

Registration No. 199401009897 (295576-U)

AmBank Islamic Berhad
(Incorporated in Malaysia)

Condensed Interim Financial Statements
For the Financial Period
1 April 2023 to
30 September 2023
(In Ringgit Malaysia)

Registration No. 199401009897 (295576–U)
AmBank Islamic Berhad
(Incorporated in Malaysia)
UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2023

		30 September 2023	31 March 2023
	Note	RM'000	RM'000
ASSETS			
Cash and short-term funds	A8	961,482	2,113,367
Derivative financial assets		62,955	36,363
Financial assets at fair value through profit or loss	A9	1,598,898	2,576,789
Financial investments at fair value through other comprehensive income	A10	7,709,299	6,522,124
Financial investments at amortised cost	A11	3,946,531	4,179,986
Financing and advances	A12	44,093,543	44,961,875
Statutory deposit with Bank Negara Malaysia		900,000	880,000
Deferred tax asset		55,975	62,072
Other assets	A13	930,336	497,799
Property and equipment		340	324
Right-of-use assets		2,133	2,284
Intangible assets		285	298
TOTAL ASSETS		60,261,777	61,833,281
LIABILITIES AND EQUITY			
Deposits from customers	A14	45,527,558	45,252,510
Investment accounts of customers	A15	14,661	16,474
Deposits and placements of banks and other financial institutions	A16	2,244,754	4,763,220
Investment account due to a licensed bank	A17	1,385,687	1,538,521
Recourse obligation on financing sold to Cagamas Berhad		3,315,010	3,315,004
Derivative financial liabilities		62,696	36,814
Term funding		834,942	834,907
Subordinated Sukuk		1,800,000	1,300,000
Other liabilities	A18	449,591	371,117
Provision for zakat		5,845	4,172
TOTAL LIABILITIES		55,640,744	57,432,739
Share capital		1,387,107	1,387,107
Reserves		3,233,926	3,013,435
Equity attributable to equity holder of the Bank		4,621,033	4,400,542
TOTAL LIABILITIES AND EQUITY		60,261,777	61,833,281
COMMITMENTS AND CONTINGENCIES	A35	16,750,355	14,038,732
NET ASSETS PER SHARE (RM)		9.35	8.90

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank for the year ended 31 March 2023.

Registration No. 199401009897 (295576–U)

AmBank Islamic Berhad
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**UNAUDITED STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2023**

	Note	Individual Quarter		Cumulative Quarter	
		30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
Income derived from investment of depositors' funds	A19	660,381	537,518	1,321,375	969,335
Income derived from investment of investment account funds	A20	16,476	14,361	31,947	29,317
Income derived from investment of shareholder's funds	A21	60,848	49,813	119,999	92,884
Allowance for impairment on financing and advances - net	A22	(21,722)	(11,686)	(54,032)	(69,462)
(Allowance)/Writeback of allowance for impairment on financial investments	A23	(903)	526	(8,151)	(2,220)
Writeback of allowance/(Allowance) for impairment on other financial assets	A24	12	(11)	(7)	136
Writeback of provision/(Provision) for commitments and contingencies	A25	5,436	(463)	6,877	(1,760)
Total distributable income		720,528	590,058	1,418,008	1,018,230
Income attributable to the depositors and others	A26	(411,426)	(247,165)	(816,417)	(434,121)
Income attributable to the investment account holders	A27	(14,735)	(12,755)	(28,562)	(25,363)
Total net income		294,367	330,138	573,029	558,746
Other operating expenses	A28	(120,852)	(82,563)	(238,629)	(159,836)
Finance cost		(27,672)	(22,228)	(49,646)	(44,216)
Profit before zakat and taxation		145,843	225,347	284,754	354,694
Zakat		(1,036)	(884)	(1,674)	(1,354)
Taxation		(32,673)	(51,690)	(63,653)	(80,275)
Profit for the financial period		112,134	172,773	219,427	273,065
Basic/Diluted earnings per share (sen)	A29	22.68	34.95	44.39	55.24

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank for the year ended 31 March 2023.

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**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2023**

	Individual Quarter		Cumulative Quarter	
	30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
Profit for the financial period	112,134	172,773	219,427	273,065
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 on changes in fair value	(6,664)	(12,017)	(2,097)	(60,214)
Changes in expected credit loss	879	(1,853)	3,830	3,166
Net (gain)/loss reclassified to statement of profit or loss	(189)	75	(1,542)	75
Income tax effect	1,644	2,866	873	14,433
Other comprehensive (loss)/income for the period, net of tax	(4,330)	(10,929)	1,064	(42,540)
Total comprehensive income for the financial period	107,804	161,844	220,491	230,525

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank for the year ended 31 March 2023.

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UNAUDITED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2023

	Attributable to Equity Holder of the Bank				Total equity RM'000
	Non-distributable		Distributable		
	Share capital RM'000	Regulatory reserve RM'000	Fair value reserve RM'000	Retained earnings RM'000	
At 1 April 2022	1,387,107	-	(3,893)	2,490,692	3,873,906
Profit for the financial period	-	-	-	273,065	273,065
Other comprehensive loss, net of tax	-	-	(42,540)	-	(42,540)
Total comprehensive(loss)/income for the financial period	-	-	(42,540)	273,065	230,525
At 30 September 2022	1,387,107	-	(46,433)	2,763,757	4,104,431
At 1 April 2023	1,387,107	-	(9,188)	3,022,623	4,400,542
Profit for the financial period	-	-	-	219,427	219,427
Other comprehensive income, net of tax	-	-	1,064	-	1,064
Total comprehensive income for the financial period	-	-	1,064	219,427	220,491
Transfer to regulatory reserve	-	28,500	-	(28,500)	-
Other equity movements	-	28,500	-	(28,500)	-
At 30 September 2023	1,387,107	28,500	(8,124)	3,213,550	4,621,033

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank for the year ended 31 March 2023.

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**UNAUDITED CONDENSED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2023**

	30 September 2023 RM'000	30 September 2022 RM'000
Profit before zakat and taxation	284,754	354,694
Adjustments for non-operating and non-cash items	50,997	101,849
Operating profit before working capital changes	<u>335,751</u>	<u>456,543</u>
Changes in working capital:		
Net change in operating assets	1,314,122	(4,700,964)
Net change in operating liabilities	(2,317,686)	5,015,468
Taxation paid	(45,610)	(33,937)
Net cash (used in)/generated from operating activities	<u>(713,423)</u>	<u>737,110</u>
Net cash used in investing activities	(938,284)	(2,883,327)
Net cash generated from/(used in) financing activities	499,829	(159)
Net decrease in cash and cash equivalents	<u>(1,151,878)</u>	<u>(2,146,376)</u>
Cash and cash equivalents at beginning of the financial period	<u>2,113,375</u>	<u>3,599,246</u>
Cash and cash equivalents at end of the financial period	<u>961,497</u>	<u>1,452,870</u>
Cash and cash equivalents comprise:		
Cash and short-term funds	961,482	1,452,855
Allowances for expected credit loss for cash and cash equivalents at end of the financial period	15	15
	<u>961,497</u>	<u>1,452,870</u>

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank for the year ended 31 March 2023.

Explanatory Notes

A1. BASIS OF PREPARATION

These condensed interim financial statements have been prepared in accordance with MFRS 134 *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board ("MASB") and complies with the International Accounting Standard ("IAS") 34 *Interim Financial Reporting* issued by the International Accounting Standards Board.

These condensed interim financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the annual financial statements of the Bank for the financial year ended 31 March 2023.

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:

- Classification of Liabilities as Current or Non-Current (Amendments to MFRS 101 *Presentation of Financial Statements*)
- Disclosure of Accounting Policies (Amendments to MFRS 101 *Presentation of Financial Statements*)
- Definition of Accounting Estimates (Amendments to MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors*)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to MFRS 112 *Income Taxes*)
- International Tax Reform - Pillar Two Model Rules (Amendments to MFRS 112 *Income Taxes*)

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

The nature of the amendments to published standards relevant to the Bank are described below:

(a) Classification of Liabilities as Current or Non-Current (Amendments to MFRS 101 *Presentation of Financial Statements*)

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 adoption of these amendments did not result in any impact to the financial statements of the Bank.

