	2,830,000	-	-	-
Other non-operating and non-cash items	256,653	334,158	77	116
Operating profit/(loss) before working capital changes	2,657,150	2,357,425	(14,544)	(19,776)
<i>Decrease/(Increase) in operating assets:</i>				
Deposits and placements with banks and other financial institutions	(9,123)	3,283	-	-
Financial assets at fair value through profit or loss	3,393,602	6,919,750	(26)	(34)
Loans, advances and financing	(8,300,005)	(6,073,320)	-	-
Statutory deposits with Bank Negara Malaysia	63,728	2,666,535	-	-
Other assets	500,104	(721,352)	(1,831,567)	700
Reinsurance assets and other insurance receivables	31,430	76,243	-	-
<i>Increase/(Decrease) in operating liabilities:</i>				
Deposits from customers	7,576,475	6,050,722	-	-
Investment accounts of customers	(113,892)	(144,725)	-	-
Deposits and placements of banks and other financial institutions	74,348	2,334,202	-	-
Securities sold under repurchase agreements	(5,542,538)	1,013,287	-	-
Recourse obligation on loans and financing sold to Cagamas Berhad	2,134,995	481,671	-	-
Term funding	(740,766)	(1,175,575)	-	-
Other liabilities	(896,729)	235,449	2,863,246	49,814
Insurance contract liabilities and other insurance payables	(157)	(214,085)	-	-
Cash generated from operations	828,622	13,809,510	1,017,109	30,704
Taxation and zakat (paid)/refunded, net	(320,745)	(475,776)	(212)	(2,021)
Net cash generated from operating activities	507,877	13,333,734	1,016,897	28,683
<i>Cash flows from investing activities</i>				
Purchase of treasury shares	(4,588)	(26,916)	(4,588)	(26,916)
Dividend/Distribution income received	8,992	15,127	354,260	851,836
Subscription of shares in subsidiary	-	-	(780,000)	-
Proceeds from disposal of property and equipment	3,612	438	191	228
Proceeds from disposal of shares by the appointed trustee	-	19,098	-	19,098
Disposal/(Purchase) of financial investments	2,715,005	(3,431,761)	-	-
Purchase of property and equipment and intangible assets	(132,123)	(145,794)	-	-
Net proceeds from disposal of assets held for sale (properties)	-	8,868	-	-
Net cash generated from/(used in) investing activities	2,590,898	(3,560,940)	(430,137)	844,246

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AUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2021 (CONT'D.)

	Group		Company	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
	RM'000	RM'000	RM'000	RM'000
<i>Cash flows from financing activities</i>				
Dividends paid by Company to its shareholders	(219,696)	(632,965)	(219,696)	(632,965)
Repayment of lease liabilities	(90,923)	(81,522)	-	-
Dividends paid to non-controlling interests by subsidiaries	(95,510)	(83,810)	-	-
Dividends refunded by Trustee for ESS shares not vested	-	1,293	-	1,293
Debt capital	-	(485,000)	-	-
Return of capital to non-controlling interest	(49,000)	(49,000)	-	-
Proceeds from issuance of Subordinated Notes/Sukuk (net)	550,000	-	-	-
Net cash generated from/(used in) financing activities	<u>94,871</u>	<u>(1,331,004)</u>	<u>(219,696)</u>	<u>(631,672)</u>
Net increase in cash and cash equivalents	3,193,646	8,441,790	367,064	241,257
Cash and cash equivalents at beginning of the financial year	15,711,919	7,270,046	322,262	81,005
Effect of exchange rate changes	191	83	-	-
Cash and cash equivalents at end of the financial year	<u>18,905,756</u>	<u>15,711,919</u>	<u>689,326</u>	<u>322,262</u>

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

	Group		Company	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
	RM'000	RM'000	RM'000	RM'000
Cash and short-term funds	18,809,478	15,611,728	689,326	322,262
Deposits and placements with banks and other financial institutions (with original maturity of three months and less)	<u>103,028</u>	<u>98,845</u>	<u>-</u>	<u>-</u>
	18,912,506	15,710,573	689,326	322,262
Less: Deposits with original maturity of more than three months	<u>(9,123)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	18,903,383	15,710,573	689,326	322,262
Add:				
Allowances for expected credit loss ("ECL") for cash and cash equivalents	<u>2,373</u>	<u>1,346</u>	<u>-</u>	<u>-</u>
Cash and cash equivalents	<u>18,905,756</u>	<u>15,711,919</u>	<u>689,326</u>	<u>322,262</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 2020.

EXPLANATORY NOTES :

A1. BASIS OF PREPARATION

These condensed interim financial statements have been prepared in accordance with MFRS 134 *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board ("MASB") and 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 2020 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.

A1.1 Significant Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of the following amendments to published standards:

- Amendments to References to the Conceptual Framework in MFRS Standards
- Definition of a Business (Amendments to MFRS 3)
- Definition of Material (Amendments to MFRS 101 and MFRS 108)
- Interest Rate Benchmark Reform (Amendments to MFRS 9, MFRS 139 and MFRS 7)
- Extension of the Temporary Exemption from Applying MFRS 9 (Amendments to MFRS 4)
- Early adoption of COVID-19-Related Rent Concessions (Amendment of MFRS 16) and COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendment of MFRS 16)

The adoption of these amendments to published standards did not have any material impact on the financial statements of the Group and of the Company. 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.

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

(a) Amendments to References to the Conceptual Framework in MFRS Standards

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

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

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

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

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

A1. BASIS OF PREPARATION (CONT'D.)

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

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

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

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

(e) Extension of the Temporary Exemption from Applying MFRS 9 (Amendments to MFRS 4)

The amendments extended the temporary exemption that allows insurers to continue to apply MFRS 139 *Financial Instruments: Recognition and Measurement* (instead of adopting MFRS 9 *Financial Instruments*) if their activities are "predominantly connected with insurance" by another 2 years, in light of the deferral of the 2-year deferral of the effective date of MFRS 17 *Insurance Contracts* to annual periods beginning on or after 1 January 2023.

As the life assurance and family takaful joint ventures of the Group have applied the temporary exemption and have deferred their respective MFRS 9 adoption, the Group will continue to apply the exemption from applying uniform accounting policies when applying the equity method under MFRS 128 *Investments in Associates and Joint Ventures* to account for its investment in these joint ventures. This exemption will continue to be applied by the Group up to the financial year ending 31 March 2023.

(f) Early adoption of COVID-19-Related Rent Concessions (Amendment of MFRS 16) and COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendment of MFRS 16)

The amendments exempt lessees from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications and allows lessees to account for such rent concessions as if they were not lease modifications. The amendments apply to COVID-19-related rent concessions that reduce lease payments due on or before 30 June 2022.

While the amendment does not have to be applied until the financial year ending 31 March 2023, the Group adopted the amendment early as the Group had received rent concessions from the lessors of certain premises as a direct consequence of the COVID-19 pandemic and the ensuing Movement Control Order enforced by the Government of Malaysia.

The Group has applied the practical expedient to all of the rent concessions received. Accordingly, the rent concessions were not accounted for as lease modifications. The benefit from the rent concessions received, which amounted to approximately RM322,700 had been credited to the statement of profit or loss during the current financial year.

Standards issued but not yet effective

Description	Effective for annual periods beginning on or after
- Interest Rate Benchmark Reform - Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)	1 January 2021
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to MFRS 116)	1 January 2022
- Onerous Contracts - Cost of Fulfilling a Contract (Amendments to MFRS 137)	1 January 2022
- Reference to the Conceptual Framework (Amendments to MFRS 3)	1 January 2022
- Annual Improvements to MFRS Standards 2018-2020	1 January 2022
- MFRS 17 <i>Insurance Contracts</i>	1 January 2023
- Amendments to MFRS 17	1 January 2023
- Classification of Liabilities as Current or Non-Current (Amendments to MFRS 101)	1 January 2023
- Disclosure of Accounting Policies (Amendments to MFRS 101)	1 January 2023
- Definition of Accounting Estimates (Amendments to MFRS 108)	1 January 2023
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 and MFRS 128)	To be determined by MASB

A1. BASIS OF PREPARATION (CONT'D.)

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

The nature of the new standard and amendments to published standards that are issued but not yet effective are described below. The Group and the Company are currently assessing the financial effects of their adoption.

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

Interest Rate Benchmark Reform - Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)

The amendments address issues that arise from the implementation of interest rate benchmark reforms, focusing on issues that affect financial reporting when an existing interest rate benchmark is replaced with an alternative risk-free rate ("RFR").

The amendments, among others, include a practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest. In applying the practical expedient, an entity is required to first identify and account for modifications to the instrument by updating the effective interest rate without adjusting the carrying amount. As a result, no immediate gain or loss is recognised.

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

The discontinuation of London Interbank Offer Rate ("LIBOR") by end 2021 and the transition to alternative RFRs could pose challenges to the Group as the transition away from LIBOR is expected to bring about significant legal, valuation, accounting, risk management and system implications.

Bank Negara Malaysia ("BNM") has established key signposts to ensure that banks adequately prepare for and manage a smooth transition away from LIBOR. These include key timelines to be adhered to for engagement with customers to renegotiate contracts and incorporate fallback provisions in loan and derivative contracts, completion of the assessment on operational readiness and capability to support products referenced to RFRs and resolution of all residual risks and impediments to issue products referenced to RFRs.

The Group has established a LIBOR transition programme that is overseen by the LIBOR Project Steering Committee ("PSC") chaired by the Group Chief Financial Officer, with the Deputy Managing Director of Wholesale Banking/Head of Group Treasury Markets as his alternate chairperson. The programme is executed by a project working group comprising 6 workstreams to comprehensively manage and coordinate the specific LIBOR transition activities, including the identification of all products and contracts in scope of benchmark reform, communication with customers for repricing and/or re-papering of LIBOR referenced contracts and incorporation of the relevant fallback provisions in the contracts, upgrading of internal systems to support the alternative RFR product suite, as well as ensuring operational readiness (including Shariah compliance). These workstreams actively participate in industry-wide working group discussions, attend seminars/conferences/briefings to ensure the project working group members are kept informed of the latest developments and adopt consistent approaches of other market participants. Group Management Committee, Risk Management Committee and the Board of Directors of the three banking subsidiaries of the Company are regularly briefed on the progress of this programme.

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

Property, Plant and Equipment: Proceeds before Intended Use (Amendments to MFRS 116)

The amendments clarify that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset, and prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly). The proceeds from selling such samples, together with the costs of producing them, shall be recognised in profit or loss.

The amendments are applied retrospectively from annual reporting period beginning on or after 1 January 2022 but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. Early adoption is permitted.

A1. BASIS OF PREPARATION (CONT'D.)

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

(b) Amendments to published standards effective for financial year ending 31 March 2023 (Cont'd.)

Onerous Contracts - Cost of Fulfilling a Contract (Amendments to MFRS 137)

The amendments explain that the direct cost of fulfilling a contract for the purpose of determining the unavoidable costs of meeting the entity's contractual obligations comprises the incremental costs of fulfilling that contract (e.g. direct labour and materials) and an allocation of other costs that relate directly to fulfilling contracts (e.g. an allocation of the depreciation charge for an asset used to fulfil the contract). The amendments also clarify that, before a separate provision for an onerous contract is established, an entity recognises any impairment loss that has occurred on assets used in fulfilling the contract, rather than on assets dedicated to that contract.

The amendments are applied from annual reporting period beginning on or after 1 January 2022 to contracts for which an entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments without restatement of comparative information. The cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application. Early adoption is permitted.

Reference to the Conceptual Framework (Amendments to MFRS 3)

The amendments updated MFRS 3 *Business Combinations* to refer to the revised *Conceptual Framework for Financial Reporting* ("Conceptual Framework") in order to determine what constitutes an asset or a liability in a business combination. In addition, a new exception is added in MFRS 3 in connection with liabilities and contingent liabilities. The exception specifies that, for some types of liabilities and contingent liabilities, an entity applying MFRS 3 should instead refer to MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets* or IC Interpretation 21 *Levies*, rather than the Conceptual Framework.

The amendments are applied to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2022. Earlier application is permitted.

Annual Improvements to MFRS Standards 2018-2020

The Annual Improvements to MFRS Standards 2018-2020 include minor amendments affecting 4 MFRSs, as summarised below:

(i) MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards*

When a subsidiary adopts MFRS at a later date than its parent, MFRS 1 permits the subsidiary to measure its assets and liabilities at the carrying amounts that would be included in its parent's consolidated financial statements, based on the parent's date of transition to MFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. The amendment expanded the above by allowing the subsidiary to also measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to MFRS.

The amendment to MFRS 1 extends the above exemption to cumulative translation differences, in order to reduce costs for first-time adopters. This amendment will also apply to associates and joint ventures that have taken the same MFRS 1 exemption.

(ii) MFRS 9 *Financial Instruments*

The amendment clarified that costs or fees paid to third parties shall not be included in the 10% test for derecognition of financial liabilities.

(iii) MFRS 16 *Leases*

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

(iv) MFRS 141 *Agriculture*

The amendment removed the requirement for entities to exclude cash flows for taxation when measuring fair value to align with the requirement in the standard to discount cash flows on a post-tax basis.

A1. BASIS OF PREPARATION (CONT'D.)

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

(c) New standard and amendments to published standards effective for financial year ending 31 March 2024

MFRS 17 Insurance Contracts and Amendments to MFRS 17

MFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure which supersedes MFRS 4 *Insurance Contracts*.

MFRS 17 requires a general measurement model, where estimates are remeasured in each reporting period. The measurement is based on the building blocks of discounted, probability-weighted fulfilment 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.

For insurance contracts with direct participation features, the CSM is measured using the variable fee approach to deduct a variable fee comprising the Group's share of the fair value of the underlying items less fulfilment cash flows that do not vary based on the returns of the underlying items.

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 reporting periods beginning on or after 1 January 2023. Early application is permitted, provided MFRS 9 is 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.

Classification of Liabilities as Current or Non-Current (Amendments to MFRS 101)

The amendments clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Liabilities are classified as non-current if the entity has a substantive right to defer settlement for at least 12 months at the end of the reporting period. Classification is unaffected by the expectations or intentions of the entity, as well as events after the reporting date. The amendments are applied retrospectively from annual reporting period beginning on or after 1 January 2023. Early adoption is permitted. The amendments are not expected to result in any impact as the Group and the Company present all assets and liabilities in the statements of financial position in order of liquidity.

Disclosure of Accounting Policies (Amendments to MFRS 101)

The amendments require entities to disclose material accounting policies rather than significant accounting policies in the financial statements. Entities are expected to make disclosure of accounting policies specific to the entity and not generic disclosures on MFRS applications.

An accounting policy is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the users make based on those financial statements. Also, accounting policy information is expected to be material if, without it, the users of the financial statements would be unable to understand other material information in the financial statements. Immaterial accounting policy information need not be disclosed.

The amendments are applied from annual reporting period beginning on or after 1 January 2023. Early adoption is permitted.

A1. BASIS OF PREPARATION (CONT'D.)

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

(c) New standard and amendments to published standards effective for financial year ending 31 March 2024 (Cont'd.)

