

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

UNAUDITED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Note	31.12.2023	Group 31.03.2023 (Restated)	01.04.2022 (Restated)	Company 31.12.2023	31.03.2023
		RM'000	RM'000	RM'000	RM'000	RM'000
ASSETS						
Cash and short-term funds	A8	8,730,548	8,521,940	13,221,099	274,618	208,565
Deposits and placements with banks and other financial institutions	A9	-	176,604	1,301,449	-	-
Derivative financial assets	A30	881,421	921,109	821,373	-	-
Financial assets at fair value through profit or loss	A10	8,963,440	12,770,907	7,216,560	1,188	1,158
Financial investments at fair value through other comprehensive income ("FVOCI")	A11	27,039,721	25,610,733	18,756,757	-	-
Financial investments at amortised cost	A12	10,754,625	13,469,703	9,037,766	-	-
Loans, advances and financing	A13	129,184,483	128,242,605	118,065,685	-	-
Statutory deposits with Bank Negara Malaysia		2,573,869	2,446,547	376,523	-	-
Deferred tax assets		272,112	220,655	218,551	-	-
Investments in subsidiaries		-	-	-	10,852,185	10,852,185
Investments in associates and joint ventures	A14	1,415,580	1,522,898	529,592	-	-
Other assets	A15	3,405,577	2,626,036	2,885,319	5,856	4,005
Reinsurance assets and other insurance receivables		-	-	580,705	-	-
Property and equipment		146,965	161,778	180,968	16	20
Right-of-use assets		185,597	229,770	189,372	-	-
Intangible assets		420,429	510,644	1,399,912	-	-
Assets held for sale		-	-	2,324	-	-
TOTAL ASSETS		193,974,367	197,431,929	174,783,955	11,133,863	11,065,933
LIABILITIES AND EQUITY						
Deposits from customers	A16	135,924,325	130,315,080	122,592,850	-	-
Investment accounts of customers		14,863	16,474	377,861	-	-
Deposits and placements of banks and other financial institutions	A17	9,675,193	11,462,245	9,894,585	-	-
Securities sold under repurchase agreements		8,394,896	16,466,674	1,582,717	-	-
Recourse obligation on loans and financing sold to Cagamas Berhad		9,680,026	9,915,040	8,375,023	-	-
Derivative financial liabilities	A30	977,455	964,319	803,563	-	-
Term funding		2,225,683	2,172,333	1,880,097	-	-
Debt capital		4,395,000	4,395,000	4,395,000	-	-
Deferred tax liabilities		-	-	8,093	-	-
Other liabilities	A18	3,534,100	3,697,557	4,302,862	26,194	23,117
Insurance contract liabilities and other insurance payables		-	-	2,687,361	-	-
Total Liabilities		174,821,541	179,404,722	156,900,012	26,194	23,117
Share capital		6,376,240	6,376,240	6,776,240	6,372,870	6,372,870
Treasury shares		(24,201)	(28,579)	(11,041)	(24,201)	(28,579)
Reserves		12,799,821	11,678,682	9,919,643	4,759,000	4,698,525
Equity attributable to equity holders of the Company		19,151,860	18,026,343	16,684,842	11,107,669	11,042,816
Non-controlling interests		966	864	1,199,101	-	-
Total Equity		19,152,826	18,027,207	17,883,943	11,107,669	11,042,816
TOTAL LIABILITIES AND EQUITY		193,974,367	197,431,929	174,783,955	11,133,863	11,065,933
COMMITMENTS AND CONTINGENCIES	A29	119,985,377	124,872,952	122,661,380	-	-
NET ASSETS PER SHARE (RM)		5.79	5.45	5.04	3.36	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 31 DECEMBER 2023

Group	Note	Individual Quarter		Cumulative Quarter	
		31.12.2023	31.12.2022	31.12.2023	31.12.2022
		RM'000	(Restated) RM'000	RM'000	(Restated) RM'000
Continuing operations:					
Interest income	A19	1,532,951	1,328,375	4,555,316	3,559,482
Interest expense	A20	(995,863)	(735,915)	(2,937,185)	(1,800,633)
Net interest income		537,088	592,460	1,618,131	1,758,849
Net income from Islamic banking		286,063	338,818	960,041	985,126
Other operating income	A21	343,292	279,808	834,851	669,322
Share in results of associates and joint ventures		(15,106)	11,573	12,783	8,919
Net income		1,151,337	1,222,659	3,425,806	3,422,216
Other operating expenses	A22	(521,648)	(497,265)	(1,522,007)	(1,443,483)
Operating profit before impairment losses		629,689	725,394	1,903,799	1,978,733
Allowances for impairment on loans, advances and financing	A23	(435,287)	(203,649)	(657,340)	(337,458)
(Allowances for)/Writeback of impairment on:					
Financial investments	A24	(5,462)	(14,935)	(26,467)	(15,133)
Other financial assets	A24	892	(1,270)	1,180	(2,207)
Non-financial assets	A24(a)	(111,943)	-	(111,943)	-
Provision for commitments and contingencies - writeback		5,894	70,179	42,781	51,442
Other recoveries, net		1	513	2,373	522
Provision for restructuring expenses		(80,000)	-	(80,000)	-
Profit before taxation and zakat from continuing operations		3,784	576,232	1,074,383	1,675,899
Taxation and zakat	B5	539,668	(131,930)	291,362	(387,327)
Profit after taxation and zakat from continuing operations		543,452	444,302	1,365,745	1,288,572
Discontinued operation:					
Operating profit from discontinued operation		-	-	51,115	31,029
Impairment of Kurnia Brand, agent relationship and other assets		-	-	-	(115,981)
Profit/(Loss) before taxation from discontinued operation		-	-	51,115	(84,952)
Taxation	B5	-	-	-	18,879
Profit/(Loss) after taxation from discontinued operation		-	-	51,115	(66,073)
Profit for the financial period		543,452	444,302	1,416,860	1,222,499
Profit/(Loss) for the financial period attributable to:					
Equity holders of the Company		543,413	444,213	1,391,562	1,281,442
Non-controlling interests		39	89	25,298	(58,943)
Profit for the financial period		543,452	444,302	1,416,860	1,222,499
EARNINGS/(LOSS) PER SHARE (SEN)	B10				
Basic/Diluted					
Continuing operations		16.42	13.42	41.29	38.91
Discontinued operation		-	-	0.79	(0.21)
		16.42	13.42	42.08	38.70

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 31 DECEMBER 2023

Group	Individual Quarter		Cumulative Quarter	
	31.12.2023	31.12.2022 (Restated)	31.12.2023	31.12.2022 (Restated)
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	543,452	444,302	1,416,860	1,222,499
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	-	-	38,186	7,769
Items that may be reclassified subsequently to statement of profit or loss				
Currency translation (loss)/gain on foreign operations	(6,387)	(15,053)	10,749	11,729
Cash flow hedge				
- amortisation of fair value changes for terminated hedge	635	1,593	3,804	4,762
Financial investments at FVOCI				
- net unrealised gain/(loss) on changes in fair value	116,885	122,928	108,422	(146,772)
- net (gain)/loss reclassified to profit or loss	(1,654)	(63)	(10,219)	52
- changes in expected credit losses ("ECL")	2,093	3,349	15,333	4,954
- foreign exchange differences	(1)	(1)	-	1
Tax effect relating to the components of other comprehensive (income)/loss				
- cash flow hedge	(153)	(383)	(914)	(1,143)
- financial investments at FVOCI	(27,161)	(29,606)	(23,201)	35,254
Share of reserve movements in equity accounted associates and joint ventures	1,652	2,884	1,972	810
	<u>85,909</u>	<u>85,648</u>	<u>105,946</u>	<u>(90,353)</u>
Other comprehensive income/(loss) for the financial period, net of tax from continuing operations	85,909	85,648	144,132	(82,584)
Total comprehensive income for the financial period	<u>629,361</u>	<u>529,950</u>	<u>1,560,992</u>	<u>1,139,915</u>
Total comprehensive income/(loss) for the financial period attributable to:				
Equity holders of the Company				
Continuing operations	629,322	529,861	1,509,625	1,205,873
Discontinued operation	-	-	26,069	(7,015)
Non-controlling interests				
Continuing operations	39	89	252	115
Discontinued operation	-	-	25,046	(59,058)
	<u>629,361</u>	<u>529,950</u>	<u>1,560,992</u>	<u>1,139,915</u>

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

Company	Note	Individual Quarter		Cumulative Quarter	
		31.12.2023 RM'000	31.12.2022 RM'000	31.12.2023 RM'000	31.12.2022 RM'000
Interest income	A19	705	1,523	2,003	5,610
Other operating income	A21	123,966	3,909	501,599	403,571
Net income		124,671	5,432	503,602	409,181
Other operating expenses	A22	(9,401)	(10,753)	(28,032)	(23,247)
Transaction cost from disposal of subsidiary		-	-	-	(15,725)
Profit/(Loss) before taxation		115,270	(5,321)	475,570	370,209
Taxation		(223)	(376)	(540)	(1,338)
Profit/(Loss) for the financial period representing total comprehensive income/(loss) for the financial period		115,047	(5,697)	475,030	368,871

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AMMB HOLDINGS BERHAD
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Condensed Financial Statements

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 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 01.04.2022												
- 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 A34)	-	-	-	-	-	-	-	-	(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	-	-	-	-	-	-	-	-	1,281,442	1,281,442	(58,943)	1,222,499
Other comprehensive (loss)/income, net	-	-	(97,932)	3,619	11,729	-	-	-	-	(82,584)	-	(82,584)
Total comprehensive (loss)/income for the financial period	-	-	(97,932)	3,619	11,729	-	-	-	1,281,442	1,198,858	(58,943)	1,139,915
Buy-back of shares	-	-	-	-	-	-	(34,517)	-	-	(34,517)	-	(34,517)
Share-based payment under ESS, net	-	-	-	-	-	13,027	-	-	763	13,790	-	13,790
ESS shares vested to employees	-	-	-	-	-	(26,414)	26,206	-	208	-	-	-
Transfer to regulatory reserve	-	83,694	-	-	-	-	-	-	(83,694)	-	-	-
Transfer to retained earnings arising from redemption of preference shares by a subsidiary	(400,000)	-	-	-	-	-	-	-	400,000	-	-	-
Reversal of dividend accrued - ESS shares	-	-	-	-	-	-	-	-	1,001	1,001	-	1,001
Arising from disposal of a subsidiary	-	-	-	-	-	-	-	-	-	-	(61,415)	(61,415)
Capital reduction from a subsidiary	-	-	-	-	-	-	-	-	-	-	(1,075,993)	(1,075,993)
Dividends paid	-	-	-	-	-	-	-	-	(364,172)	(364,172)	(1,831)	(366,003)
Transactions with owners and other equity movements	(400,000)	83,694	-	-	-	(13,387)	(8,311)	-	(45,894)	(383,898)	(1,139,239)	(1,523,137)
At 31.12.2022	6,376,240	186,614	401,295	(5,443)	110,600	23,085	(19,352)	45,715	10,381,048	17,499,802	919	17,500,721

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Condensed Financial Statements

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 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 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 01.04.2023												
- 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 A34)	-	-	-	-	-	-	-	-	(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	-	-	-	-	-	-	-	-	1,391,562	1,391,562	25,298	1,416,860
Other comprehensive income, net	-	-	130,493	2,890	10,749	-	-	-	-	144,132	-	144,132
Total comprehensive income for the financial period	-	-	130,493	2,890	10,749	-	-	-	1,391,562	1,535,694	25,298	1,560,992
Buy-back of shares	-	-	-	-	-	-	(17,826)	-	-	(17,826)	-	(17,826)
Share-based payment under ESS, net	-	-	-	-	-	14,354	-	-	-	14,354	-	14,354
ESS shares vested to employees	-	-	-	-	-	(16,823)	22,204	-	(5,381)	-	-	-
Transfer from regulatory reserve	-	(179,145)	-	-	-	-	-	-	179,145	-	-	-
Arising from disposal of a subsidiary (Note A27(i))	-	-	-	-	-	-	-	-	-	-	(25,046)	(25,046)
Dividends paid	-	-	-	-	-	-	-	-	(406,705)	(406,705)	(150)	(406,855)
Transactions with owners and other equity movements	-	(179,145)	-	-	-	(2,469)	4,378	-	(232,941)	(410,177)	(25,196)	(435,373)
At 31.12.2023	6,376,240	32,562	641,802	(1,368)	122,961	23,956	(24,201)	45,715	11,934,193	19,151,860	966	19,152,826

