

Registration No. 196901000166 (8515-D)

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

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

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

UNAUDITED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Note	Group		Bank	
		31 December 2023 RM'000	31 March 2023 RM'000	31 December 2023 RM'000	31 March 2023 RM'000
ASSETS					
Cash and short-term funds	A8	6,787,687	6,874,702	6,752,667	6,873,677
Deposits and placements with banks and other financial institutions	A9	2,127,352	1,084,465	2,127,352	1,084,465
Investment account placement	A10	1,371,066	1,537,252	1,371,066	1,537,252
Derivative financial assets		879,347	923,673	879,347	923,673
Financial assets at fair value through profit or loss ("FVTPL")	A11	7,140,405	10,191,801	7,140,368	10,191,764
Financial investments at fair value through other comprehensive income	A12	20,792,779	20,306,352	20,792,779	20,306,352
Financial investments at amortised cost	A13	6,673,937	9,214,717	6,673,937	9,214,717
Loans and advances	A14	83,407,904	82,466,414	83,388,284	82,435,658
Statutory deposit with Bank Negara Malaysia		1,636,105	1,552,337	1,636,105	1,552,337
Deferred tax assets		187,417	164,294	187,417	164,294
Investment in subsidiaries		-	-	13,487	22,487
Investment in associates		18,063	18,395	19,617	19,617
Other assets	A15	2,688,827	1,948,382	2,687,111	1,946,952
Property and equipment		131,752	146,013	125,545	139,705
Right-of-use assets		201,396	224,596	202,122	225,632
Intangible assets		112,742	202,069	112,742	202,069
TOTAL ASSETS		134,156,779	136,855,462	134,109,946	136,840,651
LIABILITIES AND EQUITY					
Deposits from customers	A16	90,011,740	85,378,545	90,015,542	85,391,198
Deposits and placements of banks and other financial institutions	A17	9,140,443	8,661,694	9,158,940	8,701,757
Securities sold under repurchase agreements		8,394,896	16,466,674	8,394,896	16,466,674
Recourse obligation on loans sold to Cagamas Berhad		6,365,018	6,600,036	6,365,018	6,600,036
Derivative financial liabilities		976,172	966,427	976,172	966,427
Term funding		1,390,723	1,337,427	1,390,723	1,337,427
Debt capital		3,095,000	3,095,000	3,095,000	3,095,000
Other liabilities	A18	2,694,394	3,149,963	2,676,527	3,131,790
TOTAL LIABILITIES		122,068,386	125,655,766	122,072,818	125,690,309
Share capital		3,040,465	3,040,465	3,040,465	3,040,465
Reserves		9,047,763	8,159,086	8,996,663	8,109,877
Equity attributable to equity holder of the Bank		12,088,228	11,199,551	12,037,128	11,150,342
Non-controlling interests		165	145	-	-
TOTAL EQUITY		12,088,393	11,199,696	12,037,128	11,150,342
TOTAL LIABILITIES AND EQUITY		134,156,779	136,855,462	134,109,946	136,840,651
COMMITMENTS AND CONTINGENCIES	A33	109,201,156	115,723,975	109,372,626	115,768,995
NET ASSETS PER SHARE (RM)		12.73	11.79	12.67	11.74

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

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UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2023

	Note	Individual Quarter		Cumulative Quarter	
		31 December 2023 RM'000	31 December 2022 RM'000	31 December 2023 RM'000	31 December 2022 RM'000
Group					
Interest income	A19	1,561,312	1,354,969	4,643,214	3,608,642
Interest expense	A20	(1,004,812)	(740,717)	(2,957,764)	(1,815,224)
Net interest income		556,500	614,252	1,685,450	1,793,418
Other operating income	A21	226,016	176,193	602,335	473,505
Share in results of an associate		(70)	932	(332)	1,402
Net income		782,446	791,377	2,287,453	2,268,325
Other operating expenses	A22	(339,413)	(353,946)	(975,715)	(1,030,407)
Operating profit		443,033	437,431	1,311,738	1,237,918
Allowance for impairment on loans and advances	A23	(316,911)	(150,841)	(485,006)	(215,537)
Writeback of commitments and contingencies		5,845	76,169	35,828	59,192
(Allowance)/writeback of allowance for impairment on:					
Financial investments	A24	(5,153)	(6,542)	(18,007)	(5,726)
Other financial assets	A25	860	(1,679)	1,132	(1,465)
Non-financial assets	A25(a)	(110,717)	-	(110,717)	-
Other recoveries		1	513	2,373	523
Provision for restructuring expenses		(80,000)	-	(80,000)	-
(Loss)/profit before taxation		(63,042)	355,051	657,341	1,074,905
Taxation		499,238	(81,143)	333,278	(243,742)
Profit for the financial period		436,196	273,908	990,619	831,163
Attributable to:					
Equity holder of the Bank		436,196	273,909	990,599	831,164
Non-controlling interests		-	(1)	20	(1)
Profit for the financial period		436,196	273,908	990,619	831,163
Earnings per share (sen)					
Basic/Diluted	A26	45.92	28.83	104.28	87.50

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

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**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2023**

Group	Individual Quarter		Cumulative Quarter	
	31 December 2023 RM'000	31 December 2022 RM'000	31 December 2023 RM'000	31 December 2022 RM'000
Profit for the financial period	436,196	273,908	990,619	831,163
Other comprehensive income/(loss)				
Items that will not be reclassified subsequently to statement of profit or loss				
<u>Equity Instruments</u>				
Financial investments at fair value through other comprehensive income				
- net unrealised (loss)/gain on changes in fair value	(2,752)	(917)	36,473	3,503
Tax effect	660	220	440	1,101
Items that may be reclassified subsequently to statement of profit or loss				
Currency translation on offshore operations	(6,387)	(15,054)	10,749	11,730
Cash flow hedge				
- amortisation of fair value changes of terminated hedge	635	1,593	3,804	4,762
Tax effect	(153)	(383)	(913)	(1,143)
<u>Debt instruments</u>				
Financial investments at fair value through other comprehensive income				
- net gain/(loss) on changes in fair value	88,302	98,527	81,854	(111,578)
- net gain reclassified to profit or loss	(1,654)	(63)	(8,678)	(23)
- changes in expected credit losses ("ECL")	1,934	2,634	11,344	2,279
- foreign exchange differences	(1)	3	-	1
Tax effect	(20,795)	(23,632)	(17,562)	26,784
Other comprehensive income/(loss), net of tax	59,789	62,928	117,511	(62,584)
Total comprehensive income for the financial period, net of tax	495,985	336,836	1,108,130	768,579
Attributable to:				
Equity holder of the Bank	495,985	336,837	1,108,110	768,580
Non-controlling interests	-	(1)	20	(1)
	495,985	336,836	1,108,130	768,579

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

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UNAUDITED STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2023

	Note	Individual Quarter		Cumulative Quarter	
		31 December 2023 RM'000	31 December 2022 RM'000	31 December 2023 RM'000	31 December 2022 RM'000
Bank					
Interest income	A19	1,560,350	1,353,757	4,640,413	3,605,472
Interest expense	A20	(1,004,821)	(740,725)	(2,957,854)	(1,815,302)
Net interest income		555,529	613,032	1,682,559	1,790,170
Other operating income	A21	226,156	176,028	602,731	474,879
Net income		781,685	789,060	2,285,290	2,265,049
Other operating expenses	A22	(339,576)	(353,946)	(976,131)	(1,030,212)
Operating profit		442,109	435,114	1,309,159	1,234,837
Allowance for impairment on loans and advances	A23	(316,986)	(150,835)	(485,006)	(215,543)
Writeback of commitments and contingencies		5,841	76,111	35,807	59,135
(Allowance)/writeback of allowance for impairment on:					
Financial investments	A24	(5,153)	(6,542)	(18,007)	(5,726)
Other financial assets	A25	859	(1,689)	1,169	(1,480)
Non-financial assets	A25(a)	(110,717)	-	(110,717)	-
Other recoveries		1	513	2,373	523
Provision for restructuring expenses		(80,000)	-	(80,000)	-
(Loss)/profit before taxation		(64,046)	352,672	654,778	1,071,746
Taxation		499,489	(80,764)	333,939	(242,788)
Profit for the financial period		435,443	271,908	988,717	828,958
Earnings per share (sen)					
Basic/Diluted	A26	45.84	28.62	104.08	87.27

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

AmBank (M) Berhad
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**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2023**

	Individual Quarter		Cumulative Quarter	
	31 December 2023 RM'000	31 December 2022 RM'000	31 December 2023 RM'000	31 December 2022 RM'000
Bank				
Profit for the financial period	435,443	271,908	988,717	828,958
Other comprehensive income/(loss)				
Items that will not be reclassified subsequently to statement of profit or loss				
<u>Equity Instruments</u>				
Financial investments at fair value through other comprehensive income				
- net unrealised (loss)/gain on changes in fair value	(2,752)	(917)	36,473	3,503
Tax effect	660	220	440	1,101
Items that may be reclassified subsequently to statement of profit or loss				
Currency translation on offshore operations	(6,381)	(15,040)	10,740	11,719
Cash flow hedge				
- amortisation of fair value changes of terminated hedge	635	1,593	3,804	4,762
Tax effect	(153)	(383)	(913)	(1,143)
<u>Debt instruments</u>				
Financial investments at fair value through other comprehensive income				
- net gain/(loss) on changes in fair value	88,302	98,527	81,854	(111,578)
- net gain reclassified to profit or loss	(1,654)	(63)	(8,678)	(23)
- changes in expected credit losses ("ECL")	1,934	2,634	11,344	2,279
- foreign exchange differences	(1)	3	-	1
Tax effect	(20,795)	(23,632)	(17,562)	26,784
Other comprehensive income/(loss), net of tax	59,795	62,942	117,502	(62,595)
Total comprehensive income for the financial period, net of tax	495,238	334,850	1,106,219	766,363

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

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**UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2023**

Group	Attributable to equity holder of the Bank									
	Non-distributable						Distributable			
	Share capital RM'000	Regulatory reserve RM'000	Merger reserve RM'000	Fair value reserve RM'000	Cash flow hedging deficit RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	Total attributable to equity holder RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 April 2022	3,040,465	94,463	104,149	293,346	(9,062)	88,488	6,470,027	10,081,876	146	10,082,022
Profit for the financial period	-	-	-	-	-	-	831,164	831,164	(1)	831,163
Other comprehensive (loss)/income, net	-	-	-	(77,933)	3,619	11,730	-	(62,584)	-	(62,584)
Total comprehensive (loss)/income for the financial period	-	-	-	(77,933)	3,619	11,730	831,164	768,580	(1)	768,579
Transfer to regulatory reserve	-	43,422	-	-	-	-	(43,422)	-	-	-
Transaction with owner and other equity movements	-	43,422	-	-	-	-	(43,422)	-	-	-
At 31 December 2022	3,040,465	137,885	104,149	215,413	(5,443)	100,218	7,257,769	10,850,456	145	10,850,601

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

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**UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONT'D.)
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2023**

Group	Attributable to equity holder of the Bank										
	Non-distributable						Distributable				Total equity RM'000
	Share capital RM'000	Regulatory reserve RM'000	Merger reserve RM'000	Fair value reserve RM'000	Cash flow hedging deficit RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	Total attributable to equity holder RM'000	Non-controlling interests RM'000		
At 1 April 2023	3,040,465	201,229	104,149	299,138	(4,259)	101,830	7,456,999	11,199,551	145	11,199,696	
Profit for the financial period	-	-	-	-	-	-	990,599	990,599	20	990,619	
Other comprehensive income, net	-	-	-	103,871	2,891	10,749	-	117,511	-	117,511	
Total comprehensive income for the financial period	-	-	-	103,871	2,891	10,749	990,599	1,108,110	20	1,108,130	
Transfer from regulatory reserve	-	(180,308)	-	-	-	-	180,308	-	-	-	
Dividends on ordinary shares:											
- final, financial year ended 31 March 2023	-	-	-	-	-	-	(164,337)	(164,337)	-	(164,337)	
- interim, financial year ending 31 March 2024	-	-	-	-	-	-	(55,096)	(55,096)	-	(55,096)	
Transaction with owner and other equity movements	-	(180,308)	-	-	-	-	(39,125)	(219,433)	-	(219,433)	
At 31 December 2023	3,040,465	20,921	104,149	403,009	(1,368)	112,579	8,408,473	12,088,228	165	12,088,393	