(b) Disclosure of Accounting Policies (Amendments to MFRS 101 *Presentation of Financial Statements*)

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.

A1. BASIS OF PREPARATION (CONT'D.)

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

(b) Disclosure of Accounting Policies (Amendments to MFRS 101 *Presentation of Financial Statements*) (Cont'd.)

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 adoption of these amendments did not result in any material impact to the financial statements of the Bank.

(c) Definition of Accounting Estimates (Amendments to MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors*)

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 clarified 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 adoption of these amendments did not result in any material impact to the financial statements of the Bank.

(d) Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to MFRS 112 *Income Taxes*)

The amendments clarified that the initial exemption rule from recognising deferred taxes does not apply to transactions where both an asset and a liability are recognised at the same time resulting in equal amounts of taxable and deductible temporary differences. This essentially means that lessees would not be able to apply the initial exemption rule in MFRS 112 for the assets and liabilities arising from leases. The adoption of these amendments did not result in any material impact to the financial statements of the Bank.

(e) International Tax Reform - Pillar Two Model Rules (Amendments to MFRS 112 *Income Taxes*)

The amendments introduced a mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules. The adoption of these amendments did not result in any impact to the financial statements of the Bank.

A1. BASIS OF PREPARATION (CONT'D.)

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

Standards issued but not yet effective

Description	Effective for annual periods beginning on or after
- Lease Liability in a Sale and Leaseback (Amendments to MFRS 16 <i>Leases</i>)	1 January 2024
- Non-current Liabilities with Covenants (Amendments to MFRS 101 <i>Presentation of Financial Statements</i>)	1 January 2024
- Supplier Finance Arrangements (Amendments to MFRS 107 <i>Statement of Cash Flows</i> and MFRS 7 <i>Financial Instruments: Disclosures</i>)	1 January 2024
- Lack of Exchangeability (Amendments to MFRS 121 <i>The Effects of Changes in Foreign Exchange Rates</i>)	1 January 2025
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 <i>Consolidated Financial Statements</i> and MFRS 128 <i>Investments in Associates and Joint Ventures</i>)	To be determined by MASB

The nature of the amendments to published standards that are issued and relevant to the Bank but not yet effective are described below. The Bank is currently assessing the financial effects of their adoption.

(a) Amendments to published standards effective for financial year ending 31 March 2025

Lease Liability in a Sale and Leaseback (Amendments to MFRS 16 *Leases*)

The amendments clarified that, in subsequently measuring the lease liability, seller-lessee determines lease payments and revised leased payments in a way that does not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee.

Non-current Liabilities with Covenants (Amendments to MFRS 101 *Presentation of Financial Statements*)

The amendments clarified that covenants of loan arrangements which an entity must comply with only after the reporting date would not affect classification of a liability as current or non-current at the reporting date. However, those covenants that an entity is required to comply with on or before reporting date would affect classification as current or non-current, even if the covenant is only assessed after the entity's reporting date.

Supplier Finance Arrangements (Amendments to MFRS 107 *Statement of Cash Flows* and MFRS 7 *Financial Instruments: Disclosures*)

The amendments introduced new disclosure requirements for supplier finance arrangements which include terms and conditions of supplier financing arrangements, the amounts of the liabilities that are the subject of such agreements, the range of payment due dates and information on liquidity risk.

A1. BASIS OF PREPARATION (CONT'D.)

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

Standards issued but not yet effective (Cont'd.)

(b) Amendments to published standards effective for financial year ending 31 March 2026

Lack of Exchangeability (Amendments to MFRS 121 *The Effects of Changes in Foreign Exchange Rates*)

The amendments clarified when a currency is exchangeable into another currency and how an entity estimates a spot rate when a currency lacks exchangeability. New disclosure requirements include the nature and financial impacts of the currency not being exchangeable, spot exchange rate used, estimation process and risks to the entity when the currency is not exchangeable.

A1.2 Significant Accounting judgements, Estimates and Assumptions

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

In the process of applying the Bank's accounting policies, the significant judgements, estimates and assumptions made by management were the same as those applied to the annual financial statements for the financial year ended 31 March 2023.

A2. AUDIT QUALIFICATION

The auditors' report on the audited annual financial statements for the financial year ended 31 March 2023 was not qualified.

A3. SEASONALITY OR CYCLICALITY OF OPERATIONS

The operations of the Bank were not materially affected by any seasonal or cyclical fluctuation in the current financial quarter and period.

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

There were no unusual items during the current financial quarter and period affecting the financial results of the Bank.

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A5. CHANGES IN ESTIMATES

There was no material change in estimates of amounts reported in prior financial years that have a material effect on the financial quarter and period.

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

On 27 June 2023, the Bank issued Tranche 11 with nominal value of RM500.0 million under its RM3.0 billion Subordinated Sukuk Murabahah ("Sukuk Murabahah") programme. The profit rate of this tranche is at 4.53% per annum and have a tenure of 10 years (non-callable 5 years).

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

A7. DIVIDENDS

The Directors proposed the payment of an interim single-tier dividend of 13.3 sen per ordinary share on 494,368,541 ordinary shares amounting to approximately RM65.8 million in respect of the six months period ended 30 September 2023.

No dividends were paid in the current financial period.

A8. CASH AND SHORT-TERM FUNDS

	Note	30 September 2023 RM'000	31 March 2023 RM'000
Cash and bank balances		91,497	83,375
Less: Allowances for Expected Credit Loss ("ECL")	(a)	<u>(15)</u>	<u>(8)</u>
		<u>91,482</u>	<u>83,367</u>
Deposits and placements maturing within one month with original maturity of three months or less:			
Bank Negara Malaysia		<u>870,000</u>	<u>2,030,000</u>
		<u>870,000</u>	<u>2,030,000</u>
		<u>961,482</u>	<u>2,113,367</u>

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

	Stage 1 12-Month ECL RM'000
30 September 2023	
Balance at beginning of the financial period	8
Net allowance of ECL:	7
Net remeasurement of allowances	<u>7</u>
Balance at end of the financial period	<u>15</u>
31 March 2023	
Balance at beginning of the financial year	151
Net writeback of ECL:	(143)
Financial assets derecognised	<u>(143)</u>
Balance at end of the financial year	<u>8</u>

A9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 September 2023 RM'000	31 March 2023 RM'000
At fair value:		
Money Market Instruments:		
Bank Negara Monetary Notes	437,217	724,354
Malaysian Islamic Treasury bills	771,504	1,354,281
Malaysian Government Investment Issues	250,928	-
	<u>1,459,649</u>	<u>2,078,635</u>
Unquoted Securities:		
In Malaysia:		
Sukuk	139,249	498,154
	<u>1,598,898</u>	<u>2,576,789</u>

A10. FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 September 2023 RM'000	31 March 2023 RM'000
At fair value:		
Money Market Instruments:		
Bank Negara Monetary Notes	-	247,160
Malaysian Government Investment Issues	2,299,002	1,653,434
Malaysian Islamic Treasury Bills	109,788	1,059,413
Islamic Negotiable Instruments of Deposit	1,156,233	-
	<u>3,565,023</u>	<u>2,960,007</u>
Unquoted Securities:		
In Malaysia:		
Sukuk	4,144,276	3,562,117
	<u>7,709,299</u>	<u>6,522,124</u>

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

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

	30 September 2023 RM'000	31 March 2023 RM'000
Relating to hedged item	(1,409)	(7,973)
Relating to hedging instrument	1,239	8,017
	<u>(170)</u>	<u>44</u>

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

Movements in allowances for ECL are as follows:

	Stage 1 12-Month ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Total RM'000
30 September 2023			
Balance at beginning of the financial period	2,404	1,045	3,449
Net allowances for ECL:	3,451	379	3,830
New financial assets originated	2,465	-	2,465
Financial assets derecognised	(379)	-	(379)
Net remeasurement of allowances	1,365	379	1,744
Balance at end of the financial period	<u>5,855</u>	<u>1,424</u>	<u>7,279</u>
31 March 2023			
Balance at beginning of the financial year	2,497	6,239	8,736
Net writeback of ECL:	(93)	(5,194)	(5,287)
- Transfer to Stage 1	443	(6,239)	(5,796)
- Transfer to Stage 2	(489)	1,045	556
New financial assets originated	1,019	-	1,019
Financial assets derecognised	(743)	-	(743)
Net remeasurement of allowances	(323)	-	(323)
Balance at end of the financial year	<u>2,404</u>	<u>1,045</u>	<u>3,449</u>

