

UNAUDITED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2023

	Note	30.09.2023	Group 31.03.2023 (Restated) RM'000	01.04.2022 (Restated) RM'000	Company 30.09.2023 RM'000	31.03.2023 RM'000
ASSETS						
Cash and short-term funds	A8	8,848,312	8,521,940	13,221,099	174,529	208,565
Deposits and placements with banks and other financial institutions	A9	93,770	176,604	1,301,449	-	-
Derivative financial assets	A31	1,344,134	921,109	821,373	-	-
Financial assets at fair value through profit or loss	A10	8,073,802	12,770,907	7,216,560	1,178	1,158
Financial investments at fair value through other comprehensive income ("FVOCI")	A11	26,514,112	25,610,733	18,756,757	-	-
Financial investments at amortised cost	A12	12,215,640	13,469,703	9,037,766	-	-
Loans, advances and financing	A13	128,936,065	128,242,605	118,065,685	-	-
Statutory deposits with Bank Negara Malaysia		2,506,833	2,446,547	376,523	-	-
Deferred tax assets		185,219	220,655	218,551	-	-
Investments in subsidiaries and other investments		-	-	-	10,852,185	10,852,185
Investments in associates and joint ventures	A14	1,430,537	1,522,898	529,592	-	-
Other assets	A15	3,449,316	2,626,036	2,885,319	4,989	4,005
Reinsurance assets and other insurance receivables		-	-	580,705	-	-
Property and equipment		149,462	161,778	180,968	18	20
Right-of-use assets		200,017	229,770	189,372	-	-
Intangible assets		518,079	510,644	1,399,912	-	-
Assets held for sale		-	-	2,324	-	-
TOTAL ASSETS		194,465,298	197,431,929	174,783,955	11,032,899	11,065,933
LIABILITIES AND EQUITY						
Deposits from customers	A16	135,324,141	130,315,080	122,592,850	-	-
Investment accounts of customers		14,661	16,474	377,861	-	-
Deposits and placements of banks and other financial institutions	A17	8,262,489	11,462,245	9,894,585	-	-
Securities sold under repurchase agreements		9,980,605	16,466,674	1,582,717	-	-
Recourse obligation on loans and financing sold to Cagamas Berhad		9,830,029	9,915,040	8,375,023	-	-
Derivative financial liabilities	A31	1,245,401	964,319	803,563	-	-
Term funding		2,255,235	2,172,333	1,880,097	-	-
Debt capital		5,395,000	4,395,000	4,395,000	-	-
Deferred tax liabilities		4	-	8,093	-	-
Other liabilities	A18	3,630,160	3,697,557	4,302,862	36,319	23,117
Insurance contract liabilities and other insurance payables		-	-	2,687,361	-	-
Total Liabilities		175,937,725	179,404,722	156,900,012	36,319	23,117
Share capital		6,376,240	6,376,240	6,776,240	6,372,870	6,372,870
Treasury shares		(16,248)	(28,579)	(11,041)	(16,248)	(28,579)
Reserves		12,166,504	11,678,682	9,919,643	4,639,958	4,698,525
Equity attributable to equity holders of the Company		18,526,496	18,026,343	16,684,842	10,996,580	11,042,816
Non-controlling interests		1,077	864	1,199,101	-	-
Total Equity		18,527,573	18,027,207	17,883,943	10,996,580	11,042,816
TOTAL LIABILITIES AND EQUITY		194,465,298	197,431,929	174,783,955	11,032,899	11,065,933
COMMITMENTS AND CONTINGENCIES	A30	139,494,378	124,872,952	122,661,380	-	-
NET ASSETS PER SHARE (RM)		5.60	5.45	5.04	3.32	3.34

The unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements of the Group and the Company for the financial year ended 31 March 2023.

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2023

Group	Note	Individual Quarter		Cumulative Quarter	
		30.09.2023 RM'000	30.09.2022 (Restated) RM'000	30.09.2023 RM'000	30.09.2022 (Restated) RM'000
Continuing operations:					
Interest income	A19	1,545,475	1,188,041	3,022,365	2,231,107
Interest expense	A20	(984,814)	(588,071)	(1,941,322)	(1,064,718)
Net interest income		560,661	599,970	1,081,043	1,166,389
Net income from Islamic banking		302,766	363,502	673,978	646,308
Other operating income	A21	242,205	197,753	491,559	389,514
Share in results of associates and joint ventures		18,053	3,306	27,889	(2,654)
Net income		1,123,685	1,164,531	2,274,469	2,199,557
Other operating expenses	A22	(492,635)	(477,634)	(1,000,359)	(946,218)
Operating profit before impairment losses		631,050	686,897	1,274,110	1,253,339
Allowances for impairment on loans, advances and financing	A23	(55,953)	(73,747)	(222,053)	(133,809)
(Allowances for)/Writeback of impairment on:					
Financial investments	A24	(854)	(86)	(21,005)	(198)
Other financial assets	A24	1,975	(1,537)	288	(937)
Provision for commitments and contingencies - writeback/(charge)		39,395	(12,393)	36,887	(18,737)
Other recoveries, net		2,368	6	2,372	9
Profit before taxation and zakat from continuing operations		617,981	599,140	1,070,599	1,099,667
Taxation and zakat	B5	(148,038)	(141,443)	(248,306)	(255,397)
Profit after taxation and zakat from continuing operations		469,943	457,697	822,293	844,270
Discontinued operation:					
Operating (loss)/profit from discontinued operation		-	(13,572)	51,115	31,029
Impairment of Kurnia Brand, agent relationship and other assets		-	(115,981)	-	(115,981)
(Loss)/Profit before taxation from discontinued operation		-	(129,553)	51,115	(84,952)
Taxation	B5	-	24,921	-	18,879
(Loss)/Profit after taxation from discontinued operation		-	(104,632)	51,115	(66,073)
Profit for the financial period		469,943	353,065	873,408	778,197
Profit/(Loss) for the financial period attributable to:					
Equity holders of the Company		469,778	426,844	848,149	837,229
Non-controlling interests		165	(73,779)	25,259	(59,032)
Profit for the financial period		469,943	353,065	873,408	778,197
EARNINGS/(LOSS) PER SHARE (SEN)					
Basic/Diluted	B10				
Continuing operations		14.20	13.82	24.86	25.50
Discontinued operation		-	(0.93)	0.79	(0.21)
		14.20	12.89	25.65	25.29

The unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements of the Group and the Company for the financial year ended 31 March 2023.

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

Group	Individual Quarter		Cumulative Quarter	
	30.09.2023	30.09.2022 (Restated)	30.09.2023	30.09.2022 (Restated)
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	469,943	353,065	873,408	778,197
Other comprehensive income/(loss):				
Continuing operations:				
Items that will not be reclassified subsequently to statement of profit or loss				
Financial investments at FVOCI				
- net unrealised gain on changes in fair value	-	14,299	38,186	7,769
Tax effect relating to components of other comprehensive income				
- financial investments at FVOCI	-	30	-	-
	<u>-</u>	<u>14,329</u>	<u>38,186</u>	<u>7,769</u>
Items that may be reclassified subsequently to statement of profit or loss				
Currency translation gain on foreign operations	1,800	14,201	17,136	26,782
Cash flow hedge				
- amortisation of fair value changes for terminated hedge	1,593	1,593	3,169	3,169
Financial investments at FVOCI				
- net unrealised loss on changes in fair value	(27,990)	(55,484)	(8,463)	(269,700)
- net (gain)/loss reclassified to profit or loss	(7,343)	198	(8,565)	115
- changes in expected credit losses ("ECL")	423	(1,447)	13,240	1,605
- foreign exchange differences	-	1	1	2
Tax effect relating to the components of other comprehensive (income)/loss				
- cash flow hedge	(382)	(382)	(761)	(760)
- financial investments at FVOCI	8,309	13,385	3,960	64,860
Share of reserve movements in equity accounted associates and joint ventures	209	(2,924)	320	(2,074)
	<u>(23,381)</u>	<u>(30,859)</u>	<u>20,037</u>	<u>(176,001)</u>
Other comprehensive (loss)/income for the financial period, net of tax from continuing operations	<u>(23,381)</u>	<u>(16,530)</u>	<u>58,223</u>	<u>(168,232)</u>
Total comprehensive income for the financial period	<u>446,562</u>	<u>336,535</u>	<u>931,631</u>	<u>609,965</u>
Total comprehensive income/(loss) for the financial period attributable to:				
Equity holders of the Company				
Continuing operations	446,397	441,149	880,303	676,012
Discontinued operation	-	(30,835)	26,069	(7,015)
Non-controlling interests				
Continuing operations	165	18	213	26
Discontinued operation	-	(73,797)	25,046	(59,058)
	<u>446,562</u>	<u>336,535</u>	<u>931,631</u>	<u>609,965</u>

The unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements of the Group and the Company for the financial year ended 31 March 2023.

UNAUDITED STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2023

Company	Note	Individual Quarter		Cumulative Quarter	
		30.09.2023 RM'000	30.09.2022 RM'000	30.09.2023 RM'000	30.09.2022 RM'000
Interest income	A19	326	1,300	1,298	4,087
Other operating income	A21	110,811	305,225	377,633	399,662
Net income		<u>111,137</u>	<u>306,525</u>	<u>378,931</u>	<u>403,749</u>
Other operating expenses	A22	(9,506)	(7,647)	(18,631)	(12,494)
Transaction cost from disposal of subsidiary		-	(15,725)	-	(15,725)
Profit before taxation		<u>101,631</u>	<u>283,153</u>	<u>360,300</u>	<u>375,530</u>
Taxation		<u>(78)</u>	<u>(317)</u>	<u>(317)</u>	<u>(962)</u>
Profit for the financial period representing total comprehensive income for the financial period		<u>101,553</u>	<u>282,836</u>	<u>359,983</u>	<u>374,568</u>

The unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements of the Group and the Company for the financial year ended 31 March 2023.

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

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2023

Group	Attributable to Equity Holders of the Company											Total equity RM'000
	Non-Distributable							Distributable				
	Share capital RM'000	Regulatory reserve RM'000	Fair value reserve RM'000	Cash flow hedging deficit RM'000	Foreign currency translation reserve RM'000	Executives' share scheme reserve RM'000	Treasury shares RM'000	Retained Earnings		Total RM'000	Non-controlling interests RM'000	
							Non-participating funds RM'000	RM'000				
At 01.04.2022												
- As previously reported	6,776,240	102,920	499,227	(9,062)	98,871	36,472	(11,041)	45,715	9,220,450	16,759,792	1,199,101	17,958,893
- Effect of adoption of MFRS 17 (Note A36)	-	-	-	-	-	-	-	-	(74,950)	(74,950)	-	(74,950)
At 01.04.2022, as restated	6,776,240	102,920	499,227	(9,062)	98,871	36,472	(11,041)	45,715	9,145,500	16,684,842	1,199,101	17,883,943
Profit/(Loss) for the financial period	-	-	-	-	-	-	-	-	837,229	837,229	(59,032)	778,197
Other comprehensive (loss)/income, net	-	-	(197,423)	2,409	26,782	-	-	-	-	(168,232)	-	(168,232)
Total comprehensive (loss)/income for the financial period	-	-	(197,423)	2,409	26,782	-	-	-	837,229	668,997	(59,032)	609,965
Buy-back of shares	-	-	-	-	-	-	(24,787)	-	-	(24,787)	-	(24,787)
Share-based payment under ESS, net	-	-	-	-	-	11,052	-	-	-	11,052	-	11,052
ESS shares vested to employees	-	-	-	-	-	(26,414)	26,206	-	208	-	-	-
Transfer to regulatory reserve	-	56,046	-	-	-	-	-	-	(56,046)	-	-	-
Transfer to retained earnings arising from redemption of preference shares by a subsidiary	(400,000)	-	-	-	-	-	-	-	400,000	-	-	-
Arising from disposal of a subsidiary	-	-	-	-	-	-	-	-	-	-	(61,415)	(61,415)
Capital reduction from a subsidiary	-	-	-	-	-	-	-	-	-	-	(1,075,993)	(1,075,993)
Dividends paid	-	-	-	-	-	-	-	-	(165,606)	(165,606)	(1,831)	(167,437)
Transactions with owners and other equity movements	(400,000)	56,046	-	-	-	(15,362)	1,419	-	178,556	(179,341)	(1,139,239)	(1,318,580)
At 30.09.2022	6,376,240	158,966	301,804	(6,653)	125,653	21,110	(9,622)	45,715	10,161,285	17,174,498	830	17,175,328

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

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2023

Group	Attributable to Equity Holders of the Company											Total equity RM'000
	Non-Distributable							Distributable				
	Share capital RM'000	Regulatory reserve RM'000	Fair value reserve RM'000	Cash flow hedging deficit RM'000	Foreign currency translation reserve RM'000	Executives' share scheme reserve RM'000	Treasury shares RM'000	Retained Earnings		Total RM'000	Non-controlling interests RM'000	
							Non-participating funds RM'000					
At 01.04.2023												
- As previously reported	6,376,240	211,707	511,309	(4,258)	112,212	26,425	(28,579)	45,715	10,884,274	18,135,045	864	18,135,909
- Effect of adoption of MFRS 17 (Note A36)	-	-	-	-	-	-	-	-	(108,702)	(108,702)	-	(108,702)
At 01.04.2023, as restated	6,376,240	211,707	511,309	(4,258)	112,212	26,425	(28,579)	45,715	10,775,572	18,026,343	864	18,027,207
Profit for the financial period	-	-	-	-	-	-	-	-	848,149	848,149	25,259	873,408
Other comprehensive income, net	-	-	38,679	2,408	17,136	-	-	-	-	58,223	-	58,223
Total comprehensive income for the financial period	-	-	38,679	2,408	17,136	-	-	-	848,149	906,372	25,259	931,631
Buy-back of shares	-	-	-	-	-	-	(9,606)	-	-	(9,606)	-	(9,606)
Share-based payment under ESS, net	-	-	-	-	-	10,092	-	-	-	10,092	-	10,092
ESS shares vested to employees	-	-	-	-	-	(16,588)	21,937	-	(5,349)	-	-	-
Transfer to regulatory reserve	-	69,099	-	-	-	-	-	-	(69,099)	-	-	-
Arising from disposal of a subsidiary (Note A27)	-	-	-	-	-	-	-	-	-	-	(25,046)	(25,046)
Dividends paid	-	-	-	-	-	-	-	-	(406,705)	(406,705)	-	(406,705)
Transactions with owners and other equity movements	-	69,099	-	-	-	(6,496)	12,331	-	(481,153)	(406,219)	(25,046)	(431,265)
At 30.09.2023	6,376,240	280,806	549,988	(1,850)	129,348	19,929	(16,248)	45,715	11,142,568	18,526,496	1,077	18,527,573

The unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements of the Group and the Company for the financial year ended 31 March 2023.

UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2023

Company	Attributable to Equity Holders of the Company				
	Non-Distributable		Distributable		
	Ordinary share capital RM'000	Executives' share scheme reserve RM'000	Treasury shares RM'000	Retained earnings RM'000	Total equity RM'000
At 01.04.2022	6,372,870	36,472	(11,041)	4,655,625	11,053,926
Profit for the financial period	-	-	-	374,568	374,568
Total comprehensive income for the financial period	-	-	-	374,568	374,568
Buy-back of shares	-	-	(24,787)	-	(24,787)
Share-based payment under ESS, net	-	11,052	-	-	11,052
ESS shares vested to employees	-	(26,414)	26,206	208	-
Dividends paid	-	-	-	(165,606)	(165,606)
Transactions with owners and other equity movements	-	(15,362)	1,419	(165,398)	(179,341)
At 30.09.2022	6,372,870	21,110	(9,622)	4,864,795	11,249,153

Company	Attributable to Equity Holders of the Company				
	Non-Distributable		Distributable		
	Ordinary share capital RM'000	Executives' share scheme reserve RM'000	Treasury shares RM'000	Retained earnings RM'000	Total equity RM'000
At 01.04.2023	6,372,870	26,425	(28,579)	4,672,100	11,042,816
Profit for the financial period	-	-	-	359,983	359,983
Total comprehensive income for the financial period	-	-	-	359,983	359,983
Buy-back of shares	-	-	(9,606)	-	(9,606)
Share-based payment under ESS, net	-	10,092	-	-	10,092
ESS shares vested to employees	-	(16,588)	21,937	(5,349)	-
Dividends paid	-	-	-	(406,705)	(406,705)
Transactions with owners and other equity movements	-	(6,496)	12,331	(412,054)	(406,219)
At 30.09.2023	6,372,870	19,929	(16,248)	4,620,029	10,996,580

The unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements of the Group and the Company for the financial year ended 31 March 2023.