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

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**UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2023**

	Attributable to equity holder of the Bank						Total equity RM'000
	Non-distributable				Distributable		
Bank	Share capital RM'000	Regulatory reserve RM'000	Fair value reserve RM'000	Cash flow hedging deficit RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	
At 1 April 2022	3,040,465	94,463	293,346	(9,062)	92,301	6,524,068	10,035,581
Profit for the financial period	-	-	-	-	-	828,958	828,958
Other comprehensive (loss)/income, net	-	-	(77,933)	3,619	11,719	-	(62,595)
Total comprehensive (loss)/income for the financial period	-	-	(77,933)	3,619	11,719	828,958	766,363
Transfer to regulatory reserve	-	43,422	-	-	-	(43,422)	-
Transaction with owner and other equity movements	-	43,422	-	-	-	(43,422)	-
At 31 December 2022	3,040,465	137,885	215,413	(5,443)	104,020	7,309,604	10,801,944

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

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**UNAUDITED STATEMENT OF CHANGES IN EQUITY (CONT'D.)
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2023**

	Attributable to equity holder of the Bank						Total equity RM'000
	Non-distributable				Distributable		
Bank	Share capital RM'000	Regulatory reserve RM'000	Fair value reserve RM'000	Cash flow hedging deficit RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	
At 1 April 2023	3,040,465	201,229	299,138	(4,259)	105,630	7,508,139	11,150,342
Profit for the financial period	-	-	-	-	-	988,717	988,717
Other comprehensive income, net	-	-	103,871	2,891	10,740	-	117,502
Total comprehensive income for the financial period	-	-	103,871	2,891	10,740	988,717	1,106,219
Transfer from regulatory reserve	-	(180,308)	-	-	-	180,308	-
Dividends on ordinary shares:							
- final, financial year ended 31 March 2023	-	-	-	-	-	(164,337)	(164,337)
- interim, financial year ending 31 March 2024	-	-	-	-	-	(55,096)	(55,096)
Transaction with owner and other equity movements	-	(180,308)	-	-	-	(39,125)	(219,433)
At 31 December 2023	3,040,465	20,921	403,009	(1,368)	116,370	8,457,731	12,037,128

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

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UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2023

	Group		Bank	
	31 December 2023 RM'000	31 December 2022 RM'000	31 December 2023 RM'000	31 December 2022 RM'000
Profit before taxation	657,341	1,074,905	654,778	1,071,746
Adjustments for non-operating and non-cash items	924,947	666,671	924,995	666,703
Operating profit before working capital changes	1,582,288	1,741,576	1,579,773	1,738,449
Changes in working capital:				
Net change in operating assets	556,033	(6,556,476)	544,968	(6,563,861)
Net change in operating liabilities	(3,681,153)	10,365,310	(3,711,277)	10,356,723
Tax paid	(192,518)	(262,082)	(191,331)	(260,307)
Net cash (used in)/generated from operating activities	(1,735,350)	5,288,328	(1,777,867)	5,271,004
Net cash generated from/(used in) investing activities	2,088,969	(8,486,927)	2,097,861	(8,476,927)
Net cash (used in)/generated from financing activities	(273,757)	115,915	(274,127)	115,546
Net increase/(decrease) in cash and cash equivalents	79,862	(3,082,684)	45,867	(3,090,377)
Cash and cash equivalents at beginning of the financial period	7,053,121	11,139,096	7,052,096	11,119,681
Effect of exchange rate changes	539	18	539	18
Cash and cash equivalents at end of financial period	<u>7,133,522</u>	<u>8,056,430</u>	<u>7,098,502</u>	<u>8,029,322</u>
Cash and cash equivalents comprise:				
Cash and short-term funds	6,787,687	6,897,016	6,752,667	6,869,908
Deposits and placements with banks and other financial institutions	<u>2,127,352</u>	<u>2,062,485</u>	<u>2,127,352</u>	<u>2,062,485</u>
	8,915,039	8,959,501	8,880,019	8,932,393
Less: Deposits and placements with original maturity of more than 3 months	<u>(1,783,177)</u>	<u>(906,737)</u>	<u>(1,783,177)</u>	<u>(906,737)</u>
	7,131,862	8,052,764	7,096,842	8,025,656
Allowances for expected credit loss ("ECL") for cash and cash equivalents at end of the financial period	1,660	3,666	1,660	3,666
	<u>7,133,522</u>	<u>8,056,430</u>	<u>7,098,502</u>	<u>8,029,322</u>

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

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A1. BASIS OF PREPARATION

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

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

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 Group and 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 Group and the Bank.

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A1. BASIS OF PREPARATION (CONT'D.)

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

The nature of the amendments to published standards relevant to the Group and the Bank are described below: (cont'd.)

(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 Group and 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 Group and the Bank as the Group's activities are principally conducted in Malaysia.

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 Leases)	1 January 2024
- Non-current Liabilities with Covenants (Amendments to MFRS 101 Presentation of Financial Statements)	1 January 2024
- Supplier Finance Arrangements (Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures)	1 January 2024
- Lack of Exchangeability (Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates)	1 January 2025
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures)	To be determined by MASB

The nature of the amendments to published standards that are issued and relevant to the Group and the Bank but not yet effective are described below. The Group and the Bank are 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.

A1. BASIS OF PREPARATION (CONT'D.)

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

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

(a) Amendments to published standards effective for financial year ending 31 March 2025 (Cont'd.)

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.

(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.

(c) 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 *Consolidated Financial Statements* and MFRS 128 *Investments in Associates and Joint Ventures*)

The amendments clarified that:

- gains and losses resulting from transactions involving assets that do not constitute a business, between entity 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 Accounting Judgements, Estimates and Assumptions

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

Judgements, estimates and assumptions are continually evaluated and are based on past experience, reasonable expectations of future events and other factors. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the Group's and the Bank's accounting policies, the significant judgements, estimates and assumptions made by management were the same as those applied to the annual financial statements for the financial year ended 31 March 2023, except for the tax treatment of exceptional expenses incurred in the financial year ended 31 March 2021. For further details, refer to Note A31.

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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 Group and the Bank are 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

Other than as disclosed in Note A1, there were no unusual items during the current financial quarter and period affecting the financial results of the Group and the Bank.

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 current financial quarter and period.

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

Issuance of debt securities

- a) On 27 June 2023, the Bank issued Tranche 11 with nominal amount of RM500.0 million under its RM4.0 billion Subordinated Notes Issuance Programme. The interest rate of this tranche is at 4.59% per annum payable half-yearly with a tenure of 10 years (callable in the 5th years).
- b) On 3 November 2023, the Bank issued Tranche 1 with nominal amount of RM500.0 million under its RM8.0 billion Subordinated Notes Programme. The interest rate of this tranche is at 4.55% per annum payable half-yearly with a tenure of 10 years (callable in the 5th year).
- c) On 6 November 2023, the Bank issued Tranche 9 of Senior Notes with nominal value of RM500.0 million under its RM7.0 billion Senior Notes Programme. Tranche 9 bears interest at 4.33% per annum payable half-yearly with a tenure of 3 years.

Repayment of debt securities

- a) On 30 June 2023 and 29 December 2023, the Bank redeemed Tranche 8 - Series 1 and Series 2 of its Senior Notes with nominal value of RM150.0 million and RM250.0 million respectively issued under its RM7.0 billion Senior Notes Programme.
- b) On its first call date of 15 November 2023, the Bank fully redeemed Tranche 6 of Subordinated Notes with nominal amount of RM1.0 billion issued under its Subordinated Notes programme of RM4.0 billion.

Save as disclosed above, there were no new issuance for equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares by the Group and the Bank during the financial quarter and period.

A7. DIVIDENDS

During the financial period:

- a) the final single-tier cash dividend of 17.30 sen per ordinary share on 949,927,564 ordinary shares amounting to approximately RM164,337,469 in respect of the financial year ended 31 March 2023 was paid on 16 June 2023.
- b) an interim single-tier cash dividend of 5.80 sen per ordinary share on 949,927,564 ordinary shares amounting to approximately RM55,095,799 in respect of current financial year was paid on 18 December 2023.

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A8. CASH AND SHORT-TERM FUNDS

	Group		Bank	
	31 December 2023 RM'000	31 March 2023 RM'000	31 December 2023 RM'000	31 March 2023 RM'000
Cash and bank balances	3,165,609	2,437,035	3,130,589	2,436,010
Deposit placements maturing within one month:				
Licensed banks	2,053,738	3,009,415	2,053,738	3,009,415
Bank Negara Malaysia	1,570,000	1,430,000	1,570,000	1,430,000
	3,623,738	4,439,415	3,623,738	4,439,415
Total cash and bank balances and deposit placements	6,789,347	6,876,450	6,754,327	6,875,425
Less: Allowances for ECL	(1,660)	(1,748)	(1,660)	(1,748)
	6,787,687	6,874,702	6,752,667	6,873,677

Movements in allowances for ECL are as follows:

Group and Bank	Stage 1	Stage 2	Total
	12-Month ECL RM'000	Lifetime ECL not credit impaired RM'000	
31 December 2023			
Balance at beginning of the financial period	1,448	300	1,748
Net allowances for/(writeback of) ECL:	119	(211)	(92)
Transfer to Stage 1	1	(273)	(272)
New financial assets originated	13,277	686	13,963
Financial assets derecognised	(14,429)	(642)	(15,071)
Net remeasurement of allowances	1,270	18	1,288
Foreign exchange differences	3	1	4
Balance at end of the financial period	1,570	90	1,660
31 March 2023			
Balance at beginning of the financial year	2,072	21	2,093
Net (writeback of)/allowances for ECL:	(715)	341	(374)
Transfer to Stage 1	5	(24)	(19)
New financial assets originated	16,914	685	17,599
Financial assets derecognised	(23,664)	(585)	(24,249)
Transfer from deposits and placements with banks and other financial institutions (Note A9)	6,204	35	6,239
Net remeasurement of allowances	(174)	230	56
Foreign exchange differences	91	(62)	29
Balance at end of the financial year	1,448	300	1,748

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A9. DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group and Bank	
	31 December	31 March
	2023	2023
	RM'000	RM'000
Licensed banks	344,175	176,671
Licensed islamic bank (a related company)	83,177	107,860
Licensed investment bank (a related company)	1,700,000	800,000
	<u>2,127,352</u>	<u>1,084,531</u>
Less: Allowances for ECL	-	(66)
	<u>2,127,352</u>	<u>1,084,465</u>
Deposits and placements with original maturity of:		
Three months or less	344,175	176,671
More than three months	1,783,177	907,860
	<u>2,127,352</u>	<u>1,084,531</u>

Movements in allowances for ECL are as follows:

Group and Bank	Stage 1	Total
	12-Month ECL	
	RM'000	RM'000
31 December 2023		
Balance at beginning of the financial period	66	66
Net writeback of ECL:	(66)	(66)
Net remeasurement of allowances	(66)	(66)
Balance at end of the financial period	-	-

Group and Bank	Stage 1	Stage 2	Total
	12-Month ECL	Lifetime ECL not credit impaired	
	RM'000	RM'000	RM'000
31 March 2023			
Balance at beginning of the financial year	1,325	-	1,325
Net writeback of ECL:	(1,259)	-	(1,259)
New financial assets originated	5,042	35	5,077
Transfer to cash and short-term funds (Note A8)	(6,204)	(35)	(6,239)
Net remeasurement of allowances	(97)	-	(97)
Balance at end of the financial year	<u>66</u>	<u>-</u>	<u>66</u>

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A10. INVESTMENT ACCOUNT PLACEMENT

	Group and Bank	
	31 December 2023 RM'000	31 March 2023 RM'000
Licensed Islamic bank	1,373,156	1,538,521
Less: Allowances for ECL	(2,090)	(1,269)
	1,371,066	1,537,252

This represent investment placed under Restricted Investment Account ("RA") arrangement with AmBank Islamic Berhad ("AmBank Islamic"). The contract is based on the Shariah concept of Mudarabah between two parties, that is, the investor ("the Bank") and the entrepreneur ("AmBank Islamic") to finance a business venture whereby the investor provides capital and the business venture is managed solely by the entrepreneur. The profit of the business venture is shared between both parties based on pre-agreed ratio. Losses shall be borne solely by the investor. The investment assets financed under this arrangement are financing and advances extended by AmBank Islamic to external customers. As the losses are borne solely by the investor, the related ECL allowance for financing and advances extended by AmBank Islamic is recorded by the Bank.