Definition of Accounting Estimates (Amendments to MFRS 108)

The amendments redefined accounting estimates as “monetary amounts in financial statements that are subject to measurement uncertainty” and provide clarity on how to distinguish changes in accounting policies from changes in accounting estimates.

The amendments further clarify that effects of a change in an input or measurement technique used to develop an accounting estimate (for example, expected credit losses, fair value of an asset or liability, and depreciation for property and equipment) is a change in accounting estimate, if they do not arise from prior period errors.

The amendments are applied from annual reporting period beginning on or after 1 January 2023. Early adoption is permitted.

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

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

The amendments clarify that:

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

A1.2 Significant Changes in Regulatory Requirement

(a) Additional Measures from Bank Negara Malaysia (“BNM”) to Assist Borrowers/Customers Affected by the COVID-19 Pandemic

Further to the initial letter on 24 March 2020, BNM had issued another letter on 24 July 2020 which introduced additional relief measures in the form of targeted repayment assistance to the borrowers/customers experiencing temporary financial constraints due to COVID-19. The additional measures are payment assistances targeted to the B40 individuals and microenterprises. These measures are focused for borrowers/customers who experienced loss of job, and for individuals and SMEs whose incomes have been impacted by the pandemic.

The assistance were extended to facilities approved before 1 October 2020 which are not past due for more than 90 days at the time the borrowers/customers request for the repayment assistance. The additional repayment assistance will be available to eligible borrowers/customers until 30 June 2021.

The repayment assistance does not automatically result in a stage transfer under MFRS 9 in the absence of other factors indication evidence of significant increase in credit risk (“SICR”). Judgement and more holistic assessment of all relevant indicators and information, such as historical repayment and delinquency trend pre-COVID-19 pandemic, are applied in determining SICR. In addition, the loan/financing that is approved under repayment assistance is exempted to be reported as rescheduling and restructuring (“R&R”) and credit impaired in the Central Credit Reference Information System (“CCRIS”).

A1. BASIS OF PREPARATION (CONT'D.)

A1.2 Significant Changes in Regulatory Requirement (Cont'd.)

(b) BNM policy documents on Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework for Islamic Banks (Capital Components)

On 9 December 2020, BNM issued revised policy documents, Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework for Islamic Banks (Capital Components). The key addition to the revised policy documents is the transitional arrangements for financial institutions on provisions for expected credit loss ("ECL"). Under these revised policy documents, a financial institution is allowed to add back the loss allowance for non-credit-impaired exposures (i.e. Stage 1 and Stage 2 provisions) to Common Equity Tier 1 ("CET1") Capital.

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

In applying the definition of defaulted exposures under the above policies to loans/financing for which repayment assistance is extended:

- i. The determination of "days past due" should be based on the new repayment terms of a loan/financing that has been rescheduled and restructured. Where the repayment terms include a repayment deferral, the determination of days past due should exclude the deferred repayment period;
- ii. For loans/financing to individuals or SMEs, a borrower/customer should not be considered to be in default based on "unlikelihood to pay" at the time the repayment assistance is granted, except where the loan/financing is sold by the banking institution at a material loss or the borrower/customer is subjected to bankruptcy actions; and
- iii. For loans/financing to corporates, the assessment of "unlikelihood to repay" should not be based solely on the borrower/customer taking up an offer of repayment assistance extended by the banking institution but based on a more holistic assessment of all relevant indicators and information available on the corporate borrower/customer.

A1.3 Significant Accounting Judgements, Estimates and Assumptions

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

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

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

A2. AUDIT QUALIFICATION

There was no audit qualification in the annual financial statements for the financial year ended 31 March 2020.

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

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

The Group's participation in government support measures in response to COVID-19 pandemic includes providing financing at concessionary rate to assist SME businesses adversely impacted by the COVID-19 pandemic. The financial impact arising from the measures implemented in response to COVID-19 is included in interest income on loans and advances in Note A20 and in Note A37.

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

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

(i) Issuance of debt securities

- (1) On 8 December 2020, AmBank Islamic Berhad ("AmBank Islamic") issued Tranche 8 with nominal value of RM400.0 million under its RM3.0 billion Subordinated Sukuk Murabahah ("Sukuk Murabahah") Programme. The profit rate of this tranche is at 3.13% per annum and have a tenure of 10 years (callable 5 years).
- (2) On 30 March 2021, AmBank (M) Berhad ("AmBank") issued Tranche 7 with nominal value of RM400.0 million under its RM4.0 billion Subordinated Notes Issuance Programme. The profit rate of this tranche is at 4.18% per annum and have a tenure of 10 years (callable 5 years).

(ii) Redemption of debt securities

- (1) On 26 June 2020, AmBank redeemed Tranche 7 of its Senior Notes with nominal value of RM700.0 million issued under its RM7.0 billion nominal value Senior Note programme.
- (2) On 21 December 2020, AmBank Islamic redeemed Tranche 3 of its Sukuk Murabahah on its first call date with nominal value amounting to RM250.0 million.

(iii) Issuance of shares

On 30 March 2021, the issuance of shares by subsidiaries are as follows:

- (1) AmBank increased its issued and paid-up ordinary share capital by RM650 million by way of issuance of 66,394,280 new ordinary shares at an issue price of RM9.79 per ordinary share; and
- (2) AmInvestment Bank Berhad ("AmInvestment Bank") increased its issued and paid-up ordinary share capital by RM130 million by way of issuance of 114,035,088 new ordinary shares at an issue price of RM1.14 per ordinary share.

On 31 May 2021, AmBank increased its issued and paid-up ordinary share capital by RM450 million by way of issuance of 46,680,498 new ordinary shares at an issue price of RM9.64 per ordinary share.

(iv) Share buy-back

During the current financial year, the Company bought back from the open market, a total of 1,507,250 ordinary shares listed on the Main Market of Bursa Malaysia Securities Berhad at an average buy-back price of RM3.04 per share. The total consideration paid for the share buy-back including transaction costs was approximately RM4.6 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.

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

A7. DIVIDENDS PAID

The final single-tier dividend of 7.3 sen per share for the financial year ended 31 March 2020 which amounted to approximately RM219,695,761 was paid on 30 July 2020 to shareholders whose names appear in the record of Depositors as at 17 July 2020.

A8. CASH AND SHORT-TERM FUNDS

	Group		Company	
	31.03.2021 RM'000	31.03.2020 RM'000	31.03.2021 RM'000	31.03.2020 RM'000
Cash and balances with banks and other financial institutions	1,980,207	2,484,253	689,326	322,262
Deposit and placements maturing within one month:				
Licensed banks	3,107,446	378,474	-	-
Bank Negara Malaysia	13,530,000	12,386,220	-	-
Other financial institutions	194,156	363,642	-	-
	<u>16,831,602</u>	<u>13,128,336</u>	<u>-</u>	<u>-</u>
	18,811,809	15,612,589	689,326	322,262
Less: Allowances for ECL	(2,331)	(861)	-	-
	<u>18,809,478</u>	<u>15,611,728</u>	<u>689,326</u>	<u>322,262</u>

Movements in allowances for ECL are as follows:

Group 31.03.2021	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Total RM'000
Balance at beginning of the financial year	833	28	861
Net allowances for/(writeback of) ECL	1,500	(7)	1,493
Transfer from deposits and placements with banks and other financial institutions (Note A9)	4,598	-	4,598
New financial assets originated	763	-	763
Financial assets derecognised	(3,236)	-	(3,236)
Changes in model assumptions and methodologies	(71)	-	(71)
Net remeasurement of allowances	(554)	(7)	(561)
Foreign exchange differences	(23)	-	(23)
Balance at end of the financial year	<u>2,310</u>	<u>21</u>	<u>2,331</u>

Group 31.03.2020	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Total RM'000
Balance at beginning of the financial year	1,320	31	1,351
Net writeback of 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 model assumptions and methodologies	71	-	71
Net remeasurement of allowances	(336)	2	(334)
Foreign exchange differences	21	1	22
Balance at end of the financial year	<u>833</u>	<u>28</u>	<u>861</u>

A9. DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group		Company	
	31.03.2021 RM'000	31.03.2020 RM'000	31.03.2021 RM'000	31.03.2020 RM'000
Deposits and placements maturity more than one month:				
Licensed banks	103,070	99,330	-	-
Less: Allowances for ECL	(42)	(485)	-	-
	<u>103,028</u>	<u>98,845</u>	<u>-</u>	<u>-</u>

Movements in allowances for ECL are as follows:

Group	Stage 1 12-month ECL RM'000
31.03.2021	
Balance at beginning of the financial year	485
Net writeback of ECL	(443)
Transfer to cash and short-term funds (Note A8)	(4,598)
New financial assets originated	4,526
Net remeasurement of allowances	4
Changes in model assumptions and methodologies	(375)
Balance at end of the financial year	<u>42</u>
31.03.2020	
Balance at beginning of the financial year	2,075
Net writeback of 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	<u>485</u>

A10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group		Company	
	31.03.2021 RM'000	31.03.2020 RM'000	31.03.2021 RM'000	31.03.2020 RM'000
At Fair Value				
Money Market Instruments:				
Malaysian Treasury Bills	555,998	606,027	-	-
Malaysian Islamic Treasury Bills	2,544,432	886,554	-	-
Malaysian Government Securities	223,501	2,712,517	-	-
Malaysian Government Investment Issues	707,527	2,970,436	-	-
Cagamas bonds	84,891	101,883	-	-
Bank Negara Monetary Notes	-	1,348,320	-	-
	<u>4,116,349</u>	<u>8,625,737</u>	<u>-</u>	<u>-</u>
Quoted Securities:				
In Malaysia:				
Shares	541,084	330,662	-	-
Unit trusts	196,896	227,426	1,104	1,078
Corporate bonds and sukuk	37,538	37,500	-	-
Outside Malaysia:				
Shares	542,202	80,588	-	-
	<u>1,317,720</u>	<u>676,176</u>	<u>1,104</u>	<u>1,078</u>
Unquoted Securities:				
In Malaysia:				
Shares	34	2,766	-	-
Corporate bonds and sukuk	4,127,871	3,241,178	-	-
	<u>4,127,905</u>	<u>3,243,944</u>	<u>-</u>	<u>-</u>
Total	<u>9,561,974</u>	<u>12,545,857</u>	<u>1,104</u>	<u>1,078</u>

A11. FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	Group	
	31.03.2021 RM'000	31.03.2020 RM'000
At Fair Value		
Money Market Instruments:		
Malaysian Government Securities	3,360,666	3,195,317
Malaysian Government Investment Issues	3,777,222	4,990,309
Negotiable Instruments of Deposit	50,031	-
Islamic Negotiable Instruments of Deposit	399,386	299,544
Foreign Government Securities	74,044	-
	<u>7,661,349</u>	<u>8,485,170</u>
Unquoted Securities:		
In Malaysia:		
Shares	686,262	593,049
Corporate bonds and sukuk	9,391,913	10,436,822
Outside Malaysia:		
Shares	530	501
Corporate bonds and sukuk	46,144	207,359
	<u>10,124,849</u>	<u>11,237,731</u>
Total	<u>17,786,198</u>	<u>19,722,901</u>

Movements in allowances for ECL are as follows:

Group 31.03.2021	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Total RM'000
Balance at beginning of the financial year	16,020	16,449	32,469
Net writeback of ECL	(4,790)	(9,602)	(14,392)
- Transfer to 12-month ECL (Stage 1)	150	(557)	(407)
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(11)	19	8
New financial assets originated	4,877	-	4,877
Financial assets derecognised	(5,500)	(4,049)	(9,549)
Net remeasurement of allowances	(60)	(2,599)	(2,659)
Changes in model assumptions and methodologies	(4,246)	(2,416)	(6,662)
Foreign exchange differences	(6)	-	(6)
Balance at end of the financial year	<u>11,224</u>	<u>6,847</u>	<u>18,071</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 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
31.03.2020				
Balance at beginning of the financial year	11,872	21,830	-	33,702
Net 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	16,020	16,449	-	32,469

A12. FINANCIAL INVESTMENTS AT AMORTISED COST

	Group	
	31.03.2021 RM'000	31.03.2020 RM'000
At Amortised Cost		
Money Market Instruments:		
Malaysian Government Investment Issues	402,577	432,436
Unquoted Securities:		
In Malaysia:		
Corporate Bonds and sukuk	3,800,677	4,425,291
	4,203,254	4,857,727
Less: Allowances for ECL	(10,830)	(4,914)
Total	4,192,424	4,852,813

Movements in allowances for ECL are as follows:

Group	Stage 1	Stage 2	Total
	12-Month ECL RM'000	Lifetime ECL not credit impaired RM'000	
31.03.2021			
Balance at beginning of the financial year	4,914	-	4,914
Net (writeback of)/allowances for ECL	(2,633)	8,549	5,916
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(1,688)	8,549	6,861
Net remeasurement of allowances	467	-	467
Financial assets derecognised	(180)	-	(180)
Changes in model assumptions and methodologies	(1,232)	-	(1,232)
Balance at end of the financial year	2,281	8,549	10,830

Group	Stage 1	Total
	12-Month ECL RM'000	
31.03.2020		
Balance at beginning of the financial year		5,398
Net writeback of ECL		(484)
Net remeasurement of allowances		(1,684)
Financial assets derecognised		(32)
Changes in model assumptions and methodologies		1,232
Balance at end of the financial year		4,914

A13. LOANS, ADVANCES AND FINANCING

	Group	
	31.03.2021	31.03.2020
	RM'000	RM'000
At Amortised Cost:		
Loans, advances and financing:		
Term loans/financing	35,573,645	31,486,276
Revolving credit	10,902,951	12,397,147
Housing loans/financing	36,326,944	32,865,466
Hire purchase receivables	14,389,969	14,307,814
Card receivables	1,923,253	2,105,014
Overdraft	3,342,952	3,933,941
Claims on customers under acceptance credits	5,762,288	5,600,123
Trust receipts	2,116,982	1,857,065
Bills receivables	1,948,440	1,825,267
Staff loans	107,912	96,429
Others	2,363,172	744,068
Gross loans, advances and financing	<u>114,758,508</u>	<u>107,218,610</u>
Less: Allowances for ECL		
- Stage 1 - 12 month ECL	(433,435)	(283,434)
- Stage 2 - Lifetime ECL not credit impaired	(1,312,123)	(539,633)
- Stage 3 - Lifetime ECL credit impaired	(534,631)	(444,613)
	<u>(2,280,189)</u>	<u>(1,267,680)</u>
Net loans, advances and financing	<u>112,478,319</u>	<u>105,950,930</u>

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

	Group	
	31.03.2021	31.03.2020
	RM'000	(Restated) (Note A38) RM'000
Domestic banking institutions	-	13
Domestic non-bank financial institutions	2,054,636	2,490,613
Domestic business enterprises:		
- Small and medium enterprises	22,818,626	20,819,808
- Others	27,178,350	26,592,202
Government and statutory bodies	347,837	552,472
Individuals	61,019,803	55,707,058
Other domestic entities	9,363	11,633
Foreign individuals and entities	1,329,893	1,044,811
	<u>114,758,508</u>	<u>107,218,610</u>