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

	Group		Company	
	30.09.2023	30.09.2022 (Restated)	30.09.2023	30.09.2022
	RM'000	RM'000	RM'000	RM'000
<i>Cash flows from operating activities</i>				
Profit/(Loss) before taxation and zakat				
Continuing operations	1,070,599	1,099,667	360,300	375,530
Discontinued operation	51,115	(84,952)	-	-
Profit before taxation and zakat including discontinued operation	1,121,714	1,014,715	360,300	375,530
Adjustments for:				
Net accretion of discount for securities	(138,495)	(49,968)	-	-
Allowance for ECL on loans, advances and financing, net	355,784	288,198	-	-
Dividend income	(2,591)	(2,036)	(371,319)	(396,947)
Net gain on revaluation of derivatives	(141,942)	(94,604)	-	-
Net loss on revaluation of financial assets at fair value through profit or loss	47,891	51,993	-	-
Net (gain)/loss on sale of financial investments at fair value through other comprehensive income	(8,565)	115	-	-
Net (gain)/loss on sale of financial assets at fair value through profit or loss	(18,075)	13,044	-	-
Impairment of Kurnia Brand, agent relationship and other assets	-	115,981	-	-
Adjustment on the (gain)/loss on disposal of subsidiary	(51,115)	53,893	-	-
Other non-operating and non-cash items	16,696	143,087	5	4
Operating profit/(loss) before working capital changes	1,181,302	1,534,418	(11,014)	(21,413)
<i>Decrease/(Increase) in operating assets:</i>				
Deposits and placements with banks and other financial institutions	-	9,254	-	-
Financial assets at fair value through profit or loss	4,782,393	(4,047,004)	(20)	(14)
Loans, advances and financing	(1,025,119)	(4,661,877)	-	-
Statutory deposits with Bank Negara Malaysia	(60,285)	(160,077)	-	-
Other assets	(793,422)	(547,863)	327	5,547
Reinsurance assets and other insurance receivables	-	15,939	-	-
<i>Increase/(Decrease) in operating liabilities:</i>				
Deposits from customers	5,009,061	(1,597,950)	-	-
Investment accounts of customers	(1,813)	(347,513)	-	-
Deposits and placements of banks and other financial institutions	(3,207,200)	1,816,581	-	-
Securities sold under repurchase agreements	(6,486,069)	7,406,238	-	-
Recourse obligation on loans and financing sold to Cagamas Berhad	(85,012)	1,485,010	-	-
Term funding	54,834	112,002	-	-
Other liabilities	(2,190)	(497,412)	23,294	(476,864)
Insurance contract liabilities and other insurance payables	-	(39,909)	-	-
Cash (used in)/generated from operations	(633,520)	479,837	12,587	(492,744)
Taxation and zakat paid, net	(198,849)	(267,642)	(1,628)	(3,261)
Net cash (used in)/generated from operating activities	(832,369)	212,195	10,959	(496,005)

UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2023 (CONT'D.)

	Group		Company	
	30.09.2023	30.09.2022 (Restated)	30.09.2023	30.09.2022
	RM'000	RM'000	RM'000	RM'000
<i>Cash flows from investing activities</i>				
Purchase of treasury shares	(9,606)	(24,787)	(9,606)	(24,787)
Dividend/Distribution income received	123,162	5,577	371,319	396,947
Net cash inflow from disposal of subsidiary	-	1,126,025	-	-
Proceeds from disposal of property and equipment	114	84	-	-
Disposal/(Purchase) of financial investments	458,774	(7,985,458)	-	-
Purchase of property and equipment and intangible assets	(54,991)	(31,709)	(3)	(28)
Proceeds from capital reduction in a subsidiary	-	-	-	5,165
Net cash generated from/(used in) investing activities	<u>517,453</u>	<u>(6,910,268)</u>	<u>361,710</u>	<u>377,297</u>
<i>Cash flows from financing activities</i>				
Dividends paid by the Company to its shareholders	(406,705)	(165,606)	(406,705)	(165,606)
Repayment of lease liabilities	(35,202)	(53,098)	-	-
Dividends paid to non-controlling interests by subsidiaries	-	(1,831)	-	-
Return of capital to non-controlling interest	-	(1,075,993)	-	-
Proceeds from issuance of Subordinated Notes/Sukuk, net	1,000,000	-	-	-
Net cash generated from/(used in) financing activities	<u>558,093</u>	<u>(1,296,528)</u>	<u>(406,705)</u>	<u>(165,606)</u>
Net increase/(decrease) in cash and cash equivalents	243,177	(7,994,601)	(34,036)	(284,314)
Cash and cash equivalents at beginning of the financial year	8,700,367	14,516,864	208,565	717,660
Effect of exchange rate changes	441	(180)	-	-
Cash and cash equivalents at end of the financial period	<u>8,943,985</u>	<u>6,522,083</u>	<u>174,529</u>	<u>433,346</u>

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

	Group		Company	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
	RM'000	RM'000	RM'000	RM'000
Cash and short-term funds	8,848,312	6,042,560	174,529	433,346
Deposits and placements with banks and other financial institutions (with original maturity of three months and less)	93,770	477,185	-	-
	<u>8,942,082</u>	<u>6,519,745</u>	<u>174,529</u>	<u>433,346</u>
Add:				
Allowances for ECL for cash and cash equivalents	1,903	2,338	-	-
Cash and cash equivalents	<u>8,943,985</u>	<u>6,522,083</u>	<u>174,529</u>	<u>433,346</u>

The unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements of the Group and the Company for the financial year ended 31 March 2023.

EXPLANATORY NOTES :

A1. BASIS OF PREPARATION

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

These condensed interim financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the annual financial statements of the Group and the Company for the financial year ended 31 March 2023 which are available upon request from the Company's registered office at Level 22, Bangunan AmBank Group, No. 55, Jalan Raja Chulan, 50200 Kuala Lumpur.

The condensed interim financial statements incorporate those activities relating to Islamic banking which have been undertaken by the Group.

A1.1 Significant Accounting Policies

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

- MFRS 17 *Insurance Contracts*
- 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*)
- Initial Application of MFRS 17 and MFRS 9 - Comparative Information (Amendment to MFRS 17 *Insurance Contracts*)
- 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 these amendments to published standards did not have any material impact on the financial statements of the Group and of the Company except for the adoption of MFRS 17 as disclosed below. The Group and the Company did not have to change its accounting policies or make retrospective adjustments as a result of adopting the other amendments to published standards.

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

MFRS 17 *Insurance Contracts* and Initial Application of MFRS 17 and MFRS 9 - Comparative Information (Amendment to MFRS 17 *Insurance Contracts*)

MFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure which replaced MFRS 4 *Insurance Contracts*. Comparative information have been restated, applying the transitional provisions of MFRS 17. The impact arising from the adoption of MFRS 17 are as follows:

(i) Recognition and measurement

MFRS 17 requires the Group to identify portfolios of insurance/takaful contracts and reinsurance/retakaful contracts, which comprise contracts subject to similar risks and are managed together. Insurance/takaful contracts are divided into:

- (a) a group of contracts that are onerous at initial recognition, if any;
- (b) a group of contracts that at initial recognition have no significant possibility of becoming onerous subsequently, if any; and
- (c) a group of the remaining contracts in the portfolio, if any.

Embedded derivatives and distinct investment and service components are unbundled and accounted for separately in accordance with the related MFRSs.

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 Company are described below:
(Cont'd.)

MFRS 17 Insurance Contracts and Initial Application of MFRS 17 and MFRS 9 - Comparative Information (Amendment to MFRS 17 Insurance Contracts) (Cont'd.)

(i) Recognition and measurement (Cont'd.)

The Group recognises insurance/takaful acquisition cash flows paid as an asset before the related group of insurance/takaful contracts are recognised. The asset for insurance/takaful acquisition cash flows are derecognised when the insurance/takaful acquisition cash flows are included in the measurement of the related group of insurance/takaful contracts.

The Group applies the following measurement models in measuring insurance/takaful contracts:

(a) General measurement model

A general measurement model, where estimates are remeasured in each reporting period. The measurement is based on the building blocks of discounted, probability-weighted fulfilment cash flows, a risk adjustment and a contractual service margin ("CSM") representing the unearned profit of the contract.

(b) Premium allocation approach

A simplified premium allocation approach is permitted for the liability for remaining coverage if it provides a measurement that is not materially different from the general model or if the coverage period is one year or less. However, claims incurred will need to be measured based on the building blocks of discounted, risk-adjusted, probability-weighted cash flows.

(c) Variable-fee approach

For contracts with direct participation features.

Insurance revenue which depicts the provision of services arising from the group of insurance/takaful contracts at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services are recognised in profit or loss. Insurance service expenses are recognised in profit or loss when incurred. The resulting insurance service result is distinguished from the insurance finance income and expense.

If a group of contracts is expected to be onerous over the remaining coverage period, the Group recognises the loss immediately. A loss component of the liability for remaining coverage for such onerous group depicting the losses recognised is established by the Group.

(ii) Transition

A full retrospective application is required. However, an entity is permitted to choose between a modified retrospective approach and the fair value approach if full retrospective application is impracticable. AmMetLife Insurance Berhad and AmMetLife Takaful Berhad, the joint ventures of the Group that first applies MFRS 17 and MFRS 9 at the same time are permitted to apply a classification overlay on the comparative information about a financial asset as if the classification and measurement requirements of MFRS 9 had been applied to that financial asset before to overcome potential accounting mismatches.

The financial impacts of the adoption of MFRS 17 on the financial statements of the Group are as disclosed in Note A36.

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 Company.

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 Company are described below:
 (Cont'd.)

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 Company.

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 Company.

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 Company.

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 Company 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

A1. BASIS OF PREPARATION (CONT'D.)

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

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

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

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

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

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

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

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

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

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

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

In the process of applying the Group's and the Company's accounting policies, the significant judgements, estimates and assumptions made by management were the same as those applied to the annual financial statements for the financial year ended 31 March 2023 except for estimated loss on disposal of a subsidiary as disclosed in Note A27.

A2. AUDIT QUALIFICATION

There was no audit qualification in the annual financial statements for the financial year ended 31 March 2023.

A3. SEASONALITY OR CYCLICALITY OF OPERATIONS

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

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

There were no unusual items during the current financial quarter and period.

A5. CHANGES IN ESTIMATES

There was no material change in estimates of amounts reported in the prior financial years that have a material effect on the financial period ended 30 September 2023 other than the impact of adoption of MFRS 17 as disclosed in Note A36.

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

(i) Share buy-back

During the current financial period, the Company bought back from the open market, a total of 2,586,950 ordinary shares listed on the Main Market of Bursa Malaysia Securities Berhad at an average buy-back price of RM3.71 per share. The total consideration paid for the share buy-back including transaction costs was approximately RM9,606,487 and was financed by internally generated funds. The shares bought back are held as treasury shares in accordance with Section 127(4)(b) of the Companies Act 2016.

(ii) Issuance of debt securities

- (1) On 27 June 2023, AmBank (M) Berhad ("AmBank") issued Tranche 11 with nominal value of RM500.0 million under its RM4.0 billion Subordinated Notes programme. The interest rate of this tranche is at 4.59% per annum, payable semi-annually with a tenure of 10 years (callable in the 5th years).
- (2) On 27 June 2023, AmBank Islamic Berhad ("AmBank Islamic") issued Tranche 11 with nominal value of RM500.0 million under its RM3.0 billion Subordinated Sukuk Murabahah ("Sukuk Murabahah") programme. The profit rate of this tranche is at 4.53% per annum, payable semi-annually with a tenure of 10 years (non-callable 5 years).

(iii) Redemption of debt securities

On 30 June 2023, AmBank redeemed Tranche 8 - Series 1 of its Senior Notes with nominal value of RM150.0 million issued under its RM7.0 billion nominal value Senior Notes programme.

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

A7. DIVIDENDS PAID

The final single-tier dividend of 12.3 sen per share for the financial year ended 31 March 2023 which amounted to approximately RM406,705,147 was paid on 7 July 2023 to shareholders whose names appear in the record of Depositors as at 15 June 2023.

A8. CASH AND SHORT-TERM FUNDS

	Group		Company	
	30.09.2023 RM'000	31.03.2023 RM'000	30.09.2023 RM'000	31.03.2023 RM'000
Cash and balances with banks and other financial institutions	2,535,425	2,530,187	174,529	208,565
Deposit and placements maturing within one month:				
Licensed banks	1,649,392	2,518,377	-	-
Bank Negara Malaysia	4,650,000	3,460,000	-	-
Other financial institutions	15,343	15,133	-	-
	6,314,735	5,993,510	-	-
	8,850,160	8,523,697	174,529	208,565
Less: Allowances for ECL	(1,848)	(1,757)	-	-
	8,848,312	8,521,940	174,529	208,565

Movements in allowances for ECL are as follows:

Group	Stage 1	Stage 2	Total
	12-month ECL	Lifetime ECL not credit impaired	
30.09.2023	RM'000	RM'000	RM'000
Balance at beginning of the financial period	1,456	301	1,757
Net allowances for/(writeback of) ECL	167	(90)	77
Transfer to 12-month ECL (Stage 1)	1	(273)	(272)
Transfer from deposits and placements with banks and other financial institutions (Note A9)	2,052	-	2,052
New financial assets originated	9,138	447	9,585
Financial assets derecognised	(11,232)	(269)	(11,501)
Net remeasurement of allowances	208	5	213
Foreign exchange differences	13	1	14
Balance at end of the financial period	1,636	212	1,848

Group	Stage 1	Stage 2	Total
	12-month ECL	Lifetime ECL not credit impaired	
31.03.2023	RM'000	RM'000	RM'000
Balance at beginning of the financial year	2,225	20	2,245
Net (writeback of)/allowances for ECL	(858)	341	(517)
Transfer to 12-month ECL (Stage 1)	5	(24)	(19)
Transfer from deposits and placements with banks and other financial institutions (Note A9)	6,204	35	6,239
New financial assets originated	16,914	685	17,599
Financial assets derecognised	(23,807)	(585)	(24,392)
Net remeasurement of allowances	(174)	230	56
Foreign exchange differences	89	(60)	29
Balance at end of the financial year	1,456	301	1,757

A9. DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group	
	30.09.2023 RM'000	31.03.2023 RM'000
Deposits and placements maturity more than one month:		
Licensed banks	93,825	176,670
Less: Allowances for ECL	(55)	(66)
	93,770	176,604
Of which deposits and placements with original maturity of:		
Three months or less	93,825	176,670

Movements in allowances for ECL are as follows:

Group 30.09.2023	Stage 1 12-month ECL RM'000
Balance at beginning of the financial period	66
Net writeback of ECL:	(11)
Transfer to cash and short-term funds (Note A8)	(2,052)
Net remeasurement of allowances	162
New financial assets originated	1,879
Balance at end of the financial period	55

Group 31.03.2023	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Total RM'000
Balance at beginning of the financial year	1,325	-	1,325
Net writeback of ECL	(1,259)	-	(1,259)
Transfer to cash and short-term funds (Note A8)	(6,204)	(35)	(6,239)
Net remeasurement of allowances	(97)	-	(97)
New financial assets originated	5,042	35	5,077
Balance at end of the financial year	66	-	66

A10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group		Company	
	30.09.2023 RM'000	31.03.2023 RM'000	30.09.2023 RM'000	31.03.2023 RM'000
At Fair Value				
Money Market Instruments:				
Malaysian Treasury Bills	616,961	2,766,826	-	-
Malaysian Islamic Treasury Bills	1,939,746	3,644,507	-	-
Malaysian Government Securities	1,281,606	582,357	-	-
Malaysian Government Investment Issues	614,594	287,727	-	-
Bank Negara Monetary Notes	1,619,773	2,887,770	-	-
	<u>6,072,680</u>	<u>10,169,187</u>	<u>-</u>	<u>-</u>
Quoted Securities:				
In Malaysia:				
Shares	788,358	627,690	-	-
Unit trusts	16,114	22,854	1,178	1,158
Corporate bonds and sukuk	10,176	10,236	-	-
Outside Malaysia:				
Shares	422,600	446,560	-	-
	<u>1,237,248</u>	<u>1,107,340</u>	<u>1,178</u>	<u>1,158</u>
Unquoted Securities:				
In Malaysia:				
Shares	33	33	-	-
Corporate bonds and sukuk	763,841	1,494,347	-	-
	<u>763,874</u>	<u>1,494,380</u>	<u>-</u>	<u>-</u>
Total	<u>8,073,802</u>	<u>12,770,907</u>	<u>1,178</u>	<u>1,158</u>

A11. FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("FVOCI")

	Group	
	30.09.2023 RM'000	31.03.2023 RM'000
At Fair Value		
Money Market Instruments:		
Malaysian Treasury Bills	-	466,728
Malaysian Government Securities	4,385,392	4,273,588
Malaysian Government Investment Issues	5,661,556	5,083,442
Bank Negara Monetary Notes	-	494,320
Islamic Negotiable Instruments of Deposit	1,156,233	-
Malaysian Islamic Treasury Bills	319,383	2,218,495
Foreign Government Investment Issues	13,573	13,309
	<u>11,536,137</u>	<u>12,549,882</u>
Unquoted Securities:		
In Malaysia:		
Shares	720,229	682,097
Corporate bonds and sukuk	14,256,931	12,367,702
Outside Malaysia:		
Shares	815	761
Corporate bonds and sukuk	-	10,291
	<u>14,977,975</u>	<u>13,060,851</u>
Total	26,514,112	25,610,733

Movements in allowances for ECL are as follows:

Group	Stage 1	Stage 2	Total
	12-month ECL	Lifetime ECL not credit impaired	
30.09.2023	RM'000	RM'000	RM'000
Balance at beginning of the financial period	10,282	3,024	13,306
Net allowances for ECL	12,038	1,202	13,240
New financial assets originated	9,060	-	9,060
Financial assets derecognised	(4,948)	-	(4,948)
Net remeasurement of allowances	7,926	1,202	9,128
Foreign exchange differences	1	-	1
Balance at end of the financial period	22,321	4,226	26,547

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

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

Group	Stage 1	Stage 2	Total
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	
Balance at beginning of the financial year	10,494	9,842	20,336
Net writeback of ECL	(224)	(6,817)	(7,041)
Transfer to 12-month ECL (Stage 1)	596	(8,650)	(8,054)
Transfer to Lifetime ECL not credit impaired (Stage 2)	(1,595)	3,410	1,815
New financial assets originated	10,871	-	10,871
Financial assets derecognised	(7,209)	(2,996)	(10,205)
Net remeasurement of allowances	(2,887)	1,419	(1,468)
Foreign exchange differences	12	(1)	11
Balance at end of the financial year	10,282	3,024	13,306

A12. FINANCIAL INVESTMENTS AT AMORTISED COST

	Group	
	30.09.2023	31.03.2023
	RM'000	RM'000
At Amortised Cost		
Money Market Instruments:		
Malaysian Government Securities	1,139,590	1,346,712
Malaysian Government Investment Issues	2,633,601	4,107,989
	3,773,191	5,454,701
Unquoted Securities:		
In Malaysia:		
Corporate bonds and sukuk	8,949,987	8,514,775
	12,723,178	13,969,476
Less: Allowances for ECL	(507,538)	(499,773)
Total	12,215,640	13,469,703

Movements in allowances for ECL are as follows:

Group 30.09.2023	Stage 1	Stage 3	Total
	12-month ECL RM'000	Lifetime ECL credit impaired RM'000	
Balance at beginning of the financial period	6,927	492,846	499,773
Net allowances for ECL	3,585	4,180	7,765
New financial assets originated	4,366	-	4,366
Net remeasurement of allowances	1,708	4,180	5,888
Financial assets derecognised	(2,489)	-	(2,489)
Balance at end of the financial period	10,512	497,026	507,538

Group 31.03.2023	Stage 1	Stage 3	Total
	12-month ECL RM'000	Lifetime ECL credit impaired RM'000	
Balance at beginning of the financial year	4,497	478,727	483,224
Net allowances for ECL	2,430	14,119	16,549
New financial assets originated	3,792	-	3,792
Net remeasurement of allowances	(457)	14,119	13,662
Financial assets derecognised	(905)	-	(905)
Balance at end of the financial year	6,927	492,846	499,773

A13. LOANS, ADVANCES AND FINANCING

	Group	
	30.09.2023	31.03.2023
	RM'000	RM'000
At Amortised Cost		
Loans, advances and financing:		
Term loans/financing	43,955,845	43,398,222
Revolving credit	10,882,492	12,350,195
Housing loans/financing	43,180,313	41,736,571
Hire purchase receivables	15,163,096	14,483,326
Card receivables	2,187,537	2,099,858
Overdrafts	2,938,731	3,285,631
Claims on customers under acceptance credits	6,409,809	7,121,490
Trust receipts	2,637,305	2,554,759
Bills receivables	3,196,962	2,947,175
Staff loans	106,503	102,547
Others	169,221	146,997
Gross loans, advances and financing	<u>130,827,814</u>	<u>130,226,771</u>
Less: Allowances for ECL		
- Stage 1 - 12-month ECL	(266,674)	(236,612)
- Stage 2 - Lifetime ECL not credit impaired	(1,047,834)	(1,160,966)
- Stage 3 - Lifetime ECL credit impaired	(577,241)	(586,588)
	<u>(1,891,749)</u>	<u>(1,984,166)</u>
Net loans, advances and financing	<u>128,936,065</u>	<u>128,242,605</u>

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

	Group	
	30.09.2023	31.03.2023
	RM'000	RM'000
Domestic non-bank financial institutions	2,861,525	3,316,997
Domestic business enterprises:		
- Small and medium enterprises	27,149,908	26,680,264
- Others	26,543,962	27,188,177
Government and statutory bodies	2,425,840	2,638,909
Individuals	70,081,000	68,456,302
Other domestic entities	8,255	8,848
Foreign individuals and entities	1,757,324	1,937,274
	<u>130,827,814</u>	<u>130,226,771</u>

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

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

	Group	
	30.09.2023	31.03.2023
	RM'000	RM'000
In Malaysia	130,636,227	129,943,758
Outside Malaysia	191,587	283,013
	130,827,814	130,226,771

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

	Group	
	30.09.2023	31.03.2023
	RM'000	RM'000
Fixed rate:		
- Housing loans/financing	238,168	616,368
- Hire purchase receivables	14,808,476	14,085,713
- Other loans/financing	12,361,950	13,554,457
Variable rate:		
- Base rate and lending/financing rate plus	71,561,460	69,490,820
- Cost plus	30,766,399	31,331,647
- Other variable rates	1,091,361	1,147,766
	130,827,814	130,226,771

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

	Group	
	30.09.2023	31.03.2023
	RM'000	RM'000
Agriculture	2,984,384	3,056,513
Mining and quarrying	2,115,349	2,166,074
Manufacturing	15,185,856	15,768,934
Electricity, gas and water	1,470,214	1,522,997
Construction	4,435,609	4,471,263
Wholesale and retail trade and hotels and restaurants	12,511,376	12,165,060
Transport, storage and communication	5,285,406	5,183,071
Finance and insurance	4,500,795	5,119,567
Real estate	7,811,546	7,737,253
Business activities	2,538,588	2,457,545
Education and health	1,309,564	1,537,580
Household of which:	70,622,731	69,035,564
Purchase of residential properties	43,491,191	42,054,000
Purchase of transport vehicles	13,783,942	13,161,422
Others	13,347,598	13,820,142
Others	56,396	5,350
	130,827,814	130,226,771

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

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

	Group	
	30.09.2023 RM'000	31.03.2023 RM'000
Maturing within one year	31,590,002	33,676,035
Over one year to three years	7,034,295	6,892,129
Over three years to five years	10,853,339	12,039,646
Over five years	81,350,178	77,618,961
	<u>130,827,814</u>	<u>130,226,771</u>

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

	Group	
	30.09.2023 RM'000	31.03.2023 RM'000
Gross		
Balance at beginning of the financial period/year	1,896,447	1,676,044
Additions during the financial period/year	1,441,516	1,961,165
Reclassified as non-impaired	(236,851)	(199,101)
Recoveries	(488,658)	(865,651)
Amount written off	(449,261)	(676,386)
Foreign exchange differences	482	376
Balance at end of the financial period/year	<u>2,163,675</u>	<u>1,896,447</u>
Gross impaired loans, advances and financing as % of gross loans, advances and financing	<u>1.65%</u>	<u>1.46%</u>
Loan/Financing loss coverage (including regulatory reserve)	<u>109.15%</u>	<u>127.67%</u>

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

	Group	
	30.09.2023 RM'000	31.03.2023 RM'000
In Malaysia	<u>2,163,675</u>	<u>1,896,447</u>

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

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

	Group	
	30.09.2023 RM'000	31.03.2023 RM'000
Agriculture	7,412	7,152
Mining and quarrying	52,118	43,082
Manufacturing	286,766	214,954
Electricity, gas and water	50,049	47,366
Construction	156,779	172,476
Wholesale and retail trade and hotels and restaurants	313,887	213,270
Transport, storage and communication	25,764	23,594
Finance and insurance	8,452	11,201
Real estate	39,521	11,413
Business activities	46,968	44,095
Education and health	21,563	11,863
Household of which:	1,154,396	1,095,981
Purchase of residential properties	887,147	841,786
Purchase of transport vehicles	113,924	115,068
Others	153,325	139,127
	<u>2,163,675</u>	<u>1,896,447</u>

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

Group	Stage 1	Stage 2	Stage 3	Total
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
Balance at beginning of the financial period	236,612	1,160,966	586,588	1,984,166
Net allowances for/(writeback of) ECL	29,591	(113,154)	439,347	355,784
Transfer to 12-month ECL (Stage 1)	9,827	(76,166)	(2,827)	(69,166)
Transfer to Lifetime ECL not credit impaired (Stage 2)	(13,514)	154,457	(37,522)	103,421
Transfer to Lifetime ECL credit impaired (Stage 3)	(1,230)	(44,060)	203,231	157,941
New financial assets originated	63,864	44,628	2,736	111,228
Net remeasurement of allowances	12,907	(73,631)	310,260	249,536
Modification of contractual cash flows of financial assets	489	(7,200)	(15)	(6,726)
Financial assets derecognised	(32,656)	(39,991)	(84,934)	(157,581)
Changes in model assumptions and methodologies	(10,096)	(71,191)	48,418	(32,869)
Foreign exchange differences	471	22	567	1,060
Amount written off	-	-	(449,261)	(449,261)
Balance at end of the financial period	<u>266,674</u>	<u>1,047,834</u>	<u>577,241</u>	<u>1,891,749</u>

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

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

Group 31.03.2023	Stage 1	Stage 2	Stage 3	Total RM'000
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
Balance at beginning of the financial year	217,884	1,159,616	550,076	1,927,576
Net allowances for ECL	18,382	1,378	712,426	732,186
Transfer to 12-month ECL (Stage 1)	14,137	(158,939)	(5,763)	(150,565)
Transfer to Lifetime ECL not credit impaired (Stage 2)	(15,556)	174,054	(22,465)	136,033
Transfer to Lifetime ECL credit impaired (Stage 3)	(1,463)	(35,213)	290,890	254,214
New financial assets originated	65,456	87,732	10,888	164,076
Net remeasurement of allowances	10,549	29,078	475,977	515,604
Modification of contractual cash flows of financial assets	(144)	2,213	2,027	4,096
Financial assets derecognised	(38,131)	(108,258)	(75,940)	(222,329)
Changes in model assumptions and methodologies	(16,466)	10,711	36,812	31,057
Foreign exchange differences	415	(28)	472	859
Amount written off	-	-	(676,386)	(676,386)
Derecognition - disposal of subsidiary	(69)	-	-	(69)
Balance at end of the financial year	236,612	1,160,966	586,588	1,984,166

A14. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

	Group	
	30.09.2023 RM'000	31.03.2023 (Restated) RM'000
Unquoted shares:		
At cost at the beginning of the financial period/year	1,627,316	669,169
Acquisition	-	958,147
At cost at the end of the financial period/year	1,627,316	1,627,316
Share of post acquisition reserves	(44,335)	48,026
	1,582,981	1,675,342
Less: Impairment loss	(152,444)	(152,444)
Balance at end of the financial period/year	1,430,537	1,522,898

A15. OTHER ASSETS

	Group		Company	
	30.09.2023 RM'000	31.03.2023 RM'000	30.09.2023 RM'000	31.03.2023 RM'000
Trade receivables	386,497	271,463	-	-
Other receivables, deposits and prepayments	1,325,883	1,021,775	166	134
Interest/Profit receivable	500,942	508,106	-	-
Fee receivable	24,648	23,177	-	-
Amount due from associates and joint ventures	12,517	17,915	1,162	1,521
Amount due from agents, brokers and reinsurers	121,555	102,061	-	-
Foreclosed properties	2,578	2,644	-	-
Tax recoverable	224,672	220,584	3,661	2,350
Collateral pledged for derivative and securities transactions	857,956	467,034	-	-
	<u>3,457,248</u>	<u>2,634,759</u>	<u>4,989</u>	<u>4,005</u>
Less: Accumulated impairment losses	(7,932)	(8,723)	-	-
	<u>3,449,316</u>	<u>2,626,036</u>	<u>4,989</u>	<u>4,005</u>

A16. DEPOSITS FROM CUSTOMERS

	Group	
	30.09.2023 RM'000	31.03.2023 RM'000
Demand deposits	35,220,563	38,135,787
Savings deposits	8,316,960	10,664,158
Term/Investment deposits	91,786,618	81,515,135
	<u>135,324,141</u>	<u>130,315,080</u>

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

	Group	
	30.09.2023 RM'000	31.03.2023 RM'000
Due within six months	70,851,913	65,635,656
Six months to one year	20,416,582	13,133,341
Over one year to three years	448,769	2,660,643
Over three years to five years	69,354	85,495
	<u>91,786,618</u>	<u>81,515,135</u>

The deposits are sourced from the following types of customers:

	Group	
	30.09.2023 RM'000	31.03.2023 RM'000
Government and statutory bodies	5,381,501	6,588,571
Business enterprises	68,784,879	63,994,960
Individuals	52,209,686	52,302,587
Others	8,948,075	7,428,962
	<u>135,324,141</u>	<u>130,315,080</u>

A17. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group	
	30.09.2023 RM'000	31.03.2023 RM'000
Licensed banks	3,288,097	6,793,325
Licensed investment banks	742,753	939,128
Bank Negara Malaysia	1,485,437	1,390,807
Other financial institutions	2,746,202	2,338,985
	<u>8,262,489</u>	<u>11,462,245</u>

A18. OTHER LIABILITIES

	Group		Company	
	30.09.2023	31.03.2023	30.09.2023	31.03.2023
	RM'000	RM'000	RM'000	RM'000
Trade payables	398,709	295,500	-	-
Other payables and accruals	1,150,187	1,366,483	26,889	18,625
Interest payable on deposits and borrowings	1,123,760	908,679	-	-
Lease deposits and advance rental	52,390	51,798	-	-
Provision for commitments and contingencies	3,225	3,677	-	-
Allowances for ECL on loan/financing commitments and financial guarantees	189,126	225,385	-	-
Lease liabilities	205,352	233,845	-	-
Provision for reinstatement of leased properties	6,940	6,908	-	-
Amount due to subsidiaries	-	-	9,430	4,492
Provision for taxation	31,636	18,568	-	-
Collateral received for derivative and securities transactions	397,963	510,844	-	-
Deferred income	70,872	75,870	-	-
	3,630,160	3,697,557	36,319	23,117

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

Group	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
30.09.2023	RM'000	RM'000	RM'000	RM'000
Balance at beginning of the financial period	42,638	33,816	148,931	225,385
Net allowances for/(writeback of) ECL	1,096	(2,712)	(34,821)	(36,437)
Transfer to 12-month ECL (Stage 1)	996	(9,254)	-	(8,258)
Transfer to Lifetime ECL not credit impaired (Stage 2)	(1,101)	6,952	-	5,851
Transfer to Lifetime ECL credit impaired (Stage 3)	(39)	(710)	317	(432)
New exposures originated	13,980	8,678	-	22,658
Net remeasurement of allowances	(5,467)	(4,751)	(35,071)	(45,289)
Exposures derecognised	(7,273)	(3,627)	(67)	(10,967)
Foreign exchange differences	164	12	2	178
Balance at end of the financial period	43,898	31,116	114,112	189,126

Group	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
31.03.2022	RM'000	RM'000	RM'000	RM'000
Balance at beginning of the financial year	28,926	26,330	247,941	303,197
Net allowances for/(writeback of) ECL	13,579	7,475	(98,991)	(77,937)
Transfer to 12-month ECL (Stage 1)	1,166	(6,535)	-	(5,369)
Transfer to Lifetime ECL not credit impaired (Stage 2)	(1,371)	10,077	-	8,706
Transfer to Lifetime ECL credit impaired (Stage 3)	(42)	(485)	3,899	3,372
New exposures originated	19,523	16,470	7,943	43,936
Net remeasurement of allowances	3,043	(4,038)	(110,421)	(111,416)
Exposures derecognised	(8,740)	(8,014)	(412)	(17,166)
Foreign exchange differences	133	11	(19)	125
Balance at end of the financial year	42,638	33,816	148,931	225,385

A19. INTEREST INCOME

Group	Individual Quarter		Cumulative Quarter	
	30.09.2023 RM'000	30.09.2022 RM'000	30.09.2023 RM'000	30.09.2022 RM'000
Short-term funds and deposits and placements				
with banks and other financial institutions	84,216	31,045	143,180	53,325
Financial assets at fair value through profit or loss	61,887	33,957	134,685	51,507
Financial investments at fair value through				
other comprehensive income	167,546	128,926	332,271	239,789
Financial investments at amortised cost	87,474	78,237	182,705	145,385
Loans and advances*	1,130,712	909,145	2,205,823	1,727,755
Impaired loans and advances	2,604	864	4,505	1,747
Others	11,036	5,867	19,196	11,599
	<u>1,545,475</u>	<u>1,188,041</u>	<u>3,022,365</u>	<u>2,231,107</u>
Company				
Short-term funds and deposits and placements with				
banks and other financial institutions	326	1,300	1,298	4,087

* Included in the interest income of loans and advances of the Group is the net loss of RM9.36 million (30.09.2022: net loss of RM3.14 million) arising from government support measures implemented in response to COVID-19 pandemic.

