

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

UNAUDITED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	Note	Group		Company	
		30.06.2024 RM'000	31.03.2024 RM'000	30.06.2024 RM'000	31.03.2024 RM'000
ASSETS					
Cash and short-term funds	A8	7,547,695	6,493,099	604,674	80,118
Deposits and placements with banks and other financial institutions	A9	47,169	-	-	-
Derivative financial assets	A29	808,143	1,012,308	-	-
Financial assets at fair value through profit or loss	A10	9,622,555	10,004,884	1,209	1,198
Financial investments at fair value through other comprehensive income ("FVOCI")	A11	27,331,145	26,391,171	-	-
Financial investments at amortised cost	A12	11,320,914	11,320,895	-	-
Loans, advances and financing	A13	130,660,153	132,102,117	-	-
Statutory deposits with Bank Negara Malaysia		2,785,512	2,612,713	-	-
Deferred tax assets		225,107	275,760	-	-
Investments in subsidiaries		-	-	10,852,185	10,852,185
Investments in associates and joint ventures		1,391,031	1,439,742	-	-
Other assets	A14	3,702,706	4,354,336	9,268	10,508
Property and equipment		140,690	144,653	16	18
Right-of-use assets		166,340	180,781	-	-
Intangible assets		430,549	431,294	-	-
TOTAL ASSETS		196,179,709	196,763,753	11,467,352	10,944,027
LIABILITIES AND EQUITY					
Deposits from customers	A15	135,479,418	142,381,215	-	-
Investment accounts of customers		14,161	14,059	-	-
Deposits and placements of banks and other financial institutions	A16	7,902,293	8,901,924	-	-
Securities sold under repurchase agreements		11,251,326	6,328,335	-	-
Recourse obligation on loans and financing sold to Cagamas Berhad		6,680,023	7,480,020	-	-
Derivative financial liabilities	A29	857,370	1,021,693	-	-
Financial liabilities at fair value through profit or loss		-	68,022	-	-
Term funding		5,649,610	2,449,968	-	-
Debt capital		4,395,000	4,395,000	-	-
Other liabilities	A17	3,936,700	4,281,684	27,719	34,652
Total Liabilities		176,165,901	177,321,920	27,719	34,652
Share capital		6,376,240	6,376,240	6,372,870	6,372,870
Treasury shares		(34,180)	(29,079)	(34,180)	(29,079)
Reserves		13,670,787	13,093,644	5,100,943	4,565,584
Equity attributable to equity holders of the Company		20,012,847	19,440,805	11,439,633	10,909,375
Non-controlling interests		961	1,028	-	-
Total Equity		20,013,808	19,441,833	11,439,633	10,909,375
TOTAL LIABILITIES AND EQUITY		196,179,709	196,763,753	11,467,352	10,944,027
COMMITMENTS AND CONTINGENCIES	A28	134,969,078	128,709,674	-	-
NET ASSETS PER SHARE (RM)		6.05	5.88	3.46	3.30

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 2024.

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2024

Group	Note	Individual Quarter		Cumulative Quarter	
		30.06.2024 RM'000	30.06.2023 RM'000	30.06.2024 RM'000	30.06.2023 RM'000
Continuing operations:					
Interest income	A18	1,529,331	1,476,890	1,529,331	1,476,890
Interest expense	A19	(957,919)	(956,508)	(957,919)	(956,508)
Net interest income		571,412	520,382	571,412	520,382
Net income from Islamic banking		303,785	371,212	303,785	371,212
Other operating income	A20	271,013	249,354	271,013	249,354
Share in results of associates and joint ventures		32,331	9,836	32,331	9,836
Net income		1,178,541	1,150,784	1,178,541	1,150,784
Other operating expenses	A21	(520,633)	(507,724)	(520,633)	(507,724)
Operating profit before impairment losses		657,908	643,060	657,908	643,060
Allowances for impairment on loans, advances and financing	A22	(36,437)	(166,100)	(36,437)	(166,100)
Writeback of/(Allowances for) impairment on:					
Financial investments	A23	5,148	(20,151)	5,148	(20,151)
Other financial assets	A23	657	(1,687)	657	(1,687)
Writeback of provision/(Provision) for commitments and contingencies		18,377	(2,508)	18,377	(2,508)
Other recoveries, net		1	4	1	4
Profit before taxation and zakat from continuing operations		645,654	452,618	645,654	452,618
Taxation and zakat	B5	(145,524)	(100,268)	(145,524)	(100,268)
Profit after taxation and zakat from continuing operations		500,130	352,350	500,130	352,350
Discontinued operation:					
Profit before/after taxation from discontinued operation	A32	-	51,115	-	51,115
Profit for the financial period		500,130	403,465	500,130	403,465
Profit/(Loss) for the financial period attributable to:					
Equity holders of the Company		500,197	378,371	500,197	378,371
Non-controlling interests		(67)	25,094	(67)	25,094
Profit for the financial period		500,130	403,465	500,130	403,465
EARNINGS PER SHARE (SEN)					
Basic/Diluted	B10				
Continuing operations		15.13	10.65	15.13	10.65
Discontinued operation		-	0.79	-	0.79
		15.13	11.44	15.13	11.44