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

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

	Group	
	31.03.2021	31.03.2020
	RM'000	RM'000
In Malaysia	114,099,850	106,821,814
Outside Malaysia	658,658	396,796
	114,758,508	107,218,610

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

	Group	
	31.03.2021	31.03.2020
	RM'000	(Restated) (Note A38) RM'000
Fixed rate:		
- Housing loans/financing	296,835	338,385
- Hire purchase receivables	13,803,709	13,609,560
- Other loans/financing	11,065,170	8,930,254
Variable rate:		
- Base rate and lending/financing rate plus	61,398,823	55,546,343
- Cost plus	26,578,475	27,802,366
- Other variable rates	1,615,496	991,702
	114,758,508	107,218,610

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

	Group	
	31.03.2021	31.03.2020
	RM'000	(Restated) (Note A38) RM'000
Agriculture	2,663,577	2,965,640
Mining and quarrying	2,939,335	2,490,867
Manufacturing	14,647,484	13,374,707
Electricity, gas and water	1,216,489	852,419
Construction	4,716,911	4,866,172
Wholesale and retail trade and hotels and restaurants	8,961,747	7,691,126
Transport, storage and communication	4,475,244	3,554,388
Finance and insurance	2,323,199	3,153,557
Real estate	7,723,535	8,128,066
Business activities	2,427,283	2,864,696
Education and health	1,022,470	932,574
Household of which:	61,615,459	56,317,955
Purchase of residential properties	36,627,886	33,176,994
Purchase of transport vehicles	13,076,102	12,948,120
Others	11,911,471	10,192,841
Others	25,775	26,443
	114,758,508	107,218,610

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

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

	Group	
	31.03.2021	31.03.2020
		(Restated)
		(Note A38)
	RM'000	RM'000
Maturing within one year	28,972,749	30,084,128
Over one year to three years	6,664,869	5,824,903
Over three years to five years	10,913,840	10,642,051
Over five years	68,207,050	60,667,528
	<u>114,758,508</u>	<u>107,218,610</u>

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

	Group	
	31.03.2021	31.03.2020
	RM'000	RM'000
Gross		
Balance at beginning of the financial year	1,852,633	1,620,662
Additions during the financial year	990,213	1,490,510
Reclassified as non-impaired	(146,545)	(165,696)
Recoveries	(468,049)	(396,019)
Amount written off	(454,469)	(700,608)
Foreign exchange differences	(3,463)	3,784
Balance at end of the financial year	<u>1,770,320</u>	<u>1,852,633</u>
Gross impaired loans, advances and financing as % of gross loans, advances and financing	<u>1.54%</u>	<u>1.73%</u>
Loan loss coverage (including regulatory reserve)	<u>135.61%</u>	<u>93.40%</u>

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

	Group	
	31.03.2021	31.03.2020
	RM'000	RM'000
In Malaysia	1,739,359	1,808,511
Outside Malaysia	30,961	44,122
	<u>1,770,320</u>	<u>1,852,633</u>

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

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

	Group	
	31.03.2021	31.03.2020 (Restated) (Note A38)
	RM'000	RM'000
Agriculture	79,621	84,503
Mining and quarrying	37,955	53,591
Manufacturing	194,000	247,556
Electricity, gas and water	3,521	495
Construction	92,315	84,278
Wholesale and retail trade and hotels and restaurants	202,228	134,038
Transport, storage and communication	59,268	80,894
Finance and insurance	1,325	2
Real estate	312,785	314,347
Business activities	41,736	48,506
Education and health	6,548	10,187
Household of which:	739,018	794,236
Purchase of residential properties	530,993	496,301
Purchase of transport vehicles	67,717	156,555
Others	140,308	141,380
	<u>1,770,320</u>	<u>1,852,633</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	283,434	539,633	444,613	1,267,680
Net allowances for ECL	150,186	772,586	545,778	1,468,550
- Transfer to 12 month ECL (Stage 1)	13,103	(74,841)	(2,407)	(64,145)
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(32,749)	231,499	(19,028)	179,722
- Transfer to Lifetime ECL credit impaired (Stage 3)	(1,464)	(23,871)	202,720	177,385
New financial assets originated	65,080	171,250	11,381	247,711
Net remeasurement of allowances	44,322	181,040	458,735	684,097
Modification of contractual cash flows of financial assets	412	2,763	(4,425)	(1,250)
Financial assets derecognised	(39,672)	(57,680)	(100,862)	(198,214)
Changes in model assumptions and methodologies	101,154	342,426	(336)	443,244
Foreign exchange differences	(185)	(96)	(1,291)	(1,572)
Amount written off	-	-	(454,469)	(454,469)
Balance at end of the financial year	<u>433,435</u>	<u>1,312,123</u>	<u>534,631</u>	<u>2,280,189</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	275,818	622,411	402,312	1,300,541
Net allowances 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 in 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	283,434	539,633	444,613	1,267,680

A14. OTHER ASSETS

	Group		Company	
	31.03.2021 RM'000	31.03.2020 RM'000	31.03.2021 RM'000	31.03.2020 RM'000
Trade receivables	550,395	505,330	-	-
Other receivables, deposits and prepayments	758,424	570,623	1,833,358	255
Interest/Profit receivable	380,919	458,935	-	-
Fee receivable	19,527	26,192	-	-
Amount due from agents, brokers and reinsurers	55,689	50,416	-	-
Foreclosed properties	2,615	2,607	-	-
Tax recoverable	128,289	167,930	-	1,316
Collateral pledged for derivative and securities transactions	552,339	1,035,710	-	-
	<u>2,448,197</u>	<u>2,817,743</u>	<u>1,833,358</u>	<u>1,571</u>
Less: Accumulated impairment losses	(6,761)	(8,309)	-	-
	<u>2,441,436</u>	<u>2,809,434</u>	<u>1,833,358</u>	<u>1,571</u>

A15. REINSURANCE ASSETS AND OTHER INSURANCE RECEIVABLES

	Note	Group	
		31.03.2021 RM'000	31.03.2020 RM'000
Reinsurance assets from general insurance business	(i)	379,792	393,370
Other insurance receivables	(ii)	52,892	64,536
		<u>432,684</u>	<u>457,906</u>
 (i) Movements in allowances for impairment are as follows:			
Balance at beginning of the financial year		2,260	2,639
Writeback for the financial year		(185)	(379)
Balance at end of the financial year		<u>2,075</u>	<u>2,260</u>
 (ii) Other insurance receivables			
Due premiums including agents/brokers and co-insurers' balances		65,737	83,266
Amount owing by reinsurance and cedants		5,887	6,025
Accumulated impairment losses		(18,732)	(24,755)
		<u>52,892</u>	<u>64,536</u>
 Movements in allowances for impairment are as follows:			
Balance at beginning of the financial year		24,755	32,978
Writeback for the financial year		(6,023)	(8,223)
Balance at end of the financial year		<u>18,732</u>	<u>24,755</u>

A16. DEPOSITS FROM CUSTOMERS

	Group	
	31.03.2021 RM'000	31.03.2020 RM'000
Demand deposits	28,095,907	22,721,480
Savings deposits	7,662,383	6,109,023
Term/Investment deposits	84,784,896	79,966,053
Negotiable instruments of deposits	-	4,170,156
	120,543,186	112,966,712

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

	Group	
	31.03.2021 RM'000	31.03.2020 RM'000
Due within six months	70,498,403	67,788,352
Six months to one year	12,822,494	13,816,530
Over one year to three years	1,361,269	2,392,042
Over three years to five years	102,730	139,285
	84,784,896	84,136,209

The deposits are sourced from the following types of customers:

	Group	
	31.03.2021 RM'000	31.03.2020 RM'000
Government and statutory bodies	5,574,666	4,419,707
Business enterprises	65,674,964	59,382,766
Individuals	40,855,153	39,867,316
Others	8,438,403	9,296,923
	120,543,186	112,966,712

A17. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group	
	31.03.2021 RM'000	31.03.2020 RM'000
Licensed banks	6,065,550	5,701,479
Licensed investment banks	550,534	439,041
Bank Negara Malaysia	1,046,960	240,549
Other financial institutions	2,257,843	3,640,852
	9,920,887	10,021,921

A18. OTHER LIABILITIES

	Group		Company	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
	RM'000	RM'000	RM'000	RM'000
Trade payables	438,644	505,342	-	-
Other payables and accruals	1,307,554	1,943,131	42,134	32,837
Interest payable on deposits and borrowings	612,771	719,606	-	-
Lease deposits and advance rental	45,751	42,954	-	-
Provision for commitments and contingencies	10,239	28,014	-	-
Allowances for ECL on loan commitments and financial guarantees	120,510	75,203	-	-
Lease liabilities	273,471	316,888	-	-
Provision for reinstatement of leased properties	8,989	10,927	-	-
Amount due to subsidiaries	-	-	283	14,137
Settlement payable	2,830,000	-	2,830,000	-
Provision for taxation	23,790	19,261	5	-
Collateral received for derivative and securities transactions	145,035	227,924	-	-
Deferred income	74,977	76,668	-	-
	5,891,731	3,965,918	2,872,422	46,974

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

Group	Stage 1	Stage 2	Stage 3	Total
31.03.2021	RM'000	RM'000	RM'000	RM'000
Balance at beginning of the financial year	42,503	32,519	181	75,203
Net (writeback of)/allowances for ECL	(12,033)	4,888	52,552	45,407
- Transfer to 12 month ECL (Stage 1)	1,402	(8,890)	-	(7,488)
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(1,705)	7,206	-	5,501
- Transfer to Lifetime ECL credit impaired (Stage 3)	(92)	(453)	52,422	51,877
New exposures originated	13,054	16,284	8	29,346
Net remeasurement of allowances	(1,528)	3,934	122	2,528
Exposures derecognised	(11,721)	(7,629)	-	(19,350)
Changes in model assumptions and methodologies	(11,443)	(5,564)	-	(17,007)
Foreign exchange differences	(41)	(59)	-	(100)
Balance at the end of the financial year	30,429	37,348	52,733	120,510

A18. OTHER LIABILITIES (CONT'D.)

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

Group 31.03.2020	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	51,703	34,141	10,905	96,749
Net writeback of ECL	(9,370)	(1,690)	(10,717)	(21,777)
- Transfer to 12 month ECL (Stage 1)	1,068	(10,446)	-	(9,378)
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(955)	11,037	-	10,082
- Transfer to Lifetime ECL credit impaired (Stage 3)	(217)	(366)	1,160	577
New exposures originated	13,903	8,790	-	22,693
Net remeasurement of allowances	(7,550)	(2,515)	(1,485)	(11,550)
Exposures derecognised	(24,306)	(12,747)	(10,390)	(47,443)
Changes in model assumptions and methodologies	8,687	4,557	(2)	13,242
Foreign exchange differences	170	68	(7)	231
Balance at the end of the financial year	42,503	32,519	181	75,203

A19. INSURANCE CONTRACT LIABILITIES AND OTHER INSURANCE PAYABLES

Group	Note	31.03.2021 RM'000	31.03.2020 RM'000
Insurance contract liabilities	(i)	2,422,974	2,437,059
Other insurance payables	(ii)	56,033	42,105
		<u>2,479,007</u>	<u>2,479,164</u>
(i) Insurance contract liabilities			
		31.03.2021	31.03.2020
		Gross contract liabilities RM'000	Reinsurance assets RM'000
		Net contract liabilities RM'000	
General insurance business		<u>2,422,974</u>	<u>(379,792)</u>
		31.03.2020	31.03.2020
		Gross contract liabilities RM'000	Reinsurance assets RM'000
		Net contract liabilities RM'000	
General insurance business		<u>2,437,059</u>	<u>(393,370)</u>
(ii) Other insurance payables			
		31.03.2021	31.03.2020
		RM'000	RM'000
Amount due to agents and intermediaries		21,812	17,068
Amount due to reinsurers and cedants		34,221	25,037
		<u>56,033</u>	<u>42,105</u>

A20. INTEREST INCOME

Group	Individual Quarter		Cumulative Quarter	
	31.03.2021 RM'000	31.03.2020 RM'000	31.03.2021 RM'000	31.03.2020 RM'000
Short-term funds and deposits and placements				
with banks and other financial institutions	17,155	15,017	65,547	68,761
Financial assets at fair value through profit or loss	42,435	91,729	257,714	422,901
Financial investments at fair value through				
other comprehensive income	107,198	116,814	467,456	493,365
Financial investments at amortised cost	32,018	34,492	132,424	141,970
Loans and advances*	807,159	925,509	3,215,337	3,788,345
Impaired loans and advances	588	997	4,287	6,539
Others	2,636	4,345	13,015	18,130
	<u>1,009,189</u>	<u>1,188,903</u>	<u>4,155,780</u>	<u>4,940,011</u>
Company				
Short-term funds and deposits and placements with				
banks and other financial institutions	<u>2,211</u>	<u>1,516</u>	<u>6,550</u>	<u>5,247</u>

* Included in the interest income of loans and advances of the Group is the net loss of RM50.3 million arising from government support measures implemented in response to COVID-19 pandemic.

A21. INTEREST EXPENSE

Group	Individual Quarter		Cumulative Quarter	
	31.03.2021 RM'000	31.03.2020 RM'000	31.03.2021 RM'000	31.03.2020 RM'000
Deposits from customers	331,417	520,321	1,605,199	2,256,333
Deposits and placements of banks and other				
financial institutions	20,300	51,085	91,922	188,196
Senior notes	-	7,853	7,422	45,585
Credit-Linked Notes	1,914	1,838	7,719	7,547
Securities sold under repurchase agreements	7,483	36,454	42,665	162,647
Recourse obligation on loans sold to Cagamas Berhad	38,360	34,380	145,548	159,662
Term loan	1,112	2,995	5,183	3,619
Debt Capital	32,440	32,657	131,008	148,562
Other structured products and others	3,436	8,828	27,207	29,243
	<u>436,462</u>	<u>696,411</u>	<u>2,063,873</u>	<u>3,001,394</u>

A22. NET INCOME FROM INSURANCE BUSINESS

Group	Note	Individual Quarter		Cumulative Quarter	
		31.03.2021 RM'000	31.03.2020 RM'000	31.03.2021 RM'000	31.03.2020 RM'000
Income from insurance business:	(a)				
Premium income from general insurance business		336,681	360,150	1,398,558	1,428,732
		<u>336,681</u>	<u>360,150</u>	<u>1,398,558</u>	<u>1,428,732</u>
Insurance claims and commissions:	(b)				
Insurance commission ¹		26,332	34,421	127,210	137,753
General insurance claims		172,888	223,822	777,035	850,271
		<u>199,220</u>	<u>258,243</u>	<u>904,245</u>	<u>988,024</u>
Total income from insurance business, net		<u>137,461</u>	<u>101,907</u>	<u>494,313</u>	<u>440,708</u>
(a) Income from insurance business					
Gross Premium					
- insurance contract		369,746	402,573	1,559,472	1,575,869
- change in unearned premium provision		12,505	(14,312)	616	(8,460)
		<u>382,251</u>	<u>388,261</u>	<u>1,560,088</u>	<u>1,567,409</u>
Premium ceded					
- insurance contract		(49,846)	(38,370)	(164,772)	(140,045)
- change in unearned premium provision		4,276	10,259	3,242	1,368
		<u>(45,570)</u>	<u>(28,111)</u>	<u>(161,530)</u>	<u>(138,677)</u>
		<u>336,681</u>	<u>360,150</u>	<u>1,398,558</u>	<u>1,428,732</u>
(b) Insurance claims					
- gross benefits and claims paid		218,034	218,419	850,870	977,341
- claims ceded to reinsurers		(19,934)	(18,206)	(77,372)	(101,854)
- change in contract liabilities - insurance contract		(58,749)	45,753	(13,468)	(98,452)
- change in contract liabilities ceded to reinsurers					
- insurance contract		33,537	(22,144)	17,005	73,236
		<u>172,888</u>	<u>223,822</u>	<u>777,035</u>	<u>850,271</u>

¹ Net of bancassurance commission paid/payable to other subsidiaries of the Group of RM17,673,000 (31 March 2020: RM15,859,000) eliminated upon consolidation.