A11. FINANCIAL INVESTMENTS AT AMORTISED COST

	Note	30 September 2023 RM'000	31 March 2023 RM'000
At amortised cost:			
Money Market Instruments:			
Malaysian Government Investment Issues		1,056,965	1,648,681
Unquoted Securities:			
In Malaysia:			
Sukuk		3,353,619	2,991,037
Less: Allowances for ECL	(a)	(464,053)	(459,732)
		<u>3,946,531</u>	<u>4,179,986</u>

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

	Stage 1 12-Month ECL RM'000	Stage 3 Lifetime ECL Credit Impaired RM'000	Total RM'000
30 September 2023			
Balance at beginning of the financial period	2,169	457,563	459,732
Net allowance of ECL:	440	3,881	4,321
New financial assets originated	2,000	-	2,000
Financial asset derecognised	(1,446)	-	(1,446)
Net remeasurement of allowances	(114)	3,881	3,767
Balance at end of the financial period	<u>2,609</u>	<u>461,444</u>	<u>464,053</u>
31 March 2023			
Balance at beginning of the financial year	1,182	444,455	445,637
Net allowances for ECL:	987	13,108	14,095
New financial assets originated	981	-	981
Financial asset derecognised	(11)	-	(11)
Net remeasurement of allowances	17	13,108	13,125
Balance at end of the financial year	<u>2,169</u>	<u>457,563</u>	<u>459,732</u>

A12. FINANCING AND ADVANCES

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

30 September 2023

	Bai' Bithaman Ajil RM'000	Murabahah RM'000	Musharakah Mutanaqisah RM'000	Al-Ijarah Thummah Al -Bai' ("AITAB") RM'000	Bai' Inah RM'000	Others RM'000	Total RM'000
At amortised cost:							
Cash lines	-	579,136	-	-	449,442	-	1,028,578
Term financing	309,578	15,092,422	7,153	-	532,594	-	15,941,747
Revolving credit	2,004	4,290,681	-	-	697,204	-	4,989,889
Housing financing	2,336,153	11,085,399	37,962	-	-	-	13,459,514
Hire purchase receivables	3	-	-	5,391,685	-	-	5,391,688
Bills receivables	-	679,790	-	-	-	86,083	765,873
Credit card receivables	-	-	-	-	-	524,265	524,265
Trust receipts	-	393,755	-	-	-	-	393,755
Staff financing	-	22,040	-	-	-	-	22,040
Claims on customers under acceptance credits	-	1,896,076	-	-	-	301,860	2,197,936
Others	-	-	-	-	-	11,412	11,412
Gross financing and advances*	<u>2,647,738</u>	<u>34,039,299</u>	<u>45,115</u>	<u>5,391,685</u>	<u>1,679,240</u>	<u>923,620</u>	<u>44,726,697</u>
Less: Allowance for ECL (Note A12(j))							
- Stage 1 - 12 months ECL							(81,403)
- Stage 2 - Lifetime ECL not credit impaired							(391,314)
- Stage 3 - Lifetime ECL credit impaired							<u>(160,437)</u>
Net financing and advances							<u>44,093,543</u>

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A12. FINANCING AND ADVANCES (CONT'D.)

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

31 March 2023

	Bai' Bithaman		Musharakah	Al-Ijarah	Bai' Inah	Others	Total
	Ajil	Murabahah	Mutanaqisah	Thummah Al			
	RM'000	RM'000	RM'000	-Bai' ("AITAB")	RM'000	RM'000	RM'000
				RM'000			
At amortised cost:							
Cash lines	-	594,352	-	-	534,646	-	1,128,998
Term financing	347,700	15,538,398	7,327	-	650,409	-	16,543,834
Revolving credit	22,037	4,943,902	-	-	1,049,641	-	6,015,580
Housing financing	2,418,525	10,293,397	38,815	-	-	-	12,750,737
Hire purchase receivables	3	-	-	4,947,850	-	-	4,947,853
Bills receivables	-	620,200	-	-	-	103,537	723,737
Credit card receivables	-	-	-	-	-	498,872	498,872
Trust receipts	-	480,747	-	-	-	-	480,747
Staff financing	-	20,731	-	-	-	-	20,731
Claims on customers under acceptance credits	-	2,235,072	-	-	-	281,933	2,517,005
Others	-	-	-	-	-	12,770	12,770
Gross financing and advances*	<u>2,788,265</u>	<u>34,726,799</u>	<u>46,142</u>	<u>4,947,850</u>	<u>2,234,696</u>	<u>897,112</u>	<u>45,640,864</u>
Less: Allowance for ECL (Note A12(j))							
- Stage 1 - 12 months ECL							(74,502)
- Stage 2 - Lifetime ECL not credit impaired							(441,391)
- Stage 3 - Lifetime ECL credit impaired							(163,096)
Net financing and advances							<u>44,961,875</u>

* Included in financing and advances are exposures to the Restricted Investment Account ("RA") arrangement between the Bank and AmBank (M) Berhad ("AmBank") amounting to RM1,389.6 million (31 March 2023: RM1,542.3 million). Under the RA contract, the profit is shared based on a pre-agreed ratio. AmBank is exposed to the risks and rewards on the RA financing and it shall account for all allowance for impairment arising from the RA financing. Further details of the RA are disclosed in Note A17.

A12. FINANCING AND ADVANCES (CONT'D.)

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

	30 September 2023 RM'000	31 March 2023 RM'000
Domestic non-bank financial institutions	1,930,573	2,263,471
Domestic business enterprises		
- Small medium enterprises ("SME")	6,699,535	6,830,614
- Others	8,118,219	8,942,573
Government and statutory bodies	2,389,439	2,595,851
Individuals	25,079,912	24,506,155
Other domestic entities	94	118
Foreign individuals and entities	508,925	502,082
	44,726,697	45,640,864

A12c. All financing and advances reside in Malaysia.

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

	30 September 2023 RM'000	31 March 2023 RM'000
Fixed rate		
- Housing financing	168,089	164,784
- Hire purchase receivables	5,326,094	4,883,169
- Other financing	5,383,218	5,527,511
Variable rate		
- Base rate and base financing rate plus	23,245,183	23,402,540
- Cost plus	10,481,426	11,515,903
- Other variable rates	122,687	146,957
	44,726,697	45,640,864

A12. FINANCING AND ADVANCES (CONT'D.)

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

	30 September 2023 RM'000	31 March 2023 RM'000
Agriculture	1,645,621	1,859,755
Mining and quarrying	591,318	629,375
Manufacturing	4,285,316	4,859,748
Electricity, gas and water	618,331	538,441
Construction	856,064	969,620
Wholesale and retail trade and hotel and restaurants	3,212,108	3,272,133
Transport, storage and communication	1,751,537	1,695,582
Finance and insurance	3,450,936	3,798,148
Real estate	1,958,421	2,319,010
Business activities	903,220	699,713
Education and health	329,620	441,731
Household of which:	25,124,205	24,557,608
- Purchase of residential properties	13,530,649	12,816,791
- Purchase of transport vehicles	5,043,307	4,608,460
- Others	6,550,249	7,132,357
	<u>44,726,697</u>	<u>45,640,864</u>

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

	30 September 2023 RM'000	31 March 2023 RM'000
Maturing within one year	10,664,712	12,125,562
Over one year to three years	1,473,281	1,529,251
Over three years to five years	2,581,567	2,535,398
Over five years	30,007,137	29,450,653
	<u>44,726,697</u>	<u>45,640,864</u>

A12. FINANCING AND ADVANCES (CONT'D.)