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 2024.

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2024

Group	Individual Quarter		Cumulative Quarter	
	30.06.2024 RM'000	30.06.2023 RM'000	30.06.2024 RM'000	30.06.2023 RM'000
Profit for the financial period	500,130	403,465	500,130	403,465
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	91,730	38,186	91,730	38,186
Tax effect relating to the components of other comprehensive income				
- financial investments at FVOCI	(1,192)	-	(1,192)	-
	<u>90,538</u>	<u>38,186</u>	<u>90,538</u>	<u>38,186</u>
Items that may be reclassified subsequently to statement of profit or loss				
Currency translation (loss)/gain on foreign operations	(61)	15,336	(61)	15,336
Cash flow hedge				
- amortisation of fair value changes for terminated hedge	445	1,576	445	1,576
Financial investments at FVOCI				
- net unrealised (loss)/gain on changes in fair value	(8,368)	19,527	(8,368)	19,527
- net gain reclassified to profit or loss	(598)	(1,222)	(598)	(1,222)
- changes in expected credit losses ("ECL")	(1,719)	12,817	(1,719)	12,817
- foreign exchange differences	-	1	-	1
Tax effect relating to the components of other comprehensive income				
- cash flow hedge	(107)	(379)	(107)	(379)
- financial investments at FVOCI	2,152	(4,349)	2,152	(4,349)
Share of reserve movements in equity accounted associates and joint ventures	(6,577)	111	(6,577)	111
	<u>(14,833)</u>	<u>43,418</u>	<u>(14,833)</u>	<u>43,418</u>
Other comprehensive income for the financial period, net of tax from continuing operations	75,705	81,604	75,705	81,604
Total comprehensive income for the financial period	<u>575,835</u>	<u>485,069</u>	<u>575,835</u>	<u>485,069</u>
Total comprehensive income/(loss) for the financial period attributable to:				
Equity holders of the Company				
Continuing operations	575,902	433,906	575,902	433,906
Discontinued operation	-	26,069	-	26,069
Non-controlling interests				
Continuing operations	(67)	48	(67)	48
Discontinued operation	-	25,046	-	25,046
	<u>575,835</u>	<u>485,069</u>	<u>575,835</u>	<u>485,069</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 2024.

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UNAUDITED STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2024

Company	Note	Individual Quarter		Cumulative Quarter	
		30.06.2024 RM'000	30.06.2023 RM'000	30.06.2024 RM'000	30.06.2023 RM'000
Interest income	A18	354	972	354	972
Other operating income	A20	542,924	266,822	542,924	266,822
Net income		543,278	267,794	543,278	267,794
Other operating expenses	A21	(9,064)	(9,125)	(9,064)	(9,125)
Profit before taxation		534,214	258,669	534,214	258,669
Taxation		(96)	(239)	(96)	(239)
Profit for the financial period representing total comprehensive income for the financial period		534,118	258,430	534,118	258,430

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UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2024