A23. OTHER OPERATING INCOME

Group	Individual Quarter		Cumulative Quarter	
	31.03.2021 RM'000	31.03.2020 RM'000	31.03.2021 RM'000	31.03.2020 RM'000
Fee and commission income:				
Fees on loans and securities	27,391	24,192	110,708	155,310
Corporate advisory	2,550	2,054	10,483	17,933
Guarantee fees	11,337	13,662	48,044	54,071
Underwriting commission	-	-	129	323
Portfolio management fees	15,429	12,188	51,328	35,364
Unit trust fees, commission and charges	55,297	31,473	184,847	125,394
Property trust management fees	1,807	1,850	7,075	7,348
Brokerage fees and commission	18,452	10,683	69,593	34,108
Bancassurance commission	2,369	3,981	10,470	14,089
Wealth management fees	3,901	6,840	24,492	26,867
Remittances	5,590	5,478	19,196	24,626
Fees, service and commission charges	5,264	6,002	21,743	27,971
Others	7,007	4,757	23,637	20,429
	<u>156,394</u>	<u>123,160</u>	<u>581,745</u>	<u>543,833</u>
Investment and trading income:				
Net gain/(loss) from sale of financial assets at fair value through profit or loss	18,301	(16,518)	275,388	36,617
Net gain from sale of financial investments at fair value through other comprehensive income	6,478	4,987	23,492	87,756
Net gain on redemption of financial investments at amortised cost	3,413	11,676	3,413	11,676
Net (loss)/gain on revaluation of financial assets at fair value through profit or loss	(43,172)	(87,872)	66,483	(19,587)
Net gain on foreign exchange	161,516	42,348	109,982	102,409
Net loss on derivatives	(105,609)	(12,594)	(135,126)	(5,881)
Gain on liquidation of a subsidiary	-	-	2,457	-
Dividend income from:				
Financial assets at fair value through profit or loss	9,041	4,223	32,130	26,330
Financial investments at fair value through other comprehensive income	20	-	3,689	7,806
Others	170	629	1,010	282
	<u>50,158</u>	<u>(53,121)</u>	<u>382,918</u>	<u>247,408</u>

A23. OTHER OPERATING INCOME (CONT'D.)

	Individual Quarter		Cumulative Quarter	
	31.03.2021 RM'000	31.03.2020 RM'000	31.03.2021 RM'000	31.03.2020 RM'000
Other income:				
Net (loss)/gain on non-trading foreign exchange	(191)	(1,914)	999	1,237
Net (loss)/gain on disposal of property and equipment	(456)	1,146	145	1,635
Rental income	(800)	1,283	2,764	5,046
Profit from sale of goods and services	4,586	4,653	17,983	18,030
Gain/(Loss) on disposal of foreclosed properties	-	-	540	(1)
Others	1,038	2,491	5,669	14,228
	<u>4,177</u>	<u>7,659</u>	<u>28,100</u>	<u>40,175</u>
	<u>210,729</u>	<u>77,698</u>	<u>992,763</u>	<u>831,416</u>

Company	Individual Quarter		Cumulative Quarter	
	31.03.2021 RM'000	31.03.2020 RM'000	31.03.2021 RM'000	31.03.2020 RM'000
Investment and trading income:				
Dividend income from:				
Subsidiaries	51,012	51,198	354,260	851,836
Financial assets at fair value through profit or loss	6	7	26	34
	<u>51,018</u>	<u>51,205</u>	<u>354,286</u>	<u>851,870</u>
Other income:				
Net gain on disposal of property and equipment	-	103	38	103
Others	254	163	1,176	1,298
	<u>254</u>	<u>266</u>	<u>1,214</u>	<u>1,401</u>
	<u>51,272</u>	<u>51,471</u>	<u>355,500</u>	<u>853,271</u>

A24. OTHER OPERATING EXPENSES

Group	Individual Quarter		Cumulative Quarter	
	31.03.2021 RM'000	31.03.2020 RM'000	31.03.2021 RM'000	31.03.2020 RM'000
Personnel costs:				
Salaries, allowances and bonuses	217,172	190,771	924,704	918,356
Shares granted under ESS				
- charge	3,636	18,505	39,452	35,263
Contributions to Employees' Provident Fund ("EPF")/Private Retirement Schemes	35,135	31,490	151,765	153,901
Social security cost	2,091	2,176	8,325	8,356
Other staff related expenses	40,312	33,596	155,922	125,149
	<u>298,346</u>	<u>276,538</u>	<u>1,280,168</u>	<u>1,241,025</u>
Establishment costs:				
Depreciation of property and equipment	16,345	22,484	69,892	62,866
Depreciation of right-of-use assets	20,249	21,691	82,342	81,210
Amortisation of intangible assets	36,506	28,890	110,695	108,908
Computerisation costs	55,080	40,311	184,632	195,207
Rental of premises	3,914	(107)	6,774	11,790
Cleaning, maintenance and security	8,068	8,740	29,036	30,118
Finance costs:				
- interest on lease liabilities	2,458	2,550	12,191	10,141
- provision for reinstatement of leased properties	31	20	141	307
Others	7,580	9,425	33,607	34,123
	<u>150,231</u>	<u>134,004</u>	<u>529,310</u>	<u>534,670</u>
Marketing and communication expenses:				
Sales commission	1,647	3,089	8,214	9,676
Advertising, promotional and other marketing activities	7,026	20,240	80,038	64,694
Telephone charges	6,243	6,505	23,159	23,616
Postage	2,638	2,455	12,721	9,528
Travelling and entertainment	1,758	3,889	7,693	15,092
Others	4,883	4,611	16,968	15,437
	<u>24,195</u>	<u>40,789</u>	<u>148,793</u>	<u>138,043</u>
Administration and general expenses:				
Professional services	31,205	29,449	84,308	96,428
Travelling	506	1,355	2,460	5,987
Insurance	2,364	1,970	6,076	4,234
Subscriptions and periodicals	2,456	3,745	9,192	9,984
Others	15,351	13,265	71,928	77,820
	<u>51,882</u>	<u>49,784</u>	<u>173,964</u>	<u>194,453</u>
Total	<u>524,654</u>	<u>501,115</u>	<u>2,132,235</u>	<u>2,108,191</u>

A24. OTHER OPERATING EXPENSES (CONT'D.)

Company	Individual Quarter		Cumulative Quarter	
	31.03.2021 RM'000	31.03.2020 RM'000	31.03.2021 RM'000	31.03.2020 RM'000
Personnel costs:				
Other staff related expenses	-	11	-	-
	<u>-</u>	<u>11</u>	<u>-</u>	<u>-</u>
Establishment costs:				
Depreciation of property and equipment	19	47	115	219
Computerisation costs	87	-	283	230
	<u>106</u>	<u>47</u>	<u>398</u>	<u>449</u>
Marketing and communication expenses:				
Advertising, promotional and other marketing activities	-	3	8	347
Telephone charges	-	2	-	8
Postage	-	-	1	-
Travelling and entertainment	-	8	-	61
Others	2	-	1	-
	<u>2</u>	<u>13</u>	<u>10</u>	<u>416</u>
Administration and general expenses:				
Professional services	242	276	887	1,425
Travelling	-	1	3	1
Subscriptions and periodicals	5	-	8	4
Others	914	1,368	5,046	5,617
	<u>1,161</u>	<u>1,645</u>	<u>5,944</u>	<u>7,047</u>
Service transfer pricing expense, net	3,968	4,628	16,059	18,662
Total	<u>5,237</u>	<u>6,344</u>	<u>22,411</u>	<u>26,574</u>

A25. ALLOWANCES FOR IMPAIRMENT ON LOANS, ADVANCES AND FINANCING

Group	Individual Quarter		Cumulative Quarter	
	31.03.2021 RM'000	31.03.2020 RM'000	31.03.2021 RM'000	31.03.2020 RM'000
Impairment on loans, advances and financing:				
Allowances for ECL	520,845	248,773	1,468,550	666,412
Impaired loans, advances and financing recovered, net	(65,436)	(53,925)	(351,614)	(343,781)
	<u>455,409</u>	<u>194,848</u>	<u>1,116,936</u>	<u>322,631</u>

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

	Individual Quarter		Cumulative Quarter	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
	RM'000	RM'000	RM'000	RM'000
Group				
Financial investments				
Financial investments at fair value				
through other comprehensive income	(5,783)	3,380	(14,392)	47,012
Financial investments at amortised cost	7,367	231	5,916	(484)
	<u>1,584</u>	<u>3,611</u>	<u>(8,476)</u>	<u>46,528</u>
Other financial assets				
Cash and short-term funds	(88)	(286)	1,493	(512)
Deposits and placements with banks and other financial institutions	(339)	485	(443)	(1,590)
Other assets	312	(62)	(1,382)	794
	<u>(115)</u>	<u>137</u>	<u>(332)</u>	<u>(1,308)</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 a segment and to assess its performance. The Group comprises the following main business segments:

- (a) **Retail Banking**
Retail Banking continues to focus on building mass affluent, affluent and small business customers. Retail Banking offers products and financial solutions which includes auto finance, mortgages, personal loans, credit cards, small business loans, priority banking services, wealth management, remittance services and deposits.
- (b) **Business Banking**
Business Banking ("BB") focuses on the small and medium sized enterprises segment, which comprises Enterprise Banking and Commercial Banking. Solutions offered to Enterprise Banking customers encompass Capital Expenditure ("CAPEX") financing, Working Capital financing and Cash Management and while Commercial Banking offers the same suite of products, it also provides more sophisticated structures such as Contract Financing, Development Loans and Project Financing.
- (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 provides 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.

Measurement of segment performance

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

Note:

- (i) The revenue generated by a majority of the operating segments substantially comprise interest income. The Chief Operating Decision Maker relies primarily on the net interest income information to assess the performance of, and to make decisions about resources to be allocated to these operating segments.
- (ii) The financial information by geographical segment is not presented as the Group's activities are principally conducted in Malaysia. During the financial year, the Group's wholly-owned subsidiary, AmFraser International Pte Ltd which was incorporated in Singapore was dissolved on 7 December 2020.
- (iii) The comparatives have been restated with current business realignment.

A27. BUSINESS SEGMENT ANALYSIS (CONT'D.)

Group

For the financial year ended 31.03.2021	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	3,000,386	652,388	1,459,254	1,487,247	225,754	137,134	1,602,613	(152,132)	8,412,644
Revenue from other segments	(428,721)	(129,597)	(513,066)	493,022	(9,311)	-	-	587,673	-
Total operating revenue	<u>2,571,665</u>	<u>522,791</u>	<u>946,188</u>	<u>1,980,269</u>	<u>216,443</u>	<u>137,134</u>	<u>1,602,613</u>	<u>435,541</u>	<u>8,412,644</u>
Net interest income	1,327,766	296,821	609,997	485,693	45,796	1,065	112,587	55,657	2,935,382
Insurance and other operating income	271,349	93,089	119,920	293,593	163,426	135,849	503,102	(7,068)	1,573,260
Share in results of associates and joint ventures	(1,320)	-	-	-	-	-	43,900	1,233	43,813
Net income	1,597,795	389,910	729,917	779,286	209,222	136,914	659,589	49,822	4,552,455
Other operating expenses	(865,040)	(138,694)	(197,626)	(84,063)	(116,444)	(64,639)	(356,642)	(309,087)	(2,132,235)
of which:									
Depreciation of property and equipment	(21,007)	(1,829)	(1,978)	(144)	(979)	(222)	(5,972)	(37,761)	(69,892)
Depreciation of right-of-use assets	-	-	-	-	(200)	-	(12,161)	(69,981)	(82,342)
Amortisation of intangible assets	(31,145)	(839)	(8,399)	(1,465)	(652)	(188)	(19,102)	(48,905)	(110,695)
Profit/(Loss) before impairment losses and settlement	732,755	251,216	532,291	695,223	92,778	72,275	302,947	(259,265)	2,420,220
(Allowances for)/Writeback of impairment on loans, advances and financing	(538,815)	(29,355)	(230,633)	-	6,891	-	-	(325,024)	(1,116,936)
Writeback of/(Allowances for) impairment on other assets	376	-	432	(858)	295	(143)	6,208	8,706	15,016
Provision for commitments and contingencies -writeback/(charge)	4,718	(33,358)	(33,735)	-	-	-	-	23,079	(39,296)
Other recoveries/(write-offs), net	-	-	7,994	-	11	-	(3,660)	124	4,469
Impairment of goodwill	-	-	-	-	-	-	-	(1,789,153)	(1,789,153)
Impairment of investment in associate	-	-	-	-	-	-	-	(147,819)	(147,819)
Settlement	-	-	-	-	-	-	-	(2,830,000)	(2,830,000)
Profit/(loss) before taxation and zakat	199,034	188,503	276,349	694,365	99,975	72,132	305,495	(5,319,352)	(3,483,499)
Taxation and zakat	(47,985)	(44,430)	(69,409)	(154,086)	(22,184)	(14,403)	(29,094)	152,996	(228,595)
Profit/(loss) for the financial year	<u>151,049</u>	<u>144,073</u>	<u>206,940</u>	<u>540,279</u>	<u>77,791</u>	<u>57,729</u>	<u>276,401</u>	<u>(5,166,356)</u>	<u>(3,712,094)</u>
Other information									
Total segment assets	64,613,184	12,467,105	35,427,121	48,753,593	2,666,475	130,482	5,775,378	344,916	170,178,254
Total segment liabilities	48,123,330	8,379,102	16,923,128	61,535,312	1,099,456	24,350	3,363,322	15,139,895	154,587,895
Cost to income ratio	54.1%	35.6%	27.1%	10.8%	55.7%	47.2%	54.1%	>100.0%	46.8%
Gross loans, advances and financing	64,787,014	12,586,489	35,613,506	-	1,869,847	-	525	(98,873)	114,758,508
Net loans, advances and financing	63,602,326	12,452,854	35,120,450	-	1,869,469	-	456	(567,236)	112,478,319
Impaired loans, advances and financing	881,852	250,584	637,506	-	378	-	-	-	1,770,320
Total deposits	47,537,095	8,229,513	16,661,536	58,440,270	615,236	-	-	(1,019,577)	130,464,073
Additions to:									
Property and equipment	16,338	113	210	1,279	1,069	78	3,736	16,884	39,707
Intangible assets	22,155	41	6,010	9,049	2,932	252	10,705	41,272	92,416

A27. BUSINESS SEGMENT ANALYSIS (CONT'D.)