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

	30 September 2023 RM'000	31 March 2023 RM'000
Balance at beginning of the financial period/year	521,155	628,542
Additions during the period/year	582,754	819,460
Reclassified as non-impaired	(73,766)	(37,363)
Recoveries	(281,825)	(580,374)
Amount written off	(150,986)	(309,110)
Balance at end of the financial period/year	<u>597,332</u>	<u>521,155</u>
Gross impaired financing and advances as % of gross financing and advances	<u>1.34%</u>	<u>1.14%</u>
Financing loss coverage (including regulatory reserve)	<u>115.0%</u>	<u>136.5%</u>

A12h. All impaired financing and advances reside in Malaysia.

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

	30 September 2023 RM'000	31 March 2023 RM'000
Agriculture	971	614
Mining and quarrying	33,768	38,685
Manufacturing	50,776	50,598
Electricity, gas and water	-	167
Construction	7,863	19,933
Wholesale and retail trade and hotel and restaurants	99,802	70,256
Transport, storage and communication	4,290	3,817
Real estate	23,106	498
Business activities	4,534	2,857
Education and health	353	1,645
Household of which:	371,869	332,085
- Purchase of residential properties	293,592	260,048
- Purchase of transport vehicles	30,925	29,710
- Others	47,352	42,327
	<u>597,332</u>	<u>521,155</u>

A12. FINANCING AND ADVANCES (CONT'D.)

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

	Stage 1	Stage 2	Stage 3	
	12-month	Lifetime ECL	Lifetime ECL	
	ECL	Not Credit	Credit	
	RM'000	Impaired	Impaired	Total
		RM'000	RM'000	RM'000
30 September 2023				
Balance at beginning of the financial period	74,502	441,391	163,096	678,989
Net allowances for/(writeback of) ECL:	6,862	(50,096)	148,327	105,093
- Transfer to Stage 1	2,248	(20,326)	(628)	(18,706)
- Transfer to Stage 2	(4,064)	52,665	(11,988)	36,613
- Transfer to Stage 3	(403)	(16,522)	92,364	75,439
New financial assets originated	18,952	10,735	492	30,179
Net remeasurement of allowances	3,915	(7,830)	93,887	89,972
Changes to model assumptions and methodologies	(5,339)	(47,690)	(2)	(53,031)
Modification of contractual cash flows of financial assets	410	(5,672)	(309)	(5,571)
Financial assets derecognised	(8,857)	(15,456)	(25,489)	(49,802)
Foreign exchange differences	39	19	-	58
Amount written-off	-	-	(150,986)	(150,986)
Balance at end of the financial period	<u>81,403</u>	<u>391,314</u>	<u>160,437</u>	<u>633,154</u>
31 March 2023				
Balance at beginning of the financial year	61,592	401,419	230,573	693,584
Net allowances for ECL:	12,876	39,964	241,633	294,473
- Transfer to Stage 1	3,671	(34,652)	(910)	(31,891)
- Transfer to Stage 2	(5,140)	57,705	(5,615)	46,950
- Transfer to Stage 3	(443)	(10,078)	116,879	106,358
New financial assets originated	22,474	33,838	3,907	60,219
Net remeasurement of allowances	10,566	(13,883)	143,104	139,787
Changes to model assumptions and methodologies	(8,061)	31,122	(5)	23,056
Modification of contractual cash flows of financial assets	(144)	2,279	376	2,511
Financial assets derecognised	(10,047)	(26,367)	(16,103)	(52,517)
Foreign exchange differences	34	8	-	42
Amount written-off	-	-	(309,110)	(309,110)
Balance at end of the financial year	<u>74,502</u>	<u>441,391</u>	<u>163,096</u>	<u>678,989</u>

A13. OTHER ASSETS

		30 September 2023 RM'000	31 March 2023 RM'000
Other receivables, deposits and prepayments		90,945	90,832
Amount due from a related company	(a)	615,266	206,712
Profit receivable		115,872	96,058
Tax recoverable		-	5,955
Deferred charges		108,253	98,242
		<u>930,336</u>	<u>497,799</u>

(a) Amount due from a related company, which related to banking operations, are unsecured, non-profit bearing and are repayable on demand.

A14. DEPOSITS FROM CUSTOMERS

		30 September 2023 RM'000	31 March 2023 RM'000
(i) By type of deposit:			
Savings deposit:			
Commodity Murabahah		3,649,344	4,664,808
Qard		49,512	159,012
Demand deposit:			
Commodity Murabahah		10,379,419	11,178,667
Qard		156,181	1,782,776
Term deposits:			
Commodity Murabahah		31,093,849	27,373,974
Qard		199,253	93,273
Total		<u>45,527,558</u>	<u>45,252,510</u>
(ii) The deposits are sourced from the following types of customers:			
Government and statutory bodies		4,142,542	5,719,815
Business enterprises		26,271,366	25,081,487
Individuals		13,617,223	13,361,210
Others		1,496,427	1,089,998
		<u>45,527,558</u>	<u>45,252,510</u>
(iii) The maturity structure of all term deposits is as follows:			
Due within six months		25,714,281	23,623,778
Over six months to one year		5,506,172	3,148,741
Over one year to three years		50,604	662,291
Over three years to five years		22,045	32,437
		<u>31,293,102</u>	<u>27,467,247</u>

A15. INVESTMENT ACCOUNTS OF CUSTOMERS

	30 September 2023 RM'000	31 March 2023 RM'000
Unrestricted investment account:		
Without maturity		
- Wakalah	12,495	13,734
With maturity		
- Mudarabah	2,166	2,740
	<u>14,661</u>	<u>16,474</u>

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

Business enterprises	38	34
Individuals	14,623	16,440
	<u>14,661</u>	<u>16,474</u>

	Wakalah RM'000	Mudarabah RM'000
Investment assets:		
30 September 2023		
Interbank placement	12,495	-
House financing	-	2,166
Total investment	<u>12,495</u>	<u>2,166</u>
31 March 2023		
Interbank placement	13,734	-
House financing	-	2,740
Total investment	<u>13,734</u>	<u>2,740</u>

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

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

	Investment account holder		
	Average profit sharing ratio (%)	Average rate of return (%)	Average performance incentive fee (%)
30 September 2023			
Maturity :			
- less than 3 months	46.52	0.23	2.90
- between 3 months to 12 months	50.19	2.47	-
31 March 2023			
Maturity :			
- less than 3 months	55.13	1.71	2.37
- between 3 months to 12 months	54.62	2.24	-

A16. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	30 September 2023 RM'000	31 March 2023 RM'000
<u>Non-Mudarabah</u>		
Licensed Islamic banks	-	298,767
Licensed banks	551,452	2,620,016
Licensed investment banks	89,132	375,519
Other financial institutions	1,496,256	1,386,726
Bank Negara Malaysia	107,914	82,192
Total	2,244,754	4,763,220

A17. INVESTMENT ACCOUNT DUE TO A LICENSED BANK

	30 September 2023 RM'000	31 March 2023 RM'000
<u>Restricted investment account ("RA")</u>		
- Mudarabah Muqayyadah	1,385,687	1,538,521
Investment asset:		
Financing	1,385,687	1,538,521

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

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

	Investment account holder			
	30 September 2023	31 March 2023	30 September 2023	31 March 2023
	Average profit sharing ratio (%)	Average profit sharing ratio (%)	Average rate of return (%)	Average rate of return (%)
Maturity:				
- over 2 years to 5 years	90	90	3.76	3.19
- more than 5 years	90	90	4.14	3.39

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

As at 30 September 2023, ECL allowance for the investment asset borne by AmBank amounted to RM1.6 million (31 March 2023: RM1.3 million).

As at 30 September 2023, the remaining tenure of the RA contracts is for a period of 4 to 7 years (31 March 2023: 4 to 7 years).

A18. OTHER LIABILITIES

	Note	30 September 2023 RM'000	31 March 2023 RM'000
Profit payable		323,585	243,881
Other creditors and accruals		68,159	64,904
Lease liabilities		2,206	2,347
Provision for reinstatement for leased properties		85	84
Deferred income		13,322	15,502
Advance rental		11,655	12,081
Amount due to a related company	(a)	1	18
Allowances for ECL on financing commitments and financial guarantees	(b)	25,460	32,300
Provision for taxation		5,118	-
		<u>449,591</u>	<u>371,117</u>

(a) Amount due to a related company, which related to banking operations, is unsecured, non-profit bearing and repayable on demand.