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 31 DECEMBER 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	-	-	-	368,871	368,871
Total comprehensive income for the financial period	-	-	-	368,871	368,871
Buy-back of shares	-	-	(34,517)	-	(34,517)
Share-based payment under ESS, net	-	13,027	-	763	13,790
ESS shares vested to employees	-	(26,414)	26,206	208	-
Reversal of dividend accrued - ESS shares	-	-	-	1,001	1,001
Dividends paid	-	-	-	(364,172)	(364,172)
Transactions with owners and other equity movements	-	(13,387)	(8,311)	(362,200)	(383,898)
At 31.12.2022	6,372,870	23,085	(19,352)	4,662,296	11,038,899

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	-	-	-	475,030	475,030
Total comprehensive income for the financial period	-	-	-	475,030	475,030
Buy-back of shares	-	-	(17,826)	-	(17,826)
Share-based payment under ESS, net	-	14,354	-	-	14,354
ESS shares vested to employees	-	(16,823)	22,204	(5,381)	-
Dividends paid	-	-	-	(406,705)	(406,705)
Transactions with owners and other equity movements	-	(2,469)	4,378	(412,086)	(410,177)
At 31.12.2023	6,372,870	23,956	(24,201)	4,735,044	11,107,669

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 31 DECEMBER 2023

	Group		Company	
	31.12.2023	31.12.2022 (Restated)	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
<i>Cash flows from operating activities</i>				
Profit/(Loss) before taxation and zakat				
Continuing operations	1,074,383	1,675,899	475,570	370,209
Discontinued operation	51,115	(84,952)	-	-
Profit before taxation and zakat including discontinued operation	1,125,498	1,590,947	475,570	370,209
Adjustments for:				
Net accretion of discount for securities	(176,040)	(98,696)	-	-
Allowance for ECL on loans, advances and financing, net	878,034	559,827	-	-
Dividend income	(2,591)	(2,639)	(492,166)	(396,947)
Net loss on revaluation of derivatives	52,824	285,864	-	-
Net loss on revaluation of financial assets				
at fair value through profit or loss	38,993	44,819	-	-
Net (gain)/loss on sale of financial investments				
at fair value through other comprehensive income	(10,219)	52	-	-
Net gain on sale of financial assets				
at fair value through profit or loss	(17,572)	(15,987)	-	-
Impairment of Kurnia Brand, agent relationship and other assets	-	115,981	-	-
Adjustment on the (gain)/loss on disposal of subsidiary	(51,115)	53,893	-	-
Provision for restructuring expenses	80,000	-	-	-
Impairment of non-financial assets	111,943	-	-	-
Other non-operating and non-cash items	22,871	117,425	7	6
Operating profit/(loss) before working capital changes	2,052,626	2,651,486	(16,589)	(26,732)
<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	3,942,437	(4,302,087)	(30)	(22)
Loans, advances and financing	(1,723,156)	(6,809,927)	-	-
Statutory deposits with Bank Negara Malaysia	(127,322)	(2,057,145)	-	-
Other assets	(314,558)	293,233	43	10,037
Reinsurance assets and other insurance receivables	-	15,939	-	-
<i>Increase/(Decrease) in operating liabilities:</i>				
Deposits from customers	5,609,244	1,744,493	-	-
Investment accounts of customers	(1,611)	(358,098)	-	-
Deposits and placements of banks and other financial institutions	(1,812,364)	234,855	-	-
Securities sold under repurchase agreements	(8,071,778)	10,826,936	-	-
Recourse obligation on loans and financing sold to Cagamas Berhad	(235,015)	840,013	-	-
Term funding	52,714	285,674	-	-
Other liabilities	(182,148)	(543,097)	17,431	(492,193)
Insurance contract liabilities and other insurance payables	-	(39,909)	-	-
Cash (used in)/generated from operations	(810,931)	2,791,620	855	(508,910)
Taxation and zakat paid, net	(253,136)	(339,472)	(2,434)	(4,209)
Net cash (used in)/generated from operating activities	(1,064,067)	2,452,148	(1,579)	(513,119)

UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2023 (CONT'D.)

	Group		Company	
	31.12.2023	31.12.2022 (Restated)	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
<i>Cash flows from investing activities</i>				
Purchase of treasury shares	(17,826)	(34,517)	(17,826)	(34,517)
Dividend/Distribution income received	124,667	8,272	492,166	396,947
Net cash inflow from disposal of subsidiary	-	1,126,025	-	-
Proceeds from disposal of property and equipment	114	107	-	-
Disposal/(Purchase) of financial investments	1,535,555	(8,553,049)	-	-
Purchase of property and equipment and intangible assets	(87,458)	(86,413)	(3)	(28)
Proceeds from capital reduction in a subsidiary	-	-	-	5,165
Net cash generated from/(used in) investing activities	<u>1,555,052</u>	<u>(7,539,575)</u>	<u>474,337</u>	<u>367,567</u>
<i>Cash flows from financing activities</i>				
Dividends paid by the Company to its shareholders	(406,705)	(364,172)	(406,705)	(364,172)
Repayment of lease liabilities	(52,814)	(71,316)	-	-
Dividends paid to non-controlling interests by subsidiaries	(150)	(1,831)	-	-
Net drawdown of debt capital	-	175,000	-	-
Return of capital to non-controlling interest	-	(1,075,993)	-	-
Net cash used in financing activities	<u>(459,669)</u>	<u>(1,338,312)</u>	<u>(406,705)</u>	<u>(364,172)</u>
Net increase/(decrease) in cash and cash equivalents	31,316	(6,425,739)	66,053	(509,724)
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	539	18	-	-
Cash and cash equivalents at end of the financial period	<u>8,732,222</u>	<u>8,091,143</u>	<u>274,618</u>	<u>207,936</u>

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

	Group		Company	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
Cash and short-term funds	8,730,548	7,231,711	274,618	207,936
Deposits and placements with banks and other financial institutions (with original maturity of three months and less)	-	855,748	-	-
	<u>8,730,548</u>	<u>8,087,459</u>	<u>274,618</u>	<u>207,936</u>
Add:				
Allowances for ECL for cash and cash equivalents	1,674	3,684	-	-
Cash and cash equivalents	<u>8,732,222</u>	<u>8,091,143</u>	<u>274,618</u>	<u>207,936</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 A34.

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(i); and
- tax in relation to exceptional expenses incurred in the financial year ended 31 March 2021 as disclosed in Note A27(ii).

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 31 December 2023 other than the impact of adoption of MFRS 17 as disclosed in Note A34.

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 4,611,950 ordinary shares listed on the Main Market of Bursa Malaysia Securities Berhad at an average buy-back price of RM3.87 per share. The total consideration paid for the share buy-back including transaction costs was approximately RM17,825,785 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).
- (3) On 3 November 2023, AmBank issued Tranche 1 with nominal value of RM500.0 million under its RM8.0 billion Subordinated Notes programme. The interest rate of this tranche is at 4.55% per annum, payable semi-annually with a tenure of 10 years (callable in the 5th years).
- (4) On 6 November 2023, AmBank issued Tranche 9 of Senior Notes with nominal value of RM500.0 million under its Senior Notes programme of RM7.0 billion. The interest rate of this tranche is at 4.33% per annum payable semi-annually with a tenure of 3 years.

(iii) Redemption of debt securities

- (1) AmBank redeemed the following tranches of its Senior Notes of RM7.0 billion in nominal value:
 - (i) Tranche 8 - Series 1 with nominal value of RM150.0 million on 30 June 2023; and
 - (ii) Tranche 8 - Series 2 with nominal value of RM250.0 million on 29 December 2023.
- (2) On its first call date of 18 October 2023, AmBank Islamic redeemed Tranche 7 of its Sukuk Murabahah with nominal value of RM500.0 million.
- (3) On its first call date of 15 November 2023, AmBank fully redeemed Tranche 6 of Subordinated Notes with nominal value of RM1.0 billion issued under its Subordinated Notes Programme of RM4.0 billion.

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	
	31.12.2023 RM'000	31.03.2023 RM'000	31.12.2023 RM'000	31.03.2023 RM'000
Cash and balances with banks and other financial institutions	3,211,215	2,530,187	274,618	208,565
Deposit and placements maturing within one month:				
Licensed banks	795,552	2,518,377	-	-
Bank Negara Malaysia	4,710,000	3,460,000	-	-
Other financial institutions	15,455	15,133	-	-
	<u>5,521,007</u>	<u>5,993,510</u>	<u>-</u>	<u>-</u>
	8,732,222	8,523,697	274,618	208,565
Less: Allowances for ECL	(1,674)	(1,757)	-	-
	<u>8,730,548</u>	<u>8,521,940</u>	<u>274,618</u>	<u>208,565</u>

Movements in allowances for ECL are as follows:

Group	Stage 1	Stage 2	Total
	12-month ECL	Lifetime ECL not credit impaired	
31.12.2023	RM'000	RM'000	RM'000
Balance at beginning of the financial period	1,456	301	1,757
Net allowances for/(writeback of) ECL	125	(212)	(87)
Transfer to 12-month ECL (Stage 1)	1	(273)	(272)
New financial assets originated	13,277	686	13,963
Financial assets derecognised	(14,429)	(642)	(15,071)
Net remeasurement of allowances	1,276	17	1,293
Foreign exchange differences	3	1	4
Balance at end of the financial period	<u>1,584</u>	<u>90</u>	<u>1,674</u>
Group	Stage 1	Stage 2	Total
31.03.2023	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	<u>1,456</u>	<u>301</u>	<u>1,757</u>

A9. DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group	
	31.12.2023 RM'000	31.03.2023 RM'000
Deposits and placements maturity more than one month:		
Licensed banks	-	176,670
Less: Allowances for ECL	-	(66)
	-	176,604
Of which deposits and placements with original maturity of:		
Three months or less	-	176,670

Movements in allowances for ECL are as follows:

Group 31.12.2023	Stage 1 12-month ECL RM'000
Balance at beginning of the financial period	66
Net writeback of ECL:	(66)
Net remeasurement of allowances	(66)
Balance at end of the financial period	-

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	
	31.12.2023 RM'000	31.03.2023 RM'000	31.12.2023 RM'000	31.03.2023 RM'000
At Fair Value				
Money Market Instruments:				
Malaysian Treasury Bills	635,735	2,766,826	-	-
Malaysian Islamic Treasury Bills	1,690,248	3,644,507	-	-
Malaysian Government Securities	1,541,876	582,357	-	-
Malaysian Government Investment Issues	1,684,803	287,727	-	-
Bank Negara Monetary Notes	1,571,270	2,887,770	-	-
	<u>7,123,932</u>	<u>10,169,187</u>	<u>-</u>	<u>-</u>
Quoted Securities:				
In Malaysia:				
Shares	715,453	627,690	-	-
Unit trusts	46,824	22,854	1,188	1,158
Corporate bonds and sukuk	10,199	10,236	-	-
Outside Malaysia:				
Shares	406,177	446,560	-	-
	<u>1,178,653</u>	<u>1,107,340</u>	<u>1,188</u>	<u>1,158</u>
Unquoted Securities:				
In Malaysia:				
Shares	33	33	-	-
Corporate bonds and sukuk	660,822	1,494,347	-	-
	<u>660,855</u>	<u>1,494,380</u>	<u>-</u>	<u>-</u>
Total	<u>8,963,440</u>	<u>12,770,907</u>	<u>1,188</u>	<u>1,158</u>

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

	Group	
	31.12.2023	31.03.2023
	RM'000	RM'000
At Fair Value		
Money Market Instruments:		
Malaysian Treasury Bills	-	466,728
Malaysian Government Securities	4,786,369	4,273,588
Malaysian Government Investment Issues	6,353,474	5,083,442
Bank Negara Monetary Notes	-	494,320
Negotiable Instruments of Deposit	700,036	-
Malaysian Islamic Treasury Bills	-	2,218,495
Foreign Government Investment Issues	13,742	13,309
	<u>11,853,621</u>	<u>12,549,882</u>
Unquoted Securities:		
In Malaysia:		
Shares	720,229	682,097
Corporate bonds and sukuk	14,465,056	12,367,702
Outside Malaysia:		
Shares	815	761
Corporate bonds and sukuk	-	10,291
	<u>15,186,100</u>	<u>13,060,851</u>
Total	<u>27,039,721</u>	<u>25,610,733</u>