Group	Attributable to Equity Holders of the Company											Total equity RM'000
	Non-Distributable						Distributable					
	Share capital RM'000	Regulatory reserve RM'000	Fair value reserve RM'000	Cash flow hedging deficit RM'000	Foreign currency translation reserve RM'000	Executives' share scheme reserve RM'000	Treasury shares RM'000	Retained Earnings		Total RM'000	Non-controlling interests RM'000	
							Non-participating funds RM'000					
At 01.04.2023	6,376,240	211,707	511,309	(4,258)	112,212	26,425	(28,579)	45,715	10,773,584	18,024,355	864	18,025,219
Profit for the financial period	-	-	-	-	-	-	-	-	378,371	378,371	25,094	403,465
Other comprehensive income, net	-	-	65,071	1,197	15,336	-	-	-	-	81,604	-	81,604
Total comprehensive income for the financial period	-	-	65,071	1,197	15,336	-	-	-	378,371	459,975	25,094	485,069
Buy-back of shares	-	-	-	-	-	-	(2,029)	-	-	(2,029)	-	(2,029)
Share-based payment under ESS, net	-	-	-	-	-	2,041	-	-	-	2,041	-	2,041
Transfer from regulatory reserve	-	(38,459)	-	-	-	-	-	-	38,459	-	-	-
Arising from disposal of a subsidiary (Note A32)	-	-	-	-	-	-	-	-	-	-	(25,046)	(25,046)
Transactions with owners and other equity movements	-	(38,459)	-	-	-	2,041	(2,029)	-	38,459	12	(25,046)	(25,034)
At 30.06.2023	6,376,240	173,248	576,380	(3,061)	127,548	28,466	(30,608)	45,715	11,190,414	18,484,342	912	18,485,254

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UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2024 (CONT'D.)

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 01.04.2024	6,376,240	245,196	643,966	(1,029)	131,449	36,504	(29,079)	45,715	11,991,843	19,440,805	1,028	19,441,833
Profit/(Loss) for the financial period	-	-	-	-	-	-	-	-	500,197	500,197	(67)	500,130
Other comprehensive income/(loss), net	-	-	75,428	338	(61)	-	-	-	-	75,705	-	75,705
Total comprehensive income/(loss) for the financial period	-	-	75,428	338	(61)	-	-	-	500,197	575,902	(67)	575,835
Buy-back of shares	-	-	-	-	-	-	(5,101)	-	-	(5,101)	-	(5,101)
Share-based payment under ESS, net	-	-	-	-	-	2,636	-	-	-	2,636	-	2,636
Transfer to regulatory reserve	-	9,299	-	-	-	-	-	-	(9,299)	-	-	-
Dividends payable - ESS shares	-	-	-	-	-	-	-	-	(1,395)	(1,395)	-	(1,395)
Transactions with owners and other equity movements	-	9,299	-	-	-	2,636	(5,101)	-	(10,694)	(3,860)	-	(3,860)
At 30.06.2024	6,376,240	254,495	719,394	(691)	131,388	39,140	(34,180)	45,715	12,481,346	20,012,847	961	20,013,808

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 2024.

UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2024

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	-	-	-	258,430	258,430
Total comprehensive income for the financial period	-	-	-	258,430	258,430
Buy-back of shares	-	-	(2,029)	-	(2,029)
Share-based payment under ESS, net	-	2,041	-	-	2,041
Transactions with owners and other equity movements	-	2,041	(2,029)	-	12
At 30.06.2023	6,372,870	28,466	(30,608)	4,930,530	11,301,258

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 01.04.2024	6,372,870	36,504	(29,079)	4,529,080	10,909,375
Profit for the financial period	-	-	-	534,118	534,118
Total comprehensive income for the financial period	-	-	-	534,118	534,118
Buy-back of shares	-	-	(5,101)	-	(5,101)
Share-based payment under ESS, net	-	2,636	-	-	2,636
Dividends payable - ESS shares	-	-	-	(1,395)	(1,395)
Transactions with owners and other equity movements	-	2,636	(5,101)	(1,395)	(3,860)
At 30.06.2024	6,372,870	39,140	(34,180)	5,061,803	11,439,633

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 2024.

UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2024

	Group		Company	
	30.06.2024 RM'000	30.06.2023 RM'000	30.06.2024 RM'000	30.06.2023 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation and zakat				
Continuing operations	645,654	452,618	534,214	258,669
Discontinued operation	-	51,115	-	-
Profit before taxation and zakat including discontinued operation	645,654	503,733	534,214	258,669
Adjustments for:				
Net accretion of discount for securities	(14,346)	(82,781)	-	-
Allowance for ECL on loans, advances and financing, net	99,675	234,646	-	-
Dividend income	(2,610)	(1,810)	(540,609)	(263,878)
Net loss/(gain) on revaluation of derivatives	39,842	(236,738)	-	-
Net loss on revaluation of financial assets				
at fair value through profit or loss	129,029	87,679	-	-
Net gain on sale of financial investments				
at fair value through other comprehensive income	(598)	(1,222)	-	-
Net gain on sale of financial assets				
at fair value through profit or loss	(53,207)	(17,784)	-	-
Adjustment on the gain on disposal of subsidiary	-	(51,115)	-	-
Other non-operating and non-cash items	(7,417)	36,001	2	2
Operating profit/(loss) before working capital changes	836,022	470,609	(6,393)	(5,207)
<i>(Increase)/Decrease in operating assets:</i>				
Securities purchased under resale agreements	-	(20,905)	-	-
Financial assets at fair value through profit or loss	330,636	1,437,831	(11)	(10)
Loans, advances and financing	1,344,105	1,121,165	-	-
Statutory deposits with Bank Negara Malaysia	(172,799)	(37,572)	-	-
Other assets	654,700	(555,744)	1,144	34
<i>(Decrease)/Increase in operating liabilities:</i>				
Deposits from customers	(6,901,797)	(49,715)	-	-
Investment accounts of customers	102	(1,248)	-	-
Deposits and placements of banks and other financial institutions	(1,008,724)	(736,724)	-	-
Securities sold under repurchase agreements	4,922,991	(3,079,103)	-	-
Recourse obligation on loans and financing sold to Cagamas Berhad	(799,997)	(995,009)	-	-
Financial liabilities at fair value through profit or loss	(68,022)	-	-	-
Term funding	3,199,624	(141,899)	-	-
Other liabilities	(323,467)	(126,594)	(5,692)	(1,294)
Cash generated from/(used in) operations	2,013,374	(2,714,908)	(10,952)	(6,477)
Taxation and zakat paid, net	(100,097)	(152,430)	-	(854)
Net cash generated from/(used in) operating activities	1,913,277	(2,867,338)	(10,952)	(7,331)

UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2024 (CONT'D.)

	Group		Company	
	30.06.2024 RM'000	30.06.2023 RM'000	30.06.2024 RM'000	30.06.2023 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of treasury shares	(5,101)	(2,029)	(5,101)	(2,029)
Dividend/Distribution income received	77,075	41,381	540,609	263,878
Proceeds from disposal of property and equipment	-	7	-	-
(Purchase)/Disposal of financial investments	(851,315)	1,993,845	-	-
Purchase of property and equipment and intangible assets	(14,526)	(35,498)	-	-
Net cash (used in)/generated from investing activities	<u>(793,867)</u>	<u>1,997,706</u>	<u>535,508</u>	<u>261,849</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of lease liabilities	(17,287)	(18,270)	-	-
Return of capital to non-controlling interest	-	1,000,000	-	-
Net cash (used in)/generated from financing activities	<u>(17,287)</u>	<u>981,730</u>	<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents	1,102,123	112,098	524,556	254,518
Cash and cash equivalents at beginning of the financial year	6,494,082	8,700,367	80,118	208,565
Effect of exchange rate changes	(4)	276	-	-
Cash and cash equivalents at end of the financial period	<u>7,596,201</u>	<u>8,812,741</u>	<u>604,674</u>	<u>463,083</u>

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

	Group		Company	
	30.06.2024 RM'000	30.06.2023 RM'000	30.06.2024 RM'000	30.06.2023 RM'000
Cash and short-term funds	7,547,695	8,576,804	604,674	463,083
Deposits and placements with banks and other financial institutions (with original maturity of three months and less)	47,169	232,130	-	-
	<u>7,594,864</u>	<u>8,808,934</u>	<u>604,674</u>	<u>463,083</u>
Add:				
Allowances for ECL for cash and cash equivalents	1,337	3,807	-	-
Cash and cash equivalents	<u>7,596,201</u>	<u>8,812,741</u>	<u>604,674</u>	<u>463,083</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 2024.