A20. INTEREST EXPENSE

Group	Individual Quarter		Cumulative Quarter	
	30.09.2023 RM'000	30.09.2022 RM'000	30.09.2023 RM'000	30.09.2022 RM'000
Deposits from customers	691,020	408,396	1,329,021	756,178
Deposits and placements of banks and other				
financial institutions	69,670	45,388	152,113	70,980
Senior notes	1,978	3,090	5,023	6,147
Securities sold under repurchase agreements	99,007	40,365	225,790	53,308
Recourse obligation on loans sold to Cagamas Berhad	59,934	45,892	111,236	90,152
Term loan	7,575	3,416	14,410	5,373
Debt capital	42,859	37,230	79,782	74,056
Other structured products and others	12,771	4,294	23,947	8,524
	<u>984,814</u>	<u>588,071</u>	<u>1,941,322</u>	<u>1,064,718</u>

A21. OTHER OPERATING INCOME

Group	Individual Quarter		Cumulative Quarter	
	30.09.2023 RM'000	30.09.2022 RM'000	30.09.2023 RM'000	30.09.2022 RM'000
Fee and commission income:				
Fees on loans and securities	39,209	33,112	75,311	69,015
Corporate advisory	7,945	3,389	13,435	6,989
Guarantee fees	13,695	10,703	25,808	24,579
Underwriting commission	-	160	-	2,642
Portfolio management fees	10,248	10,269	28,362	20,517
Unit trust fees, commission and charges	42,288	38,164	81,686	74,636
Property trust management fees	1,641	1,690	3,279	3,354
Brokerage fees and commission	10,077	6,412	17,544	13,803
Bancassurance commission	10,092	6,817	18,563	9,410
Wealth management fees	2,448	5,191	4,115	8,610
Remittances	6,480	6,408	13,001	14,113
Fees, service and commission charges	6,615	7,977	12,761	17,174
Placement fees	1,850	-	3,412	600
Others	(3,350)	4,920	7,767	9,259
	<u>149,238</u>	<u>135,212</u>	<u>305,044</u>	<u>274,701</u>
Investment and trading income:				
Net gain/(loss) from sale of financial assets at fair value through profit or loss	62	(11,309)	18,101	(13,771)
Net gain/(loss) from sale of financial investments at fair value through other comprehensive income	7,153	(123)	7,023	(40)
Net gain on redemption of financial investments at amortised cost	1,336	-	36,190	-
Net gain/(loss) on revaluation of financial assets at fair value through profit or loss	39,698	13,264	(45,991)	(24,108)
Net gain on foreign exchange	43,823	82,638	180,163	244,590
Net loss on derivatives	(10,366)	(31,975)	(34,481)	(112,936)
Dividend income from:				
Financial assets at fair value through profit or loss	1,346	1,361	3,155	4,020
Financial investments at fair value through other comprehensive income	781	226	2,591	2,036
Others	4	642	291	649
	<u>83,837</u>	<u>54,724</u>	<u>167,042</u>	<u>100,440</u>
Other income:				
Net loss on non-trading foreign exchange	(207)	(292)	(239)	(121)
Net gain on disposal of property and equipment	107	4	114	19
Rental income	122	64	369	116
Profit from sale of goods and services	4,071	4,127	8,136	8,189
Others	5,037	3,914	11,093	6,170
	<u>9,130</u>	<u>7,817</u>	<u>19,473</u>	<u>14,373</u>
	<u>242,205</u>	<u>197,753</u>	<u>491,559</u>	<u>389,514</u>

A21. OTHER OPERATING INCOME (CONT'D.)

Company	Individual Quarter		Cumulative Quarter	
	30.09.2023 RM'000	30.09.2022 RM'000	30.09.2023 RM'000	30.09.2022 RM'000
Investment and trading income:				
Dividend income from:				
Subsidiaries	107,441	302,737	371,319	396,947
Financial assets at fair value through profit or loss	11	7	20	14
	<u>107,452</u>	<u>302,744</u>	<u>371,339</u>	<u>396,961</u>
Other income:				
Others	3,359	2,481	6,294	2,701
	<u>3,359</u>	<u>2,481</u>	<u>6,294</u>	<u>2,701</u>
	<u>110,811</u>	<u>305,225</u>	<u>377,633</u>	<u>399,662</u>

A22. OTHER OPERATING EXPENSES

Group	Individual Quarter		Cumulative Quarter	
	30.09.2023 RM'000	30.09.2022 RM'000	30.09.2023 RM'000	30.09.2022 RM'000
Personnel costs:				
Salaries, allowances and bonuses	236,514	228,417	499,150	468,461
Shares granted under ESS - charge	8,421	9,225	10,745	11,004
Contributions to Employees' Provident Fund ("EPF")/private retirement schemes	37,929	36,191	80,448	74,460
Social security cost	2,173	1,874	4,338	3,638
Other staff related expenses	29,493	30,655	55,796	61,165
	<u>314,530</u>	<u>306,362</u>	<u>650,477</u>	<u>618,728</u>
Establishment costs:				
Depreciation of property and equipment	12,575	12,588	24,927	24,751
Depreciation of right-of-use assets	17,533	15,593	34,279	38,426
Amortisation of intangible assets	18,578	19,063	36,224	37,676
Computerisation costs	60,501	55,075	112,394	100,012
Cleaning, maintenance and security	7,472	7,791	14,760	14,362
Finance costs:				
- interest on lease liabilities	1,217	1,414	2,846	3,172
- provision for reinstatement of leased properties	16	21	32	44
Others	7,230	10,376	16,918	13,158
	<u>125,122</u>	<u>121,921</u>	<u>242,380</u>	<u>231,601</u>
Marketing and communication expenses:				
Sales commission	149	653	807	1,466
Advertising, promotional and other marketing activities	5,119	5,849	9,941	9,246
Telephone charges	4,579	4,728	8,289	9,862
Postage	3,848	2,338	6,212	4,654
Travelling and entertainment	1,893	1,323	3,527	2,356
Others	2,624	2,585	5,451	4,445
	<u>18,212</u>	<u>17,476</u>	<u>34,227</u>	<u>32,029</u>

A22. OTHER OPERATING EXPENSES (CONT'D.)

Group	Individual Quarter		Cumulative Quarter	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
	RM'000	RM'000	RM'000	RM'000
Administration and general expenses:				
Professional services	14,867	15,343	33,718	29,161
Travelling	495	654	1,133	1,206
Insurance	2,728	1,997	5,075	5,428
Subscriptions and periodicals	2,575	2,168	5,984	3,985
Others	14,106	11,713	27,365	24,080
	<u>34,771</u>	<u>31,875</u>	<u>73,275</u>	<u>63,860</u>
Total	<u>492,635</u>	<u>477,634</u>	<u>1,000,359</u>	<u>946,218</u>

Company	Individual Quarter		Cumulative Quarter	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
	RM'000	RM'000	RM'000	RM'000
Establishment costs:				
Depreciation of property and equipment	3	2	5	4
Computerisation costs	3	61	7	185
Others	93	19	185	19
	<u>99</u>	<u>82</u>	<u>197</u>	<u>208</u>
Marketing and communication expenses:				
Advertising, promotional and other marketing activities	3	38	26	38
Telephone charges	1	1	1	1
Travelling and entertainment	8	8	8	15
	<u>12</u>	<u>47</u>	<u>35</u>	<u>54</u>
Administration and general expenses:				
Professional services	162	477	357	836
Travelling	24	3	28	7
Others	1,004	998	1,915	2,055
	<u>1,190</u>	<u>1,478</u>	<u>2,300</u>	<u>2,898</u>
Service transfer pricing expense, net	8,205	6,040	16,099	9,334
Total	<u>9,506</u>	<u>7,647</u>	<u>18,631</u>	<u>12,494</u>

A23. ALLOWANCES FOR IMPAIRMENT ON LOANS, ADVANCES AND FINANCING

	Individual Quarter		Cumulative Quarter	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
Group	RM'000	RM'000	RM'000	RM'000
Impairment on loans, advances and financing:				
Allowances for ECL	121,138	156,764	355,784	288,198
Impaired loans, advances and financing recovered, net	(65,185)	(83,017)	(133,731)	(154,389)
	<u>55,953</u>	<u>73,747</u>	<u>222,053</u>	<u>133,809</u>

A24. ALLOWANCES FOR/(WRITEBACK OF) IMPAIRMENT ON FINANCIAL INVESTMENTS AND OTHER FINANCIAL ASSETS

	Individual Quarter		Cumulative Quarter	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
Group	RM'000	RM'000	RM'000	RM'000
Financial investments				
Financial investments at fair value through other comprehensive income	423	(1,447)	13,240	1,605
Financial investments at amortised cost	431	1,533	7,765	(1,407)
	<u>854</u>	<u>86</u>	<u>21,005</u>	<u>198</u>
Other financial assets				
Cash and short-term funds	(924)	196	77	(220)
Deposits and placements with banks and other financial institutions	(965)	(1,057)	(11)	(1,105)
Other assets	(86)	2,398	(354)	2,262
	<u>(1,975)</u>	<u>1,537</u>	<u>(288)</u>	<u>937</u>

A25. 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.
- (b) **Business Banking**
Business Banking ("BB") focuses on the Small, Medium and Large Enterprises segment, which comprises Enterprise Banking and Commercial Banking. Solutions offered to Enterprise Banking customers encompass Capital Expenditure ("CAPEX") financing, Working Capital financing and Cash Management and while Commercial Banking offers the same suite of products, it also provides more sophisticated structures such as Contract Financing, Development 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**
Investment Banking provides a full range of integrated solutions and services, which include corporate finance M&A advisory, equity and debt capital markets, private banking and stockbroking services.
- (e) **Fund Management**
Fund Management manages a broad range of investment mandates and unit trust funds across the risk-return spectrum for individuals, corporates and institutions, and provides fund distribution support services for institutional distributors. Fund Management also manages Private Retirement Schemes and Exchange Traded Funds.
- (f) **Insurance, from continuing operations**
Insurance segment offers a broad range of general insurance products, namely motor, personal accident, property and household through our associates with effective August 2022. It also offers life insurance and takaful products namely wealth protection/savings, health and medical protection and family takaful solutions provided through our joint venture operations.
- (g) **Group Funding and Others**
Group Funding and Others comprises activities to maintain the liquidity of the Group as well as support operations of its main business units and non-core operations of the Group.
- (h) **Insurance, from discontinued operation**
Insurance segment offers a broad range of general insurance products, namely motor, personal accident, property and household.

Measurement of segment performance

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

Notes:

- (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.

A25. BUSINESS SEGMENT ANALYSIS (CONT'D.)

Group	Continuing Operations								Discontinued Operation		
	Retail banking	Business banking	Wholesale banking Corporate and Transaction banking	Wholesale banking Treasury and Markets	Investment banking	Fund management	Insurance	Group funding and others	Total	Insurance	Total
For the financial period ended 30.09.2023	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External net income	1,163,479	785,793	530,988	(90,806)	118,218	82,535	26,523	(342,261)	2,274,469	51,115	2,325,584
Intersegments net income	(203,509)	(230,740)	(257,143)	397,408	(28,086)	-	-	322,070	-	-	-
	<u>959,970</u>	<u>555,053</u>	<u>273,845</u>	<u>306,602</u>	<u>90,132</u>	<u>82,535</u>	<u>26,523</u>	<u>(20,191)</u>	<u>2,274,469</u>	<u>51,115</u>	<u>2,325,584</u>
Net interest and funding income	826,799	423,388	240,833	171,544	23,990	927	99	(33,238)	1,654,342	-	1,654,342
Insurance and other operating income	133,433	131,665	33,012	135,058	66,142	81,608	(10)	11,330	592,238	51,115	643,353
Share in results of associates and joint ventures	(262)	-	-	-	-	-	26,434	1,717	27,889	-	27,889
Net income	<u>959,970</u>	<u>555,053</u>	<u>273,845</u>	<u>306,602</u>	<u>90,132</u>	<u>82,535</u>	<u>26,523</u>	<u>(20,191)</u>	<u>2,274,469</u>	<u>51,115</u>	<u>2,325,584</u>
Other operating expenses	(545,793)	(171,215)	(97,929)	(55,682)	(69,240)	(38,404)	(76)	(22,020)	(1,000,359)	-	(1,000,359)
of which:											
Depreciation of property and equipment	(7,889)	(825)	(576)	(243)	(381)	(78)	-	(14,935)	(24,927)	-	(24,927)
Depreciation of right-of-use assets	-	-	-	-	-	-	-	(34,279)	(34,279)	-	(34,279)
Amortisation of intangible assets	(10,172)	(572)	(3,119)	(3,047)	(464)	(192)	-	(18,658)	(36,224)	-	(36,224)
Profit/(Loss) before impairment losses	414,177	383,838	175,916	250,920	20,892	44,131	26,447	(42,211)	1,274,110	51,115	1,325,225
(Allowances for)/Writeback of impairment on loans, advances and financing	(215,370)	(136,359)	129,491	-	370	-	-	(185)	(222,053)	-	(222,053)
Writeback of/(Allowances for) impairment on other assets	243	(537)	(6,807)	(13,602)	(266)	3	-	249	(20,717)	-	(20,717)
Provision for commitments and contingencies -writeback	4,613	17,360	14,446	-	-	-	-	468	36,887	-	36,887
Other recoveries, net	26	2,329	-	-	-	-	-	17	2,372	-	2,372
Profit/(Loss) before taxation and zakat	<u>203,689</u>	<u>266,631</u>	<u>313,046</u>	<u>237,318</u>	<u>20,996</u>	<u>44,134</u>	<u>26,447</u>	<u>(41,662)</u>	<u>1,070,599</u>	<u>51,115</u>	<u>1,121,714</u>
Taxation and zakat	(47,683)	(62,962)	(74,788)	(50,278)	(4,454)	(10,537)	2,788	(392)	(248,306)	-	(248,306)
Profit/(Loss) for the financial period	<u>156,006</u>	<u>203,669</u>	<u>238,258</u>	<u>187,040</u>	<u>16,542</u>	<u>33,597</u>	<u>29,235</u>	<u>(42,054)</u>	<u>822,293</u>	<u>51,115</u>	<u>873,408</u>
Other information											
Total segment assets	74,187,827	35,675,266	22,351,582	59,430,393	3,016,496	122,036	1,338,549	(1,656,851)	194,465,298	-	194,465,298
Total segment liabilities	64,289,121	25,334,920	11,702,863	58,324,887	1,628,408	25,874	88	14,631,564	175,937,725	-	175,937,725
Cost-to-income ratio	56.9%	30.8%	35.8%	18.2%	76.8%	46.5%	0.3%	>100.0%	44.0%	-	43.0%
Gross loans, advances and financing	73,977,846	34,971,609	19,816,176	-	2,416,156	-	-	(353,973)	130,827,814	-	130,827,814
Net loans, advances and financing	72,844,934	34,555,450	19,474,692	-	2,416,156	-	-	(355,167)	128,936,065	-	128,936,065
Impaired loans, advances and financing	1,404,773	589,494	169,408	-	-	-	-	-	2,163,675	-	2,163,675
Total deposits	63,299,806	25,066,836	11,467,261	45,254,578	1,199,214	-	-	(2,701,065)	143,586,630	-	143,586,630
Additions to:											
Property and equipment	8,836	587	576	108	342	67	-	1,137	11,653	-	11,653
Intangible assets	22,887	212	1,464	2,900	220	121	-	15,534	43,338	-	43,338

A25. BUSINESS SEGMENT ANALYSIS (CONT'D.)