Movements in allowances for ECL are as follows:

Group	Stage 1	Stage 2	Total
	12-month	Lifetime	
31.12.2023	ECL	ECL	ECL
	RM'000	not credit	RM'000
	RM'000	impaired	RM'000
Balance at beginning of the financial period	10,282	3,024	13,306
Net allowances for ECL	14,367	966	15,333
New financial assets originated	12,372	115	12,487
Financial assets derecognised	(7,880)	-	(7,880)
Net remeasurement of allowances	9,875	851	10,726
Foreign exchange differences	2	(1)	1
Balance at end of the financial period	<u>24,651</u>	<u>3,989</u>	<u>28,640</u>

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	
	31.12.2023	31.03.2023
	RM'000	RM'000
At Amortised Cost		
Money Market Instruments:		
Malaysian Government Securities	796,534	1,346,712
Malaysian Government Investment Issues	2,002,923	4,107,989
	2,799,457	5,454,701
Unquoted Securities:		
In Malaysia:		
Corporate bonds and sukuk	8,466,075	8,514,775
	11,265,532	13,969,476
Less: Allowances for ECL	(510,907)	(499,773)
Total	10,754,625	13,469,703

Movements in allowances for ECL are as follows:

Group	Stage 1	Stage 3	Total
	12-month	Lifetime	
31.12.2023	ECL	ECL	RM'000
	RM'000	credit	RM'000
Balance at beginning of the financial period	6,927	492,846	499,773
Net allowances for ECL	6,575	4,559	11,134
New financial assets originated	5,355	-	5,355
Net remeasurement of allowances	3,709	4,559	8,268
Financial assets derecognised	(2,489)	-	(2,489)
Balance at end of the financial period	13,502	497,405	510,907

Group	Stage 1	Stage 3	Total
	12-month	Lifetime	
31.03.2023	ECL	ECL	RM'000
	RM'000	credit	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	
	31.12.2023	31.03.2023
	RM'000	RM'000
At Amortised Cost		
Loans, advances and financing:		
Term loans/financing	43,866,520	43,398,222
Revolving credit	10,946,009	12,350,195
Housing loans/financing	43,753,911	41,736,571
Hire purchase receivables	15,023,057	14,483,326
Card receivables	2,262,407	2,099,858
Overdrafts	2,872,326	3,285,631
Claims on customers under acceptance credits	6,617,633	7,121,490
Trust receipts	2,447,497	2,554,759
Bills receivables	3,278,083	2,947,175
Staff loans	106,489	102,547
Others	155,485	146,997
Gross loans, advances and financing	<u>131,329,417</u>	<u>130,226,771</u>
Less: Allowances for ECL		
- Stage 1 - 12-month ECL	(297,985)	(236,612)
- Stage 2 - Lifetime ECL not credit impaired	(1,253,717)	(1,160,966)
- Stage 3 - Lifetime ECL credit impaired	(593,232)	(586,588)
	<u>(2,144,934)</u>	<u>(1,984,166)</u>
Net loans, advances and financing	<u>129,184,483</u>	<u>128,242,605</u>

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

	Group	
	31.12.2023	31.03.2023
	RM'000	RM'000
Domestic non-bank financial institutions	2,996,937	3,316,997
Domestic business enterprises:		
- Small and medium enterprises	26,645,499	26,680,264
- Others	26,437,315	27,188,177
Government and statutory bodies	2,438,754	2,638,909
Individuals	70,612,986	68,456,302
Other domestic entities	5,738	8,848
Foreign individuals and entities	2,192,188	1,937,274
	<u>131,329,417</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	
	31.12.2023 RM'000	31.03.2023 RM'000
In Malaysia	131,175,442	129,943,758
Outside Malaysia	153,975	283,013
	131,329,417	130,226,771

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

	Group	
	31.12.2023 RM'000	31.03.2023 RM'000
Fixed rate:		
- Housing loans/financing	598,811	616,368
- Hire purchase receivables	14,646,113	14,085,713
- Other loans/financing	12,684,921	13,554,457
Variable rate:		
- Base rate and lending/financing rate plus	72,435,178	69,490,820
- Cost plus	29,783,530	31,331,647
- Other variable rates	1,180,864	1,147,766
	131,329,417	130,226,771

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

	Group	
	31.12.2023 RM'000	31.03.2023 RM'000
Agriculture	2,853,454	3,056,513
Mining and quarrying	2,542,350	2,166,074
Manufacturing	14,344,584	15,768,934
Electricity, gas and water	1,505,501	1,522,997
Construction	4,500,548	4,471,263
Wholesale and retail trade and hotels and restaurants	13,557,862	12,165,060
Transport, storage and communication	3,924,206	5,183,071
Finance and insurance	4,672,180	5,119,567
Real estate	7,936,246	7,737,253
Business activities	2,869,260	2,457,545
Education and health	1,400,520	1,537,580
Household of which:	71,143,834	69,035,564
Purchase of residential properties	44,068,996	42,054,000
Purchase of transport vehicles	13,571,285	13,161,422
Others	13,503,553	13,820,142
Others	78,872	5,350
	131,329,417	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	
	31.12.2023 RM'000	31.03.2023 RM'000
Maturing within one year	31,757,660	33,676,035
Over one year to three years	7,045,998	6,892,129
Over three years to five years	9,836,993	12,039,646
Over five years	82,688,766	77,618,961
	<u>131,329,417</u>	<u>130,226,771</u>

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

	Group	
	31.12.2023 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	1,782,678	1,961,165
Reclassified as non-impaired	(256,570)	(199,101)
Recoveries	(665,267)	(865,651)
Amount written off	(654,929)	(676,386)
Foreign exchange differences	311	376
Balance at end of the financial period/year	<u>2,102,670</u>	<u>1,896,447</u>
Gross impaired loans, advances and financing as % of gross loans, advances and financing	<u>1.60%</u>	<u>1.46%</u>
Loan/Financing loss coverage (including regulatory reserve)	<u>112.26%</u>	<u>127.67%</u>

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

	Group	
	31.12.2023 RM'000	31.03.2023 RM'000
In Malaysia	<u>2,102,670</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	
	31.12.2023 RM'000	31.03.2023 RM'000
Agriculture	6,191	7,152
Mining and quarrying	50,345	43,082
Manufacturing	227,153	214,954
Electricity, gas and water	50,335	47,366
Construction	155,233	172,476
Wholesale and retail trade and hotels and restaurants	312,528	213,270
Transport, storage and communication	27,177	23,594
Finance and insurance	8,323	11,201
Real estate	31,328	11,413
Business activities	45,010	44,095
Education and health	35,967	11,863
Household of which:	1,153,080	1,095,981
Purchase of residential properties	911,342	841,786
Purchase of transport vehicles	106,903	115,068
Others	134,835	139,127
	2,102,670	1,896,447

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

Group 31.12.2023	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Stage 3 Lifetime ECL credit impaired RM'000	Total RM'000
	Balance at beginning of the financial period	236,612	1,160,966	586,588
Net allowances for ECL	61,146	155,632	661,256	878,034
Transfer to 12-month ECL (Stage 1)	11,389	(92,996)	(2,998)	(84,605)
Transfer to Lifetime ECL not credit impaired (Stage 2)	(15,567)	194,919	(38,196)	141,156
Transfer to Lifetime ECL credit impaired (Stage 3)	(1,405)	(43,737)	189,447	144,305
New financial assets originated	96,344	266,338	7,601	370,283
Net remeasurement of allowances	18,029	(59,498)	557,456	515,987
Modification of contractual cash flows of financial assets	(57)	(1,549)	(555)	(2,161)
Financial assets derecognised	(42,432)	(91,495)	(121,741)	(255,668)
Changes in model assumptions and methodologies	(5,155)	(16,350)	70,242	48,737
Transfer to other assets	-	(62,900)	-	(62,900)
Foreign exchange differences	227	19	317	563
Amount written off	-	-	(654,929)	(654,929)
Balance at end of the financial period	297,985	1,253,717	593,232	2,144,934

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	<u>236,612</u>	<u>1,160,966</u>	<u>586,588</u>	<u>1,984,166</u>

A14. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

	Group	
	31.12.2023 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	<u>1,627,316</u>	<u>1,627,316</u>
Share of post acquisition reserves	(59,292)	48,026
	<u>1,568,024</u>	<u>1,675,342</u>
Less: Impairment loss	(152,444)	(152,444)
Balance at end of the financial period/year	<u>1,415,580</u>	<u>1,522,898</u>

A15. OTHER ASSETS

	Group		Company	
	31.12.2023 RM'000	31.03.2023 RM'000	31.12.2023 RM'000	31.03.2023 RM'000
Trade receivables	395,405	271,463	-	-
Other receivables, deposits and prepayments	1,064,761	1,021,775	82	134
Interest/Profit receivable	503,132	508,106	-	-
Fee receivable	24,640	23,177	-	-
Amount due from associates and joint ventures	19,604	17,915	1,530	1,521
Amount due from agents, brokers and reinsurers	128,840	102,061	-	-
Foreclosed properties	2,582	2,644	-	-
Tax recoverable	721,474	220,584	4,244	2,350
Collateral pledged for derivative and securities transactions	615,291	467,034	-	-
	<u>3,475,729</u>	<u>2,634,759</u>	<u>5,856</u>	<u>4,005</u>
Less: Accumulated impairment losses	(70,152)	(8,723)	-	-
	<u>3,405,577</u>	<u>2,626,036</u>	<u>5,856</u>	<u>4,005</u>

A16. DEPOSITS FROM CUSTOMERS

	Group	
	31.12.2023 RM'000	31.03.2023 RM'000
Demand deposits	37,363,263	38,135,787
Savings deposits	8,440,627	10,664,158
Term/Investment deposits	90,120,435	81,515,135
	<u>135,924,325</u>	<u>130,315,080</u>

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

	Group	
	31.12.2023 RM'000	31.03.2023 RM'000
Due within six months	71,591,722	65,635,656
Six months to one year	16,996,576	13,133,341
Over one year to three years	1,467,025	2,660,643
Over three years to five years	65,112	85,495
	<u>90,120,435</u>	<u>81,515,135</u>

The deposits are sourced from the following types of customers:

	Group	
	31.12.2023 RM'000	31.03.2023 RM'000
Government and statutory bodies	6,283,149	6,588,571
Business enterprises	68,740,380	63,994,960
Individuals	54,654,772	52,302,587
Others	6,246,024	7,428,962
	<u>135,924,325</u>	<u>130,315,080</u>

A17. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group	
	31.12.2023 RM'000	31.03.2023 RM'000
Licensed banks	4,679,132	6,793,325
Licensed investment banks	378,833	939,128
Bank Negara Malaysia	1,569,592	1,390,807
Other financial institutions	3,047,636	2,338,985
	<u>9,675,193</u>	<u>11,462,245</u>

A18. OTHER LIABILITIES

	Group		Company	
	31.12.2023	31.03.2023	31.12.2023	31.03.2023
	RM'000	RM'000	RM'000	RM'000
Trade payables	366,301	295,500	-	-
Other payables and accruals	1,300,679	1,366,483	22,775	18,625
Interest payable on deposits and borrowings	1,022,261	908,679	-	-
Lease deposits and advance rental	53,150	51,798	-	-
Provision for commitments and contingencies	3,445	3,677	-	-
Allowances for ECL on loan/financing commitments and financial guarantees	182,973	225,385	-	-
Lease liabilities	191,442	233,845	-	-
Provision for reinstatement of leased properties	6,954	6,908	-	-
Amount due to subsidiaries	-	-	3,419	4,492
Provision for taxation	48,312	18,568	-	-
Collateral received for derivative and securities transactions	280,040	510,844	-	-
Deferred income	78,543	75,870	-	-
	3,534,100	3,697,557	26,194	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	
31.12.2023	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	3,339	(4,637)	(41,252)	(42,550)
Transfer to 12-month ECL (Stage 1)	1,006	(9,790)	-	(8,784)
Transfer to Lifetime ECL not credit impaired (Stage 2)	(1,518)	9,195	-	7,677
Transfer to Lifetime ECL credit impaired (Stage 3)	(67)	(715)	362	(420)
New exposures originated	17,419	12,141	-	29,560
Net remeasurement of allowances	(3,657)	(6,066)	(41,534)	(51,257)
Exposures derecognised	(9,844)	(9,402)	(80)	(19,326)
Foreign exchange differences	137	-	1	138
Balance at end of the financial period	46,114	29,179	107,680	182,973

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

	Individual Quarter		Cumulative Quarter	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
Group				
Short-term funds and deposits and placements				
with banks and other financial institutions	68,293	56,371	211,473	109,696
Financial assets at fair value through profit or loss	51,765	36,315	186,450	87,822
Financial investments at fair value through				
other comprehensive income	176,736	142,130	509,007	381,919
Financial investments at amortised cost	82,033	88,160	264,738	233,545
Loans and advances*	1,139,880	993,331	3,345,703	2,721,086
Impaired loans and advances	2,646	1,280	7,151	3,027
Others	11,598	10,788	30,794	22,387
	<u>1,532,951</u>	<u>1,328,375</u>	<u>4,555,316</u>	<u>3,559,482</u>
Company				
Short-term funds and deposits and placements with				
banks and other financial institutions	705	1,523	2,003	5,610

* Included in the interest income of loans and advances of the Group is the net loss of RM10.07 million (31.12.2022: net loss of RM3.86 million) arising from government support measures implemented in response to COVID-19 pandemic.