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 2024 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 Material 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:

- Lease Liability in a Sale and Leaseback (Amendments to MFRS 16 *Leases*)
- Non-current Liabilities with Covenants (Amendments to MFRS 101 *Presentation of Financial Statements*)
- Supplier Finance Arrangements (Amendments to MFRS 107 *Statement of Cash Flows* and MFRS 7 *Financial Instruments: Disclosures*)

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

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

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

The amendments clarified that after the commencement date, 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.

(b) 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.

(c) 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.

New standards and amendments to published standards issued but not yet effective

Description	Effective for annual periods beginning on or after
- Lack of Exchangeability (Amendments to MFRS 121 <i>The Effects of Changes in Foreign Exchange Rates</i>)	1 January 2025
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to MFRS 9 <i>Financial Instruments</i> and MFRS 7 <i>Financial Instruments: Disclosures</i>)	1 January 2026
- MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
- MFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 <i>Consolidated Financial Statements</i> and MFRS 128 <i>Investments in Associates and Joint Ventures</i>)	To be determined by MASB

A1. BASIS OF PREPARATION (CONT'D.)

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

New standards and amendments to published standards issued but not yet effective (Cont'd.)

The nature of the new standards and amendments to published standards 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 standard 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.

(b) Amendments to published standard effective for financial year ending 31 March 2027

Amendments to the Classification and Measurement of Financial Instruments (Amendments to MFRS 9 *Financial Instruments* and MFRS 7 *Financial Instruments: Disclosures*)

The amendments clarified the dates of recognition and derecognition of financial assets and liabilities, with a new exception for financial liabilities settled through an electronic cash transfer system.

The amendments also provide additional guidance for assessing whether financial assets with contingent features that are not related directly to a change in basic lending risks or costs meet the solely payments of principal and interest ("SPPI") criterion.

Key characteristics of contractually linked instruments and the factors to be considered when assessing the cash flows underlying a financial asset with non-recourse features are also included in the amendments.

Additional disclosures are required for certain financial instruments with contractual terms that can change their cash flows and equity instruments designated at fair value through other comprehensive income.

(c) New standards effective for financial year ending 31 March 2028

MFRS 18 *Presentation and Disclosure in Financial Statements*

MFRS 18 is a new accounting standard for presentation and disclosure of information in the financial statements which supersedes MFRS 101 *Presentation of Financial Statements*.

MFRS 18 introduced a defined structure for the statement of profit or loss comprising three main categories which include operating, investing and financing categories. Classification of income and expenses will be driven by the main business activities. Specified totals and subtotals are to be presented in the statement of profit or loss.

Information related to the management-defined performance measures ("MPM") should be disclosed in a note to the financial statements, including a reconciliation between the MPM and the most similar specified subtotal. Entity is also required to present expenses in the operating category by nature, function or a mix of both.

Enhanced guidance on the principles of aggregation and disaggregation, which focus on grouping of items based on their shared characteristics should be applied across the financial statements.

MFRS 19 *Subsidiaries without Public Accountability: Disclosures*

MFRS 19 introduced reduced disclosure requirements for eligible subsidiaries. An eligible subsidiary has the option to adopt this standard in its consolidated or separate financial statements provided that it does not have public accountability and it has an ultimate or intermediate holding company that produces consolidated financial statements in accordance with IFRS Accounting Standards.

(d) Amendments to published standard effective on a date to be determined by MASB

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 *Consolidated Financial Statements* and MFRS 128 *Investments in Associates and Joint Ventures*)

The amendments clarified that:

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

A1. BASIS OF PREPARATION (CONT'D.)

A1.2 Material 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 material 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 2024.

A2. AUDIT QUALIFICATION

There was no audit qualification in the annual financial statements for the financial year ended 31 March 2024.

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.

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

There were no unusual items during the current financial quarter.

A5. CHANGES IN ESTIMATES

There was no material change in estimates of amounts reported in the prior financial years that have a material effect on the financial quarter ended 30 June 2024.