As at 31 December 2023, the gross exposure (inclusive interest receivable disclosed in other assets) relating to the RA financing for the Group and the Bank amounted to RM1,376.9 million (31 March 2023: RM1,541.9 million). No stage 2 and 3 ECL is provided for the RA financing as at 31 December 2023 and 31 March 2023.

Movements in allowances for ECL are as follows:

Group and Bank	Stage 1 12-Month ECL RM'000	Total RM'000
31 December 2023		
Balance at beginning of the financial period	1,269	1,269
Net allowances for ECL:	821	821
Net remeasurement of allowances	821	821
Balance at end of the financial period	2,090	2,090
31 March 2023		
Balance at beginning of the financial year	2,179	2,179
Net writeback of ECL:	(910)	(910)
Net remeasurement of allowances	(910)	(910)
Balance at end of the financial year	1,269	1,269

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A11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVTPL")

	Group		Bank	
	31 December 2023 RM'000	31 March 2023 RM'000	31 December 2023 RM'000	31 March 2023 RM'000
At fair value				
Money market instruments:				
Bank Negara Monetary Notes	1,221,616	2,163,416	1,221,616	2,163,416
Malaysian Treasury Bills	1,373,437	5,057,052	1,373,437	5,057,052
Malaysian Government Investment Issues	1,400,684	287,727	1,400,684	287,727
Malaysian Government Securities	1,541,876	582,357	1,541,876	582,357
	<u>5,537,613</u>	<u>8,090,552</u>	<u>5,537,613</u>	<u>8,090,552</u>
Quoted securities:				
<i>In Malaysia:</i>				
Shares	715,453	627,691	715,453	627,691
Unit trusts	44,448	20,537	44,448	20,537
Sukuk	10,199	10,236	10,199	10,236
	<u>770,100</u>	<u>658,464</u>	<u>770,100</u>	<u>658,464</u>
<i>Outside Malaysia:</i>				
Shares	<u>406,178</u>	<u>446,560</u>	<u>406,174</u>	<u>446,556</u>
Unquoted securities:				
<i>In Malaysia:</i>				
Shares	33	33	-	-
Corporate bonds and sukuk	426,481	996,192	426,481	996,192
	<u>426,514</u>	<u>996,225</u>	<u>426,481</u>	<u>996,192</u>
	<u>7,140,405</u>	<u>10,191,801</u>	<u>7,140,368</u>	<u>10,191,764</u>

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

	Group		Bank	
	31 December 2023 RM'000	31 March 2023 RM'000	31 December 2023 RM'000	31 March 2023 RM'000
At fair value				
Money market instruments:				
Bank Negara Monetary Notes	-	247,160	-	247,160
Malaysian Government Investment Issues	3,632,378	3,430,007	3,632,378	3,430,007
Malaysian Government Securities	4,756,014	4,243,108	4,756,014	4,243,108
Foreign Government Investment Issues	13,742	13,309	13,742	13,309
Malaysian Treasury Bills	-	1,625,810	-	1,625,810
Negotiable Instruments of Deposit	1,298,214	1,193,273	1,298,214	1,193,273
	<u>9,700,348</u>	<u>10,752,667</u>	<u>9,700,348</u>	<u>10,752,667</u>
Quoted securities:				
<i>In Malaysia:</i>				
Unit trusts	58,717	60,551	58,717	60,551
	<u>58,717</u>	<u>60,551</u>	<u>58,717</u>	<u>60,551</u>
Unquoted securities:				
<i>In Malaysia:</i>				
Corporate bonds and sukuk	10,318,148	8,805,585	10,318,148	8,805,585
Shares	714,780	676,523	714,780	676,523
	<u>11,032,928</u>	<u>9,482,108</u>	<u>11,032,928</u>	<u>9,482,108</u>
<i>Outside Malaysia:</i>				
Sukuk	-	10,291	-	10,291
Shares	786	735	786	735
	<u>786</u>	<u>11,026</u>	<u>786</u>	<u>11,026</u>
	<u>20,792,779</u>	<u>20,306,352</u>	<u>20,792,779</u>	<u>20,306,352</u>

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A12. FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("FVOCI") (CONT'D.)

Movements in allowances for ECL are as follows:

Group and Bank	Stage 1	Stage 2	Total
	12-Month ECL	Lifetime ECL not credit impaired	
	RM'000	RM'000	RM'000
31 December 2023			
Balance at beginning of the financial period	8,562	1,979	10,541
Net allowances for ECL:	10,927	417	11,344
New financial assets originated	10,009	82	10,091
Financial assets derecognised	(7,228)	-	(7,228)
Net remeasurement of allowances	8,146	335	8,481
Foreign exchange differences	1	-	1
Balance at end of the financial period	19,490	2,396	21,886

Group and Bank	Stage 1	Stage 2	Total
	12-Month ECL	Lifetime ECL not credit impaired	
	RM'000	RM'000	RM'000
31 March 2023			
Balance at beginning of the financial year	8,038	3,602	11,640
Net allowances for/(writeback of) ECL:	512	(1,623)	(1,111)
- Transfer to Stage 1	153	(2,411)	(2,258)
- Transfer to Stage 2	(1,106)	2,365	1,259
New financial assets originated	9,852	-	9,852
Financial assets derecognised	(6,467)	(2,996)	(9,463)
Net remeasurement of allowances	(1,920)	1,419	(501)
Foreign exchange differences	12	-	12
Balance at end of the financial year	8,562	1,979	10,541

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A13. FINANCIAL INVESTMENTS AT AMORTISED COST

	Group and Bank	
	31 December 2023 RM'000	31 March 2023 RM'000
At amortised cost		
Money market instruments:		
Malaysian Government Investment Issues	945,893	2,459,308
Malaysian Government Securities	796,534	1,346,712
	<u>1,742,427</u>	<u>3,806,020</u>
Unquoted securities:		
<i>In Malaysia:</i>		
Corporate bonds and sukuk	4,978,214	5,448,738
	<u>6,720,641</u>	<u>9,254,758</u>
Less: Allowances for ECL	(46,704)	(40,041)
	<u>6,673,937</u>	<u>9,214,717</u>

Movements in allowances for ECL are as follows:

Group and Bank	Stage 1	Stage 3	Total
	12-Month ECL RM'000	Lifetime ECL credit impaired RM'000	
31 December 2023			
Balance at beginning of the financial period	4,758	35,283	40,041
Net allowances for ECL:	6,337	326	6,663
New financial assets originated	3,630	-	3,630
Net remeasurement of allowances	3,750	326	4,076
Financial assets derecognised	(1,043)	-	(1,043)
Balance at end of the financial period	<u>11,095</u>	<u>35,609</u>	<u>46,704</u>
31 March 2023			
Balance at beginning of the financial year	3,314	34,272	37,586
Net allowances for ECL:	1,444	1,011	2,455
New financial assets originated	2,811	-	2,811
Net remeasurement of allowances	(473)	1,011	538
Financial assets derecognised	(894)	-	(894)
Balance at end of the financial year	<u>4,758</u>	<u>35,283</u>	<u>40,041</u>

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A14. LOANS AND ADVANCES

	Group		Bank	
	31 December 2023 RM'000	31 March 2023 RM'000	31 December 2023 RM'000	31 March 2023 RM'000
At amortised cost:				
Overdraft	1,849,943	2,156,953	1,849,943	2,156,953
Term loans	26,236,539	25,688,680	26,236,539	25,688,680
Housing loan receivables	30,017,959	28,985,834	29,655,537	28,598,522
Hire purchase receivables	9,573,407	9,535,473	9,573,407	9,535,473
Bills receivables	2,419,057	2,223,438	2,419,057	2,223,438
Trust receipts	2,083,774	2,074,012	2,083,774	2,074,012
Claims on customers under acceptance credits	4,448,148	4,604,485	4,448,148	4,604,485
Card receivables	1,716,020	1,600,986	1,716,020	1,600,986
Revolving credits	6,320,750	6,684,854	6,663,207	7,041,064
Staff loans	83,567	81,377	83,567	81,377
Others	145,088	134,228	145,088	134,228
Gross loans and advances	84,894,252	83,770,320	84,874,287	83,739,218
Allowances for ECL:				
- Stage 1 - 12 months ECL	(202,746)	(160,839)	(202,836)	(160,826)
- Stage 2 - Lifetime ECL not credit impaired	(853,243)	(719,574)	(853,225)	(719,487)
- Stage 3 - Lifetime ECL credit impaired	(430,359)	(423,493)	(429,942)	(423,247)
Net loans and advances	83,407,904	82,466,414	83,388,284	82,435,658

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

	Group		Bank	
	31 December 2023 RM'000	31 March 2023 RM'000	31 December 2023 RM'000	31 March 2023 RM'000
Domestic non-bank financial institutions	1,014,304	1,053,846	1,356,760	1,410,056
Domestic business enterprises				
- Small medium enterprises	19,836,531	19,814,532	19,836,531	19,814,532
- Others	18,293,941	18,233,263	18,293,941	18,233,263
Government and statutory bodies	32,708	43,059	32,708	43,059
Individuals	44,478,999	43,187,593	44,116,578	42,800,281
Other domestic entities	5,664	8,730	5,664	8,730
Foreign individuals and entities	1,232,105	1,429,297	1,232,105	1,429,297
Gross loans and advances	84,894,252	83,770,320	84,874,287	83,739,218

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A14. LOANS AND ADVANCES (CONT'D.)

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

	Group		Bank	
	31 December	31 March	31 December	31 March
	2023	2023	2023	2023
	RM'000	RM'000	RM'000	RM'000
In Malaysia	84,740,277	83,487,307	84,720,312	83,456,205
Outside Malaysia	153,975	283,013	153,975	283,013
	<u>84,894,252</u>	<u>83,770,320</u>	<u>84,874,287</u>	<u>83,739,218</u>

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

	Group		Bank	
	31 December	31 March	31 December	31 March
	2023	2023	2023	2023
	RM'000	RM'000	RM'000	RM'000
Fixed rate				
- Housing loans	433,019	451,584	70,597	64,272
- Hire purchase receivables	9,274,285	9,202,544	9,274,285	9,202,544
- Other fixed rate loans	7,256,439	7,217,452	7,256,439	7,217,452
Variable rate				
- Base rate and base lending rate plus	48,047,265	46,088,162	48,047,265	46,088,162
- Cost plus	18,832,488	19,809,770	19,174,945	20,165,980
- Other variable rates	1,050,756	1,000,808	1,050,756	1,000,808
	<u>84,894,252</u>	<u>83,770,320</u>	<u>84,874,287</u>	<u>83,739,218</u>

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

	Group		Bank	
	31 December	31 March	31 December	31 March
	2023	2023	2023	2023
	RM'000	RM'000	RM'000	RM'000
Agriculture	1,237,247	1,196,390	1,237,247	1,196,390
Mining and quarrying	1,526,108	1,536,699	1,526,108	1,536,699
Manufacturing	10,263,804	10,909,186	10,263,804	10,909,186
Electricity, gas and water	857,494	984,557	857,494	984,557
Construction	3,612,770	3,499,629	3,612,770	3,499,629
Wholesale and retail trade and hotel and restaurants	10,168,795	8,885,936	10,168,795	8,885,936
Transport, storage and communication	2,092,538	3,474,022	2,092,538	3,474,022
Finance and insurance	1,149,453	1,321,740	1,491,909	1,677,950
Real estate	6,183,351	5,416,597	6,183,351	5,416,597
Business activities	1,714,862	1,750,699	1,714,862	1,750,699
Education and health	1,045,296	1,086,144	1,045,296	1,086,144
Household of which:	44,963,662	43,703,372	44,601,241	43,316,060
- purchase of residential properties	30,261,945	29,236,771	29,899,524	28,849,459
- purchase of transport vehicles	8,486,432	8,552,962	8,486,432	8,552,962
- others	6,215,285	5,913,639	6,215,285	5,913,639
Others	78,872	5,349	78,872	5,349
	<u>84,894,252</u>	<u>83,770,320</u>	<u>84,874,287</u>	<u>83,739,218</u>

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A14. LOANS AND ADVANCES (CONT'D.)