A20. INTEREST EXPENSE

	Individual Quarter		Cumulative Quarter	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
Group				
Deposits from customers	733,974	481,917	2,062,995	1,238,095
Deposits and placements of banks and other				
financial institutions	56,912	56,023	209,025	127,003
Senior notes	5,236	3,090	10,259	9,237
Securities sold under repurchase agreements	80,355	82,670	306,145	135,978
Recourse obligation on loans sold to Cagamas Berhad	60,296	57,145	171,532	147,297
Term loan	2,350	5,496	16,760	10,869
Debt capital	40,125	40,012	119,907	114,068
Other structured products and others	16,615	9,562	40,562	18,086
	<u>995,863</u>	<u>735,915</u>	<u>2,937,185</u>	<u>1,800,633</u>

A21. OTHER OPERATING INCOME

Group	Individual Quarter		Cumulative Quarter	
	31.12.2023 RM'000	31.12.2022 RM'000	31.12.2023 RM'000	31.12.2022 RM'000
Fee and commission income:				
Fees on loans and securities	56,575	44,208	131,886	113,223
Corporate advisory	6,624	8,173	20,059	15,162
Guarantee fees	13,412	13,518	39,220	38,097
Underwriting commission	-	59	-	2,701
Portfolio management fees	10,602	11,349	38,964	31,866
Unit trust fees, commission and charges	40,860	38,255	122,546	112,891
Property trust management fees	1,617	1,664	4,896	5,018
Brokerage fees and commission	9,424	7,671	26,968	21,474
Bancassurance commission	10,814	9,447	29,377	18,857
Wealth management fees	4,672	3,559	8,787	12,169
Remittances	6,336	6,887	19,337	21,000
Fees, service and commission charges	6,971	8,176	19,732	25,350
Placement fees	73	2,378	3,485	2,978
Others	4,829	7,474	12,596	16,733
	<u>172,809</u>	<u>162,818</u>	<u>477,853</u>	<u>437,519</u>
Investment and trading income:				
Net (loss)/gain from sale of financial assets at fair value through profit or loss	(3,757)	28,453	14,344	14,682
Net gain from sale of financial investments at fair value through other comprehensive income	1,655	63	8,678	23
Net gain on redemption of financial investments at amortised cost	32,080	-	68,270	-
Net gain/(loss) on revaluation of financial assets at fair value through profit or loss	8,520	6,858	(37,471)	(17,250)
Net gain/(loss) on foreign exchange	101,966	(60,076)	282,129	184,514
Net (loss)/gain on derivatives	(2,841)	114,448	(37,322)	1,512
Dividend income from:				
Financial assets at fair value through profit or loss	23,849	16,856	27,004	20,876
Financial investments at fair value through other comprehensive income	-	603	2,591	2,639
Others	(75)	(436)	216	213
	<u>161,397</u>	<u>106,769</u>	<u>328,439</u>	<u>207,209</u>
Other income:				
Net gain on non-trading foreign exchange	398	308	159	187
Net gain on disposal of property and equipment	-	23	114	42
Rental income	406	97	775	213
Profit from sale of goods and services	4,054	4,161	12,190	12,350
Others	4,228	5,632	15,321	11,802
	<u>9,086</u>	<u>10,221</u>	<u>28,559</u>	<u>24,594</u>
	<u>343,292</u>	<u>279,808</u>	<u>834,851</u>	<u>669,322</u>

A21. OTHER OPERATING INCOME (CONT'D.)

Company	Individual Quarter		Cumulative Quarter	
	31.12.2023 RM'000	31.12.2022 RM'000	31.12.2023 RM'000	31.12.2022 RM'000
Investment and trading income:				
Dividend income from:				
Subsidiaries	120,847	-	492,166	396,947
Financial assets at fair value through profit or loss	10	8	30	22
	<u>120,857</u>	<u>8</u>	<u>492,196</u>	<u>396,969</u>
Other income:				
Others	3,109	3,901	9,403	6,602
	<u>3,109</u>	<u>3,901</u>	<u>9,403</u>	<u>6,602</u>
	<u>123,966</u>	<u>3,909</u>	<u>501,599</u>	<u>403,571</u>

A22. OTHER OPERATING EXPENSES

Group	Individual Quarter		Cumulative Quarter	
	31.12.2023 RM'000	31.12.2022 RM'000	31.12.2023 RM'000	31.12.2022 RM'000
Personnel costs:				
Salaries, allowances and bonuses	252,531	247,703	751,681	716,164
Shares granted under ESS - charge	3,711	3,360	14,456	14,364
Contributions to Employees' Provident Fund ("EPF")/private retirement schemes	40,481	39,211	120,929	113,671
Social security cost	2,147	2,103	6,485	5,741
Other staff related expenses	36,539	30,320	92,335	91,485
	<u>335,409</u>	<u>322,697</u>	<u>985,886</u>	<u>941,425</u>
Establishment costs:				
Depreciation of property and equipment	12,168	14,230	37,095	38,981
Depreciation of right-of-use assets	17,048	17,467	51,327	55,893
Amortisation of intangible assets	8,337	20,905	44,561	58,581
Computerisation costs	58,895	45,426	171,289	145,438
Cleaning, maintenance and security	9,480	9,244	24,240	23,606
Finance costs:				
- interest on lease liabilities	1,309	1,751	4,155	4,923
- provision for reinstatement of leased properties	14	20	46	64
Others	9,192	9,319	26,110	22,477
	<u>116,443</u>	<u>118,362</u>	<u>358,823</u>	<u>349,963</u>
Marketing and communication expenses:				
Sales commission	821	206	1,628	1,672
Advertising, promotional and other marketing activities	5,543	4,595	15,484	13,841
Telephone charges	4,477	4,784	12,766	14,646
Postage	3,386	3,075	9,598	7,729
Travelling and entertainment	2,290	1,548	5,817	3,904
Others	3,092	2,563	8,543	7,008
	<u>19,609</u>	<u>16,771</u>	<u>53,836</u>	<u>48,800</u>

A22. OTHER OPERATING EXPENSES (CONT'D.)

Group	Individual Quarter		Cumulative Quarter	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
Administration and general expenses:				
Professional services	22,046	14,744	55,764	43,905
Travelling	351	634	1,484	1,840
Insurance	2,378	1,938	7,453	7,366
Subscriptions and periodicals	2,373	2,222	8,357	6,207
Others	23,039	19,897	50,404	43,977
	<u>50,187</u>	<u>39,435</u>	<u>123,462</u>	<u>103,295</u>
Total	<u>521,648</u>	<u>497,265</u>	<u>1,522,007</u>	<u>1,443,483</u>

Company	Individual Quarter		Cumulative Quarter	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
Establishment costs:				
Depreciation of property and equipment	2	2	7	6
Computerisation costs	27	62	34	247
Others	93	25	278	44
	<u>122</u>	<u>89</u>	<u>319</u>	<u>297</u>
Marketing and communication expenses:				
Advertising, promotional and other marketing activities	2	46	28	84
Telephone charges	-	-	1	1
Travelling and entertainment	8	7	16	22
Others	(1)	1	(1)	1
	<u>9</u>	<u>54</u>	<u>44</u>	<u>108</u>
Administration and general expenses:				
Professional services	378	387	735	1,223
Travelling	4	-	32	7
Insurance	-	-	-	1
Subscriptions and periodicals	-	3	-	3
Others	1,007	939	2,922	2,993
	<u>1,389</u>	<u>1,329</u>	<u>3,689</u>	<u>4,227</u>
Service transfer pricing expense, net	7,881	9,281	23,980	18,615
Total	<u>9,401</u>	<u>10,753</u>	<u>28,032</u>	<u>23,247</u>

A23. ALLOWANCES FOR IMPAIRMENT ON LOANS, ADVANCES AND FINANCING

	Individual Quarter		Cumulative Quarter	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Group	RM'000	RM'000	RM'000	RM'000
Impairment on loans, advances and financing:				
Allowances for ECL	522,250	271,629	878,034	559,827
Impaired loans, advances and financing recovered, net	(86,963)	(67,980)	(220,694)	(222,369)
	<u>435,287</u>	<u>203,649</u>	<u>657,340</u>	<u>337,458</u>

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

	Individual Quarter		Cumulative Quarter	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Group	RM'000	RM'000	RM'000	RM'000
Financial investments				
Financial investments at fair value through other comprehensive income	2,093	3,349	15,333	4,954
Financial investments at amortised cost	<u>3,369</u>	<u>11,586</u>	<u>11,134</u>	<u>10,179</u>
	<u>5,462</u>	<u>14,935</u>	<u>26,467</u>	<u>15,133</u>
Other financial assets				
Cash and short-term funds	(164)	1,214	(87)	994
Deposits and placements with banks and other financial institutions	(55)	228	(66)	(877)
Other assets	<u>(673)</u>	<u>(172)</u>	<u>(1,027)</u>	<u>2,090</u>
	<u>(892)</u>	<u>1,270</u>	<u>(1,180)</u>	<u>2,207</u>

(a) Non-financial assets

The Group has performed its annual impairment assessment on the Group's computer software and work-in-progress in accordance with MFRS 136 *Impairment of Assets*. The outcome of the annual assessment resulted in RM111.9 million impairment charge in the financial results for the quarter and period ended 31 December 2023. The computer software and work-in-progress impairment charge to the Group's statement of profit or loss is a non-cash item, will have no impact to regulatory capital ratios and does not affect future earnings.