Group	Continuing Operations								Discontinued Operation		
	Wholesale banking								Total RM'000	Insurance RM'000	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	Fund management RM'000	Insurance RM'000	Group funding and others RM'000			
For the financial period ended 30.09.2022 (Restated)											
External net income	1,155,284	612,663	338,830	181,377	91,124	73,828	(4,389)	(249,160)	2,199,557	129,543	2,329,100
Intersegments net income	(229,646)	(113,059)	(111,837)	137,234	(15,496)	-	(6,284)	339,088	-	-	-
	<u>925,638</u>	<u>499,604</u>	<u>226,993</u>	<u>318,611</u>	<u>75,628</u>	<u>73,828</u>	<u>(10,673)</u>	<u>89,928</u>	<u>2,199,557</u>	<u>129,543</u>	<u>2,329,100</u>
Net interest and funding income	803,682	385,222	187,460	259,463	25,175	865	161	82,210	1,744,238	42,389	1,786,627
Insurance and other operating income	121,486	114,382	39,533	59,148	50,453	72,963	(6,274)	6,282	457,973	87,154	545,127
Share in results of associates and joint ventures	470	-	-	-	-	-	(4,560)	1,436	(2,654)	-	(2,654)
Net income	<u>925,638</u>	<u>499,604</u>	<u>226,993</u>	<u>318,611</u>	<u>75,628</u>	<u>73,828</u>	<u>(10,673)</u>	<u>89,928</u>	<u>2,199,557</u>	<u>129,543</u>	<u>2,329,100</u>
Other operating expenses	(508,486)	(153,659)	(87,004)	(50,806)	(65,741)	(32,319)	(5,159)	(43,044)	(946,218)	(101,256)	(1,047,474)
of which:											
Depreciation of property and equipment	(7,976)	(904)	(595)	(230)	(372)	(92)	-	(14,582)	(24,751)	(1,237)	(25,988)
Depreciation of right-of-use assets	-	-	-	-	-	-	-	(38,426)	(38,426)	(4,009)	(42,435)
Amortisation of intangible assets	(11,018)	(542)	(2,814)	(3,027)	(280)	(185)	-	(19,810)	(37,676)	(6,065)	(43,741)
Profit/(Loss) before impairment losses	<u>417,152</u>	<u>345,945</u>	<u>139,989</u>	<u>267,805</u>	<u>9,887</u>	<u>41,509</u>	<u>(15,832)</u>	<u>46,884</u>	<u>1,253,339</u>	<u>28,287</u>	<u>1,281,626</u>
(Allowances for)/Writeback of impairment on loans, advances and financing	(149,093)	(14,357)	59,122	-	152	-	-	(29,633)	(133,809)	-	(133,809)
(Allowances for)/Writeback of impairment on other assets	(81)	(1,325)	1,249	(899)	(939)	-	-	860	(1,135)	(113,245)	(114,380)
Provision for commitments and contingencies -(charge)/writeback	(9,758)	(5,602)	(3,388)	-	-	-	-	11	(18,737)	-	(18,737)
Other recoveries, net	-	-	-	-	-	-	-	9	9	6	15
Profit/(Loss) before taxation and zakat	<u>258,220</u>	<u>324,661</u>	<u>196,972</u>	<u>266,906</u>	<u>9,100</u>	<u>41,509</u>	<u>(15,832)</u>	<u>18,131</u>	<u>1,099,667</u>	<u>(84,952)</u>	<u>1,014,715</u>
Taxation and zakat	(61,862)	(76,934)	(44,875)	(57,704)	(1,602)	(8,286)	(5)	(4,129)	(255,397)	18,879	(236,518)
Profit/(Loss) for the financial period	<u>196,358</u>	<u>247,727</u>	<u>152,097</u>	<u>209,202</u>	<u>7,498</u>	<u>33,223</u>	<u>(15,837)</u>	<u>14,002</u>	<u>844,270</u>	<u>(66,073)</u>	<u>778,197</u>
Other information											
Total segment assets	70,120,323	32,422,789	21,177,691	54,090,212	2,660,707	117,651	1,387,408	(1,842,083)	180,134,698	5,163	180,139,861
Total segment liabilities	58,042,248	23,714,089	11,213,957	55,473,435	1,385,022	21,868	18,581	13,095,333	162,964,533	-	162,964,533
Cost-to-income ratio	54.9%	30.8%	38.3%	15.9%	86.9%	43.8%	<100.0%	>100.0%	43.0%	78.2%	45.0%
Gross loans, advances and financing	70,262,332	32,141,784	20,000,625	-	2,022,818	-	-	(76,087)	124,351,472	-	124,351,472
Net loans, advances and financing	69,078,781	31,844,868	19,700,439	-	2,022,818	-	-	(133,541)	122,513,365	-	122,513,365
Impaired loans, advances and financing	1,276,282	351,640	264,151	-	-	-	-	-	1,892,073	-	1,892,073
Total deposits	57,223,910	23,496,889	10,822,647	43,818,427	840,575	-	-	(3,478,990)	132,723,458	-	132,723,458
Additions to:											
Property and equipment	4,242	111	132	39	182	48	-	4,873	9,627	230	9,857
Intangible assets	8,769	221	2,478	55	736	668	-	9,155	22,082	2,765	24,847

A26. VALUATION OF PROPERTY AND EQUIPMENT

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

A27. SIGNIFICANT EVENT DURING THE REPORTING YEAR

Disposal of AmGeneral Insurance Berhad to Liberty Insurance Berhad

Following from the completion of disposal of AmGeneral Insurance Berhad ("AGIB") to Liberty Insurance Berhad ("LIB") on 28 July 2022, both AGIB and LIB entered into a supplemental agreement dated 30 June 2023 to finalise adjustment to the sales consideration. The finalised sales consideration amounted to RM2,347.9 million, satisfied via a combination of cash and shares in LIB.

As a result of the finalisation of sales consideration, the overall loss from the disposal of AGIB was revised from RM53.9 million recognised in FY2023 to loss of RM2.8 million as shown below.

	Group RM'000	RM'000
Cash and short-term funds		187,774
Deposits and placements with banks and other financial institutions		21,486
Financial assets at fair value through profit or loss		3,695,277
Loans, advances and financing		292
Deferred tax assets		46,427
Other assets		81,628
Reinsurance assets and other insurance receivables		567,502
Property and equipment		11,582
Right-of-use assets		8,003
Intangible assets (excluding goodwill)		35,657
Assets held for sale		1,562
Other liabilities		(333,765)
Insurance contract liabilities and other insurance payables		(2,647,451)
Net assets disposed		1,675,974
Attributable goodwill recognised in income statement		717,070
Disposal cost incurred		15,715
Agreed ceded amount from IAG International Pty Limited ("IAG")		(58,100)
Total final sales considerations:		
Agreed proceeds settled by cash	(1,351,000)	
Agreed proceeds settled by shares in LIB	(939,000)	
Adjustment to disposal proceeds settled by cash	(38,734)	
Adjustment - settled by shares in LIB	(19,147)	(2,347,881)
Overall net loss on disposal to the Group		2,778
Estimated net loss on disposal to the Group recognised in FY2023		53,893
Net gain on disposal to the Group recognised in the financial period ended 30 September 2023		(51,115)
Net gain on the disposal of AGIB, attributable to equity holders of the Company		(19,448)
- Estimated net loss recognised in FY2023	6,621	
- Net gain recognised in the financial period ended 30 September 2023	(26,069)	
Net loss on the disposal of AGIB, attributable to IAG		22,226
- Estimated net loss recognised in FY2023	47,272	
- Net gain recognised in the financial period ended 30 September 2023	(25,046)	
Overall net loss on disposal to the Group		2,778

A28. EVENT SUBSEQUENT TO REPORTING PERIOD

Subsequent to the approval of the condensed financial statements for the period ended 30 September 2023 by the Board of Directors, AmBank (M) Berhad ("AmBank") and AmInvestment Bank Berhad ("AmInvestment Bank") have 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 AmBank and AmInvestment Bank amounting to RM701.4 million and RM70.8 million respectively. As at 30 September 2023, AmBank and AmInvestment Bank had recognised a portion of tax deduction amounting to RM220.5 million and RM14.1 million respectively as tax recoverable. The remaining tax deduction of RM480.9 million and RM56.7 million will be recognised by both AmBank and AmInvestment Bank respectively in the upcoming quarter.

A29. CHANGES IN THE COMPOSITION OF THE GROUP AND THE COMPANY

There were no material changes in the composition of the Group and the Company for the current financial quarter and period.

A30. COMMITMENTS AND CONTINGENCIES

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

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

	Group	
	30.09.2023	31.03.2023
	Principal/ Notional Amount RM'000	Principal/ Notional Amount RM'000
Commitments		
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:		
up to one year	20,391,555	17,852,995
over one year	3,927,135	3,654,631
Unutilised credit card lines	5,826,796	5,682,369
Forward asset purchases	690,510	174,223
	<u>30,835,996</u>	<u>27,364,218</u>
Contingent Liabilities		
Direct credit substitutes	3,023,294	3,190,357
Transaction-related contingent items	4,251,807	4,472,380
Obligations under on-going underwriting agreements	-	210,000
Short-term self-liquidating trade-related contingencies	625,118	750,231
	<u>7,900,219</u>	<u>8,622,968</u>
Derivative Financial Instruments		
Interest/Profit rate related contracts:	36,539,884	34,897,432
One year or less	13,419,146	12,307,294
Over one year to five years	18,854,501	18,662,670
Over five years	4,266,237	3,927,468
Foreign exchange related contracts:	62,278,028	52,555,959
One year or less	56,191,574	45,087,669
Over one year to five years	4,250,936	5,828,508
Over five years	1,835,518	1,639,782
Equity and commodity related contracts:	1,940,251	1,432,375
One year or less	1,761,743	1,352,573
Over one year to five years	178,508	79,802
	<u>100,758,163</u>	<u>88,885,766</u>
	<u>139,494,378</u>	<u>124,872,952</u>

Other commitments and contingencies:

As at 31 March 2023, the Company has given an unsecured guarantee amounting to RM50.0 million on behalf of AmlInvestment Bank Berhad ("AmlInvestment Bank"), for the payment and discharge of all monies due on trading accounts maintained by Morgan Stanley & Co. International Plc., Morgan Stanley & Co. LLC and Morgan Stanley Capital Group Inc in respect of their respective futures trading activity with AmlInvestment Bank.

As at 30 September 2023, the Company did not renew the unsecured guarantee.

A31. DERIVATIVE FINANCIAL INSTRUMENTS

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

Group	30.09.2023			31.03.2023		
	Contract/ Notional Amount RM'000	Fair Value		Contract/ Notional Amount RM'000	Fair Value	
		Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000
Trading derivatives						
Interest/Profit rate related contracts:	36,189,884	464,503	226,136	34,547,432	398,874	213,434
- One year or less	13,069,146	15,687	11,565	12,307,294	24,561	18,527
- Over one year to three years	8,731,749	141,462	67,738	9,901,808	123,928	59,679
- Over three years	14,388,989	307,354	146,833	12,338,330	250,385	135,228
Foreign exchange related contracts:	62,278,028	860,280	963,484	52,555,959	503,261	723,723
- One year or less	56,191,574	716,796	511,732	45,087,669	293,947	368,421
- Over one year to three years	2,500,888	41,628	198,597	4,074,334	120,828	156,028
- Over three years	3,585,566	101,856	253,155	3,393,956	88,486	199,274
Equity and commodity related contracts:	1,940,251	19,351	53,761	1,432,375	18,974	23,897
- One year or less	1,761,743	16,634	51,044	1,352,573	12,452	17,353
- Over one year to three years	178,508	2,717	2,717	79,802	6,522	6,544
	<u>100,408,163</u>	<u>1,344,134</u>	<u>1,243,381</u>	<u>88,535,766</u>	<u>921,109</u>	<u>961,054</u>
Hedging derivatives						
Interest/Profit rate related contracts:						
Interest/Profit rate swaps:						
Fair value hedge	350,000	-	2,020	350,000	-	3,265
- One year or less	350,000	-	2,020	-	-	-
- Over one year to three years	-	-	-	350,000	-	3,265
Total	<u>100,758,163</u>	<u>1,344,134</u>	<u>1,245,401</u>	<u>88,885,766</u>	<u>921,109</u>	<u>964,319</u>

A32. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Determination of fair value and fair value hierarchy

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

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

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

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

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

About 2.0% (31 March 2023: 1.7%) of the Group's total financial assets recorded at fair value, are based on estimates and recorded as Level 3 investments. Where estimates are used, these are based on a combination of independent third-party evidence and internally developed models, calibrated to market observable data where possible. While such valuations are sensitive to estimates, it is believed that changing one or more of the assumptions to reasonably possible alternative assumptions would not change the fair value significantly.

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

Group	Level 1	Level 2	Level 3	Total
30.09.2023	RM'000	RM'000	RM'000	RM'000
Financial assets measured at fair value				
Derivative financial assets	310	1,343,824	-	1,344,134
Financial assets at fair value through profit or loss				
- Money market securities	-	6,072,680	-	6,072,680
- Shares	1,210,958	-	33	1,210,991
- Unit trusts	14,936	1,178	-	16,114
- Quoted corporate bonds and sukuk	-	10,176	-	10,176
- Unquoted corporate bonds and sukuk	-	763,841	-	763,841
Financial investments at fair value through other comprehensive income				
- Money market securities	-	11,536,137	-	11,536,137
- Shares	-	-	721,044	721,044
- Unquoted corporate bonds and sukuk	-	14,256,931	-	14,256,931
	<u>1,226,204</u>	<u>33,984,767</u>	<u>721,077</u>	<u>35,932,048</u>
Financial liabilities measured at fair value				
Derivative financial liabilities	<u>36,167</u>	<u>1,209,234</u>	<u>-</u>	<u>1,245,401</u>

A32. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONT'D.)

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

Company 30.09.2023	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial assets measured at fair value				
Financial assets at fair value through profit or loss				
- Unit trusts	-	1,178	-	1,178
Group 31.03.2023	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial assets measured at fair value				
Derivative financial assets				
	60	921,049	-	921,109
Financial assets at fair value through profit or loss				
- Money market securities	-	10,169,187	-	10,169,187
- Shares	1,074,250	-	33	1,074,283
- Unit trusts	21,696	1,158	-	22,854
- Quoted corporate bonds and sukuk	-	10,236	-	10,236
- Unquoted corporate bonds and sukuk	-	1,494,347	-	1,494,347
Financial investments at fair value through other comprehensive income				
- Money market securities	-	12,549,882	-	12,549,882
- Shares	-	-	682,858	682,858
- Unquoted corporate bonds and sukuk	-	12,377,993	-	12,377,993
	<u>1,096,006</u>	<u>37,523,852</u>	<u>682,891</u>	<u>39,302,749</u>
Financial liabilities measured at fair value				
Derivative financial liabilities				
	<u>10,290</u>	<u>954,029</u>	<u>-</u>	<u>964,319</u>
Company 31.03.2023				
Financial assets measured at fair value				
Financial assets at fair value through profit or loss				
- Unit trusts	-	1,158	-	1,158

A32. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONT'D.)

Movements in Level 3 financial instruments measured at fair value

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

Group	Financial assets at FVTPL RM'000	Financial investments at FVOCI RM'000	Total RM'000
30.09.2023			
Balance at beginning of the financial period	33	682,858	682,891
Total gains recognised in other comprehensive income under fair value reserve	-	38,186	38,186
Balance at end of the financial period	<u>33</u>	<u>721,044</u>	<u>721,077</u>
31.03.2023			
Balance at beginning of the financial year	31	675,089	675,120
Gain on revaluation of financial assets at FVTPL taken up in statement of profit or loss	2	-	2
Total gains recognised in other comprehensive income under fair value reserve	-	7,769	7,769
Balance at end of the financial year	<u>33</u>	<u>682,858</u>	<u>682,891</u>

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

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

Group	30.09.2023 RM'000	31.03.2023 RM'000
Financial assets at FVTPL:		
Total gain included in:		
- investment and trading income in statement of profit or loss	-	2
Financial investments at FVOCI:		
Total gains included in:		
- fair value reserve in statement of comprehensive income	38,186	7,769

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

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

A33. CAPITAL ADEQUACY

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

	30.09.2023			
	AmBank	AmBank Islamic	AmInvestment Bank	Group
Under transitional arrangements, refer Note (1) below				
Before deducting proposed dividends:				
CET1 Capital Ratio	12.573%	12.847%	26.954%	13.070%
Tier 1 Capital Ratio	12.573%	12.847%	26.954%	13.071%
Total Capital Ratio	17.809%	18.938%	27.790%	16.717%
After deducting proposed dividends:				
CET1 Capital Ratio	12.510%	12.666%	26.954%	12.910%
Tier 1 Capital Ratio	12.510%	12.666%	26.954%	12.910%
Total Capital Ratio	17.746%	18.756%	27.790%	16.556%
31.03.2023				
Under transitional arrangements, refer Note (1) below				
Before deducting proposed dividends:				
CET1 Capital Ratio	12.318%	12.616%	43.205%	12.844%
Tier 1 Capital Ratio	12.318%	12.616%	43.205%	12.845%
Total Capital Ratio	16.867%	17.127%	43.993%	15.983%
After deducting proposed dividends:				
CET1 Capital Ratio	12.129%	12.616%	35.067%	12.515%
Tier 1 Capital Ratio	12.129%	12.616%	35.067%	12.515%
Total Capital Ratio	16.677%	17.127%	35.856%	15.653%

Notes:

- (1) Pursuant to the revised BNM policy documents, Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework for Islamic Banks (Capital Components) issued on 9 December 2020, the capital ratios of the Group and the banking subsidiaries had been computed applying transitional arrangements on provision for ECL. Under the transitional arrangements, the Group is allowed to add back the amount of loss allowance for non-credit-impaired exposure (i.e. Stage 1 and Stage 2 provisions) to CET1 Capital. Had the transitional arrangements not been applied, the capital ratios of the Group and the banking subsidiaries as at 30 September 2023 and 31 March 2023 are as follows:

	30.09.2023			
	AmBank	AmBank Islamic	AmInvestment Bank	Group
Before deducting proposed dividends:				
CET1 Capital Ratio	12.362%	12.505%	26.953%	12.821%
Tier 1 Capital Ratio	12.362%	12.505%	26.953%	12.822%
Total Capital Ratio	17.627%	18.637%	27.790%	16.540%
After deducting proposed dividends:				
CET1 Capital Ratio	12.299%	12.324%	26.953%	12.660%
Tier 1 Capital Ratio	12.299%	12.324%	26.953%	12.661%
Total Capital Ratio	17.564%	18.455%	27.790%	16.379%
31.03.2023				
Before deducting proposed dividends:				
CET1 Capital Ratio	11.972%	12.026%	43.205%	12.430%
Tier 1 Capital Ratio	11.972%	12.026%	43.205%	12.430%
Total Capital Ratio	16.675%	16.801%	43.993%	15.800%
After deducting proposed dividends:				
CET1 Capital Ratio	11.783%	12.026%	35.067%	12.100%
Tier 1 Capital Ratio	11.783%	12.026%	35.067%	12.101%
Total Capital Ratio	16.486%	16.801%	35.856%	15.471%

A33. CAPITAL ADEQUACY (CONT'D.)