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

	Group		Bank	
	31 December 2023 RM'000	31 March 2023 RM'000	31 December 2023 RM'000	31 March 2023 RM'000
Maturing within one year	20,180,840	20,735,269	20,520,803	21,088,410
Over one year to three years	5,645,875	5,362,794	5,640,854	5,356,972
Over three years to five years	6,709,183	9,504,168	6,702,553	9,496,464
Over five years	52,358,354	48,168,089	52,010,077	47,797,372
	<u>84,894,252</u>	<u>83,770,320</u>	<u>84,874,287</u>	<u>83,739,218</u>

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

	Group		Bank	
	31 December 2023 RM'000	31 March 2023 RM'000	31 December 2023 RM'000	31 March 2023 RM'000
Balance at beginning of the financial period/year	1,375,292	1,047,502	1,374,240	1,046,185
Additions during the financial period/year	1,078,166	1,141,705	1,076,625	1,141,134
Reclassified as non-impaired	(172,782)	(161,738)	(172,586)	(161,143)
Recoveries	(338,163)	(285,277)	(338,151)	(285,036)
Amount written off	(442,203)	(367,276)	(442,203)	(367,276)
Foreign exchange differences	311	376	311	376
Balance at end of the financial period/year	<u>1,500,621</u>	<u>1,375,292</u>	<u>1,498,236</u>	<u>1,374,240</u>
Gross impaired loans and advances as % of gross loans and advances	<u>1.77%</u>	<u>1.64%</u>	<u>1.77%</u>	<u>1.64%</u>
Loan loss coverage (Including regulatory reserve)	<u>110.9%</u>	<u>123.5%</u>	<u>111.1%</u>	<u>123.6%</u>

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

	Group		Bank	
	31 December 2023 RM'000	31 March 2023 RM'000	31 December 2023 RM'000	31 March 2023 RM'000
In Malaysia	<u>1,500,621</u>	<u>1,375,292</u>	<u>1,498,236</u>	<u>1,374,240</u>

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A14. LOANS AND ADVANCES (CONT'D.)

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

	Group		Bank	
	31 December 2023 RM'000	31 March 2023 RM'000	31 December 2023 RM'000	31 March 2023 RM'000
Agriculture	5,568	6,539	5,568	6,539
Mining and quarrying	16,631	4,397	16,631	4,397
Manufacturing	183,569	164,355	183,569	164,355
Electricity, gas and water	50,115	47,199	50,115	47,199
Construction	138,779	152,544	138,779	152,544
Wholesale and retail trade and hotel and restaurants	215,975	143,014	215,975	143,014
Transport, storage and communication	22,077	19,777	22,077	19,777
Finance and insurance	8,323	11,201	8,323	11,201
Real estate	8,888	10,915	8,888	10,915
Business activities	38,858	41,238	38,858	41,238
Education and health	35,343	10,217	35,343	10,217
Household of which:	776,495	763,896	774,110	762,844
- purchase of residential properties	603,378	581,738	600,993	580,686
- purchase of transport vehicles	77,076	85,358	77,076	85,358
- others	96,041	96,800	96,041	96,800
	<u>1,500,621</u>	<u>1,375,292</u>	<u>1,498,236</u>	<u>1,374,240</u>

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A14. LOANS AND ADVANCES (CONT'D.)

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

Group	Stage 1	Stage 2	Stage 3	Total
	12-Month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
31 December 2023				
Balance at beginning of the financial period	160,839	719,574	423,493	1,303,906
Net allowances for ECL:	41,682	133,664	448,751	624,097
- Transfer to Stage 1	8,563	(68,275)	(2,516)	(62,228)
- Transfer to Stage 2	(11,025)	131,889	(24,741)	96,123
- Transfer to Stage 3	(1,011)	(27,062)	132,858	104,785
New financial assets originated	69,378	250,405	4,138	323,921
Net remeasurement of allowances	12,050	(75,043)	355,597	292,604
Modification of contractual cash flows of financial assets	(140)	2,620	(472)	2,008
Financial assets derecognised	(31,376)	(53,598)	(86,355)	(171,329)
Changes to model assumptions and methodologies	(4,757)	(27,272)	70,242	38,213
Foreign exchange differences	225	5	318	548
Amount written-off	-	-	(442,203)	(442,203)
Balance at end of the financial period	202,746	853,243	430,359	1,486,348
31 March 2023				
Balance at beginning of the financial year	154,044	758,197	319,503	1,231,744
Net allowances for/(writeback of) ECL:	6,413	(38,586)	470,793	438,620
- Transfer to Stage 1	10,466	(124,287)	(4,853)	(118,674)
- Transfer to Stage 2	(10,416)	116,349	(16,850)	89,083
- Transfer to Stage 3	(1,020)	(25,135)	174,011	147,856
New financial assets originated	42,982	53,894	6,981	103,857
Net remeasurement of allowances	890	42,961	332,873	376,724
Modification of contractual cash flows of financial assets	-	(66)	1,651	1,585
Financial assets derecognised	(28,084)	(81,891)	(59,837)	(169,812)
Changes to model assumptions and methodologies	(8,405)	(20,411)	36,817	8,001
Foreign exchange differences	382	(37)	473	818
Amount written-off	-	-	(367,276)	(367,276)
Balance at end of the financial year	160,839	719,574	423,493	1,303,906

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A14. LOANS AND ADVANCES (CONT'D.)

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

Bank	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 December 2023				
Balance at beginning of the financial period	160,826	719,487	423,247	1,303,560
Net allowances for ECL:	41,785	133,733	448,580	624,098
- Transfer to Stage 1	8,560	(68,230)	(2,710)	(62,380)
- Transfer to Stage 2	(11,025)	131,889	(24,741)	96,123
- Transfer to Stage 3	(1,010)	(27,062)	132,857	104,785
New financial assets originated	69,510	250,405	4,138	324,053
Net remeasurement of allowances	12,017	(75,042)	355,589	292,564
Modification of contractual cash flows of financial assets	(140)	2,620	(472)	2,008
Financial assets derecognised	(31,370)	(53,575)	(86,323)	(171,268)
Changes to model assumptions and methodologies	(4,757)	(27,272)	70,242	38,213
Foreign exchange differences	225	5	318	548
Amount written-off	-	-	(442,203)	(442,203)
Balance at end of the financial period	<u>202,836</u>	<u>853,225</u>	<u>429,942</u>	<u>1,486,003</u>
31 March 2023				
Balance at beginning of the financial year	154,074	758,182	319,223	1,231,479
Net allowances for/(writeback of) ECL:	6,370	(38,657)	470,827	438,540
- Transfer to Stage 1	10,468	(124,281)	(4,681)	(118,494)
- Transfer to Stage 2	(10,416)	116,328	(16,843)	89,069
- Transfer to Stage 3	(1,020)	(25,131)	173,862	147,711
New financial assets originated	42,982	53,894	6,981	103,857
Net remeasurement of allowances	1,071	42,960	332,877	376,908
Modification of contractual cash flows of financial assets	-	(66)	1,651	1,585
Financial assets derecognised	(28,310)	(81,950)	(59,837)	(170,097)
Changes to model assumptions and methodologies	(8,405)	(20,411)	36,817	8,001
Foreign exchange differences	382	(38)	473	817
Amount written-off	-	-	(367,276)	(367,276)
Balance at end of the financial year	<u>160,826</u>	<u>719,487</u>	<u>423,247</u>	<u>1,303,560</u>

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A15. OTHER ASSETS

	Group		Bank	
	31 December 2023 RM'000	31 March 2023 RM'000	31 December 2023 RM'000	31 March 2023 RM'000
Other receivables, deposits and prepayments	707,987	734,680	706,597	733,229
Interest receivable	437,744	428,273	437,744	428,274
Amount due from related companies	151,798	35,123	151,812	35,268
Collateral pledged for derivative and securities transactions	615,291	467,034	615,291	467,034
Foreclosed properties	2,583	2,644	2,275	2,337
Deferred charges	117,353	111,338	117,353	111,338
Tax recoverable	657,728	172,744	657,203	172,471
	<u>2,690,484</u>	<u>1,951,836</u>	<u>2,688,275</u>	<u>1,949,951</u>
Less: Accumulated impairment losses	(1,657)	(3,454)	(1,164)	(2,999)
	<u>2,688,827</u>	<u>1,948,382</u>	<u>2,687,111</u>	<u>1,946,952</u>

Amounts due from related companies are unsecured, non-interest bearing and are repayable on demand.

A16. DEPOSITS FROM CUSTOMERS

	Group		Bank	
	31 December 2023 RM'000	31 March 2023 RM'000	31 December 2023 RM'000	31 March 2023 RM'000
Demand deposits	26,022,801	25,489,922	26,025,774	25,501,758
Savings deposits	4,658,471	5,840,339	4,658,471	5,840,339
Term/Investment deposits	59,330,468	54,048,284	59,331,297	54,049,101
	<u>90,011,740</u>	<u>85,378,545</u>	<u>90,015,542</u>	<u>85,391,198</u>

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

	Group		Bank	
	31 December 2023 RM'000	31 March 2023 RM'000	31 December 2023 RM'000	31 March 2023 RM'000
Government and other statutory bodies	1,239,489	868,756	1,239,489	868,756
Business enterprises	42,523,446	39,229,447	42,527,248	39,242,100
Individuals	40,872,425	38,941,377	40,872,425	38,941,377
Others	5,376,380	6,338,965	5,376,380	6,338,965
	<u>90,011,740</u>	<u>85,378,545</u>	<u>90,015,542</u>	<u>85,391,198</u>

(ii) The maturity structure of term/investment deposits is as follows:

	Group		Bank	
	31 December 2023 RM'000	31 March 2023 RM'000	31 December 2023 RM'000	31 March 2023 RM'000
Due within six months	45,519,000	42,012,274	45,519,829	42,013,091
Over six months to one year	12,538,921	9,984,599	12,538,921	9,984,599
Over one year to three years	1,228,440	1,998,352	1,228,440	1,998,352
Over three years to five years	44,107	53,059	44,107	53,059
	<u>59,330,468</u>	<u>54,048,284</u>	<u>59,331,297</u>	<u>54,049,101</u>

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A17. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group		Bank	
	31 December 2023 RM'000	31 March 2023 RM'000	31 December 2023 RM'000	31 March 2023 RM'000
Licensed banks	4,679,132	5,617,181	4,679,132	5,617,181
Licensed investment banks	1,532,769	782,226	1,532,769	782,226
Other financial institutions	1,488,838	953,673	1,507,335	993,736
Bank Negara Malaysia	1,439,704	1,308,614	1,439,704	1,308,614
	<u>9,140,443</u>	<u>8,661,694</u>	<u>9,158,940</u>	<u>8,701,757</u>

A18. OTHER LIABILITIES

	Group		Bank	
	31 December 2023 RM'000	31 March 2023 RM'000	31 December 2023 RM'000	31 March 2023 RM'000
Other payables and accruals	1,181,259	1,229,782	1,162,323	1,210,739
Lease liabilities	207,295	228,707	208,133	229,836
Provision for reinstatement for leased properties	6,250	6,207	6,250	6,207
Interest payable	756,298	674,008	756,298	674,008
Amount due to holding company and other related companies	5	206,711	201	206,712
Collateral received for derivative and securities transactions	280,040	510,844	280,040	510,844
Lease deposits and advance rentals	41,507	39,718	41,507	39,718
Provision for commitments and contingencies	3,299	3,502	3,299	3,502
Allowances for ECL on loan commitments and financial guarantees (Note (a))	157,564	193,085	157,604	193,105
Provision for taxation	1,494	1,119	1,489	839
Deferred income	59,383	56,280	59,383	56,280
	<u>2,694,394</u>	<u>3,149,963</u>	<u>2,676,527</u>	<u>3,131,790</u>

Amounts due to holding company and other related companies relate to normal operating activities which are unsecured, non-interest bearing and repayable on demand.