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		
	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 31.12.2023											
External net income	1,706,736	1,181,837	778,924	(39,017)	183,603	119,815	11,160	(517,252)	3,425,806	51,115	3,476,921
Intersegments net income	(268,143)	(330,812)	(364,600)	516,013	(40,854)	-	-	488,396	-	-	-
	<u>1,438,593</u>	<u>851,025</u>	<u>414,324</u>	<u>476,996</u>	<u>142,749</u>	<u>119,815</u>	<u>11,160</u>	<u>(28,856)</u>	<u>3,425,806</u>	<u>51,115</u>	<u>3,476,921</u>
Net interest and funding income	1,241,372	646,705	350,057	251,557	36,377	1,304	99	(46,379)	2,481,092	-	2,481,092
Insurance and other operating income	197,553	204,320	64,267	225,439	106,372	118,511	(11)	15,480	931,931	51,115	983,046
Share in results of associates and joint ventures	(332)	-	-	-	-	-	11,072	2,043	12,783	-	12,783
Net income/(loss)	<u>1,438,593</u>	<u>851,025</u>	<u>414,324</u>	<u>476,996</u>	<u>142,749</u>	<u>119,815</u>	<u>11,160</u>	<u>(28,856)</u>	<u>3,425,806</u>	<u>51,115</u>	<u>3,476,921</u>
Other operating expenses	(830,954)	(257,248)	(148,823)	(85,016)	(104,287)	(57,271)	(89)	(38,319)	(1,522,007)	-	(1,522,007)
of which:											
Depreciation of property and equipment	(11,877)	(1,222)	(869)	(364)	(586)	(113)	-	(22,064)	(37,095)	-	(37,095)
Depreciation of right-of-use assets	-	-	-	-	-	-	-	(51,327)	(51,327)	-	(51,327)
Amortisation of intangible assets	(12,245)	(677)	(4,200)	(4,253)	(640)	(269)	-	(22,277)	(44,561)	-	(44,561)
Profit/(Loss) before impairment losses (Allowances for)/Writeback of impairment on loans, advances and financing	607,639	593,777	265,501	391,980	38,462	62,544	11,071	(67,175)	1,903,799	51,115	1,954,914
Writeback of/(Allowances for) impairment on other assets	(333,117)	(147,657)	151,975	-	371	-	-	(328,912)	(657,340)	-	(657,340)
Provision for commitments and contingencies -writeback	478	773	(10,860)	(15,341)	(772)	(124)	-	(111,384)	(137,230)	-	(137,230)
Other recoveries, net	5,983	13,391	23,155	-	-	-	-	252	42,781	-	42,781
Provision for restructuring expenses	26	2,329	-	-	-	-	-	18	2,373	-	2,373
Profit/(Loss) before taxation and zakat	-	-	-	-	-	-	-	(80,000)	(80,000)	-	(80,000)
Taxation and zakat	281,009	462,613	429,771	376,639	38,061	62,420	11,071	(587,201)	1,074,383	51,115	1,125,498
Profit for the financial period	<u>(66,257)</u>	<u>(109,624)</u>	<u>(102,824)</u>	<u>(77,854)</u>	<u>(8,216)</u>	<u>(14,308)</u>	<u>2,788</u>	<u>667,657</u>	<u>291,362</u>	<u>-</u>	<u>291,362</u>
Other information	214,752	352,989	326,947	298,785	29,845	48,112	13,859	80,456	1,365,745	51,115	1,416,860
Total segment assets	74,560,298	36,758,783	21,435,288	59,596,402	3,098,913	143,483	1,324,751	(2,943,551)	193,974,367	-	193,974,367
Total segment liabilities	66,630,375	27,744,248	12,007,384	55,135,866	1,761,244	32,806	13	11,509,605	174,821,541	-	174,821,541
Cost-to-income ratio	57.8%	30.2%	35.9%	17.8%	73.1%	47.8%	0.8%	>100.0%	44.4%	-	43.8%
Gross loans, advances and financing	74,336,327	36,093,756	18,756,405	-	2,491,307	-	-	(348,378)	131,329,417	-	131,329,417
Net loans, advances and financing	73,172,765	35,649,656	18,486,737	-	2,491,307	-	-	(615,982)	129,184,483	-	129,184,483
Impaired loans, advances and financing	1,402,301	562,311	138,058	-	-	-	-	-	2,102,670	-	2,102,670
Total deposits	65,708,096	27,403,124	11,736,652	44,026,749	1,357,282	-	-	(4,632,385)	145,599,518	-	145,599,518
Additions to:											
Property and equipment	11,073	736	654	118	839	84	-	7,367	20,871	-	20,871
Intangible assets	33,322	861	2,237	3,365	928	143	-	25,731	66,587	-	66,587

A25. BUSINESS SEGMENT ANALYSIS (CONT'D.)

Group	Continuing Operations								Discontinued Operation		
	Wholesale banking				Group funding and others				Total	Insurance	Total
For the financial period ended 31.12.2022 (Restated)	Retail banking RM'000	Business banking RM'000	Transaction banking RM'000	Corporate and Treasury and Markets RM'000	Investment banking RM'000	Fund management RM'000	Insurance RM'000	and others RM'000	RM'000	RM'000	RM'000
External net income	1,789,571	963,374	564,651	228,124	153,535	111,767	5,484	(394,290)	3,422,216	129,543	3,551,759
Intersegments net income	(365,773)	(184,508)	(199,095)	247,641	(27,159)	-	(6,284)	535,178	-	-	-
	<u>1,423,798</u>	<u>778,866</u>	<u>365,556</u>	<u>475,765</u>	<u>126,376</u>	<u>111,767</u>	<u>(800)</u>	<u>140,888</u>	<u>3,422,216</u>	<u>129,543</u>	<u>3,551,759</u>
Net interest and funding income	1,241,755	601,269	300,940	366,926	37,065	1,211	173	124,880	2,674,219	42,389	2,716,608
Insurance and other operating income	180,641	177,597	64,616	108,839	89,311	110,556	(6,264)	13,782	739,078	87,154	826,232
Share in results of associates and joint ventures	1,402	-	-	-	-	-	5,291	2,226	8,919	-	8,919
Net income/(loss)	<u>1,423,798</u>	<u>778,866</u>	<u>365,556</u>	<u>475,765</u>	<u>126,376</u>	<u>111,767</u>	<u>(800)</u>	<u>140,888</u>	<u>3,422,216</u>	<u>129,543</u>	<u>3,551,759</u>
Other operating expenses	(761,510)	(231,550)	(132,470)	(77,534)	(101,456)	(50,494)	(5,180)	(83,289)	(1,443,483)	(101,256)	(1,544,739)
of which:											
Depreciation of property and equipment	(11,964)	(1,335)	(890)	(346)	(563)	(130)	-	(23,753)	(38,981)	(1,237)	(40,218)
Depreciation of right-of-use assets	-	-	-	-	-	-	-	(55,893)	(55,893)	(4,009)	(59,902)
Amortisation of intangible assets	(16,297)	(809)	(4,215)	(4,564)	(416)	(282)	-	(31,998)	(58,581)	(6,065)	(64,646)
Profit/(Loss) before impairment losses	<u>662,288</u>	<u>547,316</u>	<u>233,086</u>	<u>398,231</u>	<u>24,920</u>	<u>61,273</u>	<u>(5,980)</u>	<u>57,599</u>	<u>1,978,733</u>	<u>28,287</u>	<u>2,007,020</u>
(Allowances for)/Writeback of impairment on loans, advances and financing	(234,366)	(103,925)	(25,307)	-	153	-	-	25,987	(337,458)	-	(337,458)
(Allowances for)/Writeback of impairment on other assets	(69)	(2,462)	(8,876)	(7,094)	(786)	-	-	1,947	(17,340)	(113,245)	(130,585)
Provision for commitments and contingencies -(charge)/writeback	(9,516)	(27,228)	88,842	-	-	-	-	(656)	51,442	-	51,442
Other recoveries, net	-	-	-	508	-	-	-	14	522	6	528
Profit/(Loss) before taxation and zakat	<u>418,337</u>	<u>413,701</u>	<u>287,745</u>	<u>391,645</u>	<u>24,287</u>	<u>61,273</u>	<u>(5,980)</u>	<u>84,891</u>	<u>1,675,899</u>	<u>(84,952)</u>	<u>1,590,947</u>
Taxation and zakat	(100,071)	(99,743)	(66,084)	(84,414)	(4,972)	(11,763)	(8)	(20,272)	(387,327)	18,879	(368,448)
Profit/(Loss) for the financial period	<u>318,266</u>	<u>313,958</u>	<u>221,661</u>	<u>307,231</u>	<u>19,315</u>	<u>49,510</u>	<u>(5,988)</u>	<u>64,619</u>	<u>1,288,572</u>	<u>(66,073)</u>	<u>1,222,499</u>
Other information											
Total segment assets	71,732,562	32,565,533	22,101,578	57,251,353	2,670,491	115,145	1,405,281	(2,737,619)	185,104,324	-	185,104,324
Total segment liabilities	59,429,383	23,843,037	10,933,745	60,515,322	1,182,794	27,675	18,557	11,653,089	167,603,602	-	167,603,602
Cost-to-income ratio	53.5%	29.7%	36.2%	16.3%	80.3%	45.2%	>(100.0%)	59.1%	42.2%	78.2%	43.5%
Gross loans, advances and financing	71,672,047	31,998,458	20,756,015	-	2,158,340	-	-	(246,529)	126,338,331	-	126,338,331
Net loans, advances and financing	70,507,270	31,611,303	20,366,109	-	2,158,340	-	-	(248,364)	124,394,658	-	124,394,658
Impaired loans, advances and financing	1,343,589	432,673	264,250	-	-	-	-	-	2,040,512	-	2,040,512
Total deposits	58,568,617	23,548,512	10,667,214	45,265,205	933,265	-	-	(4,489,758)	134,493,055	-	134,493,055
Additions to:											
Property and equipment	6,588	518	210	39	323	76	-	29,135	36,889	230	37,119
Intangible assets	13,840	279	2,847	11	1,138	668	-	27,746	46,529	2,765	49,294

A26. VALUATION OF PROPERTY AND EQUIPMENT

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

A27. SIGNIFICANT EVENTS DURING THE REPORTING YEAR

(i) 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 31 December 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 31 December 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 31 December 2023	(25,046)	
Overall net loss on disposal to the Group		2,778

(ii) Tax in relation to exceptional expenses incurred in the financial year ended 31 March 2021

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 amounted to RM701.4 million and RM70.8 million respectively. In the previous financial year, AmBank and AmInvestment Bank had recognised a portion of tax deduction amounted to RM220.5 million and RM14.1 million respectively as tax recoverable. The remaining tax deduction of RM480.9 million and RM56.7 million were recognised by both AmBank and AmInvestment Bank respectively during the current financial period.

A28. CHANGES IN THE COMPOSITION OF THE GROUP AND THE COMPANY

Dissolution of subsidiary

MBf Trustees Berhad had commenced members' voluntary winding-up on 17 September 2020 was dissolved on 26 January 2024.

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

A29. COMMITMENTS AND CONTINGENCIES

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

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

	Group	
	31.12.2023	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	19,499,445	17,852,995
over one year	3,977,934	3,654,631
Unutilised credit card lines	5,788,495	5,682,369
Forward asset purchases	114,689	174,223
	<u>29,380,563</u>	<u>27,364,218</u>
Contingent Liabilities		
Direct credit substitutes	1,915,720	3,190,357
Transaction-related contingent items	6,163,583	4,472,380
Obligations under on-going underwriting agreements	17,012	210,000
Short-term self-liquidating trade-related contingencies	691,462	750,231
	<u>8,787,777</u>	<u>8,622,968</u>
Derivative Financial Instruments		
Interest/Profit rate related contracts:	33,616,185	34,897,432
One year or less	8,937,644	12,307,294
Over one year to five years	21,697,586	18,662,670
Over five years	2,980,955	3,927,468
Foreign exchange related contracts:	46,282,456	52,555,959
One year or less	40,905,637	45,087,669
Over one year to five years	3,878,510	5,828,508
Over five years	1,498,309	1,639,782
Equity and commodity related contracts:	1,918,396	1,432,375
One year or less	1,850,690	1,352,573
Over one year to five years	67,706	79,802
	<u>81,817,037</u>	<u>88,885,766</u>
	<u>119,985,377</u>	<u>124,872,952</u>

A29. COMMITMENTS AND CONTINGENCIES (CONT'D.)

Other commitments and contingencies:

The Company did not renew the unsecured guarantee on behalf of AmInvestment Bank Berhad ("AmInvestment Bank"), for the payment and discharge of all monies due on trading accounts maintained by Morgan Stanley & Co. International Plc., Morgan Stanley & Co. LLC and Morgan Stanley Capital Group Inc in respect of their respective futures trading activity with AmInvestment Bank, after the expiry of the unsecured guarantee on 31 March 2023.

A30. DERIVATIVE FINANCIAL INSTRUMENTS

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

Group	31.12.2023			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:	33,266,185	359,052	187,078	34,547,432	398,874	213,434
- One year or less	8,587,644	36,824	12,867	12,307,294	24,561	18,527
- Over one year to three years	7,421,116	76,797	54,032	9,901,808	123,928	59,679
- Over three years	17,257,425	245,431	120,179	12,338,330	250,385	135,228
Foreign exchange related contracts:	46,282,456	499,588	722,466	52,555,959	503,261	723,723
- One year or less	40,905,637	373,431	437,717	45,087,669	293,947	368,421
- Over one year to three years	1,999,302	30,309	78,949	4,074,334	120,828	156,028
- Over three years	3,377,517	95,848	205,800	3,393,956	88,486	199,274
Equity and commodity related contracts:	1,918,396	22,781	66,364	1,432,375	18,974	23,897
- One year or less	1,850,690	21,592	65,175	1,352,573	12,452	17,353
- Over one year to three years	67,706	1,189	1,189	79,802	6,522	6,544
	81,467,037	881,421	975,908	88,535,766	921,109	961,054
Hedging derivatives						
Interest/Profit rate related contracts:						
Interest/Profit rate swaps:						
Fair value hedge	350,000	-	1,547	350,000	-	3,265
- One year or less	350,000	-	1,547	-	-	-
- Over one year to three years	-	-	-	350,000	-	3,265
Total	81,817,037	881,421	977,455	88,885,766	921,109	964,319

A31. 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
31.12.2023	RM'000	RM'000	RM'000	RM'000
Financial assets measured at fair value				
Derivative financial assets	2,010	879,411	-	881,421
Financial assets at fair value through profit or loss				
- Money market securities	-	7,123,932	-	7,123,932
- Shares	1,121,630	-	33	1,121,663
- Unit trusts	45,636	1,188	-	46,824
- Quoted corporate bonds and sukuk	-	10,199	-	10,199
- Unquoted corporate bonds and sukuk	-	660,822	-	660,822
Financial investments at fair value through other comprehensive income				
- Money market securities	-	11,853,621	-	11,853,621
- Shares	-	-	721,044	721,044
- Unquoted corporate bonds and sukuk	-	14,465,056	-	14,465,056
	<u>1,169,276</u>	<u>34,994,229</u>	<u>721,077</u>	<u>36,884,582</u>
Financial liabilities measured at fair value				
Derivative financial liabilities	<u>27,649</u>	<u>949,806</u>	<u>-</u>	<u>977,455</u>

A31. 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 31.12.2023	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	-	1,188	-	1,188
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

A31. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONT'D.)