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

(i) Share buy-back

During the current financial quarter, the Company bought back from the open market, a total of 1,195,000 ordinary shares listed on the Main Market of Bursa Malaysia Securities Berhad at an average buy-back price of RM4.27 per share. The total consideration paid for the share buy-back including transaction costs was approximately RM5,100,558 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 9 May 2024, AmBank Islamic Berhad ("AmBank Islamic") issued Tranche 7 and Tranche 8 with nominal value of RM300.0 million and RM500.0 million respectively under its RM3.0 billion Senior Sukuk Musharakah Programme. The profit rate of Tranche 7 and Tranche 8 is at 4.00% and 4.10% per annum respectively, payable semi-annually. Tranches 7 and Tranche 8 have a maturity date of 5 years and 7 years respectively from issuance date.
- (2) On 19 June 2024, AmBank (M) Berhad ("AmBank") issued the following tranches of its RM7.0 billion Senior Notes programme:
 - (i) Tranche 10 with nominal value of RM300.0 million. The interest rate of this tranche is at 4.00% per annum, payable semi-annually with a tenure of 5 years.
 - (ii) Tranche 11 with nominal value of RM800.0 million. The interest rate of this tranche is at 4.10% per annum, payable semi-annually with a tenure of 7 years.
 - (iii) Tranche 12 with nominal value of RM500.0 million. The interest rate of this tranche is at 4.15% per annum, payable semi-annually with a tenure of 10 years.

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.

A7. DIVIDENDS PAID

No dividend has been paid during the current financial quarter.

A8. CASH AND SHORT-TERM FUNDS

	Group		Company	
	30.06.2024 RM'000	31.03.2024 RM'000	30.06.2024 RM'000	31.03.2024 RM'000
Cash and balances with banks and other financial institutions	3,042,626	3,679,039	604,674	80,118
Deposit and placements maturing within one month:				
Licensed banks	1,187,530	710,102	-	-
Bank Negara Malaysia	3,303,000	2,090,000	-	-
Other financial institutions	15,853	14,941	-	-
	4,506,383	2,815,043	-	-
	7,549,009	6,494,082	604,674	80,118
Less: Allowances for ECL	(1,314)	(983)	-	-
	7,547,695	6,493,099	604,674	80,118

Movements in allowances for ECL are as follows:

Group	Stage 1	Stage 2	Total
	12-month ECL	Lifetime ECL not credit impaired	
30.06.2024	RM'000	RM'000	RM'000
Balance at beginning of the financial period	946	37	983
Net allowances for ECL (Note A23)	85	253	338
Transfer from deposits and placements with banks and other financial institutions (Note A9)	216	-	216
New financial assets originated	1,659	58	1,717
Financial assets derecognised	(1,619)	-	(1,619)
Net remeasurement of allowances	(171)	195	24
Foreign exchange differences	(7)	-	(7)
Balance at end of the financial period	1,024	290	1,314

Group	Stage 1	Stage 2	Total
	12-month ECL	Lifetime ECL not credit impaired	
31.03.2024	RM'000	RM'000	RM'000
Balance at beginning of the financial year	1,456	301	1,757
Net writeback of ECL	(531)	(265)	(796)
Transfer to 12-month ECL (Stage 1)	1	(273)	(272)
Transfer from deposits and placements with banks and other financial institutions (Note A9)	3,900	-	3,900
New financial assets originated	15,265	686	15,951
Financial assets derecognised	(19,571)	(686)	(20,257)
Net remeasurement of allowances	(126)	8	(118)
Foreign exchange differences	21	1	22
Balance at end of the financial year	946	37	983

A9. DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group	
	30.06.2024 RM'000	31.03.2024 RM'000
Deposits and placements maturity more than one month:		
Licensed banks	47,192	-
Less: Allowances for ECL	(23)	-
	47,169	-
Of which deposits and placements with original maturity of:		
Three months or less	47,192	-

Movements in allowances for ECL are as follows:

Group 30.06.2024	Stage 1 12-month ECL RM'000
Balance at beginning of the financial period	-
Net allowances for ECL (Note A23)	23
New financial assets originated	239
Transfer to cash and short-term funds (Note A8)	(216)
Balance at end of the financial period	23

Group 31.03.2024	Stage 1 12-month ECL RM'000
Balance at beginning of the financial year	66
Net writeback of ECL	(66)
New financial assets originated	3,002
Net remeasurement of allowances	832
Transfer to cash and short-term funds (Note A8)	(3,900)
Balance at end of the financial year	-