- (2) The Company, being a financial holding company ("FHC") i.e. a financial holding company approved pursuant to Section 112(3) of the FSA or Section 124(3) of the IFSA and holds investment directly or indirectly in corporations that are engaged predominantly in banking business or Islamic banking business, has complied with BNM guidelines on minimum capital adequacy ratios and capital buffer requirements at the consolidated level effective 1 January 2019.
- (3) Pursuant to BNM's Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework for Islamic Banks (Capital Components), financial institution is required to maintain minimum CET1 Capital Ratio of 4.5%, Tier 1 Capital Ratio of 6.0% and Total Capital Ratio of 8.0% at all times. In addition, a financial institution is also required to maintain capital buffers which comprise the sum of the following:
- a Capital Conservation Buffer ("CCB") of 2.5%;
 - a Countercyclical Capital Buffer ("CCyB") determined as the weighted-average of the prevailing CCyB rates applied in the jurisdictions in which the financial institution has credit exposures. BNM will communicate any decision on the CCyB rate by up to 12 months before the date from which the rate applies; and
 - a Higher Loss Absorbency ("HLA") requirement for a financial institution that is designated as a domestic systemically important bank ("D-SIB").
- (b) The components of CET1 Capital, Additional Tier 1 Capital, Tier 2 Capital and Total Capital of the Group and its banking subsidiaries are as follows:

	30.09.2023			
	AmBank RM'000	AmBank Islamic RM'000	AmInvestment Bank RM'000	Group RM'000
<u>CET1 Capital</u>				
Ordinary share capital	3,040,465	1,387,107	330,000	6,376,240
Retained earnings	7,857,381	3,213,550	93,676	11,165,054
Fair value reserve	337,315	(8,124)	1,835	531,174
Foreign exchange translation reserve	122,751	-	-	129,348
Treasury shares	-	-	-	(16,248)
Regulatory reserve	240,924	28,500	11,382	280,806
Cash flow hedging deficit	(1,850)	-	-	(1,850)
Other remaining disclosed reserves	-	-	-	19,929
Less: Regulatory adjustments applied on CET1 Capital				
- Goodwill	-	-	-	(303,492)
- Other intangible assets	(209,644)	(285)	(3,409)	(214,587)
- Deferred tax assets	(158,350)	(56,014)	(4,206)	(206,802)
- 55% of cumulative gains in fair value reserve	(185,523)	-	(1,009)	(292,146)
- Cash flow hedging deficit	1,850	-	-	1,850
- Regulatory reserve	(240,924)	(28,500)	(11,382)	(280,806)
- Investment in capital instruments of unconsolidated financial and insurance/ takaful entities	(11)	-	(49,809)	(1,334,000)
- Unrealised fair value gains on financial liabilities due to changes in own credit risk	(1,243)	(112)	-	(1,232)
- Other CET1 regulatory adjustments specified by BNM	184,480	124,080	4	308,217
CET1 Capital	10,987,621	4,660,202	367,082	16,161,455

A33. CAPITAL ADEQUACY (CONT'D.)

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

	30.09.2023			
	AmBank RM'000	AmBank Islamic RM'000	AmInvestment Bank RM'000	Group RM'000
<u>Additional Tier 1 Capital</u>				
Qualifying CET1, Additional Tier 1 Capital instruments held by third parties	-	-	-	452
Tier 1 Capital	10,987,621	4,660,202	367,082	16,161,907
<u>Tier 2 Capital</u>				
Tier 2 Capital instruments meeting all relevant criteria for inclusion	3,595,000	1,800,000	-	-
Qualifying CET1, Additional Tier 1 and Tier 2 Capital instruments held by third parties	-	-	-	3,107,276
General provisions*	981,022	409,103	11,389	1,401,083
Tier 2 Capital	4,576,022	2,209,103	11,389	4,508,359
Total Capital	15,563,643	6,869,305	378,471	20,670,266

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

Credit RWA	80,503,261	35,316,723	1,016,061	113,804,152
Less: Credit RWA absorbed by Profit Sharing Investment Account	-	(1,391,787)	-	(2,165)
Total Credit RWA	80,503,261	33,924,936	1,016,061	113,801,987
Market RWA	1,576,287	297,055	6,310	1,859,065
Operational RWA	5,312,071	2,051,514	339,527	7,987,628
Total RWA	87,391,619	36,273,505	1,361,898	123,648,680

	31.03.2023			
	AmBank RM'000	AmBank Islamic RM'000	AmInvestment Bank RM'000	Group RM'000
<u>CET1 Capital</u>				
Ordinary share capital	3,040,465	1,387,107	330,000	6,376,240
Retained earnings	7,508,139	3,022,623	126,419	10,757,582
Fair value reserve	299,138	(9,188)	2,259	492,817
Foreign exchange translation reserve	105,630	-	-	112,212
Treasury shares	-	-	-	(28,579)
Regulatory reserve	201,229	-	10,478	211,707
Cash flow hedging deficit	(4,259)	-	-	(4,258)
Other remaining disclosed reserves	-	-	-	26,425
Less: Regulatory adjustments applied on CET1 Capital				
- Goodwill	-	-	-	(303,492)
- Other intangible assets	(202,069)	(298)	(3,462)	(207,152)
- Deferred tax assets	(182,451)	(62,097)	(5,664)	(238,931)
- 55% of cumulative gains in fair value reserve	(164,526)	-	(1,243)	(271,049)
- Cash flow hedging deficit	4,259	-	-	4,258
- Regulatory reserve	(201,229)	-	(10,478)	(211,707)
- Investment in capital instruments of unconsolidated financial and insurance/ takaful entities	(11)	-	(49,809)	(1,334,000)
- Unrealised fair value gains on financial liabilities due to changes in own credit risk	(2,756)	(75)	-	(2,727)
- Other CET1 regulatory adjustments specified by BNM	300,721	212,690	1	513,022
CET1 Capital	10,702,280	4,550,762	398,501	15,892,368

A33. CAPITAL ADEQUACY (CONT'D.)

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

	31.03.2023			Group RM'000
	AmBank RM'000	AmBank Islamic RM'000	AmInvestment Bank RM'000	
<u>Additional Tier 1 Capital</u>				
Qualifying CET1, Additional Tier 1 Capital instruments held by third parties	-	-	-	455
Tier 1 Capital	10,702,280	4,550,762	398,501	15,892,823
<u>Tier 2 Capital</u>				
Tier 2 Capital instruments meeting all relevant criteria for inclusion	3,095,000	1,300,000	-	-
Qualifying CET1, Additional Tier 1 and Tier 2 Capital instruments held by third parties	-	-	-	2,688,226
General provisions*	857,088	327,419	7,276	1,194,774
Tier 2 Capital	3,952,088	1,627,419	7,276	3,883,000
Total Capital	14,654,368	6,178,181	405,777	19,775,823

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

Credit RWA	79,287,050	35,344,046	582,070	112,344,226
Less: Credit RWA absorbed by Profit Sharing Investment Account	-	(1,545,037)	-	(2,740)
Total Credit RWA	79,287,050	33,799,009	582,070	112,341,486
Market RWA	1,624,350	304,677	6,231	2,841,539
Operational RWA	5,186,909	1,969,050	334,056	7,762,466
Large exposure risk RWA for equity holdings	785,485	-	-	785,485
Total RWA	86,883,794	36,072,736	922,357	123,730,976

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

A34. CREDIT TRANSACTIONS AND EXPOSURES WITH CONNECTED PARTIES

	Group	
	30.09.2023	31.03.2023
Outstanding credit exposures with connected parties (RM'000)	4,482,093	4,336,663
Percentage of outstanding credit exposures to connected parties (%) - as a proportion of total credit exposures	3.05	2.98

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

A35. DISCONTINUED OPERATION

As disclosed in Note A27, the results of AGIB for the period up to disposal date have been presented separately in the income statements as "Profit after taxation from discontinued operation".

STATEMENT OF PROFIT OR LOSS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2023

	Note	Group			
		Individual Quarter		Cumulative Quarter	
		30.09.2023	30.09.2022	30.09.2023	30.09.2022
		RM'000	RM'000	RM'000	RM'000
Interest income		-	10,279	-	42,389
Income from insurance business		-	117,672	-	457,976
Insurance claims and commissions		-	(80,007)	-	(290,902)
Net income from insurance business		-	37,665	-	167,074
Other operating income/(loss)	(i)	-	17,813	-	(26,027)
(Loss)/Gain on disposal of subsidiary	A27	-	(53,893)	51,115	(53,893)
Net income		-	11,864	51,115	129,543
Other operating expenses	(ii)	-	(26,177)	-	(101,256)
Operating (loss)/profit		-	(14,313)	51,115	28,287
Writeback of impairment on insurance receivables		-	740	-	2,736
Other recoveries, net		-	1	-	6
Impairment of Kurnia Brand, agent relationship and other assets		-	(115,981)	-	(115,981)
(Loss)/Profit before taxation from discontinued operation		-	(129,553)	51,115	(84,952)
Taxation		-	24,921	-	18,879
(Loss)/Profit for the period from discontinued operation		-	(104,632)	51,115	(66,073)
Attributable to:					
Equity holders of the Company		-	(30,835)	26,069	(7,015)
Non-controlling interests		-	(73,797)	25,046	(59,058)
		-	(104,632)	51,115	(66,073)

(i) Other operating income/(loss)

	Group			
	Individual Quarter		Cumulative Quarter	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
	RM'000	RM'000	RM'000	RM'000
Investment and trading income:				
Net gain from sale of financial assets at fair value through profit or loss	-	287	-	405
Net gain/(loss) on revaluation of financial assets at fair value through profit or loss	-	17,298	-	(27,798)
Gain on foreign exchange	-	4	-	27
Dividend income from financial assets at fair value through profit or loss	-	128	-	1,138
	-	17,717	-	(26,228)
Other income:				
Net gain on disposal of property and equipment	-	-	-	9
Rental income	-	1	-	9
Others	-	95	-	183
	-	96	-	201
	-	17,813	-	(26,027)

A35. DISCONTINUED OPERATION (CONT'D.)

(ii) Other Operating Expenses

	Group			
	Individual Quarter		Cumulative Quarter	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
	RM'000	RM'000	RM'000	RM'000
Personnel costs:				
Salaries, allowances and bonuses	-	9,554	-	41,033
Shares granted under ESS - charge	-	29	-	109
Contributions to Employees' Provident Fund ("EPF")/ private retirement schemes	-	1,601	-	6,343
Social security cost	-	95	-	377
Other staff related expenses	-	2,425	-	6,153
	<u>-</u>	<u>13,704</u>	<u>-</u>	<u>54,015</u>
Establishment costs:				
Depreciation of property and equipment	-	299	-	1,237
Depreciation of right-of-use assets	-	996	-	4,009
Amortisation of intangible assets	-	1,497	-	6,065
Computerisation costs	-	2,302	-	7,731
Cleaning, maintenance and security	-	591	-	1,638
Finance costs:				
- interest on lease liabilities	-	29	-	144
Others	-	135	-	521
	<u>-</u>	<u>5,849</u>	<u>-</u>	<u>21,345</u>
Marketing and communication expenses:				
Advertising, promotional and other marketing activities	-	3,731	-	13,005
Telephone charges	-	165	-	650
Postage	-	27	-	93
Travelling and entertainment	-	395	-	1,361
Others	-	44	-	153
	<u>-</u>	<u>4,362</u>	<u>-</u>	<u>15,262</u>
Administration and general expenses:				
Professional services	-	925	-	2,887
Travelling	-	35	-	173
Insurance	-	12	-	60
Subscriptions and periodicals	-	2	-	26
Others	-	1,288	-	7,488
	<u>-</u>	<u>2,262</u>	<u>-</u>	<u>10,634</u>
Total	<u>-</u>	<u>26,177</u>	<u>-</u>	<u>101,256</u>

Statement of cash flows disclosures

Net cash flows incurred by AGIB are as follows:

	Group	
	30.09.2023	30.09.2022
	RM'000	RM'000
Operating activities	-	97,806
Investing activities	-	(2,968)
Financing activities	-	(4,140)
Net increase in cash and cash equivalents	<u>-</u>	<u>90,698</u>

A36. FINANCIAL EFFECTS ARISING FROM ADOPTION OF MFRS 17 INSURANCE CONTRACTS

- (i) The adoption of MFRS 17 resulted in the following financial effects to the statements of financial position of the Group.

Statements of Financial Position

Group	31.03.2022 As previously reported RM'000	Effects of MFRS 17 adoption RM'000	01.04.2022 As restated RM'000
ASSETS			
Cash and short-term funds	13,221,099	-	13,221,099
Deposits and placements with banks and other financial institutions	1,301,449	-	1,301,449
Derivative financial assets	821,373	-	821,373
Financial assets at fair value through profit or loss	7,216,560	-	7,216,560
Financial investments at fair value through other comprehensive income	18,756,757	-	18,756,757
Financial investments at amortised cost	9,037,766	-	9,037,766
Loans, advances and financing	118,065,685	-	118,065,685
Statutory deposits with Bank Negara Malaysia	376,523	-	376,523
Deferred tax assets	218,551	-	218,551
Investments in associates and joint ventures	604,542	(74,950)	529,592
Other assets	2,885,319	-	2,885,319
Reinsurance assets and other insurance receivables	580,705	-	580,705
Property and equipment	180,968	-	180,968
Right-of-use assets	189,372	-	189,372
Intangible assets	1,399,912	-	1,399,912
Assets held for sale	2,324	-	2,324
TOTAL ASSETS	174,858,905	(74,950)	174,783,955
LIABILITIES AND EQUITY			
Deposits from customers	122,592,850	-	122,592,850
Investment accounts of customers	377,861	-	377,861
Deposits and placements of banks and other financial institutions	9,894,585	-	9,894,585
Securities sold under repurchase agreements	1,582,717	-	1,582,717
Recourse obligation on loans and financing sold to Cagamas Berhad	8,375,023	-	8,375,023
Derivative financial liabilities	803,563	-	803,563
Term funding	1,880,097	-	1,880,097
Debt capital	4,395,000	-	4,395,000
Deferred tax liabilities	8,093	-	8,093
Other liabilities	4,302,862	-	4,302,862
Insurance contract liabilities and other insurance payables	2,687,361	-	2,687,361
Total Liabilities	156,900,012	-	156,900,012
Share capital	6,776,240	-	6,776,240
Treasury shares	(11,041)	-	(11,041)
Reserves	9,994,593	(74,950)	9,919,643
Equity attributable to equity holders of the Company	16,759,792	(74,950)	16,684,842
Non-controlling interests	1,199,101	-	1,199,101
Total Equity	17,958,893	(74,950)	17,883,943
TOTAL LIABILITIES AND EQUITY	174,858,905	(74,950)	174,783,955

A36. FINANCIAL EFFECTS ARISING FROM ADOPTION OF MFRS 17 INSURANCE CONTRACTS (CONT'D.)

- (i) The adoption of MFRS 17 resulted in the following financial effects to the statements of financial position of the Group.
(Cont'd.)

Statements of Financial Position (Cont'd.)

Group	31.03.2023 As previously reported RM'000	Effects of MFRS 17 adoption RM'000	31.03.2023 As restated RM'000
ASSETS			
Cash and short-term funds	8,521,940	-	8,521,940
Deposits and placements with banks and other financial institutions	176,604	-	176,604
Derivative financial assets	921,109	-	921,109
Financial assets at fair value through profit or loss	12,770,907	-	12,770,907
Financial investments at fair value through other comprehensive income	25,610,733	-	25,610,733
Financial investments at amortised cost	13,469,703	-	13,469,703
Loans, advances and financing	128,242,605	-	128,242,605
Statutory deposits with Bank Negara Malaysia	2,446,547	-	2,446,547
Deferred tax assets	220,655	-	220,655
Investments in associates and joint ventures	1,631,600	(108,702)	1,522,898
Other assets	2,626,036	-	2,626,036
Property and equipment	161,778	-	161,778
Right-of-use assets	229,770	-	229,770
Intangible assets	510,644	-	510,644
TOTAL ASSETS	197,540,631	(108,702)	197,431,929
LIABILITIES AND EQUITY			
Deposits from customers	130,315,080	-	130,315,080
Investment accounts of customers	16,474	-	16,474
Deposits and placements of banks and other financial institutions	11,462,245	-	11,462,245
Securities sold under repurchase agreements	16,466,674	-	16,466,674
Recourse obligation on loans and financing sold to Cagamas Berhad	9,915,040	-	9,915,040
Derivative financial liabilities	964,319	-	964,319
Term funding	2,172,333	-	2,172,333
Debt capital	4,395,000	-	4,395,000
Other liabilities	3,697,557	-	3,697,557
Total Liabilities	179,404,722	-	179,404,722
Share capital	6,376,240	-	6,376,240
Treasury shares	(28,579)	-	(28,579)
Reserves	11,787,384	(108,702)	11,678,682
Equity attributable to equity holders of the Company	18,135,045	(108,702)	18,026,343
Non-controlling interests	864	-	864
Total Equity	18,135,909	(108,702)	18,027,207
TOTAL LIABILITIES AND EQUITY	197,540,631	(108,702)	197,431,929

A36. FINANCIAL EFFECTS ARISING FROM ADOPTION OF MFRS 17 INSURANCE CONTRACTS (CONT'D.)