Movements in Level 3 financial instruments measured at fair value

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

Group	Financial assets at FVTPL RM'000	Financial investments at FVOCI RM'000	Total RM'000
31.12.2023			
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	31.12.2023 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.

A32. CAPITAL ADEQUACY

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

	31.12.2023			Group
	AmBank	AmBank Islamic	AmInvestment Bank	
Under transitional arrangements, refer Note (1) below				
CET1 Capital Ratio	13.568%	12.829%	28.542%	13.752%
Tier 1 Capital Ratio	13.568%	12.829%	28.542%	13.753%
Total Capital Ratio	18.136%	17.505%	29.339%	16.862%
	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 31 December 2023 and 31 March 2023 are as follows:

	31.12.2023			Group
	AmBank	AmBank Islamic	AmInvestment Bank	
CET1 Capital Ratio	13.228%	12.379%	28.542%	13.379%
Tier 1 Capital Ratio	13.228%	12.379%	28.542%	13.379%
Total Capital Ratio	17.940%	17.076%	29.339%	16.639%
	31.03.2023			
	AmBank	AmBank Islamic	AmInvestment Bank	Group
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%

A32. 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:

	31.12.2023			
	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	8,457,731	3,221,374	163,792	11,765,353
Fair value reserve	403,009	13,907	1,916	621,336
Foreign exchange translation reserve	116,370	-	-	122,961
Treasury shares	-	-	-	(24,201)
Regulatory reserve	20,921	511	11,130	32,562
Cash flow hedging deficit	(1,368)	-	-	(1,368)
Other remaining disclosed reserves	-	-	-	23,956
Less: Regulatory adjustments applied on CET1 Capital				
- Goodwill	-	-	-	(303,492)
- Other intangible assets	(112,742)	(237)	(2,893)	(116,937)
- Deferred tax assets	(194,132)	(53,877)	(42,920)	(279,022)
- 55% of cumulative gains in fair value reserve	(221,655)	(7,649)	(1,054)	(341,735)
- Cash flow hedging deficit	1,368	-	-	1,368
- Regulatory reserve	(20,921)	(511)	(11,130)	(32,562)
- 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	(1,285)	(35)	-	(1,217)
- Other CET1 regulatory adjustments specified by BNM	295,244	165,789	5	460,830
CET1 Capital	11,782,994	4,726,379	399,037	16,970,072

A32. 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.)

	31.12.2023			Group RM'000
	AmBank RM'000	AmBank Islamic RM'000	AmInvestment Bank RM'000	
Additional Tier 1 Capital				
Qualifying CET1, Additional Tier 1 Capital instruments held by third parties	-	-	-	445
Tier 1 Capital	11,782,994	4,726,379	399,037	16,970,517
Tier 2 Capital				
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	-	-	-	2,532,037
General provisions*	871,784	422,823	11,138	1,305,452
Tier 2 Capital	3,966,784	1,722,823	11,138	3,837,489
Total Capital	15,749,778	6,449,202	410,175	20,808,006

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

Credit RWA	79,708,028	35,806,284	1,014,973	113,216,355
Less: Credit RWA absorbed by Profit Sharing Investment Account	-	(1,378,905)	-	(1,639)
Total Credit RWA	79,708,028	34,427,379	1,014,973	113,214,716
Market RWA	1,791,511	336,067	40,453	2,126,822
Operational RWA	5,342,694	2,078,014	342,628	8,057,892
Total RWA	86,842,233	36,841,460	1,398,054	123,399,430

	31.03.2023			Group RM'000
	AmBank RM'000	AmBank Islamic RM'000	AmInvestment Bank RM'000	
CET1 Capital				
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

A32. 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	
Additional Tier 1 Capital				
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
Tier 2 Capital				
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.

A33. DISCONTINUED OPERATION

As disclosed in Note A27(i), 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 31 DECEMBER 2023

	Note	Group			
		Individual Quarter		Cumulative Quarter	
		31.12.2023	31.12.2022	31.12.2023	31.12.2022
		RM'000	RM'000	RM'000	RM'000
Interest income		-	-	-	42,389
Income from insurance business		-	-	-	457,976
Insurance claims and commissions		-	-	-	(290,902)
Net income from insurance business		-	-	-	167,074
Other operating loss	(i)	-	-	-	(26,027)
Gain/(Loss) on disposal of subsidiary	A27(i)	-	-	51,115	(53,893)
Net income		-	-	51,115	129,543
Other operating expenses	(ii)	-	-	-	(101,256)
Operating profit		-	-	51,115	28,287
Writeback of impairment on insurance receivables		-	-	-	2,736
Other recoveries, net		-	-	-	6
Impairment of Kurnia Brand, agent relationship and other assets		-	-	-	(115,981)
Profit/(Loss) before taxation from discontinued operation		-	-	51,115	(84,952)
Taxation		-	-	-	18,879
Profit/(Loss) for the period from discontinued operation		-	-	51,115	(66,073)
Attributable to:					
Equity holders of the Company		-	-	26,069	(7,015)
Non-controlling interests		-	-	25,046	(59,058)
		-	-	51,115	(66,073)

(i) Other operating loss

	Group				
	Individual Quarter		Cumulative Quarter		
	31.12.2023	31.12.2022	31.12.2023	31.12.2022	
	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		-	-	-	405
Net loss on revaluation of financial assets at fair value through profit or loss		-	-	-	(27,798)
Gain on foreign exchange		-	-	-	27
Dividend income from financial assets at fair value through profit or loss		-	-	-	1,138
		-	-	-	(26,228)
Other income:					
Net gain on disposal of property and equipment		-	-	-	9
Rental income		-	-	-	9
Others		-	-	-	183
		-	-	-	201
		-	-	-	(26,027)

A33. DISCONTINUED OPERATION (CONT'D.)

(ii) Other Operating Expenses

	Group			
	Individual Quarter		Cumulative Quarter	
	31.12.2023 RM'000	31.12.2022 RM'000	31.12.2023 RM'000	31.12.2022 RM'000
Personnel costs:				
Salaries, allowances and bonuses	-	-	-	41,033
Shares granted under ESS - charge	-	-	-	109
Contributions to Employees' Provident Fund ("EPF")/ private retirement schemes	-	-	-	6,343
Social security cost	-	-	-	377
Other staff related expenses	-	-	-	6,153
	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,015</u>
Establishment costs:				
Depreciation of property and equipment	-	-	-	1,237
Depreciation of right-of-use assets	-	-	-	4,009
Amortisation of intangible assets	-	-	-	6,065
Computerisation costs	-	-	-	7,731
Cleaning, maintenance and security	-	-	-	1,638
Finance costs:				
- interest on lease liabilities	-	-	-	144
Others	-	-	-	521
	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,345</u>
Marketing and communication expenses:				
Advertising, promotional and other marketing activities	-	-	-	13,005
Telephone charges	-	-	-	650
Postage	-	-	-	93
Travelling and entertainment	-	-	-	1,361
Others	-	-	-	153
	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,262</u>
Administration and general expenses:				
Professional services	-	-	-	2,887
Travelling	-	-	-	173
Insurance	-	-	-	60
Subscriptions and periodicals	-	-	-	26
Others	-	-	-	7,488
	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,634</u>
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>101,256</u>

Statement of cash flows disclosures

Net cash flows incurred by AGIB are as follows:

	Group	
	31.12.2023 RM'000	31.12.2022 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>

A34. 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

A34. 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

A34. 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	31.12.2022	Effects of	31.12.2022
Group	As previously reported RM'000	MFRS 17 adoption RM'000	As restated RM'000
Continuing operations:			
Interest income	1,328,375	-	1,328,375
Interest expense	(735,915)	-	(735,915)
Net interest income	592,460	-	592,460
Net income from Islamic banking	338,818	-	338,818
Other operating income	279,808	-	279,808
Share in results of associates and joint ventures	20,001	(8,428)	11,573
Net income	1,231,087	(8,428)	1,222,659
Other operating expenses	(497,265)	-	(497,265)
Operating profit before impairment losses	733,822	(8,428)	725,394
Allowances for impairment on loans, advances and financing	(203,649)	-	(203,649)
Allowances for impairment on:			
Financial investments	(14,935)	-	(14,935)
Other financial assets	(1,270)	-	(1,270)
Provision for commitments and contingencies - writeback	70,179	-	70,179
Other recoveries, net	513	-	513
Profit before taxation and zakat from continuing operations	584,660	(8,428)	576,232
Taxation and zakat	(131,930)	-	(131,930)
Profit after taxation and zakat from continuing operations	452,730	(8,428)	444,302
Profit for the financial period	452,730	(8,428)	444,302
Profit for the financial period attributable to:			
Equity holders of the Company	452,641	(8,428)	444,213
Non-controlling interests	89	-	89
Profit for the financial period	452,730	(8,428)	444,302
EARNINGS PER SHARE (SEN)			
Basic/Diluted			
Continuing operations	13.67	(0.25)	13.42

A34. 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	31.12.2022	Effects of	31.12.2022
	As previously	MFRS 17	
Group	reported	adoption	As restated
	RM'000	RM'000	RM'000
Continuing operations:			
Interest income	3,559,482	-	3,559,482
Interest expense	(1,800,633)	-	(1,800,633)
Net interest income	1,758,849	-	1,758,849
Net income from Islamic banking	985,126	-	985,126
Other operating income	669,322	-	669,322
Share in results of associates and joint ventures	34,718	(25,799)	8,919
Net income	3,448,015	(25,799)	3,422,216
Other operating expenses	(1,443,483)	-	(1,443,483)
Operating profit before impairment losses	2,004,532	(25,799)	1,978,733
Allowances for impairment on loans, advances and financing	(337,458)	-	(337,458)
Allowances for impairment on:			
Financial investments	(15,133)	-	(15,133)
Other financial assets	(2,207)	-	(2,207)
Provision for commitments and contingencies - writeback	51,442	-	51,442
Other recoveries, net	522	-	522
Profit before taxation and zakat from continuing operations	1,701,698	(25,799)	1,675,899
Taxation and zakat	(387,327)	-	(387,327)
Profit after taxation and zakat from continuing operations	1,314,371	(25,799)	1,288,572
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	1,248,298	(25,799)	1,222,499
Profit/(Loss) for the financial period attributable to:			
Equity holders of the Company	1,307,241	(25,799)	1,281,442
Non-controlling interests	(58,943)	-	(58,943)
Profit for the financial period	1,248,298	(25,799)	1,222,499
EARNINGS/(LOSS) PER SHARE (SEN)			
Basic/Diluted			
Continuing operations	39.69	(0.78)	38.91
Discontinued operation	(0.21)	-	(0.21)
	39.48	(0.78)	38.70