A18. OTHER LIABILITIES (CONT'D.)

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

	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL Not Credit Impaired RM'000	Stage 3 Lifetime ECL Credit Impaired RM'000	Total RM'000
30 September 2023				
Balance at beginning of the financial period	11,580	7,010	13,710	32,300
Net allowances for/(writeback of) ECL:	808	2,628	(10,313)	(6,877)
- Transfer to Stage 1	236	(2,332)	-	(2,096)
- Transfer to Stage 2	(317)	2,408	-	2,091
- Transfer to Stage 3	(13)	(304)	317	-
New exposures originated	4,284	2,511	-	6,795
Net remeasurement of allowances	(1,601)	1,354	(10,630)	(10,877)
Financial exposures derecognised	(1,781)	(1,009)	-	(2,790)
Foreign exchange differences	25	12	-	37
Balance at end of the financial period	<u>12,413</u>	<u>9,650</u>	<u>3,397</u>	<u>25,460</u>
31 March 2023				
Balance at beginning of the financial year	8,454	10,567	5,787	24,808
Net allowances for/(writeback of) ECL:	3,115	(3,564)	7,923	7,474
- Transfer to Stage 1	339	(1,981)	-	(1,642)
- Transfer to Stage 2	(477)	2,290	-	1,813
- Transfer to Stage 3	(14)	(181)	197	2
New exposures originated	5,299	2,609	7,943	15,851
Net remeasurement of allowances	336	(3,706)	(197)	(3,567)
Financial exposures derecognised	(2,368)	(2,595)	(20)	(4,983)
Foreign exchange differences	11	7	-	18
Balance at end of the financial year	<u>11,580</u>	<u>7,010</u>	<u>13,710</u>	<u>32,300</u>

A19. INCOME DERIVED FROM INVESTMENT OF DEPOSITORS' FUNDS

	Individual Quarter		Cumulative Quarter	
	30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
<u>Finance income and hibah:</u>				
Financing and advances				
- Financing income*	507,811	411,898	1,000,954	747,658
- Financing income on impaired financing	313	225	498	597
Financial assets at fair value through profit or loss	15,792	8,426	32,375	17,317
Financial investments at fair value through other comprehensive income	63,724	41,942	120,398	76,021
Financial investments at amortised cost	36,746	36,556	77,855	69,464
Deposits and placements with banks and other financial institutions	17,421	16,520	31,061	25,328
Total finance income and hibah	<u>641,807</u>	<u>515,567</u>	<u>1,263,141</u>	<u>936,385</u>
<u>Other operating income:</u>				
Fee and commission income:				
- Fees on financing, advances and securities	12,869	16,604	26,859	27,423
- Guarantee fees	4,479	3,645	8,175	7,538
- Remittances	34	25	64	47
- Service charges and fees	1,043	922	1,927	1,694
- Others	1,595	1,510	3,160	2,807
Foreign exchange loss	(767)	(1,525)	(5,388)	(2,194)
Gain/(Loss) from disposal of financial assets at fair value through profit or loss	211	418	(24)	297
Gain/(Loss) on revaluation of financial assets at fair value through profit or loss	84	2,747	(1,754)	(81)
Gain/(Loss) from disposal of financial investments at fair value through other comprehensive income	174	(69)	1,423	(69)
(Loss)/Gain from redemption of financial investments at amortised cost	(23)	-	25,805	-
Net loss on derivatives	(1,039)	(2,473)	(1,991)	(4,643)
Others	(86)	147	(22)	131
Total other operating income	<u>18,574</u>	<u>21,951</u>	<u>58,234</u>	<u>32,950</u>
Total	<u>660,381</u>	<u>537,518</u>	<u>1,321,375</u>	<u>969,335</u>

* Included the day-1 modification loss of RM677,000 (30 September 2022: net gain from unwinding of day-1 modification loss of RM160,000) arising from government support measures implemented in response to COVID-19 pandemic.

A20. INCOME DERIVED FROM INVESTMENT OF INVESTMENT ACCOUNT FUNDS

	Individual Quarter		Cumulative Quarter	
	30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
Income derived from investment of:				
- Restricted investment account	16,354	14,021	31,699	26,626
- Unrestricted investment accounts	122	340	248	2,691
	<u>16,476</u>	<u>14,361</u>	<u>31,947</u>	<u>29,317</u>

Income derived from investment of restricted investment account

Finance income and hibah:

Financing and advances

- Financing income	<u>16,354</u>	<u>14,021</u>	<u>31,699</u>	<u>26,626</u>
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Income derived from investment of unrestricted investment accounts

Finance income and hibah:

Financing and advances

- Financing income	29	248	60	2,521
Deposits and placements with banks and other financial institutions	93	92	188	170
Total finance income and hibah	<u>122</u>	<u>340</u>	<u>248</u>	<u>2,691</u>

A21. INCOME DERIVED FROM INVESTMENT OF SHAREHOLDER'S FUNDS

	Individual Quarter		Cumulative Quarter	
	30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
<u>Finance income and hibah:</u>				
Financing and advances				
- Financing income*	42,849	33,856	83,519	63,567
- Financing income on impaired financing	26	18	41	51
Financial assets at fair value through profit or loss	1,333	685	2,701	1,472
Financial investments at fair value through other comprehensive income	5,372	3,448	10,046	6,464
Financial investments at amortised cost	3,106	2,994	6,496	5,906
Deposits and placements with banks and other financial institutions	1,467	1,374	2,592	2,153
Total finance income and hibah	<u>54,153</u>	<u>42,375</u>	<u>105,395</u>	<u>79,613</u>
<u>Other operating income:</u>				
Fee and commission income:				
- Bancassurance commission	3,325	3,967	6,349	7,606
- Fees on financing, advances and securities	1,090	1,377	2,247	2,338
- Guarantee fees	377	297	682	641
- Remittances	38	541	74	70
- Service charges and fees	676	552	1,606	1,359
- Others	1,289	748	2,139	1,814
Foreign exchange loss	(68)	(127)	(449)	(186)
Gain/(Loss) from disposal of financial assets at fair value through profit or loss	17	36	(2)	25
Gain/(Loss) on revaluation of financial assets at fair value through profit or loss	6	243	(146)	(7)
Gain/(Loss) from disposal of financial investments at fair value through other comprehensive income	16	(6)	119	(6)
Gain from redemption of financial investments at amortised cost	23	-	2,153	-
Net loss on derivatives	(87)	(202)	(166)	(394)
Others	(7)	12	(2)	11
Total other operating income	<u>6,695</u>	<u>7,438</u>	<u>14,604</u>	<u>13,271</u>
Total	<u>60,848</u>	<u>49,813</u>	<u>119,999</u>	<u>92,884</u>

* Included the day-1 modification loss of RM56,000 (30 September 2022: net gain from unwinding of day-1 modification loss of RM14,000) arising from government support measures implemented in response to COVID-19 pandemic.

A22. ALLOWANCES FOR IMPAIRMENT ON FINANCING AND ADVANCES - NET

	Individual Quarter		Cumulative Quarter	
	30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
Allowance for impairment on financing and advances	43,270	53,322	105,093	137,468
Impaired financing and advances recovered, net	(21,548)	(41,636)	(51,061)	(68,006)
Total	21,722	11,686	54,032	69,462

A23. ALLOWANCE/(WRITEBACK OF ALLOWANCE) FOR IMPAIRMENT ON FINANCIAL INVESTMENTS

	Individual Quarter		Cumulative Quarter	
	30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
Financial investments at amortised cost - sukuk	24	1,327	4,321	(946)
Financial investments at fair value through other comprehensive income - sukuk	879	(1,853)	3,830	3,166
Total	903	(526)	8,151	2,220

A24. (WRITEBACK OF ALLOWANCE)/ALLOWANCE FOR IMPAIRMENT ON OTHER FINANCIAL ASSETS

	Individual Quarter		Cumulative Quarter	
	30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
Cash and short-term funds	(12)	11	7	(136)

A25. (WRITEBACK OF PROVISION)/PROVISION FOR COMMITMENTS AND CONTINGENCIES

	Individual Quarter		Cumulative Quarter	
	30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
(Writeback of provision)/provision for commitments and contingencies - financing commitments and financial guarantee contracts	(5,436)	463	(6,877)	1,760