Group

For the financial year ended 31.03.2020 (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	Insurance RM'000		
External revenue	3,275,523	705,023	1,817,814	1,635,321	229,409	112,998	1,608,540	(60,061)	9,324,567
Revenue from other segments	(358,915)	(176,121)	(847,330)	668,353	(21,288)	-	-	735,301	-
Total operating revenue	<u>2,916,608</u>	<u>528,902</u>	<u>970,484</u>	<u>2,303,674</u>	<u>208,121</u>	<u>112,998</u>	<u>1,608,540</u>	<u>675,240</u>	<u>9,324,567</u>
Net interest income	1,222,905	277,459	619,326	230,313	39,133	1,065	130,757	252,966	2,773,924
Insurance and other operating income	242,395	88,849	160,302	227,114	153,593	111,715	463,322	9,082	1,456,372
Share in results of associates and joint ventures	963	-	-	-	-	-	(9,877)	5,774	(3,140)
Net income	<u>1,466,263</u>	<u>366,308</u>	<u>779,628</u>	<u>457,427</u>	<u>192,726</u>	<u>112,780</u>	<u>584,202</u>	<u>267,822</u>	<u>4,227,156</u>
Other operating expenses	(865,087)	(145,461)	(225,971)	(76,902)	(119,539)	(67,099)	(338,069)	(270,063)	(2,108,191)
<i>of which:</i>									
<i>Depreciation of property and equipment</i>	(19,922)	(734)	(1,383)	(106)	(832)	(271)	(9,449)	(30,169)	(62,866)
<i>Depreciation of right-of-use assets</i>	-	-	-	-	(279)	-	(15,047)	(65,884)	(81,210)
<i>Amortisation of intangible assets</i>	(20,738)	(78)	(6,104)	(1,564)	(756)	(173)	(18,884)	(60,611)	(108,908)
Profit/(Loss) before impairment losses (Allowances for)/Writeback of impairment on loans, advances and financing	601,176	220,847	553,657	380,525	73,187	45,681	246,133	(2,241)	2,118,965
(Allowances for)/Writeback of impairment on other assets	(194,079)	(64,089)	68,996	-	6,427	-	-	(139,886)	(322,631)
Provision for commitments and contingencies - writeback/(charge)	(20)	-	2,166	(35,696)	(591)	(125)	8,602	(10,954)	(36,618)
Other recoveries/(write-offs), net	7,012	7,064	24,665	-	-	-	-	(16,474)	22,267
Profit/(loss) before taxation and zakat	31	-	73	-	34	(5)	(4,696)	5,436	873
Taxation and zakat	414,120	163,822	649,557	344,829	79,057	45,551	250,039	(164,119)	1,782,856
Profit/(loss) for the financial year	<u>(99,120)</u>	<u>(38,207)</u>	<u>(155,767)</u>	<u>(66,617)</u>	<u>(17,441)</u>	<u>(8,737)</u>	<u>(31,810)</u>	<u>87,676</u>	<u>(330,023)</u>
Other information									
Total segment assets	59,094,425	11,133,363	35,455,875	52,821,965	2,222,996	107,207	5,775,754	2,591,501	169,203,086
Total segment liabilities	46,377,498	7,323,178	13,552,801	67,571,278	1,370,435	23,804	3,345,980	10,078,072	149,643,046
Cost to income ratio	59.0%	39.7%	29.0%	16.8%	62.0%	59.5%	57.9%	>100.0%	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

A28. VALUATION OF PROPERTY AND EQUIPMENT

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

A29. SIGNIFICANT EVENTS TO REPORTING PERIOD

(i) Settlement with Ministry of Finance Malaysia on historical transactions

On 26 February 2021, the Company announced that it had reached an agreement with the MOF Malaysia for a full and final settlement of RM2.83 billion ("the Settlement") in relation to the review by the relevant authorities of historical transactions of the Group with 1Malaysia Development Berhad ("1MDB") and its related entities.

The Settlement of these legacy matters will enable the Group to focus on executing its strategies for its business without any distractions. The Group is committed to continue to deliver value to shareholders, stakeholders and customers.

The Settlement has been fully provided in the Group's financial results for the year ended 31 March 2021 and the Settlement charge is apportioned between AmBank (M) Berhad ("AmBank") and AmInvestment Bank Berhad ("AmInvestment Bank") based on nature of income approach. This resulted in RM2,535 million and RM295 million being apportioned to AmBank and AmInvestment Bank, respectively.

The Settlement resulted in a reduction of the Group's Core Capital Equity Tier 1 (CET1) and Total Capital Ratio by approximately 2.494% and 2.189% respectively as at 31 March 2021.

On 30 March 2021, the Company completed the following equity injections into its fully owned subsidiaries from its existing financial resources:

- (1) Equity injection of RM650 million into AmBank via subscription of 66,394,280 new ordinary shares issued by AmBank; and
- (2) Equity injection of RM130 million into AmInvestment Bank via the subscription of 114,035,088 new ordinary shares issued by AmInvestment Bank.

(ii) Private Placement of shares under the general mandate from shareholders subsequent to the financial year ended 31 March 2021

To accelerate the restoration of CET1, the Company had on 1 April 2021 announced its intention to undertake a private placement of up to 300,000,000 new ordinary shares in the Company, representing approximately 9.97% of the Company's existing issued ordinary share capital (excluding treasury shares), in accordance with the general mandate obtained pursuant to Sections 75 and 76 of the Companies Act 2016 from the shareholders of the Company at its 29th Annual General Meeting held on 27 August 2020.

The decision to launch a private placement was taken by management and the Board, after having assessed the relevant factors post the 26 February 2021 settlement announcement. This action was intended to accelerate the CET1 capital build post settlement. In our opinion, this course of action is in the best interest of the company and also the interests of other stakeholders, including shareholders.

On 5 April 2021, the Company announced that it had fixed the issue price for the Placement Shares at RM2.75 per Placement Share. On 14 April 2021, the Company announced the completion of the Private Placement following the listing and quotation of the Placement Shares on the Main Market of Bursa Securities. The Private Placement raised additional equity capital of RM825 million which will increase the Company's CET1 by 0.707% to 12.040% on a proforma 31 March 2021 basis.

A29. SIGNIFICANT EVENTS TO REPORTING PERIOD (CONT'D.)

(iii) Annual goodwill impairment review

The Group considered the impact of the Settlement, together with the effects of COVID-19 pandemic, when conducting the annual impairment review of the carrying value of goodwill.

The outcome of the annual assessment resulted in a RM1,789 million impairment charge in the financial results for the year ended 31 March 2021 relating to impairment of goodwill of the conventional banking and investment banking of RM1,365 million and RM424 million, respectively.

The goodwill impairment charge to the Group's statements of profit and loss is a non-cash item, will have no impact to regulatory capital ratios and does not affect future earnings. The Group has also received confirmation from its credit rating agencies that the Group's credit ratings will remain unchanged following the goodwill impairment.

The Group remains resilient and highly liquid, with Liquidity Coverage Ratio of 157.50% and Net Stable Funding Ratio for all operating entities above 100%.

(iv) Additional measures announced by BNM to assist individuals, small-medium enterprises ("SMEs") and corporate affected by COVID-19

The Group continues to ensure the forward-looking information used to incorporate the impact of COVID-19 on the ECL estimates is reasonable and supportable. The moratoriums, payment holiday and repayment assistance granted 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.

For financial year ended 31 March 2021, the Group had incorporated additional forward-looking ("FL") estimates, assumptions and judgments specific to the impact of the COVID-19 pandemic to businesses, payment holiday and repayment assistance granted to customers and global oil price slump in the measurement of ECL for loans and advances in the form of FL ECL overlay which amounted to approximately RM582.2 million (2020: RM167.3 million) charged to profit or loss.

Other than as disclosed above, there were no significant events to the reporting date that require disclosure or adjustment in the condensed interim financial statements.

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

Winding-up of subsidiaries

The following are the subsidiaries, at their Extraordinary General Meeting ("EGM") resolved that they be wound up by way of a member's voluntary winding-up, pursuant to Section 439(1) of the Companies Act 2016 during the current financial year:

- (i) AMMB Nominees (Tempatan) Sdn Bhd on 22 May 2020;
- (ii) MBF Trustee Berhad on 17 September 2020;
- (iii) Malco Properties Sdn Bhd on 31 March 2021; and
- (iv) MBF Nominees (Tempatan) Sdn Bhd on 31 March 2021.

The Group's non-operating subsidiaries namely:

- (a) AmFraser International Pte Ltd ("AmFraser"), under member's voluntary winding-up was dissolved on 7 December 2020; and
- (b) AmCapital (B) Sdn Bhd ("AmCapital"), under court liquidation was dissolved on 13 October 2019 (communicated by the Registry of Companies and Business Names Division of the Ministry of Finance and Economy of Brunei Darussalam via letter dated 10 May 2021).

The winding-up and dissolution of the above subsidiaries will not have any material effect on the Group's earnings and net assets for the financial year ended 31 March 2021. 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. 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	
	31.03.2021	31.03.2020
	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	17,722,506	16,873,188
over one year	2,018,731	2,056,411
Unutilised credit card lines	5,151,236	5,127,590
Forward asset purchases	894,498	1,989,103
	<u>25,786,971</u>	<u>26,046,292</u>
Contingent Liabilities		
Direct credit substitutes	2,113,258	2,553,489
Transaction related contingent items	4,303,726	4,286,704
Obligations under underwriting agreements	-	20,000
Short-term self-liquidating trade-related contingencies	694,409	723,120
	<u>7,111,393</u>	<u>7,583,313</u>
Derivative Financial Instruments		
Interest/Profit rate related contracts:	45,754,858	53,347,175
One year or less	13,551,363	10,348,960
Over one year to five years	27,165,318	36,463,230
Over five years	5,038,177	6,534,985
Foreign exchange related contracts:	56,479,420	44,371,910
One year or less	47,993,667	34,805,859
Over one year to five years	7,097,188	8,625,327
Over five years	1,388,565	940,724
Credit related contracts:	347,950	356,069
One year or less	347,950	-
Over one year to five years	-	356,069
Equity and commodity related contracts:	1,519,073	1,769,895
One year or less	1,434,391	1,637,855
Over one year to five years	84,682	132,040
	<u>104,101,301</u>	<u>99,845,049</u>
	<u>136,999,665</u>	<u>133,474,654</u>

A31. COMMITMENTS AND CONTINGENCIES (CONT'D.)

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

- (a) The Company has given an unsecured guarantee amounting to RM50.0 million (2020: RM50.0 million) 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.
- (b) AmMetLife Insurance Berhad ("AmMetLife") had received complaints from policyholders relating to the alleged mis-selling of certain insurance product of AmMetLife in previous years. AMAB Holdings Sdn Bhd ("AMAB Holdings") and MetLife International Holdings, Inc ("MetLife") have jointly resolved this matter amicably with the affected policyholders.

Under the terms for the sale of AmMetLife's shares by AMAB Holdings to MetLife, 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.

This indemnity given by AMAB Holdings to MetLife in relation to the mis-selling of certain insurance products of AmMetLife had expired on 30 April 2021. Moving forward, this matter will no longer be a commitment and/or contingency of the Group.

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

On 25 September 2020, AmGeneral Insurance Berhad ("AmGeneral") received the Notice of Finding of an infringement by the Competition Commission ("the Commission") under section 40 of the Competition Act 2010 ("CA 2010").

Pursuant to section 40 of CA 2010, the Commission has determined that PIAM and its 22 members have infringed the prohibition under section 4 of CA 2010 by participating in an agreement that significantly prevents, restricts or distorts competition in relation to PIAM Approved Repairers Scheme.

The penalty imposed of RM13.7 million was lower than the initial proposed decision by MyCC since 27 February 2017 of RM45.2 million.

On 13 October 2020, AmGeneral submitted a Notice of Appeal to MyCC pursuant to Section 51 of the CA and on 23 October 2020, submitted an Application for Stay to the Competition Appeal Tribunal pursuant to Section 53 of the CA. On 23 March 2021, the Tribunal unanimously decided to grant a stay of the financial penalties pending the disposal of the appeal.

- (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 been advised by the solicitors that the allegations are not sustainable and AmBank Islamic and the Company have a strong defence.

On 28 September 2020, the High Court struck out the Plaintiff's suit against AmBank Islamic and the Company. The Plaintiff has filed an appeal against the High Court's decision. Court of Appeal has fixed 3 August 2021 for hearing.

A32. 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	31.03.2021			31.03.2020		
	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:	45,289,858	624,513	674,371	52,282,175	904,576	1,018,349
- One year or less	13,436,363	39,872	54,341	9,748,960	31,565	35,216
- Over one year to three years	19,130,217	240,773	288,511	23,674,467	282,051	306,685
- Over three years	12,723,278	343,868	331,519	18,858,748	590,960	676,448
Foreign exchange related contracts:	56,479,420	642,697	536,032	44,371,910	947,441	680,939
- One year or less	47,993,667	317,249	304,083	34,805,859	559,303	401,710
- Over one year to three years	4,282,828	125,489	81,846	4,529,891	136,246	133,423
- Over three years	4,202,925	199,959	150,103	5,036,160	251,892	145,806
Credit related contracts:	347,950	1,347	910	356,069	1,954	665
- One year or less	347,950	1,347	910	-	-	-
- Over one year to three years	-	-	-	356,069	1,954	665
Equity and commodity related contracts:	1,519,073	22,633	36,508	1,769,895	223,310	226,193
- One year or less	1,434,391	17,412	31,434	1,637,855	206,284	209,063
- Over one year to three years	14,350	410	263	58,823	9,219	9,319
- Over three years	70,332	4,811	4,811	73,217	7,807	7,811
	<u>103,636,301</u>	<u>1,291,190</u>	<u>1,247,821</u>	<u>98,780,049</u>	<u>2,077,281</u>	<u>1,926,146</u>
Hedging derivatives						
Interest rate related contracts:						
Interest rate swaps:						
Cash flow hedge	115,000	-	1,654	715,000	-	7,269
- One year or less	115,000	-	1,654	600,000	-	4,121
- Over one year to three years	-	-	-	115,000	-	3,148
Fair value hedge	350,000	-	20,334	350,000	-	26,688
- Over three years	350,000	-	20,334	350,000	-	26,688
Total	<u>104,101,301</u>	<u>1,291,190</u>	<u>1,269,809</u>	<u>99,845,049</u>	<u>2,077,281</u>	<u>1,960,103</u>

A33. 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 own models whereby the majority of assumptions are market observable.