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A18. OTHER LIABILITIES (CONT'D.)

(a) Movements in allowance for ECL on commitments and financial guarantees are as follows:

Group	Stage 1	Stage 2	Stage 3	Total
	12-Month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
31 December 2023				
Balance at beginning of the financial period	31,057	26,808	135,220	193,085
Net allowances/(writeback) for ECL:	507	(5,198)	(30,933)	(35,624)
- Transfer to Stage 1	765	(7,289)	-	(6,524)
- Transfer to Stage 2	(1,149)	7,062	-	5,913
- Transfer to Stage 3	(44)	(394)	17	(421)
New exposure originated	12,089	8,972	-	21,061
Net remeasurement of allowances	(3,825)	(5,312)	(30,870)	(40,007)
Financial exposure derecognised/withdrawn	(7,329)	(8,237)	(80)	(15,646)
Foreign exchange differences	106	(4)	1	103
Balance at end of the financial period	31,670	21,606	104,288	157,564
31 March 2023				
Balance at beginning of the financial year	20,472	15,763	242,154	278,389
Net allowances for/(writeback of) ECL:	10,465	11,040	(106,915)	(85,410)
- Transfer to Stage 1	827	(4,554)	-	(3,727)
- Transfer to Stage 2	(894)	7,787	-	6,893
- Transfer to Stage 3	(28)	(304)	3,702	3,370
New exposure originated	14,224	13,861	-	28,085
Net remeasurement of allowances	2,708	(331)	(110,225)	(107,848)
Financial exposure derecognised/withdrawn	(6,372)	(5,419)	(392)	(12,183)
Foreign exchange differences	120	5	(19)	106
Balance at end of the financial year	31,057	26,808	135,220	193,085

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A18. OTHER LIABILITIES (CONT'D.)

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

Bank	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 December 2023				
Balance at beginning of the financial period	31,077	26,808	135,220	193,105
Net allowances/(writeback) for ECL:	527	(5,198)	(30,933)	(35,604)
- Transfer to Stage 1	765	(7,289)	-	(6,524)
- Transfer to Stage 2	(1,149)	7,062	-	5,913
- Transfer to Stage 3	(44)	(394)	17	(421)
New exposure originated	12,089	8,972	-	21,061
Net remeasurement of allowances	(3,805)	(5,312)	(30,870)	(39,987)
Financial exposure derecognised/withdrawn	(7,329)	(8,237)	(80)	(15,646)
Foreign exchange differences	106	(4)	1	103
Balance at end of the financial period	31,710	21,606	104,288	157,604

Bank	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 March 2023				
Balance at beginning of the financial year	20,518	15,763	242,154	278,435
Net allowances for/(writeback of) ECL:	10,439	11,040	(106,915)	(85,436)
- Transfer to Stage 1	827	(4,554)	-	(3,727)
- Transfer to Stage 2	(894)	7,787	-	6,893
- Transfer to Stage 3	(28)	(304)	3,702	3,370
New exposure originated	14,224	13,861	-	28,085
Net remeasurement of allowances	2,682	(331)	(110,225)	(107,874)
Financial exposure derecognised/withdrawn	(6,372)	(5,419)	(392)	(12,183)
Foreign exchange differences	120	5	(19)	106
Balance at end of the financial year	31,077	26,808	135,220	193,105

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A19. INTEREST INCOME

	Note	Individual Quarter		Cumulative Quarter	
		31 December 2023 RM'000	31 December 2022 RM'000	31 December 2023 RM'000	31 December 2022 RM'000
Group					
Short-term funds and deposits and placements with financial institutions	(a)	94,536	68,495	289,330	135,581
Financial assets at fair value through profit or loss		51,765	36,315	186,450	87,822
Financial investments at fair value through other comprehensive income		178,452	154,398	516,986	399,533
Financial investments at amortised cost		81,244	87,371	262,381	231,189
Loans and advances	(b)	1,126,873	982,494	3,308,357	2,691,910
Investment account placement		14,775	14,137	43,304	38,100
Impaired loans and advances		2,646	1,280	7,151	3,027
Others		11,021	10,479	29,255	21,480
		<u>1,561,312</u>	<u>1,354,969</u>	<u>4,643,214</u>	<u>3,608,642</u>
Bank					
Short-term funds and deposits and placements with financial institutions	(a)	94,399	68,359	288,845	135,263
Financial assets at fair value through profit or loss		51,765	36,315	186,450	87,822
Financial investments at fair value through other comprehensive income		178,452	154,398	516,986	399,533
Financial investments at amortised cost		81,244	87,371	262,381	231,189
Loans and advances	(b)	1,126,048	981,418	3,306,041	2,689,058
Investment account placement		14,775	14,137	43,304	38,100
Impaired loans and advances		2,646	1,280	7,151	3,027
Others		11,021	10,479	29,255	21,480
		<u>1,560,350</u>	<u>1,353,757</u>	<u>4,640,413</u>	<u>3,605,472</u>

Note:

- (a) Included in the interest income on short term funds and deposits placements with financial institution is the fair value gain of RM11.8 million (December 2022: RM Nil) arising from the differential between the concession rates received and market rates of the placements made to AmBank Islamic and its unwinding amount for the financial quarter of gain of RM0.7 million (December 2022: gain of RM3.3 million). There was no fair value loss recognised in the current financial quarter.
- (b) Included in the interest income of loans and advances of the Group and of the Bank are the net loss of RM10.1 million (December 2022: loss of RM3.9 million) arising from government support measures implemented in response to COVID-19 pandemic.

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A20. INTEREST EXPENSE

	Individual Quarter		Cumulative Quarter	
	31 December 2023 RM'000	31 December 2022 RM'000	31 December 2023 RM'000	31 December 2022 RM'000
Group				
Deposits from customers	734,526	483,078	2,064,386	1,241,305
Deposits and placements of banks and other financial institutions	64,848	58,540	226,976	133,859
Securities sold under repurchase agreements	80,355	82,670	306,145	135,978
Recourse obligation on loans sold to Cagamas Berhad	60,296	57,146	171,532	147,298
Term funding	19,951	15,666	55,480	37,596
Debt capital	40,124	40,012	119,907	114,068
Others	4,712	3,605	13,338	5,120
	<u>1,004,812</u>	<u>740,717</u>	<u>2,957,764</u>	<u>1,815,224</u>
Bank				
Deposits from customers	734,535	483,086	2,064,412	1,241,383
Deposits and placements of banks and other financial institutions	64,848	58,540	227,040	133,859
Securities sold under repurchase agreements	80,355	82,670	306,145	135,978
Recourse obligation on loans sold to Cagamas Berhad	60,296	57,146	171,532	147,298
Term funding	19,951	15,666	55,480	37,596
Debt capital	40,124	40,012	119,907	114,068
Others	4,712	3,605	13,338	5,120
	<u>1,004,821</u>	<u>740,725</u>	<u>2,957,854</u>	<u>1,815,302</u>

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A21. OTHER OPERATING INCOME

Group	Individual Quarter		Cumulative Quarter	
	31 December 2023 RM'000	31 December 2022 RM'000	31 December 2023 RM'000	31 December 2022 RM'000
Fee and commission income:				
Bancassurance commission	10,814	9,447	29,377	25,057
Brokerage fees, commission and rebates	309	315	958	1,087
Fees on loans, advances and securities	35,427	30,962	98,082	94,378
Fees, service and commission charges	6,934	8,177	19,612	25,351
Unit trust fees, commission and charges	10,465	7,814	32,092	23,581
Guarantee fees	13,412	13,518	39,220	38,097
Remittances	6,336	6,887	19,337	21,000
Other fee and commission	3,112	6,447	8,618	13,769
	<u>86,809</u>	<u>83,567</u>	<u>247,296</u>	<u>242,320</u>
Investment and trading income:				
Foreign exchange gain/(loss)	70,597	(84,247)	279,016	182,255
Gross dividend income/distribution from:				
Financial assets at fair value through profit or loss	23,829	16,839	26,945	20,769
Financial investments at fair value through other comprehensive income	1,505	603	6,780	2,413
Net (loss)/gain on sale of:				
Financial assets at fair value through profit or loss	(3,757)	28,445	14,354	14,671
Financial investments at fair value through other comprehensive income	1,654	63	8,678	23
Net gain on redemption of financial assets at amortised cost	32,080	-	68,270	-
Net gain/(loss) on revaluation of financial assets at fair value through profit or loss	8,520	6,858	(37,470)	(17,196)
Net (loss)/gain on derivatives	(2,862)	114,302	(35,962)	(1,136)
Others	(75)	1,657	216	5,846
	<u>131,491</u>	<u>84,520</u>	<u>330,827</u>	<u>207,645</u>
Other income:				
Net gain on disposal of property and equipment	-	22	114	73
Net gain on non trading foreign exchange	399	308	157	196
Profit from sale of goods and services	4,054	4,161	12,190	12,350
Rental income	2,215	2,006	6,181	5,931
Others	1,048	1,609	5,570	4,990
	<u>7,716</u>	<u>8,106</u>	<u>24,212</u>	<u>23,540</u>
	<u>226,016</u>	<u>176,193</u>	<u>602,335</u>	<u>473,505</u>

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A21. OTHER OPERATING INCOME (CONT'D.)

	Individual Quarter		Cumulative Quarter	
	31 December 2023 RM'000	31 December 2022 RM'000	31 December 2023 RM'000	31 December 2022 RM'000
Bank				
Fee and commission income:				
Bancassurance commission	10,814	9,447	29,377	25,057
Brokerage fees, commission and rebates	309	315	958	1,087
Fees on loans, advances and securities	35,427	30,962	98,082	94,378
Fees, service and commission charges	7,283	8,017	20,686	24,888
Unit trust fees, commission and charges	10,465	7,814	32,092	23,581
Guarantee fees	13,412	13,518	39,220	38,097
Remittances	6,336	6,887	19,337	21,000
Other fee and commission	3,112	6,447	8,618	13,769
	<u>87,158</u>	<u>83,407</u>	<u>248,370</u>	<u>241,857</u>
Investment and trading income:				
Foreign exchange gain/(loss)	70,597	(84,196)	279,019	182,280
Gross dividend income/distribution from:				
Financial assets at fair value through profit or loss	23,829	16,839	26,945	20,769
Financial investments at fair value through other comprehensive income	1,505	603	6,780	2,413
Net (loss)/gain on sale of:				
Financial assets at fair value through profit or loss	(3,757)	28,445	14,354	14,671
Financial investments at fair value through other comprehensive income	1,654	63	8,678	23
Net gain on redemption of financial assets at amortised cost	32,080	-	68,270	-
Net gain/(loss) on revaluation of financial assets at fair value through profit or loss	8,520	6,858	(37,470)	(17,196)
Net (loss)/gain on derivatives	(2,862)	114,302	(35,962)	(1,136)
Others	(75)	1,657	216	7,421
	<u>131,491</u>	<u>84,571</u>	<u>330,830</u>	<u>209,245</u>
Other income:				
Net gain on disposal of property and equipment	-	22	7	73
Net gain on non trading foreign exchange	399	256	157	143
Profit from sale of goods and services	4,054	4,161	12,190	12,350
Rental income	2,293	2,107	6,397	6,260
Others	761	1,504	4,780	4,951
	<u>7,507</u>	<u>8,050</u>	<u>23,531</u>	<u>23,777</u>
	<u>226,156</u>	<u>176,028</u>	<u>602,731</u>	<u>474,879</u>

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A22. OTHER OPERATING EXPENSES