A35. OPERATIONS OF ISLAMIC BANKING

**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023**

	Note	Group	
		31.12.2023 RM'000	31.03.2023 RM'000
ASSETS			
Cash and short-term funds		2,724,008	2,113,367
Derivative financial assets		31,082	36,363
Financial assets at fair value through profit or loss		1,820,660	2,576,789
Financial investments at fair value through other comprehensive income		6,868,004	6,522,124
Financial investments at amortised cost		4,005,688	4,179,986
Financing and advances	(a)	44,881,438	44,961,875
Statutory deposit with Bank Negara Malaysia		920,000	880,000
Deferred tax assets		53,847	62,072
Other assets		328,066	497,799
Property and equipment		342	324
Right-of-use assets		2,057	2,284
Intangible assets		237	298
TOTAL ASSETS		61,635,429	61,833,281
LIABILITIES AND ISLAMIC BANKING FUNDS			
Deposits from customers	(b)	46,308,095	45,252,510
Investment accounts of customers	(c)	14,863	16,474
Deposits and placements of banks and other financial institutions		3,267,642	4,763,220
Investment account due to a licensed bank	(d)	1,373,156	1,538,521
Recourse obligation on financing sold to Cagamas Berhad		3,315,008	3,315,004
Derivative financial liabilities		30,291	36,814
Term funding		834,959	834,907
Subordinated Sukuk		1,300,000	1,300,000
Other liabilities	(e)	568,516	375,289
TOTAL LIABILITIES		57,012,530	57,432,739
Share capital/Capital funds		1,387,107	1,387,107
Reserves		3,235,792	3,013,435
TOTAL ISLAMIC BANKING FUNDS		4,622,899	4,400,542
TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS		61,635,429	61,833,281
COMMITMENTS AND CONTINGENCIES		14,837,646	14,038,732

A35. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

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

Group	Note	Individual Quarter		Cumulative Quarter	
		31.12.2023 RM'000	31.12.2022 RM'000	31.12.2023 RM'000	31.12.2022 RM'000
Income derived from investment of depositors' funds	1	667,058	594,625	1,988,433	1,563,960
Income derived from investment of investment account funds		16,540	15,909	48,487	45,226
Income derived from Islamic Banking Funds	1	62,989	54,655	182,988	147,539
Allowances for impairment on financing and advances - net		(117,822)	(52,550)	(171,854)	(122,012)
(Allowances for)/Writeback of impairment on:					
- Financial investments		(13)	(9,211)	(8,164)	(11,431)
- Other financial assets		2	(2)	(5)	134
- Non-financial assets		(39)	-	(39)	-
Provision for commitments and contingencies - writeback/(charge)		48	(5,991)	6,925	(7,751)
Total distributable income		628,763	597,435	2,046,771	1,615,665
Income attributable to the depositors and others		(417,979)	(299,069)	(1,234,396)	(733,190)
Income attributable to the investment account holders		(14,787)	(14,187)	(43,349)	(39,550)
Total net income		195,997	284,179	769,026	842,925
Other operating expenses		(118,727)	(80,724)	(357,356)	(240,560)
Finance costs		(22,655)	(22,228)	(72,301)	(66,444)
Profit before taxation and zakat		54,615	181,227	339,369	535,921
Taxation and zakat		(9,029)	(42,349)	(74,356)	(123,978)
Profit for the financial period		45,586	138,878	265,013	411,943

1 Included the net loss of RM3,078,000 (31 December 2022: net gain of RM135,000) from measures implemented in response to COVID-19 pandemic.

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

Group	Individual Quarter		Cumulative Quarter	
	31.12.2023 RM'000	31.12.2022 RM'000	31.12.2023 RM'000	31.12.2022 RM'000
Profit for the financial period	45,586	138,878	265,013	411,943
Other comprehensive income/(loss):				
Items that may be reclassified subsequently to statement of profit or loss				
Financial investments at FVOCI:				
- net unrealised gain/(loss) for changes in fair value	29,168	24,296	27,071	(35,918)
- changes in ECL	(137)	1,533	3,693	4,699
- net (gain)/loss reclassified to profit or loss	-	-	(1,542)	75
- tax effect	(7,000)	(5,831)	(6,127)	8,602
Other comprehensive income/(loss) for the financial period net of tax	22,031	19,998	23,095	(22,542)
Total comprehensive income for the financial period	67,617	158,876	288,108	389,401

A35. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

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

Group	Share capital/ Capital funds RM'000	Non-Distributable		Distributable	Total Equity 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	-	-	-	411,943	411,943
Other comprehensive loss, net	-	-	(22,542)	-	(22,542)
Total comprehensive (loss)/income for the financial period	-	-	(22,542)	411,943	389,401
Transfer to regulatory reserve	-	39,032	-	(39,032)	-
	-	39,032	-	(39,032)	-
At 31 December 2022	1,387,107	39,032	(26,435)	2,863,603	4,263,307
At 1 April 2023	1,387,107	-	(9,188)	3,022,623	4,400,542
Profit for the financial period	-	-	-	265,013	265,013
Other comprehensive income, net	-	-	23,095	-	23,095
Total comprehensive income for the financial period	-	-	23,095	265,013	288,108
Transfer to regulatory reserve	-	511	-	(511)	-
Dividend paid	-	-	-	(65,751)	(65,751)
	-	511	-	(66,262)	(65,751)
At 31 December 2023	1,387,107	511	13,907	3,221,374	4,622,899

A35. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(a) Financing and Advances

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

Group 31.12.2023	Bai' Bithaman Ajil RM'000	Murabahah RM'000	Musharakah Mutanaqisah RM'000	Al-Ijarah Thummah Al-Bai' (AITAB) RM'000	Bai' Inah RM'000	Others RM'000	Total RM'000
At amortised cost							
Cash lines	-	562,845	-	-	459,538	-	1,022,383
Term financing	295,554	15,612,348	7,048	-	481,066	-	16,396,016
Revolving credit	2,005	4,367,094	-	-	593,275	-	4,962,374
Housing financing	2,287,371	11,411,147	37,436	-	-	-	13,735,954
Hire purchase receivables	3	-	-	5,449,647	-	-	5,449,650
Bills receivables	-	767,421	-	-	-	91,605	859,026
Credit card receivables	-	-	-	-	-	546,387	546,387
Trust receipts	-	363,722	-	-	-	-	363,722
Staff financing	-	22,539	-	-	-	-	22,539
Claims on customers under acceptance credits	-	1,878,421	-	-	-	291,064	2,169,485
Others	-	-	-	-	-	10,398	10,398
Gross financing and advances*	<u>2,584,933</u>	<u>34,985,537</u>	<u>44,484</u>	<u>5,449,647</u>	<u>1,533,879</u>	<u>939,454</u>	<u>45,537,934</u>
Allowances for impairment on financing and advances							
- Stage 1 - 12-months ECL							(93,148)
- Stage 2 - Lifetime ECL not credit impaired							(400,474)
- Stage 3 - Lifetime ECL credit impaired							<u>(162,874)</u>
Net financing and advances							<u>44,881,438</u>

A35. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

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

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

Group 31.03.2023	Bai' Bithaman Ajil RM'000	Murabahah RM'000	Musharakah Mutanaqisah RM'000	Al-Ijarah Thummah Al-Bai' (AITAB) RM'000	Bai' Inah RM'000	Others RM'000	Total RM'000
At amortised cost							
Cash lines	-	594,352	-	-	534,646	-	1,128,998
Term financing	347,700	15,538,398	7,327	-	650,409	-	16,543,834
Revolving credit	22,037	4,943,902	-	-	1,049,641	-	6,015,580
Housing financing	2,418,525	10,293,397	38,815	-	-	-	12,750,737
Hire purchase receivables	3	-	-	4,947,850	-	-	4,947,853
Bills receivables	-	620,200	-	-	-	103,537	723,737
Credit card receivables	-	-	-	-	-	498,872	498,872
Trust receipts	-	480,747	-	-	-	-	480,747
Staff financing	-	20,731	-	-	-	-	20,731
Claims on customers under acceptance credits	-	2,235,072	-	-	-	281,933	2,517,005
Others	-	-	-	-	-	12,770	12,770
Gross financing and advances*	<u>2,788,265</u>	<u>34,726,799</u>	<u>46,142</u>	<u>4,947,850</u>	<u>2,234,696</u>	<u>897,112</u>	<u>45,640,864</u>
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.

A35. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(a) Financing and Advances

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

	Group	
	31.12.2023 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	704,512	819,460
Reclassified as non-impaired	(83,788)	(37,363)
Recoveries	(327,103)	(580,374)
Amount written off	(212,727)	(309,110)
Balance at end of the financial period/year	602,049	521,155
Gross impaired financing and advances as % of total gross financing and advances	1.32%	1.14%
Financing loss coverage (including regulatory reserve)	113.3%	136.5%

(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	
31.12.2023	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	18,642	21,967	212,505	253,114
Transfer to 12-month ECL (Stage 1)	2,826	(24,721)	(482)	(22,377)
Transfer to Lifetime ECL not credit impaired (Stage 2)	(4,542)	63,030	(13,455)	45,033
Transfer to Lifetime ECL credit impaired (Stage 3)	(394)	(16,675)	56,589	39,520
New financial assets originated	26,966	15,933	3,463	46,362
Net remeasurement of allowances	5,157	15,544	201,859	222,560
Changes in model assumptions and methodologies	(398)	10,922	-	10,524
Modification of contractual cash flows of financial assets	83	(4,169)	(83)	(4,169)
Financial assets derecognised	(11,056)	(37,897)	(35,386)	(84,339)
Transfer to other assets	-	(62,900)	-	(62,900)
Foreign exchange differences	4	16	-	20
Amount written off	-	-	(212,727)	(212,727)
Balance at end of the financial period	93,148	400,474	162,874	656,496

Note:

1 As at 31 December 2023, the gross exposure (including profit receivable) relating to RA financing amounted to RM1,377.3 million (31 March 2023: RM1,542.3 million). ECL allowance for the RA financing which amounted to RM2.1 million (31 March 2023: RM1.3 million) is taken up by AmBank.

A35. 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	
	31.12.2023 RM'000	31.03.2023 RM'000
By type of deposit:		
Savings deposits		
Commodity Murabahah	3,741,375	4,664,808
Qard	40,781	159,012
Demand deposits		
Commodity Murabahah	11,666,507	11,178,667
Qard	67,442	1,782,776
Term deposits		
Commodity Murabahah	30,657,481	27,373,974
Qard	134,509	93,273
	<u>46,308,095</u>	<u>45,252,510</u>

The deposits are sourced from the following types of customers:

	Group	
	31.12.2023 RM'000	31.03.2023 RM'000
Business enterprises	26,612,444	25,081,487
Government and statutory bodies	5,043,660	5,719,815
Individuals	13,782,347	13,361,210
Others	869,644	1,089,998
	<u>46,308,095</u>	<u>45,252,510</u>

A35. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

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

The maturity structure of term deposits are as follows:

	Group	
	31.12.2023 RM'000	31.03.2023 RM'000
Due within six months	26,074,745	23,623,778
Over six months to one year	4,457,655	3,148,741
Over one year to three years	238,585	662,291
Over three years to five years	21,005	32,437
	30,791,990	27,467,247

(c) Investment Accounts Of Customers

	Group	
	31.12.2023 RM'000	31.03.2023 RM'000
Unrestricted investment accounts:		
Without maturity		
- Wakalah	13,224	13,734
With maturity		
- Mudarabah	1,639	2,740
	14,863	16,474

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

	Group	
	31.12.2023 RM'000	31.03.2023 RM'000
Business enterprises	47	34
Individuals	14,816	16,440
	14,863	16,474

	Group	
	31.12.2023 RM'000	31.03.2023 RM'000
Investment assets:		
Interbank placement (Wakalah)	13,224	13,734
Housing financing (Mudarabah)	1,639	2,740
Total investment	14,863	16,474

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 (%)
31.12.2023			
Maturity			
less than 3 months	46.69	0.22	2.91
over 3 months to 1 year	49.99	2.48	-
31.03.2023			
Maturity			
less than 3 months	55.13	1.71	2.37
over 3 months to 1 year	54.62	2.24	-

A35. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(d) Investment Account Due to A Licensed Bank

	Group	
	31.12.2023	31.03.2023
	RM'000	RM'000
<u>Restricted investment account ("RA")</u>		
- Mudarabah Muqayyadah	1,373,156	1,538,521
Investment asset:		
Financing	1,373,156	1,538,521
Total investment	1,373,156	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 31 December 2023, the remaining tenure of the RA contracts is for a period of 3 to 6 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			
	31.12.2023		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	3.85	90	3.19
more than 5 years	90	4.21	90	3.39

(e) Other Liabilities

	Group	
	31.12.2023	31.03.2023
	RM'000	RM'000
Other payables and accruals	490,112	308,803
Deferred income	14,266	15,502
Lease liabilities	2,135	2,347
Provision for reinstatement of leased properties	85	84
Provision for taxation and zakat	24,866	4,172
Allowances for ECL on financing commitments and financial guarantees	25,409	32,300
Advance rentals	11,643	12,081
	568,516	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	
	31.12.2023 RM'000	31.12.2022 (Restated) RM'000	Amount RM'000	%	31.12.2023 RM'000	31.12.2022 (Restated) RM'000	Amount RM'000	%
Operating profit before impairment losses, from continuing operations	629,689	725,394	(95,705)	(13.2)	1,903,799	1,978,733	(74,934)	(3.8)
Profit before taxation and zakat from continuing operations	3,784	576,232	(572,448)	(99.3)	1,074,383	1,675,899	(601,516)	(35.9)
Profit/(Loss) before taxation from discontinued operation	-	-	-	-	51,115	(84,952)	136,067	>100.0
Profit for the financial period	543,452	444,302	99,150	22.3	1,416,860	1,222,499	194,361	15.9
Profit attributable to equity holders of the Company	543,413	444,213	99,200	22.3	1,391,562	1,281,442	110,120	8.6

Financial year to date - cumulative period ended 31 December 2023 compared to 31 December 2022

Continuing operations:

The Group's operating profit before impairment losses was lower mainly attributable to the Group's:

- fund based income from interest bearing assets increased mainly from interest on customer lending and interest on fixed income securities;
- funding costs increased attributable to higher interest expense on deposits from customers and securities sold under repurchase agreements;
- fee based income increased 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 higher gain on foreign exchange;
- share in results of associates and joint ventures recorded higher profits mainly from share of general insurance's profits; and
- total operating expenses increased by 5.4% mainly due to higher personnel and administration expenses. The Group's cost-to-income ratio had deteriorated to 44.4% from 42.2% a year ago.