Non market observable inputs means that fair values are determined, in whole or in part, using a valuation technique (model) based on assumptions that are neither supported by prices from observable current market transactions in the same instrument, nor are they based on available market data. The main asset classes in this category are unlisted equity investments and debt instruments. Valuation techniques are used to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. However, the fair value measurement objective remains the same, that is, an exit price from the perspective of the Group and the 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 2.4% (31 March 2020: 1.7%) 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
31.03.2021	RM'000	RM'000	RM'000	RM'000
Derivative financial assets	237	1,290,953	-	1,291,190
Financial assets at fair value through profit or loss				
- Money market securities	-	4,116,349	-	4,116,349
- Shares	1,083,286	-	34	1,083,320
- Unit trusts	195,792	1,104	-	196,896
- Quoted corporate bonds and sukuk	-	37,538	-	37,538
- Unquoted corporate bonds and sukuk	-	4,127,871	-	4,127,871
Financial investments at fair value through other comprehensive income				
- Money market securities	-	7,661,349	-	7,661,349
- Shares	-	-	686,792	686,792
- Unquoted corporate bonds and sukuk	-	9,438,057	-	9,438,057
	<u>1,279,315</u>	<u>26,673,221</u>	<u>686,826</u>	<u>28,639,362</u>
Derivative financial liabilities	<u>21,242</u>	<u>1,248,567</u>	<u>-</u>	<u>1,269,809</u>

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

Company 31.03.2021	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	-	1,104	-	1,104
	<u>-</u>	<u>1,104</u>	<u>-</u>	<u>1,104</u>
Group 31.03.2020	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total 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	<u>10,790</u>	<u>1,949,313</u>	<u>-</u>	<u>1,960,103</u>
Company 31.03.2020				
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>

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

Movements in Level 3 financial instruments measured at fair value

The level of the fair value hierarchy of financial instruments is determined at the beginning of each reporting period. The following 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 FVTPL RM'000	Financial investments at FVOCI RM'000	Total RM'000
31.03.2021			
Balance at beginning of the financial year	2,766	593,550	596,316
Gain on revaluation of financial assets at FVTPL taken up in statement of profit or loss	136	-	136
Total gains recognised in other comprehensive income under fair value reserve	-	93,242	93,242
Disposals	(2,868)	-	(2,868)
Balance at end of the financial year	<u>34</u>	<u>686,792</u>	<u>686,826</u>
31.03.2020			
Balance at beginning of the financial year	2,813	524,213	527,026
Loss on revaluation of financial assets at FVTPL taken up in statement of profit or loss	(47)	-	(47)
Total gains recognised in other comprehensive income under fair value reserve	-	69,337	69,337
Balance at end of the financial year	<u>2,766</u>	<u>593,550</u>	<u>596,316</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	31.03.2021 RM'000	31.03.2020 RM'000
Financial assets at FVTPL:		
Total gain/(loss) included in:		
- investment and trading income in statement of profit or loss	<u>136</u>	<u>(47)</u>
Financial investments at FVOCI:		
Total gains included in:		
- fair value reserve in statement of comprehensive income	<u>93,242</u>	<u>69,337</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.

A34. CAPITAL ADEQUACY

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

	31.03.2021			Group
	AmBank	AmBank Islamic	AmInvestment Bank	
Under transitional arrangements, refer Note (1) below				
Before deducting proposed dividends:				
CET1 Capital ratio	11.095%	12.146%	27.374%	11.333%
Tier 1 Capital ratio	11.095%	12.146%	27.374%	11.333%
Total Capital ratio	15.650%	16.661%	27.374%	14.481%
After deducting proposed dividends:				
CET1 Capital ratio	11.095%	12.038%	27.374%	11.333%
Tier 1 Capital ratio	11.095%	12.038%	27.374%	11.333%
Total Capital ratio	15.650%	16.553%	27.374%	14.481%
31.03.2020				
	AmBank	AmBank Islamic	AmInvestment Bank	Group
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%

Notes:

- (1) The capital adequacy ratios of the Group as at 31 March 2020 were computed in accordance with 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.

Pursuant to the revised BNM policy documents, Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework for Islamic Banks (Capital Components) issued on 9 December 2020, the capital ratios computed as at 31 March 2021 had applied transitional arrangements on provision for ECL. Under the transitional arrangements, the Group is allowed to add back the amount of loss allowance for non-credit-impaired exposure (i.e. Stage 1 and Stage 2 provisions) to CET1 Capital. Had the transitional arrangements not been applied, the capital ratios of the Group and the banking subsidiaries are as follows:

	31.03.2021			Group
	AmBank	AmBank Islamic	AmInvestment Bank	
Before deducting proposed dividends:				
CET1 Capital ratio	10.415%	10.687%	27.374%	10.423%
Tier 1 Capital ratio	10.415%	10.687%	27.374%	10.423%
Total Capital ratio	15.378%	15.631%	27.374%	14.135%
After deducting proposed dividends:				
CET1 Capital ratio	10.415%	10.580%	27.374%	10.423%
Tier 1 Capital ratio	10.415%	10.580%	27.374%	10.423%
Total Capital ratio	15.378%	15.523%	27.374%	14.135%

A34. CAPITAL ADEQUACY (CONT'D.)

- (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.

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 guidelines on Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework for Islamic Banks (Capital Components) issued, financial institutions are required to maintain minimum capital adequacy ratios at 4.5% for CET1 Capital, 6.0% for Tier 1 Capital and 8.0% for Total Capital ratio at all times. In addition, financial institutions are also required to maintain capital buffers which comprise the sum of the following:

- (a) a Capital Conservation Buffer ("CCB") of 2.5%;
 - (b) a Countercyclical Capital Buffer ("CCyB") determined as the weighted-average of the prevailing CCyB rates applied in the jurisdictions in which the banking institutions have 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 ("D-SIB").
- (b) Should the Private Placement disclosed in Note A29 completed as at current financial year, the capital adequacy ratios of the Group would be as follows:

	Group
Had the transitional arrangements refer Note (1) above been applied,	
CET1 Capital ratio	12.040%
Tier 1 Capital ratio	12.041%
Total Capital ratio	15.184%
Had the transitional arrangements refer Note (1) above not been applied,	
CET1 Capital ratio	11.132%
Tier 1 Capital ratio	11.132%
Total Capital ratio	14.841%

- (c) 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:

	31.03.2021			Group RM'000
	AmBank RM'000	AmBank Islamic RM'000	AmInvestment Bank RM'000	
CET1 Capital				
Ordinary share capital ^{Note 1}	2,590,465	1,387,107	330,000	5,551,557
Retained earnings	5,591,998	2,341,323	35,695	7,876,333
Fair value reserve	457,552	43,972	1,539	691,067
Foreign exchange translation reserve	88,443	-	-	94,992
Treasury shares	-	-	-	(20,970)
Cash flow hedging deficit	(16,949)	-	-	(16,949)
Other remaining disclosed reserves	-	-	-	67,778
Less: Regulatory adjustments applied on CET1 Capital				
Goodwill	-	-	-	(303,492)
Other intangible assets	(254,134)	(718)	(1,872)	(257,225)
Deferred tax assets	(95,580)	(62,877)	(5,841)	(157,666)
55% of cumulative gains in fair value reserve	(251,654)	(24,185)	(846)	(380,087)
Cash flow hedging deficit	16,949	-	-	16,949
Investment in capital instruments of unconsolidated financial and insurance/ takaful entities	(8,488)	-	(49,809)	(1,334,000)
Unrealised fair value gains on financial liabilities due to changes in own credit risk	(1,197)	(183)	-	(1,254)
Other CET1 regulatory adjustments specified by BNM	529,759	502,728	-	1,032,479
CET1 Capital	8,647,164	4,187,167	308,866	12,859,512

A34. CAPITAL ADEQUACY (CONT'D.)

- (c) 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)

	31.03.2021			Group RM'000
	AmBank RM'000	AmBank Islamic RM'000	AmInvestment Bank RM'000	
Additional Tier 1 Capital				
Qualifying CET1, Additional Tier 1 Capital instruments held by third parties	-	-	-	445
Tier 1 Capital	8,647,164	4,187,167	308,866	12,859,957
Tier 2 Capital				
Tier 2 Capital instruments meeting all relevant criteria for inclusion	2,995,000	1,300,000	-	-
Qualifying CET1, Additional Tier 1 and Tier 2 Capital instruments held by third parties	-	-	-	2,759,714
General provisions*	555,618	256,523	3	812,060
Tier 2 Capital	3,550,618	1,556,523	3	3,571,774
Total Capital	12,197,782	5,743,690	308,869	16,431,731

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

Credit RWA	69,875,702	33,139,511	839,127	102,337,880
Less: Credit RWA absorbed by Profit Sharing Investment Account	-	(796,005)	-	(76,493)
Total Credit RWA	69,875,702	32,343,506	839,127	102,261,387
Market RWA	2,681,941	508,561	15,027	3,734,468
Operational RWA	4,505,648	1,622,712	274,163	6,598,842
Large exposure risk RWA for equity holdings	877,587	-	-	878,254
Total RWA	77,940,878	34,474,779	1,128,317	113,472,951

Note 1: On 30 March 2021, AmBank and AmInvestment Bank increased its issued and paid-up ordinary share capital by RM650.0 million and RM130.0 million through the issuance of 66,394,280 and 114,035,088 new ordinary shares respectively.

	31.03.2020			Group RM'000
	AmBank RM'000	AmBank Islamic RM'000	AmInvestment Bank RM'000	
CET1 Capital				
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 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

A34. CAPITAL ADEQUACY (CONT'D.)

- (c) 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.)

	31.03.2020			Group RM'000
	AmBank RM'000	AmBank Islamic RM'000	AmInvestment Bank RM'000	
Additional Tier 1 Capital				
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
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	-	-	-	2,420,697
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.

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

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

A35. CREDIT TRANSACTIONS AND EXPOSURES WITH CONNECTED PARTIES

	Group	
	31.03.2021	31.03.2020
Outstanding credit exposures with connected parties (RM'000)	6,443,708	5,389,736
Percentage of outstanding credit exposures to connected parties (%) - as a proportion of total credit exposures	5.03	4.18

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.

A36. INSURANCE BUSINESS

AmGeneral Holdings Berhad and its subsidiary

(I) CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2021

	General insurance fund		Shareholders' fund and Others		Total*	
	31.03.2021 RM'000	31.03.2020 RM'000	31.03.2021 RM'000	31.03.2020 RM'000	31.03.2021 RM'000	31.03.2020 RM'000
ASSETS						
Cash and short-term funds	137,680	176,935	128,127	107,419	265,807	284,354
Deposits and placements with banks and other financial institutions	20,180	19,766	-	-	20,180	19,766
Financial assets at fair value through profit or loss	2,397,597	2,311,801	4,511,146	4,522,749	3,498,507	3,468,693
Loans and advances	456	702	-	-	456	702
Deferred tax assets	23,005	18,211	-	-	23,005	18,211
Investment in a subsidiary	-	-	1,708,733	1,808,733	-	-
Other assets	1,193,820	1,013,413	59,000	64,616	112,954	135,757
Reinsurance assets and other insurance receivables	432,684	457,906	-	-	432,684	457,906
Property and equipment	13,764	16,019	(59)	(59)	13,705	15,960
Right-of-use assets	45,682	46,468	-	-	45,682	46,468
Intangible assets	45,502	49,873	58,803	62,829	883,231	891,628
Asset held for sale	1,562	1,562	762	762	2,324	2,324
TOTAL ASSETS	4,311,932	4,112,656	6,466,512	6,567,049	5,298,535	5,341,769
LIABILITIES AND EQUITY						
Redeemable cumulative convertible preference share	-	-	487,170	472,064	487,170	472,064
Deferred tax liabilities	-	-	59,631	64,275	59,631	64,275
Other liabilities	329,495	322,424	1,147,445	949,885	337,514	330,477
Insurance contract liabilities and other insurance payables	2,479,007	2,479,164	-	-	2,479,007	2,479,164
Total Liabilities	2,808,502	2,801,588	1,694,246	1,486,224	3,363,322	3,345,980
Share capital**	-	-	5,642,440	5,680,036	1,599,148	1,599,148
Reserves	1,503,430	1,311,068	(870,174)	(599,211)	336,065	396,641
Equity attributable to equity holders of the Company	1,503,430	1,311,068	4,772,266	5,080,825	1,935,213	1,995,789
TOTAL LIABILITIES AND EQUITY	4,311,932	4,112,656	6,466,512	6,567,049	5,298,535	5,341,769

* after elimination on consolidation

** Comprising:

Ordinary share capital	1,030,000	1,130,000
Preference share capital	169,148	169,148
Transfer from Retained Earnings arising from redemption of preference shares	400,000	300,000
	1,599,148	1,599,148

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

A36. INSURANCE BUSINESS (CONT'D.)

AmGeneral Holdings Berhad and its subsidiary

(II) CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2021

Group	General insurance fund		Shareholders' fund and Others		Total*	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Interest income	2,244	3,765	131,449	147,447	133,693	151,212
Interest expense	-	-	(21,106)	(20,455)	(21,106)	(20,455)
Net interest income	2,244	3,765	110,343	126,992	112,587	130,757
Income from insurance business	1,398,558	1,428,732	-	-	1,398,558	1,428,732
Insurance claims and commissions**	(921,918)	(1,003,883)	-	-	(921,918)	(1,003,883)
Net income from insurance business	476,640	424,849	-	-	476,640	424,849
Other operating income	90,443	128,062	278,357	285,293	26,462	38,473
Net income	569,327	556,676	388,700	412,285	615,689	594,079
Other operating expenses	(346,296)	(327,530)	(10,346)	(10,539)	(356,642)	(338,069)
Operating profit	223,031	229,146	378,354	401,746	259,047	256,010
Writeback of allowance for impairment:						
Reinsurance assets and insurance receivables	6,208	8,602	-	-	6,208	8,602
Other write-offs, net	(3,660)	(4,696)	-	-	(3,660)	(4,696)
Profit before taxation	225,579	233,052	378,354	401,746	261,595	259,916
Taxation	(34,139)	(46,911)	5,045	15,101	(29,094)	(31,810)
Profit for the financial year	191,440	186,141	383,399	416,847	232,501	228,106

* after elimination on consolidation

** Includes commission paid/payable to related companies of the Group of RM17,673,000 (31 March 2020: RM15,859,000)

A37. OPERATIONS OF ISLAMIC BANKING

**AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021**

	Note	Group	
		31.03.2021 RM'000	31.03.2020 RM'000
ASSETS			
Cash and short-term funds		9,398,989	5,923,823
Derivative financial assets		49,667	59,653
Financial assets at fair value through profit or loss		2,271,667	1,750,250
Financial investments at fair value through other comprehensive income		4,095,135	4,896,694
Financial investments at amortised cost		1,392,155	1,689,082
Financing and advances	(a)	35,389,517	31,907,446
Statutory deposit with Bank Negara Malaysia		113,000	147,000
Deferred tax assets		63,074	299
Other assets		342,261	287,745
Property and equipment		440	481
Right-of-use assets		2,351	2,759
Intangible assets		718	1,034
TOTAL ASSETS		53,118,974	46,666,266
LIABILITIES AND ISLAMIC BANKING FUNDS			
Deposits from customers	(b)	41,732,511	34,672,130
Investment accounts of customers	(c)	94,834	208,726
Deposits and placements of banks and other financial institutions		3,177,611	3,449,770
Investment account due to a licensed bank	(d)	718,034	718,005
Recourse obligation on financing sold to Cagamas Berhad		800,000	1,000,000
Derivative financial liabilities		67,751	83,865
Term funding		1,034,766	1,034,697
Subordinated Sukuk		1,300,000	1,150,000
Deferred tax liabilities		1,578	9,639
Other liabilities	(e)	296,010	559,440
TOTAL LIABILITIES		49,223,095	42,886,272
Share capital/Capital funds		1,417,107	1,417,107
Reserves		2,478,772	2,362,887
TOTAL ISLAMIC BANKING FUNDS		3,895,879	3,779,994
TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS		53,118,974	46,666,266
COMMITMENTS AND CONTINGENCIES		14,742,101	13,487,792