A26. INCOME ATTRIBUTABLE TO THE DEPOSITORS AND OTHERS

	Individual Quarter		Cumulative Quarter	
	30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
<u>Non-Mudarabah fund</u>				
Deposit from customers	356,609	201,796	681,320	360,265
Deposits and placements of banks and other financial institutions	23,514	30,725	75,165	48,810
	<u>380,123</u>	<u>232,521</u>	<u>756,485</u>	<u>409,075</u>
Others	31,303	14,644	59,932	25,046
Total	<u>411,426</u>	<u>247,165</u>	<u>816,417</u>	<u>434,121</u>

A27. INCOME ATTRIBUTABLE TO THE INVESTMENT ACCOUNT HOLDERS

	Individual Quarter		Cumulative Quarter	
	30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
<u>Unrestricted investment accounts</u>				
Customers	17	136	33	1,400
<u>Restricted investment account</u>				
Licensed bank	14,718	12,619	28,529	23,963
	<u>14,735</u>	<u>12,755</u>	<u>28,562</u>	<u>25,363</u>

A28. OTHER OPERATING EXPENSES

	Individual Quarter		Cumulative Quarter	
	30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
Personnel costs:				
Salaries, allowances, bonuses and incentives	5,724	4,814	10,795	9,100
Share granted under AMMB Executives' Share Scheme ("ESS") - charge	299	304	375	376
Contributions to Employees' Provident Fund/Private Retirement Scheme	893	757	1,648	1,441
Social security cost	24	21	47	40
Others	520	564	916	1,093
	<u>7,460</u>	<u>6,460</u>	<u>13,781</u>	<u>12,050</u>
Establishment costs:				
Amortisation of intangible assets	23	89	55	178
Cleaning, maintenance and security	16	12	38	23
Computerisation costs	229	196	565	477
Depreciation of property and equipment	17	31	46	63
Depreciation of right-of-use assets	75	71	151	142
Rental of premises	136	126	272	334
Finance cost:				
- Lease liabilities	16	16	31	31
- Provision for reinstatement for leased properties	-	-	1	1
Others	5	6	11	10
	<u>517</u>	<u>547</u>	<u>1,170</u>	<u>1,259</u>
Marketing and communication expenses:				
Advertising, marketing and communication	1,293	1,477	2,880	2,676
Others	28	14	53	22
	<u>1,321</u>	<u>1,491</u>	<u>2,933</u>	<u>2,698</u>
Administration and general expenses:				
Professional services	1,021	602	1,749	1,105
Others	2,396	2,211	4,742	4,565
	<u>3,417</u>	<u>2,813</u>	<u>6,491</u>	<u>5,670</u>
Service transfer pricing expense, net (Note 1)	108,137	71,252	214,254	138,159
	<u>120,852</u>	<u>82,563</u>	<u>238,629</u>	<u>159,836</u>

Note 1

Higher service transfer pricing ("STP") expense mainly from the revision in allocation methodology of STP expenses.

A29. BASIC EARNINGS PER SHARE

Basic/Diluted

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

	Individual Quarter		Cumulative Quarter	
	30 September 2023	30 September 2022	30 September 2023	30 September 2022
Net profit/(loss) attributable to equity holder of the Bank (RM'000)	112,134	172,773	219,427	273,065
Number of ordinary shares at beginning and end of the financial period representing the weighted average number of ordinary shares in issue ('000)	494,369	494,369	494,369	494,369
Basic/Diluted earnings per share (sen)	22.68	34.95	44.39	55.24

A30. BUSINESS SEGMENT ANALYSIS

Segment information is presented in respect of the Bank's business segments. The business segment information is prepared based on internal management reports, which are regularly reviewed by the Chief Operating Decision Maker in order to allocate resources to a segment and to assess its performance.

The Bank comprises the following main business segments:

(a) Retail Banking

Retail Banking continues to focus on building mass affluent, affluent and small business customers. Retail Banking offers products and financial solutions which includes auto finance, mortgages, personal financing, credit cards, small business financing, priority banking services, wealth management, remittance services and deposits.

(b) Business Banking

Business Banking ("BB") focuses on the Small, Medium and Large Enterprises segment, which comprises Enterprise Banking and Commercial Banking. Solutions offered to Enterprise Banking customers encompass Capital Expenditure ("CAPEX") financing, Working Capital financing and Cash Management and while Commercial Banking offers the same suite of products, it also provides more sophisticated structures such as Contract Financing, Development Financing and Project Financing.

(c) Wholesale Banking

Wholesale Banking comprises Corporate Banking, Transaction Banking and Group Treasury and Markets:

- (i) Corporate Banking offers a full range of products and services, including corporate lending, investment banking advisory, trade finance, offshore banking and cash management solutions to wholesale banking clients;
- (ii) Transaction Banking delivers tailor-made digital and cash management solutions, as well as trade financing and remittance services, to corporate and SME clients;
- (iii) Group Treasury and Markets manages liquidity for the banking group and offers financial market and hedging solutions across all asset classes to a broad range of clients. The sales and trading activities cover fixed income, interest rates, foreign exchange, money market, equity derivatives, commodities and other derivatives.

A30. BUSINESS SEGMENT ANALYSIS (CONT'D.)

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

(d) Investment Banking

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

(e) Group Funding and Others

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

Measurement of Segment Performance

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

Note:

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

A30. BUSINESS SEGMENT ANALYSIS (CONT'D.)

For the financial period ended 30 September 2023

	Retail Banking RM'000	Business Banking RM'000	Wholesale banking		Investment Banking RM'000	Group Funding and Others RM'000	Total RM'000
			Corporate Banking RM'000	Group Treasury and Market RM'000			
External net income	404,072	250,391	200,116	(126,002)	931	(150,812)	578,696
Intersegments net income	(119,753)	(112,229)	(116,786)	191,251	(19)	157,536	-
Net income	284,319	138,162	83,330	65,249	912	6,724	578,696
Net finance income	265,240	113,994	76,812	46,265	48	6,644	509,003
Other operating income/(loss)	19,079	24,169	6,518	18,983	864	80	69,693
Net income	284,319	138,163	83,330	65,248	912	6,724	578,696
Other operating expenses of which:	(158,234)	(39,636)	(28,524)	(8,043)	-	(4,192)	(238,629)
<i>Depreciation of property and equipment</i>	-	-	-	-	-	(46)	(46)
<i>Depreciation of right-of-use-assets</i>	-	-	-	-	-	(151)	(151)
<i>Amortisation of intangible assets</i>	(3)	(2)	-	-	-	(50)	(55)
Profit/(loss) before impairment losses	126,085	98,527	54,806	57,205	912	2,532	340,067
(Allowance)/Writeback of impairment on financing and advances	(72,896)	(44,728)	63,592	-	-	-	(54,032)
Allowance for impairment on financial investments	-	(269)	(4,017)	(3,865)	-	-	(8,151)
Allowance for impairment on other financial assets	-	-	-	(7)	-	-	(7)
Writeback of provision/(Provision) for commitments and contingencies	1,059	6,041	(223)	-	-	-	6,877
Profit/(Loss) before zakat and taxation	54,248	59,571	114,158	53,333	912	2,532	284,754
Zakat and taxation	(13,019)	(14,297)	(27,398)	(8,063)	(219)	(2,331)	(65,327)
Profit/(Loss) for the financial period	41,229	45,274	86,760	45,270	693	201	219,427
Other information							
Total segment assets	25,193,211	11,640,706	8,656,598	14,014,978	-	756,284	60,261,777
Total segment liabilities	17,713,355	7,028,472	3,714,276	19,731,578	1,497	7,451,566	55,640,744
Cost to income ratio	55.7%	28.7%	34.2%	12.3%	0.0%	62.3%	41.2%
Gross financing and advances	25,422,004	11,023,494	8,283,663	-	-	(2,464)	44,726,697
Net financing and advances	25,083,830	10,904,381	8,107,796	-	-	(2,464)	44,093,543
Impaired financing and advances	388,659	166,209	42,464	-	-	-	597,332
Total deposits	17,573,214	6,969,058	3,676,214	19,471,499	-	82,327	47,772,312
Additions to :							
Property and Equipment	12	-	-	-	-	30	42
Intangible assets	-	-	-	-	-	63	63

A30. BUSINESS SEGMENT ANALYSIS (CONT'D.)