Other than the above, the Group recorded higher allowances for impairment on loans, advances and financing, allowances for impairment on non-financial assets, financial investments, provision for restructuring expenses and lower writeback of provision for commitments and contingencies offset by higher writeback of impairment on other financial assets.

Higher tax income mainly due to recognition of tax recoverable and recognition of deferred tax as a result of the tax treatment of exceptional expenses incurred in the financial year ended 31 March 2021 as disclosed in Note A27(ii).

Discontinued operation:

The profit before taxation for the current financial period of RM51.1 million related to gain on disposal of general insurance as a result of the finalisation of sales consideration. Included in the loss before taxation for the 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.

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

Commentary on key components of financial position

The Group's core interest bearing assets namely loans, advances and financing higher in gross balances by RM1.1 billion from 31 March 2023 to RM131.3 billion. The Group's impaired loans ratio was at 1.60%.

Deposits from customers was higher compared to 31 March 2023 at RM135.9 billion. Low cost deposits which constituted 33.7% 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 16.862% at the end of the reporting period.

Divisional performance

Retail Banking (Year to date ("YTD") FY2024: RM281.0 million vs YTD FY2023: RM418.3 million)

Profit before taxation ("PBT") decreased by RM137.3 million mainly from higher other operating expenses and net impairment, partially offset by higher net income.

Net income increased by RM14.8 million mainly from higher business volume, foreign exchange income and fee income 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 RM2.7 billion to close at RM74.3 billion mainly attributed by Mortgages and Auto Finance. Deposits increased by RM7.1 billion to RM65.7 billion from all type of deposits.

Business Banking (YTD FY2024: RM462.6 million vs YTD FY2023: RM413.7 million)

PBT increased by RM48.9 million mainly due to higher net income and lower net impairment, offset by higher other operating expenses.

Higher net income mainly from higher business volume, foreign exchange income and banca commission. Higher other operating expenses mainly from higher STP expenses. Lower net impairment arising from writeback of provision for commitments and contingencies, partially offset by higher provision on loans, advances and financing.

Business Banking gross loans, advances and financing grew by RM4.1 billion to close at RM36.1 billion. Deposits increased by RM3.9 billion to RM27.4 billion mainly from current accounts and term deposits.

Corporate and Transaction Banking (YTD FY2024: RM429.8 million vs YTD FY2023: RM287.7 million)

PBT increased by RM142.1 million mainly due to higher net income and higher writeback of net impairment, partially offset by higher other operating expenses.

Net income increased by 13.3% 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, offset by lower writeback of provision for commitments and contingencies.

Corporate and Transaction Banking gross loans, advances and financing decreased by RM2.0 billion to close at RM18.8 billion, while deposits increased by RM1.1 billion to close at RM11.7 billion.

Group Treasury and Markets (YTD FY2024: RM376.6 million vs YTD FY2023: RM391.6 million)

PBT decreased by RM15.0 million mainly from higher other operating expenses and net impairment, partially offset by higher net income.

Net income increased by RM1.2 million mainly due to higher volume and gain from disposal and redemption of securities, partially offset by lower margin.

Investment Banking (YTD FY2024: RM38.1 million vs YTD FY2023: RM24.3 million)

PBT increased by RM13.8 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.

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

Divisional performance (Cont'd.)

Fund Management (YTD FY2024: RM62.4 million vs YTD FY2023: RM61.3 million)

PBT increased by RM1.1 million mainly from higher performance fee, partly offset by higher other operating expenses.

Insurance (from continuing operations) (YTD FY2024: Profit of RM11.1 million vs YTD FY2023: Loss of RM6.0 million)

Insurance PBT increased by RM17.1 million mainly higher income from share of associates and joint ventures, and lower other operating expenses.

Group Funding and Others (YTD FY2024: Loss of RM587.2 million vs YTD FY2023: Profit of RM84.9 million)

Loss before taxation mainly due to lower net income, higher net impairment and provision for restructuring expenses, partly offset by lower other operating expenses.

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	
	31.12.2023	30.09.2023	Amount	
	RM'000	RM'000	RM'000	%
Operating profit before impairment losses, from continuing operations	629,689	631,050	(1,361)	(0.2)
Profit before taxation and zakat from continuing operations	3,784	617,981	(614,197)	(99.4)
Profit for the financial quarter	543,452	469,943	73,509	15.6
Profit attributable to equity holders of the Company	543,413	469,778	73,635	15.7

Continuing operations:

For the financial quarter under review, the Group's:

- fund based income from interest bearing assets decreased mainly from lower interest on deposit offset by higher interest on customer lending;
- funding costs increased attributable to higher interest expense on deposits from customers offset by lower interest expense on securities sold under repurchase agreements, term funding and debt capital;
- other operating income increased for this quarter compared to the preceding quarter due to higher gain on foreign exchange and higher gains from disposal/redemption of securities; and
- total operating expenses increased by 5.9% mainly due to higher personnel and administration expenses offset by lower establishment expenses.

Other than the above, the Group recorded higher allowances for impairment on loans, advances and financing, allowances for impairment on non-financial assets, financial investments, provision for restructuring expenses, lower writeback of provision for commitments and contingencies and lower writeback of other financial assets.

Higher tax income mainly due to recognition of tax recoverable and recognition of deferred tax as a result of the tax treatment of exceptional expenses incurred in the financial year ended 31 March 2021 as disclosed in Note A27(ii).

B3. PROSPECTS FOR THE NEXT FINANCIAL YEAR END

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

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

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

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

On the Overnight Policy Rate ("OPR"), with core inflation being modest so far due to slower hiring activities and the lag effect from the 125 bps cumulative rate hikes, we expect the OPR to stay at 3.00% until the end of 2024. Inflation is expected to be between 2.5% to 3.5% in 2024. Nevertheless, the upside risk to inflation is expected to come from subsidy rationalisation affecting fuel, which is expected to be implemented as early as second quarter of 2024. Should the situation later translate into persistently high inflation, or private consumption continues to moderate in the first half 2024, then there is a case to revisit our current OPR call.

AmBank Group demonstrated financial resilience in its Q3 FY2024, boosted by the one-off tax credit. The Group also benefited from the Malaysian economy's continued growth in the last quarter of 2023, which was due to the continued expansion in household spending, stronger growth of inbound tourism and higher investment growth.

The Group maintains an optimistic stance on its FY2024 prospects, supported by resilient domestic demand and the expected recovery in external demand. In addition, pragmatic implementation of Budget 2024 will provide additional impetus to economic activity.

The Group remains committed in ensuring its FY2021 to FY2024 Focus 8 strategy ends on a high note by focusing on driving sustainable revenue growth, maintaining cost discipline, improving asset quality, ensuring healthy liquidity position and strengthening capital levels further.

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

B4. VARIANCE FROM PROFIT FORECAST AND SHORTFALL FROM PROFIT GUARANTEE

This is not applicable to the Group.

B5. TAXATION AND ZAKAT

Group	Individual Quarter		Cumulative Quarter	
	31.12.2023 RM'000	31.12.2022 RM'000	31.12.2023 RM'000	31.12.2022 RM'000
<u>Continuing operations</u>				
Estimated current tax payable	77,896	157,906	291,541	385,749
Deferred tax	(114,871)	(26,910)	(76,012)	(708)
	<u>(36,975)</u>	<u>130,996</u>	<u>215,529</u>	<u>385,041</u>
Over provision of current taxation in respect of prior years	(503,710)	(520)	(509,582)	(522)
Taxation	(540,685)	130,476	(294,053)	384,519
Zakat	1,017	1,454	2,691	2,808
Taxation and zakat	<u>(539,668)</u>	<u>131,930</u>	<u>(291,362)</u>	<u>387,327</u>
<u>Discontinued operation</u>				
Estimated current tax payable	-	-	-	14,818
Deferred tax	-	-	-	(33,703)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(18,885)</u>
Under provision of current taxation in respect of prior years	-	-	-	6
Taxation	<u>-</u>	<u>-</u>	<u>-</u>	<u>(18,879)</u>

The net total tax income of the Group for the financial period ended 31 December 2023 mainly due to over provision of current tax in respect of prior years and income not subject to tax.

The total tax charge of the Group for the financial period ended 31 December 2022 reflects an effective tax rate which is lower than the statutory tax rate mainly due to income not subject to tax.

B6. BORROWINGS AND DEBT SECURITIES

Group	Long term*		Short term*		Total	
	Foreign denomination USD'000	RM denomination RM'000	Foreign denomination USD'000	RM denomination RM'000	Foreign denomination USD'000	RM denomination RM'000
31.12.2023						
Unsecured						
Term funding	-	1,988,088	-	237,595	-	2,225,683
Debt capital	-	4,395,000	-	-	-	4,395,000
31.12.2022						
Unsecured						
Term funding	100,000 ^	1,408,839 #	-	776,384	100,000	2,185,223
Debt capital	-	3,475,000	-	1,095,000	-	4,570,000

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

As at 31 December 2022, USD100 million term loan drawdown to be utilised for diversifying the sources of funding the growth of the USD balance sheet. The term loan has matured in October 2023.

* 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
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	-
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

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
October 2023 - Redemption	AmBank Islamic	Subordinated Sukuk Murabahah - 10 years	500,000	4.88	24,400
November 2023 - Issuance	AmBank	Subordinated Note Tier 2 - 10 years	500,000	4.55	-
November 2023 - Issuance	AmBank	Senior Notes - 3 years	500,000	4.33	-
November 2023 - Redemption	AmBank	Subordinated Note Tier 2 - 10 years	1,000,000	4.98	49,800
December 2023 - Redemption	AmBank	Senior Notes Series 2 - 2 years	250,000	3.14	7,850

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

There is no dividend proposed for the current financial quarter.

B9. DERIVATIVE FINANCIAL INSTRUMENTS

Please refer to Note A30.

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	
	31.12.2023	31.12.2022 (Restated)	31.12.2023	31.12.2022 (Restated)
Net profit/(loss) attributable to equity holders of the Company (RM'000)				
Continuing operations	543,413	444,213	1,365,493	1,288,457
Discontinued operation	-	-	26,069	(7,015)
	<u>543,413</u>	<u>444,213</u>	<u>1,391,562</u>	<u>1,281,442</u>
Weighted average number of ordinary shares in issue ('000)	<u>3,308,636</u>	<u>3,310,049</u>	<u>3,306,937</u>	<u>3,311,050</u>
Basic/Diluted earnings/(loss) per share (sen)				
Continuing operations	16.42	13.42	41.29	38.91
Discontinued operation	-	-	0.79	(0.21)
	<u>16.42</u>	<u>13.42</u>	<u>42.08</u>	<u>38.70</u>