A37. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

**AUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2021**

Group	Note	Individual Quarter		Cumulative Quarter	
		31.03.2021 RM'000	31.03.2020 RM'000	31.03.2021 RM'000	31.03.2020 RM'000
Income derived from investment of depositors' funds	1	405,721	450,290	1,620,180	1,786,624
Income derived from investment of investment account funds		6,915	20,890	32,073	79,243
Income derived from Islamic Banking Funds	1	42,708	61,648	176,963	217,087
Allowance on financing and advances - net		(229,815)	(79,074)	(515,864)	(156,292)
Writeback of/(Allowance for) impairment on:					
- Financial investments		6,062	(1,036)	10,598	1,410
- Other financial assets		(52)	(25)	(49)	(19)
Writeback of provision for commitments and contingencies		(966)	(3,718)	2,433	(32)
Total distributable income		230,573	448,975	1,326,334	1,928,021
Income attributable to the depositors and others	2	(175,062)	(249,782)	(777,274)	(1,006,466)
Income attributable to the investment account holders		(5,750)	(15,828)	(26,612)	(68,442)
Total net income		49,761	183,365	522,448	853,113
Operating expenses		(74,856)	(81,388)	(296,934)	(308,795)
Finance costs		(24,072)	(22,299)	(98,692)	(99,280)
(Loss)/Profit before taxation and zakat		(49,167)	79,678	126,822	445,038
Taxation and zakat		14,214	(12,683)	1,340	(93,341)
(Loss)/Profit for the financial period/year		(34,953)	66,995	128,162	351,697

Note:

1 Included the net loss of RM68,920,000 from measures implemented in response to COVID-19 pandemic.

2 Included a fair value gain of RM19,021,000 recognised by AmBank Islamic Berhad from funding obtained from a related company. The funding was obtained for the purposes of providing Special Relief Facility ("SRF") financing at concessionary rate to assist SME businesses adversely impacted by the COVID-19 pandemic.

**AUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2021**

Group	Individual Quarter		Cumulative Quarter	
	31.03.2021 RM'000	31.03.2020 RM'000	31.03.2021 RM'000	31.03.2020 RM'000
(Loss)/Profit for the financial period/year	(34,953)	66,995	128,162	351,697
Other comprehensive income/(loss):				
Items that may be reclassified subsequently to statement of profit or loss				
Financial investments at fair value through other comprehensive income:				
- net unrealised (loss)/gain for changes in fair value	(80,688)	(16,154)	(103)	34,949
- changes in expected credit loss	(6,405)	992	(10,838)	(1,386)
- net gain reclassified to profit or loss	(118)	(1,094)	(2,015)	(10,627)
- tax effect	19,564	4,139	679	(5,838)
Other comprehensive (loss)/income for the financial period/year, net of tax	(67,647)	(12,117)	(12,277)	17,098
Total comprehensive (loss)/income for the financial period/year	(102,600)	54,878	115,885	368,795

A37. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

**AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2021**

Group	Non-Distributable		Distributable		Total Equity RM'000
	Share capital/ Capital funds RM'000	Regulatory reserve RM'000	Fair value reserve RM'000	Retained earnings RM'000	
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
At 1 April 2020	1,417,107	71,612	56,249	2,235,026	3,779,994
Profit for the financial year	-	-	-	128,162	128,162
Other comprehensive loss, net	-	-	(12,277)	-	(12,277)
Total comprehensive (loss)/income for the financial year	-	-	(12,277)	128,162	115,885
Transfer to retained earnings*	-	(71,612)	-	71,612	-
At 31 March 2021	1,417,107	-	43,972	2,434,800	3,895,879

* Bank Negara Malaysia ("BNM") had in March 2020 implemented additional measures in response to the COVID-19 pandemic. These measures, amongst others, aim to ensure that the financial intermediation function of the financial sector remains intact and banking institutions remain focused on supporting the economy during these exceptional circumstances. As at 31 March 2021, no regulatory reserve was held against expected losses, one of the drawdown of prudential buffers as allowed by BNM. However, the Group is expected to replenish the prudential buffers to the minimum regulatory requirements by 30 September 2021.

A37. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(a) Financing and Advances

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

Group	Bai' Bithaman	Murabahah	Musharakah Mutanaqisah	Al-Ijarah Thummah	Bai' Inah	Others	Total
	Ajil			Al-Bai' (AITAB)			
31.03.2021	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At amortised cost:							
Cash lines	-	586,926	-	-	612,527	-	1,199,453
Term financing	503,991	11,078,280	8,925	-	1,467,826	40,320	13,099,342
Revolving credit	42,065	3,217,574	-	-	1,123,575	-	4,383,214
Housing financing	2,736,494	6,544,595	45,197	-	-	-	9,326,286
Hire purchase receivables	4	-	-	4,003,861	-	-	4,003,865
Bills receivables	-	310,200	-	-	-	23,618	333,818
Credit card receivables	-	-	-	-	-	453,056	453,056
Trust receipts	-	283,607	-	-	-	-	283,607
Claims on customers under acceptance credits	-	1,848,952	-	-	-	259,041	2,107,993
Staff financing	-	12,454	-	-	-	-	12,454
Others	-	984,774	-	-	-	37,330	1,022,104
Gross financing and advances*	3,282,554	24,867,362	54,122	4,003,861	3,203,928	813,365	36,225,192
Allowance for impairment on financing and advances							
- Stage 1 - 12 months ECL							(144,366)
- Stage 2 - Lifetime ECL not credit impaired							(589,675)
- Stage 3 - Lifetime ECL credit impaired							(101,634)
Net financing and advances							<u>35,389,517</u>

A37. 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 31.03.2020	Bai' Bithaman	Murabahah RM'000	Musharakah Mutanaqisah RM'000	AI-Ijarah Thummah	Bai' Inah RM'000	Others RM'000	Total RM'000
	Ajil RM'000			AI-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							31,907,446

* 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.

A37. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

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

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

	Group	
	31.03.2021 RM'000	31.03.2020 RM'000
Balance at beginning of the financial year	615,350	572,549
Additions during the financial year	385,160	455,618
Reclassified to non-impaired financing	(19,613)	(46,370)
Recoveries	(221,495)	(88,965)
Amount written off	(146,328)	(277,482)
Balance at end of the financial year	<u>613,074</u>	<u>615,350</u>
Gross impaired financing and advances as % of total gross financing and advances	<u>1.69%</u>	<u>1.91%</u>
Financing loss coverage (including regulatory reserve)	<u>138.9%</u>	<u>74.2%</u>

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

Group 31.03.2021	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	101,638	167,791	97,049	366,478
Net allowances for ECL	42,708	421,885	150,913	615,506
- Transfer to 12 month ECL (Stage 1)	3,805	(19,740)	(329)	(16,264)
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(10,809)	80,382	(4,956)	64,617
- Transfer to Lifetime ECL credit impaired (Stage 3)	(518)	(6,739)	31,853	24,596
New financial assets originated	25,433	76,124	1,849	103,406
Net remeasurement of allowances	42,220	148,916	149,374	340,510
Changes in model assumptions and methodologies	(5,364)	159,869	-	154,505
Modification of contractual cash flows of financial assets	36	1,424	(29)	1,431
Financial assets derecognised	(12,095)	(18,351)	(26,849)	(57,295)
Foreign exchange differences	20	(1)	-	19
Amount written-off	-	-	(146,328)	(146,328)
Balance at end of the financial year	<u>144,366</u>	<u>589,675</u>	<u>101,634</u>	<u>835,675</u>

Note:

1 As at 31 March 2021, the gross exposure (including profit receivable) relating to RA financing amounted to RM719.5 million (31 March 2020: RM719.9 million). ECL allowance for the RA financing which amounted to RM1.9 million (31 March 2020: RM2.3 million) is taken up by AmBank.

2 Included ECL previously taken up by AmBank transferred in arising from early redemption of investment account contracts by AmBank amounted to RM3.3 million.

A37. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

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

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

Group 31.03.2020	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
Net 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	(8,935)	(66,765)	260,423	184,723
Changes in 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	101,638	167,791	97,049	366,478

(b) Deposits From Customers

	Group	
	31.03.2021 RM'000	31.03.2020 RM'000
By type of deposit:		
Savings deposits		
<i>Commodity Murabahah</i>	3,169,111	2,365,009
<i>Qard</i>	83,621	61,836
Demand deposits		
<i>Commodity Murabahah</i>	9,012,721	7,812,982
<i>Qard</i>	443,683	337,707
Term deposits		
<i>Commodity Murabahah</i>	28,786,399	23,517,738
<i>Qard</i>	236,976	278,734
Negotiable instruments of deposits		
<i>Bai' Bithaman Ajil</i>	-	298,124
	41,732,511	34,672,130

The deposits are sourced from the following types of customers:

	Group	
	31.03.2021 RM'000	31.03.2020 RM'000
Business enterprises	27,148,886	21,496,027
Government and statutory bodies	4,429,701	3,024,183
Individuals	9,164,941	9,110,214
Others	988,983	1,041,706
	41,732,511	34,672,130

A37. 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	
	31.03.2021 RM'000	31.03.2020 RM'000
Due within six months	24,293,982	19,728,247
Over six months to one year	4,104,731	3,207,927
Over one year to three years	614,839	1,141,416
Over three years to five years	9,823	17,006
	<u>29,023,375</u>	<u>24,094,596</u>

(c) Investment Accounts Of Customers

	Group	
	31.03.2021 RM'000	31.03.2020 RM'000
Unrestricted investment accounts:		
Without maturity		
- Wakalah	18,342	16,087
With maturity		
- Mudarabah	76,492	192,639
	<u>94,834</u>	<u>208,726</u>

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

	Group	
	31.03.2021 RM'000	31.03.2020 RM'000
Business enterprises	68,200	170,926
Individuals	26,634	37,800
	<u>94,834</u>	<u>208,726</u>

	Group	
	31.03.2021 RM'000	31.03.2020 RM'000
Investment asset:		
Interbank placement (Wakalah)	18,342	16,087
Housing financing (Mudarabah)	76,492	192,639
Total investment	<u>94,834</u>	<u>208,726</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 (%)
31.03.2021			
Maturity			
less than 3 months	52.46	1.79	1.89
over 3 months to 1 year	66.13	2.73	-
31.03.2020			
Maturity			
less than 3 months	75.03	3.12	2.99
over 3 months to 1 year	82.09	3.77	-

A37. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(d) Investment Account Due to A Licensed Bank

	Group	
	31.03.2021	31.03.2020
	RM'000	RM'000
<u>Restricted investment account ("RA")</u>		
- Mudarabah Muqayyadah	718,034	718,005
Investment asset:		
Financing	718,034	718,005
Total investment	718,034	718,005

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.

As at 31 March 2021 the tenure of the RA contracts is for a period ranging between 1 year to 9 years (31 March 2020: 2 years to 10 years).

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

	31.03.2021		31.03.2020	
	Profit sharing ratio (%)	Average rate of return (%)	Profit sharing ratio (%)	Average rate of return (%)
Maturity:				
over 2 years to 5 years	90	2.94	89	4.04
more than 5 years	90	3.91	90	3.76

(e) Other Liabilities

	Group	
	31.03.2021	31.03.2020
	RM'000	RM'000
Other payables and accruals	234,456	497,333
Deferred income	18,997	13,344
Lease liabilities	2,341	2,704
Provision for reinstatement of leased properties	81	79
Provision for zakat and taxation	13,268	12,703
Provision for commitments and contingencies	300	5,500
Allowances for ECL on financing commitments and financial guarantees	15,831	18,269
Security deposit and advance payment for financing and advances	10,736	9,508
	296,010	559,440

A38. RESTATEMENT OF COMPARATIVE INFORMATION

The Group continuously strengthen its regulatory reporting framework. The Group has in place, a Regulatory Reporting Policy that provides key principles and governance to cultivate an effective and efficient regulatory reporting process across all reporting entities. In the previous financial year, the Group had implemented a Regulatory Reporting Enhancement Programme ("REP") aimed at amongst others, to improve the functional and data coverage of the regulatory reporting submissions as well as to upgrade infrastructure for and capability of reporting systems. REP had resulted in refinement to the approach in which the Group makes disclosures pertaining to loans, advances and financing. The comparatives on breakdown of loans, advances and financing in Notes A13(a), (c), (d), (e) and (h) are now presented on the same basis as current year's presentation. The restatement did not have any effect on reported cashflows from operations, financial position and performance of the Group.

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	
	31.03.2021 RM'000	31.03.2020 RM'000	Amount RM'000	%	31.03.2021 RM'000	31.03.2020 RM'000	Amount RM'000	%
Operating revenue	1,969,891	2,214,819	(244,928)	(11.1)	8,412,644	9,324,567	(911,923)	(9.8)
Operating profit before impairment losses and settlement	604,682	487,966	116,716	23.9	2,420,220	2,118,965	301,255	14.2
Impairment of goodwill	(1,789,153)	-	(1,789,153)	>(100.0)	(1,789,153)	-	(1,789,153)	>(100.0)
Impairment of investment in associate	(147,819)	-	(147,819)	>(100.0)	(147,819)	-	(147,819)	>(100.0)
Settlement	(2,830,000)	-	(2,830,000)	>(100.0)	(2,830,000)	-	(2,830,000)	>(100.0)
(Loss)/Profit before taxation and zakat	(4,654,517)	285,402	(4,939,919)	>(100.0)	(3,483,499)	1,782,856	(5,266,355)	>(100.0)
(Loss)/Profit for the financial year	(4,669,551)	266,394	(4,935,945)	>(100.0)	(3,712,094)	1,452,833	(5,164,927)	>(100.0)
(Loss)/Profit attributable to equity holders of the Company	(4,692,781)	247,540	(4,940,321)	>(100.0)	(3,826,466)	1,340,715	(5,167,181)	>(100.0)

Financial year to date - Cumulative period ended 31 March 2021 compared to 31 March 2020

For the financial year under review, the Group generated operating revenue of RM8,412.6 million, a decrease of RM911.9 million (9.8%) compared to last year. Fund based income from interest bearing assets decreased mainly from interest on fixed income securities and on loans, financing and advances. Non-interest income increased compared to last year.

Interest income from securities decreased mainly from trading portfolio. Interest income from customer lending decreased attributable to lower hire purchase financing, housing loans attributable to the decrease in Overnight Policy Rate ("OPR") and net loss from measures implemented in response to COVID-19 pandemic.