For the financial period ended 30 September 2022
(Restated)

	Retail Banking RM'000	Business Banking RM'000	Wholesale banking		Investment Banking RM'000	Group Funding and Others RM'000	Total RM'000
			Corporate Banking RM'000	Group Treasury and Market RM'000			
External net income	408,372	200,133	135,608	(65,967)	402	(90,712)	587,836
Intersegments net income	(136,305)	(74,469)	(63,235)	140,789	2	133,218	-
Net income	272,067	125,664	72,373	74,822	404	42,506	587,836
Net finance income	251,799	107,810	59,923	79,196	10	42,149	540,887
Other operating income	20,268	17,854	12,449	(4,373)	394	357	46,949
Net finance income	272,067	125,664	72,372	74,823	404	42,506	587,836
Other operating expenses of which:	(149,605)	(34,649)	(25,263)	(7,563)	-	57,244	(159,836)
<i>Depreciation of property and equipment</i>	-	-	-	-	-	(63)	(63)
<i>Depreciation of right-of-use-assets</i>	-	-	-	-	-	(142)	(142)
<i>Amortisation of intangible assets</i>	(2)	(2)	-	-	-	(174)	(178)
Profit before impairment losses and provision	122,462	91,015	47,109	67,260	404	99,750	428,000
Allowance for impairment on financing and advances	(59,192)	(13,721)	21,074	-	-	(17,623)	(69,462)
Writeback of allowance/(Allowance) for impairment on financial investments	-	13	941	(3,174)	-	-	(2,220)
Writeback of allowance for impairment on other financial assets	-	-	-	136	-	-	136
(Provision)/Writeback of provision for commitments and contingencies	(3,386)	(584)	2,210	-	-	-	(1,760)
Profit before zakat and taxation	59,884	76,723	71,334	64,222	404	82,127	354,694
Zakat and taxation	(14,372)	(18,413)	(17,120)	(10,675)	(97)	(20,952)	(81,629)
Profit for the financial period	45,512	58,310	54,214	53,547	307	61,175	273,065
Other information							
Total segment assets	23,874,033	11,005,233	8,956,172	12,291,338	-	434,227	56,561,003
Total segment liabilities	15,128,168	6,186,651	2,766,789	22,499,280	942	5,874,742	52,456,572
Cost to income ratio	55.0%	27.6%	34.9%	10.1%	0.0%	>-100%	27.2%
Gross financing and advances	24,096,658	10,527,092	8,993,524	-	-	(3,237)	43,614,037
Net financing and advances	23,779,495	10,435,279	8,832,553	-	-	(42,583)	43,004,744
Impaired financing and advances	297,150	122,339	195,038	-	-	-	614,527
Total deposits	15,032,393	6,139,446	2,735,472	21,572,866	-	105,620	45,585,797
Additions to :							
Property and Equipment	-	-	-	2	-	16	18
Intangible assets	-	-	-	-	-	21	21

A31. PERFORMANCE REVIEW FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

The Bank reported a lower profit before zakat and taxation of RM69.9 million for the financial period ended 30 September 2023 compared to the corresponding period ended 30 September 2022 of RM354.7 million. The lower profit was mainly due to higher other operating expenses of RM78.8 million, lower net finance income of RM31.9 million and higher ECL of financial investments and other financial assets of RM6.1 million, offset by higher other operating income of RM22.7 million, lower net allowance for impairment on financing and advances of RM15.4 million and writeback of ECL on financing commitments and financial guarantee contracts of RM8.6 million.

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

A32. PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 MARCH 2024

During third quarter of 2023, Malaysia's economy expanded by 3.3% year-on-year ("yoy"), faster pace compared to the previous quarter's 2.9% based on Department of Statistic Malaysia ("DOSM")'s preliminary estimates showed. The faster growth can be attributed to the strong expansion in the services sector, which rose by 5.1% yoy, alongside the construction sector's growth (+5.8% yoy) and recovery in the agriculture sector (+0.8% yoy). On the flipside, both manufacturing and mining and quarrying sectors declined marginally by 0.1% yoy.

We expect the global economic condition for the remainder of the year until the early part of 2024 will continue to be subdued, as most economies are still adjusting to the high interest rates environment implemented by most central banks. Globally, the outlook on the manufacturing sector remains pessimistic, reflected in the latest Global Purchasing Manager's Index ("PMI") that has been under the contractionary level since March 2023. In the United States, the Federal Reserve's ("Fed") fight against inflation seems successful as inflation and core inflation are receding. However, it comes with a price as interest rates are likely to stay elevated at above until the end of 2024. Similarly, rates are likely to remain high in the United Kingdom and Eurozone and signs of softer economic activity have already become apparent in those economy. The upside risk to inflation is seen coming from the recent rise in global oil prices and if the situation persists as we step into 2024 later, consumer purchasing would be eroded further. In China, signs of stabilising economy emerge as the recent third quarter of 2023 Gross Domestic Product ("GDP") posted a 4.9% yoy growth, beating market forecast of 4.4% yoy.

We anticipate continued support for growth from domestic demand this year. Wage growth in both the services and manufacturing sectors appears to have peaked, and employment growth has slowed to 2.0% in September 2023. However, the vacancy-to-unemployment ratio remains higher than pre-pandemic levels, suggesting room for improvement in private spending. Furthermore, tourism and related sectors are still improving and have yet to reach its pre-pandemic level. On the downside, subdued global trading activities is expected to persist and constraint Malaysia's economic growth. We now expect the domestic economy to grow by 4.0% in 2023 and 4.5% in 2024 but balance of risks is tilted towards the downside.

A32. PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 MARCH 2024 (CONT'D.)

On another note, the government released New Industrial Master Plan 2030 ("NIMP 2030") recently which aims to transform industries to the next level in accordance with emerging global trends i.e., capitalising the changing geopolitical landscape, digitalisation and environmental, social, and governance ("ESG") compliances. At the same time, the government also tabled the new 12th Malaysia Plan in which the GDP growth target was revised to 5.0% to 6.0% per annum, compared to previous target of 4.5% to 5.5%. Also, in its recent Budget 2024 tabling, the government set out RM393.8 billion spending for next year. The Budget reflects the government's commitment in consolidating its fiscal position, supporting the People through subsidies and assistance, and embracing ESG into its sustainable economic plan.

In the Malaysia's banking industry, the overall outstanding financing expanded by 4.3% in September 2023. While the non-household segment financing expanded slower at 2.6%, household financing remained healthy at 5.6%. As the economy is expected to soften in 2023, we expect relatively subdued financing growth in the range of 4.0% to 5.0% for 2023 given that financing growth typically tracks GDP growth. The overall banking system remains healthy underpinned by strong liquidity. This is reflected by the liquidity coverage ratio which was at 151.5% in September 2023 (August 2023: 150.3%). The funding profile was also well-diversified with September 2023's financing-to-fund ratio and financing-to-fund-and-equity ratio at 82.5% and 71.9%, respectively (August 2023: 82.3% and 71.6%, respectively).

On the Overnight Policy Rate ("OPR"), with core inflation being modest so far due to slower hiring activities and the lag effect from the 125 bps cumulative rate hikes, we expect the OPR to stay at 3.00% until the end of 2024. Given that core inflation easing further to 2.5% in September 2023 coupled with contraction in exports, there is no immediate pressure to alter the policy rate. Nevertheless, the upside risk to inflation is expected to come from subsidiary rationalisation which is currently in the pipeline. Should the situation later translate into persistently high inflation, then there is a case to revisit our current OPR call.

AMMB Group showed resilience by delivering a strong set of second quarter of financial year ("FY") 2024 financial results despite navigating a challenging environment of weaker than expected external demand, declining commodity production, elevated core inflation and persisting high interest rates. The AMMB Group continues to be optimistic about its FY 2024 prospects, placing confidence in unwavering domestic demand, improving employment rate and wage structure as well as the continued revival of local tourism.