Group	Note	Individual Quarter		Cumulative Quarter	
		31 December 2023 RM'000	31 December 2022 RM'000	31 December 2023 RM'000	31 December 2022 RM'000
Personnel costs:					
Medical		8,345	7,856	21,247	17,407
Insurance		14,749	(99)	26,296	13,677
Contributions to Employees' Provident Fund/ Private Retirement Schemes ("PRS")		35,726	34,309	106,333	99,957
Salaries, bonuses, allowances and incentives		230,163	222,578	683,375	649,287
Share granted under AMMB Executives' Share Scheme ("ESS") - charge		3,112	2,712	11,842	12,169
Social security costs		1,964	1,925	5,939	5,254
Recruitment costs		1,416	6,700	3,074	15,252
Training		5,291	3,220	12,273	9,267
Others		(4,621)	2,776	(2,786)	6,788
		<u>296,145</u>	<u>281,977</u>	<u>867,593</u>	<u>829,058</u>
Establishment costs:					
Amortisation of intangible assets		8,056	20,579	43,524	57,603
Cleaning, maintenance and security		9,109	8,990	22,472	22,548
Computerisation cost		55,361	41,404	161,324	135,184
Depreciation of property and equipment		11,688	13,740	35,660	37,495
Depreciation of right-of-use assets		17,177	17,586	51,812	56,496
Rental of premises		854	481	2,418	(2,954)
Finance cost:					
- Lease liabilities		1,432	1,693	4,302	4,803
- Provision for reinstatement for leased properties		13	18	43	60
Others		8,258	8,880	23,651	25,142
		<u>111,948</u>	<u>113,371</u>	<u>345,206</u>	<u>336,377</u>
Marketing and communication expenses:					
Advertising, marketing and communication		13,470	12,836	39,037	36,986
Commission		814	200	1,607	1,638
Others		1,903	1,250	4,780	3,196
		<u>16,187</u>	<u>14,286</u>	<u>45,424</u>	<u>41,820</u>
Administration and general expenses:					
Bank charges		3,382	3,049	9,618	7,960
Insurance		2,284	1,934	7,189	7,309
Professional services		17,440	10,631	42,329	31,358
Travelling		296	529	1,183	1,477
Subscriptions and periodicals		329	56	1,680	336
Others		14,799	10,314	26,627	21,865
		<u>38,530</u>	<u>26,513</u>	<u>88,626</u>	<u>70,305</u>
Service transfer pricing recovery - net	(a)	(123,397)	(82,201)	(371,134)	(247,153)
		<u>339,413</u>	<u>353,946</u>	<u>975,715</u>	<u>1,030,407</u>

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A22. OTHER OPERATING EXPENSES (CONT'D.)

	Note	Individual Quarter		Cumulative Quarter	
		31 December 2023 RM'000	31 December 2022 RM'000	31 December 2023 RM'000	31 December 2022 RM'000
Bank					
Personnel costs:					
Medical		8,345	7,856	21,247	17,407
Insurance		14,749	(99)	26,296	13,677
Contributions to Employees' Provident Fund/ PRS		35,726	34,309	106,333	99,957
Salaries, bonuses, allowances and incentives		230,163	222,578	683,375	649,287
Share granted under AMMB ESS					
- charge		3,112	2,712	11,842	12,169
Social security costs		1,964	1,925	5,939	5,254
Recruitment costs		1,416	6,700	3,074	15,252
Training		5,291	3,220	12,273	9,267
Others		(4,621)	2,776	(2,786)	6,788
		<u>296,145</u>	<u>281,977</u>	<u>867,593</u>	<u>829,058</u>
Establishment costs:					
Amortisation of intangible assets		8,056	20,579	43,524	57,603
Cleaning, maintenance and security		9,081	8,876	22,373	22,173
Computerisation cost		55,361	41,404	161,324	135,184
Depreciation of property and equipment		11,655	13,638	35,559	37,174
Depreciation of right-of-use assets		17,281	17,689	52,122	56,806
Rental of premises		976	602	2,783	(2,589)
Finance cost:					
- Lease liabilities		1,457	1,721	4,380	4,890
- Provision for reinstatement for leased properties		13	18	43	60
Others		8,258	8,864	23,651	25,046
		<u>112,138</u>	<u>113,391</u>	<u>345,759</u>	<u>336,347</u>
Marketing and communication expenses:					
Advertising, marketing and communication		13,469	12,836	39,036	36,985
Commission		814	199	1,607	1,637
Others		1,903	1,250	4,780	3,196
		<u>16,186</u>	<u>14,285</u>	<u>45,423</u>	<u>41,818</u>
Administration and general expenses:					
Bank charges		3,382	3,049	9,618	7,960
Insurance		2,311	1,934	7,155	7,226
Professional services		17,409	10,592	42,250	31,281
Travelling		296	529	1,183	1,477
Subscriptions and periodicals		329	57	1,680	336
Others		14,777	10,333	26,604	21,862
		<u>38,504</u>	<u>26,494</u>	<u>88,490</u>	<u>70,142</u>
Service transfer pricing recovery - net	(a)	(123,397)	(82,201)	(371,134)	(247,153)
		<u>339,576</u>	<u>353,946</u>	<u>976,131</u>	<u>1,030,212</u>

Note:

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

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A23. ALLOWANCE FOR IMPAIRMENT ON LOANS AND ADVANCES

	Individual Quarter		Cumulative Quarter	
	31 December 2023 RM'000	31 December 2022 RM'000	31 December 2023 RM'000	31 December 2022 RM'000
Group				
Allowance for impairment on loans and advances	373,688	200,143	624,097	351,223
Impaired loans and advances recovered, net	(56,777)	(49,302)	(139,091)	(135,686)
	<u>316,911</u>	<u>150,841</u>	<u>485,006</u>	<u>215,537</u>
Bank				
Allowance for impairment on loans and advances	373,764	200,137	624,098	351,229
Impaired loans and advances recovered, net	(56,778)	(49,302)	(139,092)	(135,686)
	<u>316,986</u>	<u>150,835</u>	<u>485,006</u>	<u>215,543</u>

A24. ALLOWANCE FOR IMPAIRMENT ON FINANCIAL INVESTMENTS

	Individual Quarter		Cumulative Quarter	
	31 December 2023 RM'000	31 December 2022 RM'000	31 December 2023 RM'000	31 December 2022 RM'000
Group and Bank				
Financial investments at fair value through other comprehensive income	1,934	2,634	11,344	2,279
Financial investments at amortised cost	3,219	3,908	6,663	3,447
	<u>5,153</u>	<u>6,542</u>	<u>18,007</u>	<u>5,726</u>

A25. (WRITEBACK OF ALLOWANCE)/ALLOWANCE FOR IMPAIRMENT ON OTHER FINANCIAL ASSETS AND NON-FINANCIAL ASSETS

	Individual Quarter		Cumulative Quarter	
	31 December 2023 RM'000	31 December 2022 RM'000	31 December 2023 RM'000	31 December 2022 RM'000
Group				
Cash and short-term funds	(162)	1,214	(92)	1,130
Deposits and placements with banks and other financial institutions	(55)	228	(66)	(877)
Investment account placement	535	259	821	(93)
Other assets	(1,178)	(22)	(1,795)	1,305
	<u>(860)</u>	<u>1,679</u>	<u>(1,132)</u>	<u>1,465</u>
Bank				
Cash and short-term funds	(162)	1,214	(92)	1,130
Deposits and placements with banks and other financial institutions	(55)	228	(66)	(877)
Investment account placement	535	259	821	(93)
Other assets	(1,177)	(12)	(1,832)	1,320
	<u>(859)</u>	<u>1,689</u>	<u>(1,169)</u>	<u>1,480</u>

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A25. (WRITEBACK OF ALLOWANCE)/ALLOWANCE FOR IMPAIRMENT ON OTHER FINANCIAL ASSETS AND NON-FINANCIAL ASSETS

(a) Non-financial assets

The Group and the Bank have performed its annual impairment assessment on the Group's and the Bank's computer software and work-in progress in accordance with MFRS136 *Impairment of Assets*. The outcome of the annual assessment resulted in RM110.7 million impairment charge in the financial results for the quarter and period ended 31 December 2023. The computer software and work-in-progress impairment charge to the Group's and the Bank'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.

A26. EARNINGS PER SHARE ("EPS")

Basic/Diluted

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

	Individual Quarter		Cumulative Quarter	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Group				
Net profit attributable to equity holder of the Bank (RM'000)	436,196	273,909	990,599	831,164
Number of ordinary shares at beginning and end of the financial period representing weighted average number of ordinary shares in issue ('000)	949,927	949,927	949,927	949,927
Basic/diluted earnings per share (sen)	45.92	28.83	104.28	87.50
Bank				
Net profit attributable to equity holder of the Bank (RM'000)	435,443	271,908	988,717	828,958
Number of ordinary shares at beginning and end of the financial period representing weighted average number of ordinary shares in issue ('000)	949,927	949,927	949,927	949,927
Basic/diluted earnings per share (sen)	45.84	28.62	104.08	87.27

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 provides everyday banking solutions to individuals and small and medium-sized enterprises ("SMEs") customers, covering both conventional and Islamic financial products and services which includes auto finance, mortgage, personal loan, credit cards, small business loans, wealth management, bancassurance, remittance, merchant business solutions and deposits.

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A27. BUSINESS SEGMENT ANALYSIS (CONT'D.)

The Group comprises the following main business segments (Cont'd.):

(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, Transaction Banking and Group Treasury and Markets.

(i) Corporate and Transaction Banking

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.

Transaction Banking delivers tailor-made digital and cash management solutions, as well as trade financing and remittance services, to corporate and SME clients.

(ii) Group Treasury and Markets

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.

(d) Investment Banking

Under the Investment Banking division of AmBank, the core products are capital markets group, private banking and equity markets.

Capital Markets focuses on providing integrated financing solutions to our corporate and institutional clients. It offers a full suite of customised debt and capital financing solutions which include corporate bond issuances, loan syndication, structured finance, capital and project advisory services and primary syndication and underwriting services. Private Banking primarily services high net worth clients and offers financing and deposit products. Equity markets offers margin financing to retail and corporate clients.

(e) Group Funding and Others

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

Measurement of Segment Performance

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

Note:

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

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A27. BUSINESS SEGMENT ANALYSIS (CONT'D.)

Group For the financial period ended 31 December 2023	Wholesale Banking							Total RM'000
	Retail Banking RM'000	Business Banking RM'000	Corporate and Transaction Banking RM'000	Group Treasury and Markets RM'000	Investment Banking RM'000	Group Funding and Others RM'000		
External net income	1,090,891	810,794	472,293	175,539	37,510	(299,574)	2,287,453	
Intersegments net income	(82,082)	(163,472)	(191,655)	209,011	(11,274)	239,472	-	
Net income/(loss)	1,008,809	647,322	280,638	384,550	26,236	(60,102)	2,287,453	
Net interest income/(loss)	840,220	476,254	235,182	184,487	22,009	(72,702)	1,685,450	
Other operating income	168,919	171,069	45,457	200,063	4,227	12,600	602,335	
Share in results of an associate	(332)	-	-	-	-	-	(332)	
Net income/(loss)	1,008,807	647,323	280,639	384,550	26,236	(60,102)	2,287,453	
Other operating expenses	(593,044)	(197,346)	(105,775)	(72,550)	(6,233)	(767)	(975,715)	
of which:								
<i>Depreciation of property and equipment</i>	(11,877)	(1,221)	(857)	(362)	(9)	(21,334)	(35,660)	
<i>Depreciation of right-of-use assets</i>	-	-	-	-	-	(51,812)	(51,812)	
<i>Amortisation of intangible assets</i>	(12,242)	(675)	(4,199)	(4,253)	-	(22,155)	(43,524)	
Profit/(loss) before impairment losses	415,763	449,977	174,864	312,000	20,003	(60,869)	1,311,738	
(Allowance)/writeback of allowance for impairment on loans and advances	(223,044)	(105,637)	89,565	-	12	(245,902)	(485,006)	
Writeback of provision for commitments and contingencies	3,862	9,292	22,449	-	-	225	35,828	
Writeback of allowance/(allowance) for impairment on financial investment, other financial assets and non-financial assets	478	711	(6,377)	(11,593)	-	(110,811)	(127,592)	
Other recoveries	26	2,329	-	-	-	18	2,373	
Provision for restructuring expenses	-	-	-	-	-	(80,000)	(80,000)	
Profit/(loss) before taxation	197,085	356,672	280,501	300,407	20,015	(497,339)	657,341	
Taxation	(47,381)	(84,198)	(66,999)	(69,131)	(3,885)	604,872	333,278	
Profit for the financial period	149,704	272,474	213,502	231,276	16,130	107,533	990,619	
Other information								
Total segment assets	49,193,041	24,773,956	12,401,727	43,065,030	1,595,284	3,127,741	134,156,779	
Total segment liabilities	48,651,931	20,415,048	7,722,136	32,257,729	1,377,559	11,643,983	122,068,386	
Cost to income ratio	58.8%	30.5%	37.7%	18.9%	23.8%	(1.3%)	42.7%	
Gross loans and advances	48,710,076	24,748,038	10,188,161	-	1,594,457	(346,480)	84,894,252	
Net loans and advances	47,894,905	24,431,571	10,031,982	-	1,594,457	(545,011)	83,407,904	
Impaired loans and advances	1,010,929	393,821	95,871	-	-	-	1,500,621	
Total deposits	47,869,803	20,146,064	7,482,370	21,383,825	1,357,282	912,839	99,152,183	
Additions to:								
Property and equipment	11,073	736	654	118	279	7,119	19,979	
Intangible assets	33,310	861	2,237	3,363	-	25,212	64,983	

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A27. BUSINESS SEGMENT ANALYSIS (CONT'D.)