Funding costs decreased attributable to lower interest expense on deposits from customers and financial institutions, securities sold under repurchase agreements, term funding and debt capital.

Fee based income recorded an increase of RM7.9 million mainly due to higher unit trust related activities offset by lower merchant discount fees and loan processing fees. Market based income increased from gains on sale of securities and higher revaluation gain on trading securities offset by higher losses on derivatives and trading in foreign exchange.

Net income from insurance business increased mainly due to lower insurance claims and lower commission offset by lower net earned premium.

The Group's associates and joint ventures recorded higher profits as reflected in the share of profits of RM43.8 million compared to share of loss of RM3.1 million in prior year. The Group's share of profits was mainly due to the insurance-based joint ventures which recorded lower reserving, higher net earned premium offset by lower investment income.

Total operating expenses increased by 1.1% compared to last year. Despite the higher operating expenses, the Group's cost to income ratio had improved to 46.8% from 49.9% a year ago.

Credit costs recorded a higher charge for this financial year, attributable to higher impairment allowances for loans, advances and financing mainly due to overlay adjustments for potential impact of delinquency flow down of customers once the payment holiday and repayment assistance period ends and lower writeback for provision for commitments and contingencies.

Loss before taxation and zakat for the current financial year was a decrease in profit before taxation and zakat of RM5,266.4 million compared to a year ago due to settlement, impairment of goodwill and impairment of investment in associate totalling to RM4,767 million.

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 RM7.5 billion from 31 March 2020 to RM114.8 billion. The Group's impaired loans ratio was at 1.5%.

Deposits from customers was higher compared to 31 March 2020 at RM120.5 billion. Low cost deposits which constituted 29.7% of total deposits from customers increased compared to 25.5% as at 31 March 2020.

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 14.48% at the end of the reporting period.

Divisional performance

Retail Banking (Year to date ("YTD") FY2021: RM199.0 million vs YTD FY2020: Profit of RM414.1 million)

Profit before tax ("PBT") decreased by RM215.1 million mainly due to higher net impairment, partially offset by higher net income.

Net income increased by RM131.5 million mainly from higher net finance income due to higher volume and margin impact, coupled with higher fee income from Wealth, offset by Cards.

Higher net impairment mainly from provision on loans, advances and financing due to deterioration of assets quality post moratorium period.

Retail deposits increased by 4.0% to RM47.5 billion mainly from current and saving accounts. Gross loans, advances and financing grew RM5.9 billion (10.0%) to close at RM64.8 billion mainly attributed by Mortgages, Personal Financing and Retail SME.

Business Banking (FY2021: RM188.5 million vs FY2020: RM163.8 million)

PBT increased by RM24.7 million due to higher net income and lower other operating expenses, partly offset by higher net impairment.

Higher net income from higher business volume, offset by lower margin. Lower other operating expenses mainly due to lower personnel costs. Higher net impairment arising from higher provision for commitments and contingencies, offset by lower provision on loans, advances and financing.

Business Banking deposits increased by RM1.0 billion to RM8.2 billion from both current accounts and fixed deposits, while gross loans, advances and financing grew by RM1.3 billion (11.9%) to close at RM12.6 billion.

Corporate Banking (FY2021: RM276.3 million vs FY2020: RM649.5 million)

PBT decreased by RM373.2 million from lower net income and higher net impairment, partly offset by lower other operating expenses.

Net income decreased by 6.4% due to lower loan related fees and lower net finance income from lower margin, partially offset by higher volume impact. Higher net impairment mainly from impairment on loans, advances and financing.

Corporate Banking deposits increased by RM3.4 billion (25.5%) to close at RM16.7 billion, while gross loans, advances and financing grew by RM17.2 million to close at RM35.6 billion.

Group Treasury and Markets (FY2021: RM694.4 million vs FY2020: RM344.8 million)

PBT grew RM349.6 million mainly from higher net income and lower net impairment.

Net income increased by RM321.9 million driven by higher net finance income due to higher margin and volume, along with higher other income mainly from gain on money market securities.

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

Divisional performance (Cont'd.)

Investment Banking (FY2021: RM100.0 million vs FY2020: RM79.1 million)

PBT increased by RM20.9 million from higher net income mainly due to higher brokerage income and lower other operating expenses, coupled with higher writeback of net impairment.

Fund Management (FY2021: RM72.1 million vs FY2020: RM45.5 million)

PBT increased by RM26.6 million mainly from higher management fee and lower other operating expenses.

Insurance (FY2021: RM305.5 million vs FY2020: RM250.0 million)

Insurance PBT increased by 22.2% from higher other income and gain from share of results of associate and joint venture, partially offset by higher other operating expenses.

Group Funding & Others (FY2021: Loss of RM5,319.4 million vs FY2020: Loss of RM164.1 million)

Higher loss before tax mainly due to settlement of RM2.83 billion and impairment of goodwill and investment in associate of RM1.9 billion, coupled with higher net impairment in view of macroeconomics variables.

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	
	31.03.2021	31.12.2020	Amount	%
	RM'000	RM'000	RM'000	%
Operating revenue	1,969,891	2,090,143	(120,252)	(5.8)
Operating profit before impairment losses and settlement	604,682	630,729	(26,047)	(4.1)
(Loss)/Profit before taxation and zakat	(4,654,517)	368,614	(5,023,131)	(1,362.7)
(Loss)/Profit for the financial quarter	(4,669,551)	283,004	(4,952,555)	(1,750.0)
(Loss)/Profit attributable to equity holders of the Company	(4,692,781)	263,832	(4,956,613)	(1,878.7)

Current quarter compared to immediate preceding quarter

For the financial quarter under review, the Group generated operating revenue of RM1,969.9 million, a decrease of 5.8% compared to last quarter. Fund based income from interest bearing assets decreased mainly from interest income on securities. Non-interest income decreased mainly from trading and investment income.

Funding costs decreased attributable to lower interest on deposits from customers.

Overall other operating income decreased for this quarter compared to preceding quarter due to lower gains from revaluation and disposal of securities and lower gains in derivatives partially offset by higher trading in foreign exchange.

Total operating expenses decreased by 3.8% compared to preceding quarter mainly due to decrease in personnel expenses.

Credit costs increased due to higher impairment allowances for loans, advances and financing and higher provision for commitments and contingencies offset by higher recoveries from loans, advances and financing.

For the current quarter, settlement, impairment of goodwill and impairment of investment in associate totalled to RM4,767 million were recorded, an increase of >100%.

Against the preceding quarter, loss before taxation and zakat for the current quarter is higher at RM4,654.5 million, an increase of RM5,023.1 million (>100%). Loss for the quarter increased by RM4,952.6 million to RM4,669.6 million compared to preceding quarter.

B3. PROSPECTS FOR THE NEXT FINANCIAL YEAR END

Impacted by the rise in COVID-19 cases and restrictive measures imposed to contain the spread of the virus, the economy continued to contract for the fourth consecutive quarter. Nonetheless, the 1Q21 Gross Domestic Products ("GDP") fell at a slower pace by 0.5% year-on-year ("y/y") from -3.4%/y/y in 4Q20 GDP. Slower contraction was supported by the improvement in domestic demand and export performance, particularly for electrical and electronic (E&E) products, as the country contended with the impact of the COVID-19-driven Movement Control Order and the continued closure of international borders to curb the spread of the pandemic.

The economy is still set to recover in 2021 and is expected to be uneven across sectors. It will rest on an improvement in both domestic and external demand. Stronger global trade and investment, stimulus measures, greater activities from both the public and private expenditure, vaccine deployment, better management of COVID-19 pandemic, firm commodity prices, improved business and consumer sentiments, pick-up in investment, capital expenditure and a low base will provide the growth impetus. Recovery in 2021 remains subject to considerable downside risks and macroeconomic policies should remain supportive until the recovery is fully entrenched. For the full year growth, it is projected at 5.5%.

The economy experienced its first negative inflation since 1969 in the year 2020. Headline inflation fell by 1.1%/y/y largely inflicted by the pandemic. However, the headline inflation returned to positive in February 2021 at 0.1%/y/y after 12 months of being in the negative territory and surged to 1.7%/y/y in March.

Headline inflation is anticipated to temporarily spike in 2Q21 due to the lower base before moderating thereafter. Upside risk to inflation is expected to be tempered when the extension of sales tax exemption for passenger vehicles, electricity bill discounts ends in June and reintroduction of price ceiling on petrol RON95 and diesel. Pressure is also envisaged from the rising cost of pressures due to supply chain hiccups with continuous demand. For the full year of 2021, headline inflation is expected to average 3.0%–3.5%.

Underpinned by weak economic activities, the overall banking system loans grew at a slower pace by 3.4% in 2020 from 3.9% in 2019. The drag came from business loans largely impacted by the COVID-19 pandemic that disrupted the business supply chain and orders following the shutdown or operating well below capacity. Demand collapsed. Unemployment spiked.

Loans outlook for 2021 is expected to pick up supported by stronger economic recovery, improving business activities and consumer spending. With GDP projected to grow by 5.5%, loans growth for 2021 is envisaged to hover around 4.0%–5.0%.

The year 2020 turned out to be rare; inflicted by the COVID-19 pandemic that pushed both the global and domestic economy into recession, crippling simultaneously manufacturing and services. It raised unemployment and dragged demand. Still, liquidity in the banking system remained healthy. Liquidity coverage ratio stood at 148% at end-2020, well above the regulatory requirement of 100%. Funding profiles were well diversified. Industry's loan-to-fund ratio and loan-to-fund-and-equity ratio were at 82.5% and 72.0% respectively at end-December 2020.

Underpinned by strong liquidity, the overall banking system is poised to remain healthy in 2021. Liquidity coverage ratio remained above the 100% regulatory requirement in March and was at 145% (February was at 147%). Funding profiles remained well diversified with March's loan-to-fund ratio and loan-to-fund-and-equity ratio was at 81.9% and 71.2% (February was at 82.5% and 71.6% respectively).

In a move to support the economy, aside from fiscal stimulus measures, the monetary and non-monetary measures were also rolled out. BNM reduced the Overnight Policy Rate ("OPR") by a cumulative 125bps to settle at 1.75 from a total of three rate cuts over six Monetary Policy Committee meetings held in 2020. The statutory reserve requirement was reduced by 100bps to 2.00%.

Moving into 2021, despite strong recovery and higher inflation expectations, the monetary policy will remain accommodative. The OPR of 1.75% is expected to remain unchanged in 2021. Any changes to the OPR will be based on data, new information and implications on the economy and inflation. Besides, BNM has extended the 2.00% Statutory Reserve Requirement ("SRR") flexibility until end-December 2022 (from 31 May 2021 initially). The extension will allow BNM to ensure sufficient liquidity to support financial intermediation activity as banks can substitute Malaysia Government Securities and Malaysian Government Investment Issues papers to meet the SRR compliance.

B3. PROSPECTS FOR THE NEXT FINANCIAL YEAR END (CONT'D.)

FY2021 has been an unprecedented year for the Group as we navigated both the challenging business landscape resulting from the COVID-19 pandemic and the RM2.83 billion settlement with the Ministry of Finance ("MOF") Malaysia. Nonetheless, the Group entered the crisis on a strong footing and remained resilient with ample liquidity and capital levels above internal thresholds. Given the current economic climate, our top priority will be the restoration of our capital positions back to pre-settlement levels to build up buffers, improve financial flexibility and return value to shareholder. Besides organic capital accretion via profit formation, measures taken to accelerate capital build in the near future are private placement, foundation internal ratings-based ("FIRB") approach implementation and potential non-core asset divestitures.

Operationally, we remained steadfast in the execution of our FY21 - FY24 Focus 8 strategy, which is underpinned by strategic initiatives to drive operational efficiencies and sustainable business growth while weaving environmental, social and governance ("ESG") considerations and digitalisation into our daily operations and business practices. The Group will drive current and savings account ("CASA") and capital-light revenues across its channels, with particular focus on its targeted segments. At the same time, the Group aims to consistently reduce operating costs while continuing to invest in digital, data analytics and automation.

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	
	31.03.2021 RM'000	31.03.2020 RM'000	31.03.2021 RM'000	31.03.2020 RM'000
Estimated current tax payable	77,297	62,507	362,462	353,365
Deferred tax	(55,799)	(26,381)	(134,769)	(5,870)
	<u>21,498</u>	<u>36,126</u>	<u>227,693</u>	<u>347,495</u>
Over provision of current taxation in respect of prior years	(6,192)	(17,927)	(116)	(20,499)
Taxation	<u>15,306</u>	<u>18,199</u>	<u>227,577</u>	<u>326,996</u>
Zakat	<u>(272)</u>	<u>809</u>	<u>1,018</u>	<u>3,027</u>
Taxation and zakat	<u>15,034</u>	<u>19,008</u>	<u>228,595</u>	<u>330,023</u>

The total tax charge of the Group for the financial year ended 31 March 2021 reflects an effective tax rate which is higher than the statutory tax rate mainly due to expenses not deductible.

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

B6. 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
	31.03.2021					
Unsecured						
Term funding	100,000	1,037,367 #	-	712,503	100,000	1,749,870
Debt capital	-	3,795,000	-	500,000	-	4,295,000
31.03.2020						
Unsecured						
Term funding	100,000	1,614,280 #	-	887,459	100,000	2,501,739
Debt capital	-	3,745,000	-	-	-	3,745,000

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 2021, USD100 million term loan drawdown to be utilised for diversifying the sources of funding the growth of the USD balance sheet.

* remaining contractual maturity

Detailed explanations on the material changes to the borrowings (excluding structured deposits, Credit-Linked Notes and term loans) 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
June 2020 - Redemption	AmBank	Senior Notes - 2 years	700,000	4.50	31,500
December 2020 - Issuance	AmBank Islamic	Subordinated Sukuk Murabahah - 10 years	400,000	3.13	12,520
December 2020 - Redemption	AmBank Islamic	Subordinated Sukuk Murabahah - 10 years	250,000	5.35	13,375
March 2021 - Issuance	AmBank	Subordinated Note Tier 2 - 10 years	400,000	4.18	-

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.

B7. 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 A31.

B8. DIVIDENDS

There is no dividend proposed for the current financial quarter and year.

B9. DERIVATIVE FINANCIAL INSTRUMENTS

Please refer to Note A32.

B10. (LOSS)/EARNINGS PER SHARE (SEN)

(a) Basic/Diluted (loss)/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 excluding the weighted average of shares bought back held as treasury shares.

	Individual Quarter		Cumulative Quarter	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Net (loss)/profit attributable to equity holders of the Company (RM'000)	<u>(4,692,781)</u>	<u>247,540</u>	<u>(3,826,466)</u>	<u>1,340,715</u>
Weighted average number of ordinary shares in issue ('000)	<u>3,008,244</u>	<u>3,007,122</u>	<u>3,007,723</u>	<u>3,003,677</u>
Basic/diluted (loss)/earnings per share (Sen)	<u>(156.00)</u>	<u>8.23</u>	<u>(127.22)</u>	<u>44.64</u>