FY 2024 is the final year of the AMMB Group's FY 2021 to FY 2024 Focus 8 strategy and we are as committed as ever to bring this journey to a successful conclusion. The AMMB Group's focus remains trained on growing revenue, maintaining cost discipline, strengthening capital base, ensuring healthy liquidity levels and careful monitoring of asset quality.

Looking into the near future, the AMMB Group views these areas as its key growth accelerators: SME empowerment, advancement of ESG initiatives and digital innovation to continue sustainable value creation for shareholders and stakeholders.

A33. VALUATION OF PROPERTY AND EQUIPMENT

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

A34. SIGNIFICANT EVENT DURING THE FINANCIAL PERIOD

There was no significant event during the current financial quarter.

A35. COMMITMENTS AND CONTINGENCIES (CONT'D.)

In the normal course of business, the Bank makes various commitments and incurs certain contingent liabilities with legal recourse to its customers. No material losses are anticipated as a result of these transactions. The commitments and contingencies are not secured against the Bank's assets.

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

	30 September 2023 RM'000	31 March 2023 RM'000
Commitments		
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	7,443,810	5,029,138
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	1,060,447	1,047,668
Unutilised credit card lines	1,740,598	1,705,540
Forward asset purchase	70,500	-
	<u>10,315,355</u>	<u>7,782,346</u>
Contingencies		
Direct credit substitutes	625,520	723,168
Transaction related contingent items	887,255	970,420
Short-term self liquidating trade-related contingencies	85,094	87,309
Obligations under on-going underwriting agreements	-	150,000
	<u>1,597,869</u>	<u>1,930,897</u>
Derivative Financial Instruments		
Foreign exchange related contracts		
- One year or less	3,936,050	2,882,476
- Over one year to five years	471,471	1,018,061
Profit rate related contracts		
- One year or less	350,000	-
- Over one year to five years	-	350,000
Commodity related contracts		
- One year or less	79,610	-
- Over one year to five years	-	74,952
	<u>4,837,131</u>	<u>4,325,489</u>
Total	<u>16,750,355</u>	<u>14,038,732</u>

A36. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Determination of fair value and fair value hierarchy

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

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

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

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

Non market observable inputs means that fair values are determined, in whole or in part, using a valuation technique (model) based on assumptions that are neither supported by prices from observable current market transactions in the same instrument, nor are they based on available market data. The main asset classes in this category are unlisted equity investments and debt instruments. Valuation techniques are used to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. However, the fair value measurement objective remains the same, that is, an exit price from the perspective of the Bank. Therefore, unobservable inputs reflect the Bank's own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk). These inputs are developed based on the best information available, which might include the Bank's own data, as well as financial information of the counterparties. The Bank does not have any financial assets or liabilities measured at level 3 as at the end of the reporting period and 31 March 2023.

A36. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONT'D.)

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

	Valuation techniques			Total RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
30 September 2023				
Assets measured at fair value				
Derivative financial assets	-	62,955	-	62,955
Financial assets at fair value through profit or loss				
- Money market securities	-	1,459,649	-	1,459,649
- Unquoted sukuk	-	139,249	-	139,249
Financial investments at fair value through other comprehensive income				
- Money market securities	-	3,565,023	-	3,565,023
- Unquoted sukuk	-	4,144,276	-	4,144,276
	-	9,371,152	-	9,371,152
Liabilities measured at fair value				
Derivative financial liabilities	-	62,696	-	62,696
	-	62,696	-	62,696
31 March 2023				
Assets measured at fair value				
Derivative financial assets	-	36,363	-	36,363
Financial assets at fair value through profit or loss				
- Money market securities	-	2,078,635	-	2,078,635
- Unquoted sukuk	-	498,154	-	498,154
Financial investments at fair value through other comprehensive income				
- Money market securities	-	2,960,007	-	2,960,007
- Unquoted sukuk	-	3,562,117	-	3,562,117
	-	9,135,276	-	9,135,276
Liabilities measured at fair value				
Derivative financial liabilities	-	36,814	-	36,814
	-	36,814	-	36,814

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

A37. CAPITAL ADEQUACY

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

	30 September 2023	31 March 2023 *
Under transitional arrangement (Note(i))		
Before deducting proposed dividends		
Common Equity Tier 1 ("CET 1") Capital Ratio	12.847%	12.616%
Tier 1 Capital ratio	12.847%	12.616%
Total Capital ratio	18.938%	17.127%
After deducting proposed dividends		
CET 1 Capital Ratio	12.666%	12.616%
Tier 1 Capital ratio	12.666%	12.616%
Total Capital ratio	18.756%	17.127%

* There was no proposed final dividend for financial year ended 31 March 2023.

Notes:

- (i) Pursuant to the revised BNM policy document, Capital Adequacy Framework for Islamic Banks (Capital Components) issued on 9 December 2020, the capital ratios of the Bank had been computed applying transitional arrangement on provision for ECL. Had the transitional arrangement not been applied, the capital ratios of the Bank as at 30 September 2023 and 31 March 2023 are as follow:

	30 September 2023	31 March 2023
Before deducting proposed dividends:		
Common Equity Tier 1 Capital Ratio	12.505%	12.026%
Tier 1 Capital Ratio	12.505%	12.026%
Total Capital Ratio	18.637%	16.801%
After deducting proposed dividends:		
Common Equity Tier 1 Capital Ratio	12.324%	12.026%
Tier 1 Capital Ratio	12.324%	12.026%
Total Capital Ratio	18.455%	16.801%

- (ii) Pursuant to BNM's Capital Adequacy Framework for Islamic Banks (Capital Components), financial institutions are required to maintain minimum Common Equity Tier 1 ("CET1") Capital Ratio of 4.5%, Tier 1 Capital Ratio of 6.0% and Total Capital Ratio of 8.0% at all times. The Bank is also required to maintain the following capital buffers:

- (a) a Capital Conservation Buffer ("CCB") of 2.5%;
- (b) a Countercyclical Capital Buffer ("CCyB") determined as the weighted-average of the prevailing CCyB rates applied in the jurisdictions in which the Bank has credit exposures; and
- (c) a Higher Loss Absorbency ("HLA") requirement for a financial institution that is designated as a domestic systemically important bank ("D-SIB").

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A37. CAPITAL ADEQUACY (CONT'D.)

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

	30 September 2023 RM'000	31 March 2023 RM'000
CET 1 Capital		
Ordinary shares	1,387,107	1,387,107
Retained earnings	3,213,550	3,022,623
Fair value reserve	(8,124)	(9,188)
Regulatory reserve	28,500	-
Less : Regulatory adjustments applied on CET 1 Capital		
- Intangible assets	(285)	(298)
- Deferred tax assets	(56,014)	(62,097)
- Regulatory reserve	(28,500)	-
- Unrealised fair value gains on financial liabilities due to changes in own credit risk	(112)	(75)
- Other CET 1 regulatory adjustment specified by BNM	124,080	212,690
CET 1 Capital/ Tier 1 Capital	<u>4,660,202</u>	<u>4,550,762</u>
Tier 2 Capital		
Tier 2 Capital instruments meeting all relevant criteria for inclusion	1,800,000	1,300,000
General provisions*	409,103	327,419
Tier 2 Capital	<u>2,209,103</u>	<u>1,627,419</u>
Total Capital	<u>6,869,305</u>	<u>6,178,181</u>

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

	30 September 2023 RM'000	31 March 2023 RM'000
Credit RWA	35,316,723	35,344,046
Less : Credit RWA absorbed by Investment Account	(1,391,787)	(1,545,037)
Total Credit RWA	<u>33,924,936</u>	<u>33,799,009</u>
Market RWA	297,055	304,677
Operational RWA	2,051,514	1,969,050
Total Risk Weighted Assets	<u>36,273,505</u>	<u>36,072,736</u>

* Consists of stage 1 and stage 2 loss allowances.

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A38. CREDIT TRANSACTIONS AND EXPOSURES WITH CONNECTED PARTIES

	30 September 2023	31 March 2023
Outstanding credit exposures with connected parties (RM'000)	2,753,417	1,410,398
Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures (%)	5.58	2.83
Percentage of outstanding credit exposures with connected parties which is impaired or in default (%)	0.00	0.00

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