(ii) The adoption of MFRS 17 resulted in the following financial effects to the statement of profit or loss of the Group.

Statement of profit or loss

Individual quarter	30.09.2022	Effects of	30.09.2022
Group	As previously reported RM'000	MFRS 17 adoption RM'000	As restated RM'000
Continuing operations:			
Interest income	1,188,041	-	1,188,041
Interest expense	(588,071)	-	(588,071)
Net interest income	599,970	-	599,970
Net income from Islamic banking	363,502	-	363,502
Other operating income	197,753	-	197,753
Share in results of associates and joint ventures	11,863	(8,557)	3,306
Net income	1,173,088	(8,557)	1,164,531
Other operating expenses	(477,634)	-	(477,634)
Operating profit before impairment losses	695,454	(8,557)	686,897
Allowances for impairment on loans, advances and financing	(73,747)	-	(73,747)
Allowances for impairment on:			
Financial investments	(86)	-	(86)
Other financial assets	(1,537)	-	(1,537)
Provision for commitments and contingencies - charge	(12,393)	-	(12,393)
Other recoveries, net	6	-	6
Profit before taxation and zakat from continuing operations	607,697	(8,557)	599,140
Taxation and zakat	(141,443)	-	(141,443)
Profit after taxation and zakat from continuing operations	466,254	(8,557)	457,697
Discontinued operation:			
Operating loss from discontinued operation	(13,572)	-	(13,572)
Impairment of Kurnia Brand, agent relationship and other assets	(115,981)	-	(115,981)
Loss before taxation from discontinued operation	(129,553)	-	(129,553)
Taxation	24,921	-	24,921
Loss after taxation from discontinued operation	(104,632)	-	(104,632)
Profit for the financial period	361,622	(8,557)	353,065
Profit/(Loss) for the financial period attributable to:			
Equity holders of the Company	435,401	(8,557)	426,844
Non-controlling interests	(73,779)	-	(73,779)
Profit for the financial period	361,622	(8,557)	353,065
EARNINGS/(LOSS) PER SHARE (SEN)			
Basic/Diluted			
Continuing operations	14.08	(0.26)	13.82
Discontinued operation	(0.93)	-	(0.93)
	13.15	(0.26)	12.89

A36. FINANCIAL EFFECTS ARISING FROM ADOPTION OF MFRS 17 INSURANCE CONTRACTS (CONT'D.)

(ii) The adoption of MFRS 17 resulted in the following financial effects to the statement of profit or loss of the Group. (Cont'd.)

Statement of profit or loss

Cumulative quarter	30.09.2022	Effects of	30.09.2022
	As previously	MFRS 17	
Group	reported	adoption	As restated
	RM'000	RM'000	RM'000
Continuing operations:			
Interest income	2,231,107	-	2,231,107
Interest expense	(1,064,718)	-	(1,064,718)
Net interest income	1,166,389	-	1,166,389
Net income from Islamic banking	646,308	-	646,308
Other operating income	389,514	-	389,514
Share in results of associates and joint ventures	14,717	(17,371)	(2,654)
Net income	2,216,928	(17,371)	2,199,557
Other operating expenses	(946,218)	-	(946,218)
Operating profit before impairment losses	1,270,710	(17,371)	1,253,339
Allowances for impairment on loans, advances and financing	(133,809)	-	(133,809)
Allowances for impairment on:			
Financial investments	(198)	-	(198)
Other financial assets	(937)	-	(937)
Provision for commitments and contingencies - charge	(18,737)	-	(18,737)
Other recoveries, net	9	-	9
Profit before taxation and zakat from continuing operations	1,117,038	(17,371)	1,099,667
Taxation and zakat	(255,397)	-	(255,397)
Profit after taxation and zakat from continuing operations	861,641	(17,371)	844,270
Discontinued operation:			
Operating profit from discontinued operation	31,029	-	31,029
Impairment of Kurnia Brand, agent relationship and other assets	(115,981)	-	(115,981)
Loss before taxation from discontinued operation	(84,952)	-	(84,952)
Taxation	18,879	-	18,879
Loss after taxation from discontinued operation	(66,073)	-	(66,073)
Profit for the financial period	795,568	(17,371)	778,197
Profit/(Loss) for the financial period attributable to:			
Equity holders of the Company	854,600	(17,371)	837,229
Non-controlling interests	(59,032)	-	(59,032)
Profit for the financial period	795,568	(17,371)	778,197
EARNINGS/(LOSS) PER SHARE (SEN)			
Basic/Diluted			
Continuing operations	26.02	(0.52)	25.50
Discontinued operation	(0.21)	-	(0.21)
	25.81	(0.52)	25.29

A37. OPERATIONS OF ISLAMIC BANKING

**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2023**

	Note	Group	
		30.09.2023 RM'000	31.03.2023 RM'000
ASSETS			
Cash and short-term funds		961,482	2,113,367
Derivative financial assets		62,955	36,363
Financial assets at fair value through profit or loss		1,598,898	2,576,789
Financial investments at fair value through other comprehensive income		7,709,299	6,522,124
Financial investments at amortised cost		3,946,531	4,179,986
Financing and advances	(a)	44,093,543	44,961,875
Statutory deposit with Bank Negara Malaysia		900,000	880,000
Deferred tax assets		55,975	62,072
Other assets		930,336	497,799
Property and equipment		340	324
Right-of-use assets		2,133	2,284
Intangible assets		285	298
TOTAL ASSETS		60,261,777	61,833,281
LIABILITIES AND ISLAMIC BANKING FUNDS			
Deposits from customers	(b)	45,527,558	45,252,510
Investment accounts of customers	(c)	14,661	16,474
Deposits and placements of banks and other financial institutions		2,244,754	4,763,220
Investment account due to a licensed bank	(d)	1,385,687	1,538,521
Recourse obligation on financing sold to Cagamas Berhad		3,315,010	3,315,004
Derivative financial liabilities		62,696	36,814
Term funding		834,942	834,907
Subordinated Sukuk		1,800,000	1,300,000
Other liabilities	(e)	455,436	375,289
TOTAL LIABILITIES		55,640,744	57,432,739
Share capital/Capital funds		1,387,107	1,387,107
Reserves		3,233,926	3,013,435
TOTAL ISLAMIC BANKING FUNDS		4,621,033	4,400,542
TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS		60,261,777	61,833,281
COMMITMENTS AND CONTINGENCIES		16,750,355	14,038,732

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

**UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2023**

Group	Note	Individual Quarter		Cumulative Quarter	
		30.09.2023 RM'000	30.09.2022 RM'000	30.09.2023 RM'000	30.09.2022 RM'000
Income derived from investment of depositors' funds	1	660,381	537,518	1,321,375	969,335
Income derived from investment of investment account funds		16,476	14,361	31,947	29,317
Income derived from Islamic Banking Funds	1	60,848	49,813	119,999	92,884
Allowances for impairment on financing and advances - net		(21,722)	(11,686)	(54,032)	(69,462)
(Allowances for)/Writeback of impairment on:					
- Financial investments		(903)	526	(8,151)	(2,220)
- Other financial assets		12	(11)	(7)	136
Provision for commitments and contingencies - writeback/(charge)		5,436	(463)	6,877	(1,760)
Total distributable income		720,528	590,058	1,418,008	1,018,230
Income attributable to the depositors and others		(411,426)	(247,165)	(816,417)	(434,121)
Income attributable to the investment account holders		(14,735)	(12,755)	(28,562)	(25,363)
Total net income		294,367	330,138	573,029	558,746
Other operating expenses		(120,852)	(82,563)	(238,629)	(159,836)
Finance costs		(27,672)	(22,228)	(49,646)	(44,216)
Profit before taxation and zakat		145,843	225,347	284,754	354,694
Taxation and zakat		(33,709)	(52,574)	(65,327)	(81,629)
Profit for the financial period		112,134	172,773	219,427	273,065

1 Included the net loss of RM733,000 (30 September 2022: net gain of RM173,000) from measures implemented in response to COVID-19 pandemic.

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

Group	Individual Quarter		Cumulative Quarter	
	30.09.2023 RM'000	30.09.2022 RM'000	30.09.2023 RM'000	30.09.2022 RM'000
Profit for the financial period	112,134	172,773	219,427	273,065
Other comprehensive (loss)/income:				
Items that may be reclassified subsequently to statement of profit or loss				
Financial investments at FVOCI:				
- net unrealised loss for changes in fair value	(6,664)	(12,017)	(2,097)	(60,214)
- changes in ECL	879	(1,853)	3,830	3,166
- net (gain)/loss reclassified to profit or loss	(189)	75	(1,542)	75
- tax effect	1,644	2,866	873	14,433
Other comprehensive (loss)/income for the financial period net of tax	(4,330)	(10,929)	1,064	(42,540)
Total comprehensive income for the financial period	107,804	161,844	220,491	230,525

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

**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2023**

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

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

(a) Financing and Advances

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

Group	Bai' Bithaman	Murabahah	Musharakah	Al-Ijarah Thummah	Bai' Inah	Others	Total
30.09.2023	Ajil	RM'000	Mutanaqisah	Al-Bai' (AITAB)	RM'000	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At amortised cost							
Cash lines	-	579,136	-	-	449,442	-	1,028,578
Term financing	309,578	15,092,422	7,153	-	532,594	-	15,941,747
Revolving credit	2,004	4,290,681	-	-	697,204	-	4,989,889
Housing financing	2,336,153	11,085,399	37,962	-	-	-	13,459,514
Hire purchase receivables	3	-	-	5,391,685	-	-	5,391,688
Bills receivables	-	679,790	-	-	-	86,083	765,873
Credit card receivables	-	-	-	-	-	524,265	524,265
Trust receipts	-	393,755	-	-	-	-	393,755
Claims on customers under acceptance credits	-	1,896,076	-	-	-	301,860	2,197,936
Staff financing	-	22,040	-	-	-	-	22,040
Others	-	-	-	-	-	11,412	11,412
Gross financing and advances*	<u>2,647,738</u>	<u>34,039,299</u>	<u>45,115</u>	<u>5,391,685</u>	<u>1,679,240</u>	<u>923,620</u>	<u>44,726,697</u>
Allowances for impairment on financing and advances							
- Stage 1 - 12-months ECL							(81,403)
- Stage 2 - Lifetime ECL not credit impaired							(391,314)
- Stage 3 - Lifetime ECL credit impaired							(160,437)
Net financing and advances							<u>44,093,543</u>

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

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

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

Group	Bai' Bithaman Ajil RM'000	Murabahah RM'000	Musharakah Mutanaqisah RM'000	Al-Ijarah Thummah Al-Bai' (AITAB) RM'000	Bai' Inah RM'000	Others RM'000	Total RM'000
31.03.2023							
At amortised cost							
Cash lines	-	594,352	-	-	534,646	-	1,128,998
Term financing	347,700	15,538,398	7,327	-	650,409	-	16,543,834
Revolving credit	22,037	4,943,902	-	-	1,049,641	-	6,015,580
Housing financing	2,418,525	10,293,397	38,815	-	-	-	12,750,737
Hire purchase receivables	3	-	-	4,947,850	-	-	4,947,853
Bills receivables	-	620,200	-	-	-	103,537	723,737
Credit card receivables	-	-	-	-	-	498,872	498,872
Trust receipts	-	480,747	-	-	-	-	480,747
Claims on customers under acceptance credits	-	2,235,072	-	-	-	281,933	2,517,005
Staff financing	-	20,731	-	-	-	-	20,731
Others	-	-	-	-	-	12,770	12,770
Gross financing and advances*	<u>2,788,265</u>	<u>34,726,799</u>	<u>46,142</u>	<u>4,947,850</u>	<u>2,234,696</u>	<u>897,112</u>	<u>45,640,864</u>
Allowances for impairment on financing and advances							
- Stage 1 - 12-months ECL							(74,502)
- Stage 2 - Lifetime ECL not credit impaired							(441,391)
- Stage 3 - Lifetime ECL credit impaired							(163,096)
Net financing and advances							<u>44,961,875</u>

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

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

(a) Financing and Advances

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

	Group	
	30.09.2023 RM'000	31.03.2023 RM'000
Balance at beginning of the financial period/year	521,155	628,542
Additions during the financial period/year	582,754	819,460
Reclassified to non-impaired financing	(73,766)	(37,363)
Recoveries	(281,825)	(580,374)
Amount written off	(150,986)	(309,110)
Balance at end of the financial period/year	<u>597,332</u>	<u>521,155</u>
Gross impaired financing and advances as % of total gross financing and advances	<u>1.34%</u>	<u>1.14%</u>
Financing loss coverage (including regulatory reserve)	<u>115.0%</u>	<u>136.5%</u>

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

Group	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
30.09.2023	RM'000	RM'000	RM'000	RM'000
Balance at beginning of the financial period	74,502	441,391	163,096	678,989
Net allowances for/(writeback of) ECL	6,862	(50,096)	148,327	105,093
Transfer to 12-month ECL (Stage 1)	2,248	(20,326)	(628)	(18,706)
Transfer to Lifetime ECL not credit impaired (Stage 2)	(4,064)	52,665	(11,988)	36,613
Transfer to Lifetime ECL credit impaired (Stage 3)	(403)	(16,522)	92,364	75,439
New financial assets originated	18,952	10,735	492	30,179
Net remeasurement of allowances	3,915	(7,830)	93,887	89,972
Changes in model assumptions and methodologies	(5,339)	(47,690)	(2)	(53,031)
Modification of contractual cash flows of financial assets	410	(5,672)	(309)	(5,571)
Financial assets derecognised	(8,857)	(15,456)	(25,489)	(49,802)
Foreign exchange differences	39	19	-	58
Amount written off	-	-	(150,986)	(150,986)
Balance at end of the financial period	Note 1 <u>81,403</u>	<u>391,314</u>	<u>160,437</u>	<u>633,154</u>

Note:

1 As at 30 September 2023, the gross exposure (including profit receivable) relating to RA financing amounted to RM1,389.6 million (31 March 2023: RM1,542.3 million). ECL allowance for the RA financing which amounted to RM1.6 million (31 March 2023: RM1.3 million) is taken up by AmBank.

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

(a) Financing and Advances

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

Group 31.03.2023	Stage 1	Stage 2	Stage 3	Total RM'000
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
Balance at beginning of the financial year	61,592	401,419	230,573	693,584
Net allowances for ECL	12,876	39,964	241,633	294,473
Transfer to 12-month ECL (Stage 1)	3,671	(34,652)	(910)	(31,891)
Transfer to Lifetime ECL not credit impaired (Stage 2)	(5,140)	57,705	(5,615)	46,950
Transfer to Lifetime ECL credit impaired (Stage 3)	(443)	(10,078)	116,879	106,358
New financial assets originated	22,474	33,838	3,907	60,219
Net remeasurement of allowances	10,566	(13,883)	143,104	139,787
Changes in model assumptions and methodologies	(8,061)	31,122	(5)	23,056
Modification of contractual cash flows of financial assets	(144)	2,279	376	2,511
Financial assets derecognised	(10,047)	(26,367)	(16,103)	(52,517)
Foreign exchange differences	34	8	-	42
Amount written off	-	-	(309,110)	(309,110)
Balance at end of the financial year	74,502	441,391	163,096	678,989

(b) Deposits From Customers

	Group	
	30.09.2023 RM'000	31.03.2023 RM'000
By type of deposit:		
Savings deposits		
Commodity Murabahah	3,649,344	4,664,808
Qard	49,512	159,012
Demand deposits		
Commodity Murabahah	10,379,419	11,178,667
Qard	156,181	1,782,776
Term deposits		
Commodity Murabahah	31,093,849	27,373,974
Qard	199,253	93,273
	<u>45,527,558</u>	<u>45,252,510</u>

The deposits are sourced from the following types of customers:

	Group	
	30.09.2023 RM'000	31.03.2023 RM'000
Business enterprises	26,271,366	25,081,487
Government and statutory bodies	4,142,542	5,719,815
Individuals	13,617,223	13,361,210
Others	1,496,427	1,089,998
	<u>45,527,558</u>	<u>45,252,510</u>

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

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

The maturity structure of term deposits are as follows:

	Group	
	30.09.2023	31.03.2023
	RM'000	RM'000
Due within six months	25,714,281	23,623,778
Over six months to one year	5,506,172	3,148,741
Over one year to three years	50,604	662,291
Over three years to five years	22,045	32,437
	<u>31,293,102</u>	<u>27,467,247</u>

(c) Investment Accounts Of Customers

	Group	
	30.09.2023	31.03.2023
	RM'000	RM'000
Unrestricted investment accounts:		
Without maturity		
- Wakalah	12,495	13,734
With maturity		
- Mudarabah	2,166	2,740
	<u>14,661</u>	<u>16,474</u>

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

	Group	
	30.09.2023	31.03.2023
	RM'000	RM'000
Business enterprises	38	34
Individuals	14,623	16,440
	<u>14,661</u>	<u>16,474</u>