Group For the financial period ended 31 December 2022 (Restated)	Wholesale Banking						Total RM'000
	Retail Banking RM'000	Business Banking RM'000	Corporate Banking RM'000	Group Treasury and Markets RM'000	Investment Banking RM'000	Group Funding and Others RM'000	
External net income	1,153,759	649,695	330,967	357,591	32,347	(256,034)	2,268,325
Intersegments net income	(154,865)	(66,363)	(81,603)	2,448	(11,535)	311,918	-
Net income	998,894	583,332	249,364	360,039	20,812	55,884	2,268,325
Net interest income	845,838	434,326	201,777	252,834	18,935	39,708	1,793,418
Other operating income	151,653	149,006	47,587	107,205	1,877	16,177	473,505
Share in results of an associate	1,402	-	-	-	-	-	1,402
Net income	998,893	583,332	249,364	360,039	20,812	55,885	2,268,325
Other operating expenses	(538,427)	(179,212)	(94,107)	(65,799)	(5,264)	(147,598)	(1,030,407)
<i>of which:</i>							
<i>Depreciation of property and equipment</i>	(11,963)	(1,334)	(871)	(344)	(7)	(22,976)	(37,495)
<i>Depreciation of right-of-use</i>	-	-	-	-	-	(56,496)	(56,496)
<i>Amortisation of intangible assets</i>	(16,294)	(806)	(4,214)	(4,564)	-	(31,725)	(57,603)
Profit/(loss) before impairment losses	460,466	404,120	155,257	294,240	15,548	(91,713)	1,237,918
(Allowance)/writeback of allowance for impairment on loans and advances	(147,064)	(58,307)	(14,491)	-	153	4,172	(215,537)
(Provision)/writeback of provision for commitments and contingencies	(6,629)	(16,531)	83,009	-	-	(657)	59,192
(Allowance)/writeback of allowance for impairment on financial investment and other financial assets	(69)	(1,611)	(3,031)	(2,495)	-	15	(7,191)
Other recoveries	-	-	-	508	-	15	523
Profit/(loss) before taxation	306,704	327,671	220,744	292,253	15,701	(88,168)	1,074,905
Taxation	(73,272)	(79,096)	(50,004)	(67,692)	(2,911)	29,233	(243,742)
Profit/(loss) for the financial period	233,432	248,575	170,740	224,561	12,790	(58,935)	831,163
Other information							
Total segment assets	47,151,445	21,414,982	13,052,937	44,636,528	1,414,105	3,202,805	130,872,802
Total segment liabilities	43,589,229	18,424,704	8,186,695	36,266,108	792,841	12,762,624	120,022,201
Cost to income ratio	53.9%	30.7%	37.7%	18.3%	25.3%	>100.0%	45.4%
Gross loans and advances	46,848,702	21,328,706	11,636,359	-	1,409,295	(242,881)	80,980,181
Net loans and advances	46,003,831	21,064,979	11,436,787	-	1,409,295	(242,630)	79,672,262
Impaired loans and advances	1,000,597	301,788	66,831	-	-	-	1,369,216
Total deposits	42,847,249	18,185,658	7,955,960	21,470,123	933,265	901,365	92,293,620
Additions to:							
Property and equipment	6,350	519	210	39	238	28,753	36,109
Intangible assets	13,795	279	2,847	11	46	27,125	44,103

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A28. PERFORMANCE REVIEW FOR THE PERIOD ENDED 31 DECEMBER 2023

The Group registered a profit before taxation ("pre-tax profit") of RM657.3 million for the financial period ended 31 December 2023, representing a decrease of RM0.4 million or 38.8% compared to the pre-tax profit for the corresponding period last year.

The decrease in Group's profit before taxation for the period is attributable to higher allowance for impairment on loans and advances of RM269.5 million, lower net interest income of RM108.0 million, allowance for impairment on non-financial assets of RM110.7 million and provision for restructuring expenses of RM80.0 million compared to the corresponding period last year.

The decrease was partly offset by higher other operating income and lower other operating expenses.

The Group's impaired loans and advances ratio stood at 1.77% end December 2023. Loan loss coverage ratio including regulatory reserve is well above 100% at 110.9%.

The Group and the Bank remained well capitalised with risk weighted capital adequacy ratios of 18.278% and 18.136% respectively.

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

A29. PROSPECTS FOR FINANCIAL YEAR ("FY") ENDING 31 MARCH 2024

During the final quarter of 2023, Malaysia's economy expanded by 3.0% year-on-year ("YoY") at a slower pace compared to the previous quarter's 3.3%. This translates into a full year 2023 growth of 3.7% YoY, falling short of the Department of Statistics Malaysia ("DOSM")'s advance estimate of 3.4% YoY quarterly growth and 3.8% YoY annual growth. The full-year performance also came in lower than the government's target of 4.0-5.0%. The slower growth was a result of a high base effect from 2022, exacerbated by the soft external demand among Malaysia's major trading partners. Nonetheless, sectoral-wise, we saw that the services sector continued to expand at a healthy pace of 4.2% YoY in that quarter. Besides, the mining and quarrying sector posted decent growth of 3.8% YoY, recovering from a 0.1% YoY decline in the prior quarter.

The prospects for global economic conditions in 2024 appear to be mixed. Despite the prolonged high interest rate environment, the International Monetary Fund expects the global economy to grow by 3.1% (projection revised higher from 2.9%), which is the same as 2023's estimate. Globally, the outlook on the manufacturing sector has slightly improved as the latest Global Manufacturing Purchasing Manager's Index ("PMI") has reached a growth threshold of 50, the first time it has done that since August 2022. Furthermore, inflation in most major economies continues to show a downward trend after it peaked in 2022. In the United States, the Federal Reserve's ("Fed") fight against inflation seems well underway as inflation and core inflation are receding, albeit remaining elevated and above the central bank's target of 2%. Conversely, the World Bank anticipates global growth to slow to 2.4% in 2024 from an estimated 2.6% in 2023 as concerns regarding the full effects of unprecedentedly tight monetary policy on local economies and slump in global trade remain. Nonetheless, we continue to expect the Federal Funds Rate to remain high at the moment. Similarly, rates are likely to remain high in the United Kingdom and the Eurozone, with signs of softer economic activity amid a tight monetary environment already becoming apparent in that economy.

We anticipate continued support for growth from domestic demand and recovery in the external trade for 2024. Despite the already moderating private consumption, tourism and related sectors are still improving and have yet to reach their pre-pandemic levels. Furthermore, exports may recover in 2024 as the global technology cycle may have bottomed out and is underway for robust growth. Market indicators suggest that the semiconductor industry reached its low point at the end of first half 2023 and has since embarked on a path to recovery, offering positive prospects for 2024. Malaysia's leading index and S&P Manufacturing PMI are slowly on an uptrend. Overall, Malaysia's economy is anticipated to grow by 4.5% in 2024.

In Malaysia's banking industry, the overall outstanding loans expanded by 5.3% in December 2023. While the non-household segment loans expanded slower at 4.5%, household loans remained healthy at 5.8%. As the economy is expected to moderate in 2024, we expect relatively subdued loan growth in the range of 4.0% to 5.0% for the year. The overall banking system remains healthy, underpinned by strong liquidity. This is reflected by the liquidity coverage ratio, registering at 160.9% in December 2023 (November 2023: 149.7%). The funding profile was also well-diversified, with December 2023's loan-to-fund ratio and loan-to-fund-and-equity ratio at 81.9% and 71.6%, respectively (November 2023: 82.4% and 72.0%, respectively).

A29. PROSPECTS FOR FINANCIAL YEAR ("FY") ENDING 31 MARCH 2024 (CONT'D.)

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. Inflation is expected to be between 2.5% to 3.5% in 2024. Nevertheless, the upside risk to inflation is expected to come from subsidy rationalisation affecting fuel, which is expected to be implemented as early as second quarter 2024. Should the situation later translate into persistently high inflation, or private consumption continues to moderate in the first half 2024, then there is a case to revisit our current OPR call.

AmBank Group demonstrated financial resilience in its third quarter of financial year 2024, boosted by the one-off tax credit. AmBank Group also benefitted from the Malaysian economy's continued growth in the last quarter of 2023, which was due to the continued expansion in household spending, stronger growth of inbound tourism and higher investment growth.

AmBank Group maintains an optimistic stance on its financial year 2024 prospects, supported by resilient domestic demand and the expected recovery in external demand. In addition, pragmatic implementation of Budget 2024 will provide additional impetus to economic activity.

AmBank Group remains committed in ensuring its financial year 2021 to financial year 2024 Focus 8 strategy ends on a high note by focusing on driving sustainable revenue growth, maintaining cost discipline, improving asset quality, ensuring healthy liquidity position and strengthening capital levels further.

AmBank Group will also focus efforts on three primary growth accelerators to remain competitive with its peers: SME empowerment, advancement of Environmental, Social and Governance ("ESG") initiatives and digital innovation to create sustainable value for shareholders and stakeholders.

A30. VALUATION OF PROPERTY AND EQUIPMENT

The Group's and the Bank's property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

A31. SIGNIFICANT EVENT DURING THE REPORTING PERIOD

The Bank has mutually agreed with Lembaga Hasil Dalam Negeri Malaysia on the tax treatment of exceptional expenses incurred in the financial year ended 31 March 2021. As a result, the total tax deduction for the Bank amounted to RM701.6 million. In the previous financial year, the Bank had recognised a portion of tax deduction amounted to RM220.5 million as tax recoverable. The remaining tax deduction of RM481.1 million was recognised by the Bank during the current financial quarter.

A32. CHANGES IN THE COMPOSITION OF THE GROUP AND THE BANK

Dissolution of a subsidiary

MBf Trustees Berhad had commenced members' voluntary winding-up on 17 September 2020 was dissolved on 26 January 2024. As the subsidiary was dormant, there was no significant impact on the Group's statement of comprehensive income or statement of financial position arising from the dissolution.