	Group	
	30.09.2023	31.03.2023
	RM'000	RM'000
Investment assets:		
Interbank placement (Wakalah)	12,495	13,734
Housing financing (Mudarabah)	2,166	2,740
Total investment	<u>14,661</u>	<u>16,474</u>

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

	Investment account holder		
	Average profit sharing ratio (%)	Average rate of return (%)	Average performance incentive fee (%)
30.09.2023			
Maturity			
less than 3 months	46.52	0.23	2.90
over 3 months to 1 year	50.19	2.47	-
31.03.2023			
Maturity			
less than 3 months	55.13	1.71	2.37
over 3 months to 1 year	54.62	2.24	-

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

(d) Investment Account Due to A Licensed Bank

	Group	
	30.09.2023 RM'000	31.03.2023 RM'000
<u>Restricted investment account ("RA")</u>		
- Mudarabah Muqayyadah	1,385,687	1,538,521
Investment asset:		
Financing	1,385,687	1,538,521
Total investment	1,385,687	1,538,521

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

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

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

	Investment account holder			
	30.09.2023		31.03.2023	
	Average profit sharing ratio (%)	Average rate of return (%)	Average profit sharing ratio (%)	Average rate of return (%)
Maturity:				
over 2 years to 5 years	90	3.76	90	3.19
more than 5 years	90	4.14	90	3.39

(e) Other Liabilities

	Group	
	30.09.2023 RM'000	31.03.2023 RM'000
Other payables and accruals	391,745	308,803
Deferred income	13,322	15,502
Lease liabilities	2,206	2,347
Provision for reinstatement of leased properties	85	84
Provision for taxation and zakat	10,963	4,172
Allowances for ECL on financing commitments and financial guarantees	25,460	32,300
Advance rentals	11,655	12,081
	455,436	375,289

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

B1. PERFORMANCE REVIEW ON THE RESULTS OF THE GROUP

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

	Group				Group			
	Individual Quarter		Changes		Cumulative Quarter		Changes	
	30.09.2023 RM'000	30.09.2022 (Restated) RM'000	Amount RM'000	%	30.09.2023 RM'000	30.09.2022 (Restated) RM'000	Amount RM'000	%
Operating profit before impairment losses, from continuing operations	631,050	686,897	(55,847)	(8.1)	1,274,110	1,253,339	20,771	1.7
Profit before taxation and zakat from continuing operations	617,981	599,140	18,841	3.1	1,070,599	1,099,667	(29,068)	(2.6)
(Loss)/Profit before taxation from discontinued operation	-	(129,553)	129,553	100.0	51,115	(84,952)	136,067	>100.0
Profit for the financial period	469,943	353,065	116,878	33.1	873,408	778,197	95,211	12.2
Profit attributable to equity holders of the Company	469,778	426,844	42,934	10.1	848,149	837,229	10,920	1.3

Financial year to date - cumulative period ended 30 September 2023 compared to 30 September 2022

For the financial period under review, the Group's fund based income from interest bearing assets increased mainly from interest on customer lending and interest on fixed income securities. Non-interest income increased compared to same period last year.

Funding costs increased attributable to higher interest expense on deposits from customers and securities sold under repurchase agreements.

Fee based income recorded an increase of RM29.1 million mainly due to higher portfolio management fees, corporate advisory fees, bancassurance commission and unit trust commission. Market based income increased from higher gains from sale and redemption of securities and lower loss from derivatives offset by higher loss from revaluation of securities and lower gain on foreign exchange.

The Group's associates and joint ventures recorded higher profits as reflected in the share of profits of RM27.9 million compared to share of loss of RM2.7 million in prior year same period. Higher share of profits was mainly due to share of general insurance's profits.

Total operating expenses increased by 5.7% compared to same period last year. The increase was mainly due to higher personnel and establishment expenses. The Group's cost-to-income ratio had deteriorated to 44.0% from 43.0% a year ago.

Credit costs recorded a higher charge for this financial period attributable to higher allowances for impairment on loans, advances and financing and higher allowances for impairment on financial investments offset by lower provision for commitments and contingencies.

Profit before taxation and zakat from continuing operations for the current financial period was lower compared to a year ago at RM1,070.6 million, a decrease of RM29.1 million (2.6%).

As for discontinued operation, the profit before taxation for the current financial period was RM51.1 million gain on disposal of general insurance as a result of the finalisation of sales consideration. Included in the loss before taxation for same period last year were impairment of Kurnia Brand, agent relationship and other assets of RM115.9 million and estimated loss on disposal of general insurance of RM53.9 million.

Profit for the financial period increased by RM95.2 million to RM873.4 million compared to same period last year.

Commentary on key components of financial position

The Group's core interest bearing assets namely loans, advances and financing higher in gross balances by RM0.6 billion from 31 March 2023 to RM130.8 billion. The Group's impaired loans ratio was at 1.65%.

Deposits from customers was higher compared to 31 March 2023 at RM135.3 billion. Low cost deposits which constituted 32.2% of total deposits from customers decreased compared to 37.4% as at 31 March 2023.

Liquidity and capital strength

The Group is well-positioned to meet and comply with regulatory requirements. Its banking subsidiaries recorded Liquidity Coverage ratios in excess of minimum requirements. The Group's capital adequacy ratio remains strong at 16.556% at the end of the reporting period.

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

Divisional performance

Retail Banking (Year to date ("YTD") FY2024: RM203.7 million vs YTD FY2023: RM258.2 million)

Profit before taxation ("PBT") decreased by RM54.5 million mainly from higher other operating expenses and net impairment, partially offset by higher net income.

Net income increased by 3.7% mainly from higher business volume and higher fee income mainly from Wealth, partly offset by lower margin. Higher other operating expenses mainly due to higher personnel costs and service transfer pricing ("STP") expenses. Higher net impairment mainly from provision on loans, advances and financing, partly offset by writeback for commitments and contingencies.

Retail gross loans, advances and financing grew by RM3.7 billion to close at RM74.0 billion mainly attributed by Mortgages, Auto Finance and Retail Small and Medium Enterprise ("SME"). Deposits increased by RM6.1 billion to RM63.3 billion from all type of deposits.

Business Banking (YTD FY2024: RM266.6 million vs YTD FY2023: RM324.7 million)

PBT decreased by RM58.1 million mainly due to higher other operating expenses and net impairment, offset by higher net income.

Higher net income mainly from higher business volume and margin, coupled with higher loan related fees and foreign exchange income. Higher other operating expenses mainly from higher personnel costs and STP expenses. Higher net impairment arising from higher provision on loans, advances and financing, partially offset by writeback of provision for commitments and contingencies.

Business Banking gross loans, advances and financing grew by RM2.8 billion to close at RM35.0 billion. Deposits increased by RM1.6 billion to RM25.1 billion mainly from current accounts and term deposits.

Corporate Banking and Transaction Banking (YTD FY2024: RM313.0 million vs YTD FY2023: RM197.0 million)

PBT increased by RM116.0 million mainly due to higher net income and higher writeback of net impairment, partially offset by higher other operating expenses.

Net income increased by 20.6% due to higher net finance income from higher margin and business volume. Higher writeback of net impairment mainly from provision on loans, advances and financing, and provision for commitments and contingencies.

Corporate and Transaction Banking gross loans, advances and financing decreased by RM0.2 billion to close at RM19.8 billion, while deposits increased by RM0.6 billion to close at RM11.5 billion.

Group Treasury and Markets (YTD FY2024: RM237.3 million vs YTD FY2023: RM266.9 million)

PBT decreased by RM29.6 million mainly from lower net income, higher other operating expenses and higher net impairment.

Net income decreased by 3.8% mainly due to lower margin, partially offset by higher volume and gain from disposal of securities.

Investment Banking (YTD FY2024: RM21.0 million vs YTD FY2023: RM9.1 million)

PBT increased by RM11.9 million mainly due to higher net income from Debt Markets and Broking, coupled with lower net impairment, partially offset by higher other operating expenses from personnel costs and STP.

Fund Management (YTD FY2024: RM44.1 million vs YTD FY2023: RM41.5 million)

PBT increased by RM2.6 million mainly from higher performance fee, partly offset by higher other operating expenses.

Insurance (from continuing operations) (YTD FY2024: Profit of RM26.4 million vs YTD FY2023: Loss of RM15.8 million)

Insurance PBT increased by RM42.2 million mainly higher income from share of associates and joint ventures, and lower other operating expenses.

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

Divisional performance (Cont'd.)

Group Funding and Others (YTD FY2023: Loss of RM41.7 million vs YTD FY2022: Profit of RM18.1 million)

Loss before taxation mainly from lower net income, partly offset by lower other operating expenses and writeback of net impairment.

Insurance (from discontinued operation) (YTD FY2024: Profit of RM51.1 million vs YTD FY2023: Loss of RM85.0 million)

Profit before taxation for discontinued operation of general insurance include RM51.1 million additional gain from reserve adjustments in AmGeneral divestment.

B2. REVIEW OF MATERIAL CHANGES IN PROFIT BEFORE TAXATION

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

	Group			
	Individual Quarter		Changes	
	30.09.2023	30.06.2023	Amount	
	RM'000	RM'000	RM'000	%
Operating profit before impairment losses, from continuing operations	631,050	643,060	(12,010)	(1.9)
Profit before taxation and zakat from continuing operations	617,981	452,618	165,363	36.5
Profit before taxation from discontinued operation	-	51,115	(51,115)	(100.0)
Profit for the financial quarter	469,943	403,465	66,478	16.5
Profit attributable to equity holders of the Company	469,778	378,371	91,407	24.2

For the financial quarter under review, the Group's fund based income from interest bearing assets increased mainly from interest on customer lending. Non-interest income decreased compared to last quarter.

Funding costs increased attributable to higher interest expense on deposits from customers.

Overall other operating income decreased for this quarter compared to preceding quarter due to lower gain on foreign exchange and lower gains from disposal/redemption of securities partially offset by higher gains from revaluation of securities.

Total operating expenses decreased by 3.0% compared to preceding quarter mainly due to lower personnel expenses offset by higher establishment expenses.

Credit costs decreased due to lower allowances for impairment on loans, advances and financing, provision for commitments and contingencies and allowances for impairment on financial investments.

Against the preceding quarter, profit before taxation and zakat from continuing operations for the current quarter is higher at RM618.0 million, an increase of RM165.4 million (36.5%).

As for discontinued operation, the profit before taxation for the preceding quarter was RM51.1m. This was gain on disposal of general insurance as a result of the finalisation of sales consideration.

Profit for the financial quarter increased by RM66.5 million to RM469.9 million compared to preceding quarter.

B3. PROSPECTS FOR THE NEXT FINANCIAL YEAR END

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

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

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

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

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

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

AmBank Group showed resilience by delivering a strong set of second quarter of financial year ("FY") 2024 financial results despite navigating a challenging environment of weaker-than-expected external demand, declining commodity production, elevated core inflation and persisting high interest rates. The Group continues to be optimistic about its FY2024 prospects, placing confidence in unwavering domestic demand, improving employment rate and wage structure as well as the continued revival of local tourism.

FY2024 is the final year of the Group's FY2021 to FY2024 Focus 8 strategy and we are as committed as ever to bring this journey to a successful conclusion. The Group's focus remains trained on growing revenue, maintaining cost discipline, strengthening capital base, ensuring healthy liquidity levels and careful monitoring of asset quality.

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

B4. VARIANCE FROM PROFIT FORECAST AND SHORTFALL FROM PROFIT GUARANTEE

This is not applicable to the Group.

B5. TAXATION AND ZAKAT

Group	Individual Quarter		Cumulative Quarter	
	30.09.2023 RM'000	30.09.2022 RM'000	30.09.2023 RM'000	30.09.2022 RM'000
<u>Continuing operations</u>				
Estimated current tax payable	148,611	157,628	213,645	227,843
Deferred tax	929	(17,066)	38,859	26,202
	<u>149,540</u>	<u>140,562</u>	<u>252,504</u>	<u>254,045</u>
Over provision of current taxation in respect of prior years	(2,538)	(2)	(5,872)	(2)
Taxation	<u>147,002</u>	<u>140,560</u>	<u>246,632</u>	<u>254,043</u>
Zakat	1,036	883	1,674	1,354
Taxation and zakat	<u>148,038</u>	<u>141,443</u>	<u>248,306</u>	<u>255,397</u>
<u>Discontinued operation</u>				
Estimated current tax payable	-	2,914	-	14,818
Deferred tax	-	(27,835)	-	(33,703)
	-	<u>(24,921)</u>	-	<u>(18,885)</u>
Under provision of current taxation in respect of prior years	-	-	-	6
Taxation	<u>-</u>	<u>(24,921)</u>	<u>-</u>	<u>(18,879)</u>

The total tax charge of the Group for the financial period ended 30 September 2023 and 30 September 2022 reflects an effective tax rate which is lower than the statutory tax rate mainly due to income not subject to tax and expenses not deductible.

B6. BORROWINGS AND DEBT SECURITIES

Group

	Long term*		Short term*		Total	
	Foreign denomination USD'000	RM denomination RM'000	Foreign denomination USD'000	RM denomination RM'000	Foreign denomination USD'000	RM denomination RM'000
30.09.2023						
Unsecured						
Term funding	100,000	1,327,852 #	-	927,383	100,000	2,255,235
Debt capital	-	4,395,000	-	1,000,000	-	5,395,000
30.09.2022						
Unsecured						
Term funding	100,000	1,687,955 #	-	347,711	100,000	2,035,666
Debt capital	-	3,300,000	-	1,095,000	-	4,395,000

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

As at 30 September 2023 and 30 September 2022, USD100 million term loan drawdown to be utilised for diversifying the sources of funding the growth of the USD balance sheet.

* remaining contractual maturity

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

Month of Issuance/ Redemption	Entity	Note/ Sukuk type and tenure	Nominal value RM'000	Weighted average interest/ profit rate %	Net interest/ profit savings per annum for redemption RM'000
October 2022 - Issuance	AmBank	Subordinated Note Tier 2 - 10 years	745,000	5.20	-
October 2022 - Redemption	AmBank	Subordinated Note Tier 2 - 10 years	570,000	4.90	27,930
February 2023 - Redemption	AmBank	Subordinated Note Tier 2 - 10 years	175,000	5.23	9,153
February 2023 - Redemption	AmBank Islamic	Subordinated Sukuk Murabahah - 10 years	150,000	5.23	7,845
March 2023 - Redemption	AmBank	Subordinated Note Tier 2 - 10 years	350,000	5.23	18,305
March 2023 - Issuance	AmBank	Subordinated Note Tier 2 - 10 years	350,000	4.58	-
March 2023 - Issuance	AmBank Islamic	Subordinated Sukuk Murabahah - 10 years	150,000	4.53	-
June 2023 - Issuance	AmBank	Subordinated Note Tier 2 - 10 years	500,000	4.59	-

B6. BORROWINGS AND DEBT SECURITIES (CONT'D.)

Detailed explanations on the material changes to the borrowings (excluding structured deposits and term loans) and debt securities as at the current year to-date compared with the corresponding period in the immediate preceding year: (Cont'd.)

Month of Issuance/ Redemption	Entity	Note/ Sukuk type and tenure	Nominal value RM'000	Weighted average interest/ profit rate %	Net interest/ profit savings per annum for redemption RM'000
June 2023 - Issuance	AmBank Islamic	Subordinated Sukuk Murabahah - 10 years	500,000	4.53	-
June 2023 - Redemption	AmBank	Senior Notes Series 1 - 1.5 years	150,000	2.94	4,410

B7. MATERIAL LITIGATION

The Group and the Company do not have any material litigation which would materially affect the financial position of the Group and the Company.

B8. DIVIDENDS

- (i) A proposed interim cash dividend of 6.0 sen per share for the financial year ending 31 March 2024 has been recommended by the Directors;
- (ii) Previous corresponding period: 6.0 sen;
- (iii) Payment date: To be determined and announced at a later date; and
- (iv) In respect of ordinary share capital, entitlement to the dividend will be determined on the basis of the record of Depositors as at the close of business on the date to be determined and announced at a later date.

B9. DERIVATIVE FINANCIAL INSTRUMENTS

Please refer to Note A31.

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

- (a) Basic/Diluted earnings/(loss) per share

Basic/diluted earnings/(loss) per share of the Group is calculated by dividing the net profit/(loss) attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the financial quarter excluding the weighted average of shares bought back held as treasury shares.

	Individual Quarter		Cumulative Quarter	
	30.09.2023	30.09.2022 (Restated)	30.09.2023	30.09.2022 (Restated)
Net profit/(loss) attributable to equity holders of the Company (RM'000)				
Continuing operations	469,778	457,679	822,080	844,244
Discontinued operation	-	(30,835)	26,069	(7,015)
	<u>469,778</u>	<u>426,844</u>	<u>848,149</u>	<u>837,229</u>
Weighted average number of ordinary shares in issue ('000)	<u>3,308,348</u>	<u>3,311,108</u>	<u>3,306,807</u>	<u>3,310,694</u>
Basic/Diluted earnings/(loss) per share (sen)				
Continuing operations	14.20	13.82	24.86	25.50
Discontinued operation	-	(0.93)	0.79	(0.21)
	<u>14.20</u>	<u>12.89</u>	<u>25.65</u>	<u>25.29</u>