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

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A33. COMMITMENTS AND CONTINGENCIES

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

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

	Group		Bank	
	31 December 2023 RM'000	31 March 2023 RM'000	31 December 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	12,876,159	12,845,730	13,047,579	12,890,700
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	2,996,878	2,606,963	2,996,878	2,606,963
Unutilised credit card lines	4,084,745	3,976,830	4,084,745	3,976,830
Forward asset purchase	73,963	174,223	73,963	174,223
Others	-	-	50	50
	<u>20,031,745</u>	<u>19,603,746</u>	<u>20,203,215</u>	<u>19,648,766</u>
Contingencies				
Direct credit substitutes	1,516,630	2,583,594	1,516,630	2,583,594
Transaction related contingent items	4,870,252	3,519,830	4,870,252	3,519,830
Short term self liquidating trade related contingencies	563,605	662,922	563,605	662,922
Obligations under on-going underwriting agreements	-	60,000	-	60,000
	<u>6,950,487</u>	<u>6,826,346</u>	<u>6,950,487</u>	<u>6,826,346</u>
Derivative Financial Instruments				
Foreign exchange related contracts				
- One year or less	41,327,854	46,163,847	41,327,854	46,163,847
- Over one year to five years	3,508,178	4,810,447	3,508,178	4,810,447
- Over five years	1,498,309	1,639,781	1,498,309	1,639,781
Interest rate related contracts				
- One year or less	9,287,644	12,307,294	9,287,644	12,307,294
- Over one year to five years	21,697,587	19,012,669	21,697,587	19,012,669
- Over five years	2,980,955	3,927,470	2,980,955	3,927,470
Equity and commodity related contracts				
- One year or less	1,850,691	1,352,573	1,850,691	1,352,573
- Over one year to five years	67,706	79,802	67,706	79,802
	<u>82,218,924</u>	<u>89,293,883</u>	<u>82,218,924</u>	<u>89,293,883</u>
Total	<u>109,201,156</u>	<u>115,723,975</u>	<u>109,372,626</u>	<u>115,768,995</u>

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A34. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Determination of fair value and fair value hierarchy

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

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

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

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

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

About 2.5% of the Group's and the Bank's (31 March 2023: 2.2% of the Group's and the Bank's) total financial assets recorded at fair value, are based on estimates and recorded as Level 3 investments. Where estimates are used, these are based on a combination of independent third-party evidence and internally developed models, calibrated to market observable data where possible. While such valuations are sensitive to estimates, it is believed that changing one or more of the assumptions to reasonably possible alternative assumptions would not change the fair value significantly.

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

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

	Group				Bank			
	Valuation technique			Total RM'000	Valuation technique			Total RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
31 December 2023								
Financial assets measured at fair value								
Derivative financial assets	2,010	877,337	-	879,347	2,010	877,337	-	879,347
Financial assets at fair value through profit or loss								
- Money market securities	-	5,537,613	-	5,537,613	-	5,537,613	-	5,537,613
- Quoted shares	1,121,631	-	-	1,121,631	1,121,627	-	-	1,121,627
- Unquoted shares	-	-	33	33	-	-	-	-
- Quoted unit trust	44,448	-	-	44,448	44,448	-	-	44,448
- Quoted sukuk	-	10,199	-	10,199	-	10,199	-	10,199
- Unquoted corporate bonds and sukuk	-	426,481	-	426,481	-	426,481	-	426,481
Financial investments at fair value through other comprehensive income								
- Money market securities	-	9,700,348	-	9,700,348	-	9,700,348	-	9,700,348
- Unquoted shares	-	-	715,566	715,566	-	-	715,566	715,566
- Quoted unit trust	58,717	-	-	58,717	58,717	-	-	58,717
- Unquoted corporate bonds and sukuk	-	10,318,148	-	10,318,148	-	10,318,148	-	10,318,148
	<u>1,226,806</u>	<u>26,870,126</u>	<u>715,599</u>	<u>28,812,531</u>	<u>1,226,802</u>	<u>26,870,126</u>	<u>715,566</u>	<u>28,812,494</u>
Financial liabilities measured at fair value								
Derivative financial liabilities	27,649	948,523	-	976,172	27,649	948,523	-	976,172

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

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

	Group				Bank			
	Valuation technique			Total RM'000	Valuation technique			Total RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
31 March 2023								
Financial assets measured at fair value								
Derivative financial assets	60	923,613	-	923,673	60	923,613	-	923,673
Financial assets at fair value through profit or loss								
- Money market securities	-	8,090,552	-	8,090,552	-	8,090,552	-	8,090,552
- Quoted shares	1,074,251	-	-	1,074,251	1,074,247	-	-	1,074,247
- Unquoted shares	-	-	33	33	-	-	-	-
- Quoted unit trust	20,537	-	-	20,537	20,537	-	-	20,537
- Quoted sukuk	-	10,236	-	10,236	-	10,236	-	10,236
- Unquoted corporate bonds and sukuk	-	996,192	-	996,192	-	996,192	-	996,192
Financial investments at fair value through other comprehensive income								
- Money market securities	-	10,752,667	-	10,752,667	-	10,752,667	-	10,752,667
- Unquoted shares	-	-	677,258	677,258	-	-	677,258	677,258
- Quoted unit trust	60,551	-	-	60,551	60,551	-	-	60,551
- Unquoted corporate bonds and sukuk	-	8,815,876	-	8,815,876	-	8,815,876	-	8,815,876
	<u>1,155,399</u>	<u>29,589,136</u>	<u>677,291</u>	<u>31,421,826</u>	<u>1,155,395</u>	<u>29,589,136</u>	<u>677,258</u>	<u>31,421,789</u>
Financial liabilities measured at fair value								
Derivative financial liabilities	<u>10,286</u>	<u>956,141</u>	<u>-</u>	<u>966,427</u>	<u>10,286</u>	<u>956,141</u>	<u>-</u>	<u>966,427</u>

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

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

Movements In Level 3 financial instruments measured at fair value

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

Group	Equity instruments at FVTPL RM'000	Equity instruments at FVOCI RM'000	Total RM'000
At 1 April 2023	33	677,258	677,291
Gain on revaluation of financial assets taken up in statements of profit or loss and other comprehensive income	-	38,308	38,308
At 31 December 2023	<u>33</u>	<u>715,566</u>	<u>715,599</u>

	Equity instruments at FVTPL RM'000	Equity instruments at FVOCI RM'000	Total RM'000
At 1 April 2022	31	669,168	669,199
Gain on revaluation of financial assets taken up in statements of profit or loss and other comprehensive income	2	8,090	8,092
At 31 March 2023	<u>33</u>	<u>677,258</u>	<u>677,291</u>

Bank	Equity instruments at FVOCI RM'000	Total RM'000
At 1 April 2023	677,258	677,258
Gain on revaluation of financial assets taken up in statement of other comprehensive income	38,308	38,308
At 31 December 2023	<u>715,566</u>	<u>715,566</u>

	Equity instruments at FVOCI RM'000	Total RM'000
At 1 April 2022	669,168	669,168
Gain on revaluation of financial assets taken up in statement of other comprehensive income	8,090	8,090
At 31 March 2023	<u>677,258</u>	<u>677,258</u>

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

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

	Group		Bank	
	31 December	31 March	31 December	31 March
	2023	2023	2023	2023
	RM'000	RM'000	RM'000	RM'000
Financial assets at FVTPL				
Total loss included in:				
- profit or loss	-	2	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Financial investments at FVOCI				
Total gain included in:				
- other comprehensive income	38,308	8,092	38,308	8,090
	<hr/>	<hr/>	<hr/>	<hr/>

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

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

Changing one or more of the inputs to reasonable alternative assumptions would not change the value significantly for the financial assets in Level 3 of the fair value hierarchy.

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A35. CAPITAL ADEQUACY

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

Under transitional arrangement (Note (i))	31 December 2023		31 March 2023	
	Group	Bank	Group	Bank
Before deducting proposed dividends:				
CET 1 Capital Ratio	13.689%	13.568%	12.450%	12.318%
Tier 1 Capital Ratio	13.689%	13.568%	12.450%	12.318%
Total Capital Ratio	18.278%	18.136%	17.026%	16.867%
After deducting proposed dividends:				
CET 1 Capital Ratio	13.689%	13.568%	12.259%	12.129%
Tier 1 Capital Ratio	13.689%	13.568%	12.259%	12.129%
Total Capital Ratio	18.278%	18.136%	16.835%	16.677%

Notes:

- (i) Pursuant to the revised BNM policy document, Capital Adequacy Framework (Capital Component) issued on 9 December 2020, capital ratios of the Group and 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 Group and of the Bank as at 31 December 2023 and 31 March 2023 are as follow:

	31 December 2023		31 March 2023	
	Group	Bank	Group	Bank
Before deducting proposed dividends:				
CET 1 Capital Ratio	13.348%	13.228%	12.101%	11.972%
Tier 1 Capital Ratio	13.348%	13.228%	12.101%	11.972%
Total Capital Ratio	18.075%	17.940%	16.825%	16.675%
After deducting proposed dividends:				
CET 1 Capital Ratio	13.348%	13.228%	11.911%	11.783%
Tier 1 Capital Ratio	13.348%	13.228%	11.911%	11.783%
Total Capital Ratio	18.075%	17.940%	16.635%	16.486%

- (ii) Pursuant to the above BNM's guideline on Capital Adequacy Framework (Capital Components), the minimum capital adequacy ratios to be maintained under the guideline are at 4.5% for CET 1 capital, 6.0% for Tier 1 capital and 8.0% for total capital ratio. In addition, banking institutions are also required to maintain capital buffers in form of CET 1 capital above the minimum CET 1 Capital, Tier 1 Capital and Total Capital adequacy levels. The capital buffers shall comprise the sum of the following:

- (a) a Capital Conservation Buffer ("CCB") of 2.5%;
- (b) a Countercyclical Capital Buffer ("CCyB") determined as the weighted-average of the prevailing CCyB rates applied in the jurisdictions in which the Bank has credit exposures. BNM will communicate any decision on the CCyB rate by up to 12 months before the date from which the rate applies; and
- (c) a Higher Loss Absorbency ("HLA") requirement for a financial institution that is designated as a domestic systemically important bank ("D-SIB").

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A35. CAPITAL ADEQUACY (CONT'D.)

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

	Group		Bank	
	31 December 2023 RM'000	31 March 2023 RM'000	31 December 2023 RM'000	31 March 2023 RM'000
CET 1 Capital				
Share Capital	3,040,465	3,040,465	3,040,465	3,040,465
Retained earnings	8,406,763	7,456,999	8,457,731	7,508,139
Fair value reserve	403,009	299,138	403,009	299,138
Foreign currency translation reserve	112,579	101,830	116,370	105,630
Regulatory reserve	20,921	201,229	20,921	201,229
Merger reserve	104,149	104,149	-	-
Cash flow hedging deficit	(1,368)	(4,259)	(1,368)	(4,259)
Less: Regulatory adjustments applied on CET 1 Capital				
- Intangible assets	(112,742)	(202,069)	(112,742)	(202,069)
- Deferred tax assets	(194,132)	(182,451)	(194,132)	(182,451)
- 55% of cumulative fair value gains in fair value reserve	(221,655)	(164,526)	(221,655)	(164,526)
- Cash flow hedging deficit	1,368	4,259	1,368	4,259
- Regulatory reserve	(20,921)	(201,229)	(20,921)	(201,229)
- Investment in ordinary shares of unconsolidated financial entities	-	-	(11)	(11)
- Unrealised fair value gains on financial liabilities due to changes in own credit risk	(1,285)	(2,756)	(1,285)	(2,756)
- Other CET1 regulatory adjustments specified by the BNM	295,210	300,815	295,244	300,721
Total CET 1 Capital	11,832,361	10,751,594	11,782,994	10,702,280
Additional Tier 1 Capital				
Qualifying CET 1, Additional Tier 1 capital instruments held by third parties	5	2	-	-
Total Tier 1 Capital	11,832,366	10,751,596	11,782,994	10,702,280
Tier 2 Capital				
Tier 2 Capital instruments meeting all relevant criteria for inclusion	3,095,000	3,095,000	3,095,000	3,095,000
Qualifying CET 1, Additional Tier 1 and Tier 2 capital instruments held by third parties	1	1	-	-
General provisions*	871,706	857,075	871,784	857,088
Total Tier 2 capital	3,966,707	3,952,076	3,966,784	3,952,088
Total Capital	15,799,073	14,703,672	15,749,778	14,654,368

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

	Group		Bank	
	31 December 2023 RM'000	31 March 2023 RM'000	31 December 2023 RM'000	31 March 2023 RM'000
Credit RWA	79,291,735	78,754,012	79,708,028	79,287,050
Market RWA	1,791,552	1,624,390	1,791,511	1,624,350
Operational RWA	5,352,145	5,197,465	5,342,694	5,186,909
Large exposure risk RWA for equity holdings	-	785,485	-	785,485
Total RWA	86,435,432	86,361,352	86,842,233	86,883,794

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