A10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group		Company	
	30.06.2024 RM'000	31.03.2024 RM'000	30.06.2024 RM'000	31.03.2024 RM'000
At Fair Value				
Money Market Instruments:				
Malaysian Treasury Bills	553,489	146,081	-	-
Malaysian Islamic Treasury Bills	1,503,598	3,002,309	-	-
Malaysian Government Securities	1,824,279	1,909,429	-	-
Malaysian Government Investment Issues	2,053,796	851,016	-	-
Bank Negara Monetary Notes	519,902	1,078,540	-	-
	<u>6,455,064</u>	<u>6,987,375</u>	<u>-</u>	<u>-</u>
Quoted Securities:				
In Malaysia:				
Shares	982,502	780,376	-	-
Unit trusts	47,934	47,272	1,209	1,198
Corporate bonds and sukuk	10,210	10,249	-	-
Outside Malaysia:				
Shares	826,650	1,015,733	-	-
	<u>1,867,296</u>	<u>1,853,630</u>	<u>1,209</u>	<u>1,198</u>
Unquoted Securities:				
In Malaysia:				
Shares	29	29	-	-
Corporate bonds and sukuk	1,300,166	1,163,850	-	-
	<u>1,300,195</u>	<u>1,163,879</u>	<u>-</u>	<u>-</u>
Total	<u>9,622,555</u>	<u>10,004,884</u>	<u>1,209</u>	<u>1,198</u>

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

	Group	
	30.06.2024	31.03.2024
	RM'000	RM'000
At Fair Value		
Money Market Instruments:		
Malaysian Government Securities	5,228,923	4,733,790
Malaysian Government Investment Issues	7,341,378	6,438,628
Negotiable Instruments of Deposit	-	200,013
Islamic Negotiable Instruments of Deposit	398,179	-
Foreign Government Investment Issues	13,872	13,931
	<u>12,982,352</u>	<u>11,386,362</u>
Quoted Securities:		
In Malaysia:		
Shares	14,000	12,740
Unquoted Securities:		
In Malaysia:		
Shares	848,029	757,699
Corporate bonds and sukuk	13,485,810	14,233,555
Outside Malaysia:		
Shares	954	815
	<u>14,334,793</u>	<u>14,992,069</u>
Total	<u>27,331,145</u>	<u>26,391,171</u>

Movements in allowances for ECL are as follows:

Group	Stage 1	Stage 2	Total
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	
Balance at beginning of the financial period	22,003	4,986	26,989
Net writeback of ECL (Note A23)	(1,052)	(667)	(1,719)
New financial assets originated	979	-	979
Financial assets derecognised	(1,685)	(778)	(2,463)
Net remeasurement of allowances	(346)	111	(235)
Balance at end of the financial period	<u>20,951</u>	<u>4,319</u>	<u>25,270</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	Lifetime ECL not credit impaired	
31.03.2024	RM'000	RM'000	RM'000
Balance at beginning of the financial year	10,282	3,024	13,306
Net allowances for ECL	11,720	1,962	13,682
Transfer to Lifetime ECL not credit impaired (Stage 2)	(9)	146	137
New financial assets originated	10,217	1,399	11,616
Financial assets derecognised	(4,279)	(100)	(4,379)
Net remeasurement of allowances	5,791	517	6,308
Foreign exchange differences	1	-	1
Balance at end of the financial year	<u>22,003</u>	<u>4,986</u>	<u>26,989</u>

A12. FINANCIAL INVESTMENTS AT AMORTISED COST

	Group	
	30.06.2024	31.03.2024
	RM'000	RM'000
At Amortised Cost		
Money Market Instruments:		
Malaysian Government Securities	794,941	795,703
Malaysian Government Investment Issues	2,003,334	2,003,188
	2,798,275	2,798,891
Unquoted Securities:		
In Malaysia:		
Corporate bonds and sukuk	9,046,636	9,049,430
	11,844,911	11,848,321
Less: Allowances for ECL	(523,997)	(527,426)
Total	11,320,914	11,320,895

Movements in allowances for ECL are as follows:

Group	Stage 1	Stage 3	Total
	12-month	Lifetime	
30.06.2024	ECL	ECL	RM'000
	RM'000	credit	RM'000
Balance at beginning of the financial period	15,705	511,721	527,426
Net writeback of ECL (Note A23)	(3,231)	(198)	(3,429)
New financial assets originated	323	-	323
Net remeasurement of allowances	(3,262)	(198)	(3,460)
Financial assets derecognised	(292)	-	(292)
Balance at end of the financial period	12,474	511,523	523,997

Group	Stage 1	Stage 3	Total
	12-month	Lifetime	
31.03.2024	ECL	ECL	RM'000
	RM'000	credit	RM'000
Balance at beginning of the financial year	6,927	492,846	499,773
Net allowances for ECL	8,778	18,875	27,653
New financial assets originated	7,392	-	7,392
Net remeasurement of allowances	3,874	18,875	22,749
Financial assets derecognised	(2,488)	-	(2,488)
Balance at end of the financial year	15,705	511,721	527,426

A13. LOANS, ADVANCES AND FINANCING

	Group	
	30.06.2024	31.03.2024
	RM'000	RM'000
At Amortised Cost		
Loans, advances and financing:		
Term loans/financing	43,757,019	44,193,832
Revolving credit	11,401,361	12,128,050
Housing loans/financing	44,760,497	44,288,232
Hire purchase receivables	14,385,395	14,800,297
Card receivables	2,239,223	2,253,592
Overdrafts	3,024,636	3,051,022
Claims on customers under acceptance credits	6,766,493	7,010,500
Trust receipts	2,762,831	2,561,835
Bills receivables	3,194,029	3,513,498
Staff loans	102,201	106,573
Others	278,010	222,851
Gross loans, advances and financing	<u>132,671,695</u>	<u>134,130,282</u>
Less: Allowances for ECL		
- Stage 1 - 12-month ECL	(297,644)	(335,100)
- Stage 2 - Lifetime ECL not credit impaired	(1,046,461)	(1,028,920)
- Stage 3 - Lifetime ECL credit impaired	(667,437)	(664,145)
	<u>(2,011,542)</u>	<u>(2,028,165)</u>
Net loans, advances and financing	<u>130,660,153</u>	<u>132,102,117</u>

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

	Group	
	30.06.2024	31.03.2024
	RM'000	RM'000
Domestic non-bank financial institutions	2,933,636	3,204,457
Domestic business enterprises:		
- Small and medium enterprises	28,076,322	27,720,997
- Others	28,449,500	28,830,795
Government and statutory bodies	2,431,512	2,418,657
Individuals	69,830,162	70,180,460
Other domestic entities	7,653	5,488
Foreign individuals and entities	942,910	1,769,428
	<u>132,671,695</u>	<u>134,130,282</u>

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

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

	Group	
	30.06.2024	31.03.2024
	RM'000	RM'000
In Malaysia	132,537,478	133,980,416
Outside Malaysia	134,217	149,866
	132,671,695	134,130,282

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

	Group	
	30.06.2024	31.03.2024
	RM'000	RM'000
Fixed rate:		
- Housing loans/financing	599,294	598,048
- Hire purchase receivables	14,046,800	14,446,183
- Other loans/financing	13,008,337	13,201,078
Variable rate:		
- Base rate and lending/financing rate plus	73,721,134	73,376,589
- Cost plus	30,430,774	31,550,724
- Other variable rates	865,356	957,660
	132,671,695	134,130,282

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

	Group	
	30.06.2024	31.03.2024
	RM'000	RM'000
Agriculture	2,572,890	2,849,346
Mining and quarrying	1,484,752	2,245,994
Manufacturing	15,183,704	15,629,880
Electricity, gas and water	1,900,586	1,818,007
Construction	5,035,086	4,828,632
Wholesale and retail trade and hotels and restaurants	13,153,473	13,095,930
Transport, storage and communication	4,640,270	4,495,435
Finance and insurance	4,670,430	4,955,849
Real estate	8,972,930	8,877,742
Business activities	3,249,910	3,086,605
Education and health	1,464,205	1,542,073
Household of which:	70,339,516	70,704,167
Purchase of residential properties	45,057,957	44,591,804
Purchase of transport vehicles	12,818,020	13,261,046
Others	12,463,539	12,851,317
Others	3,943	622
	132,671,695	134,130,282

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

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

	Group	
	30.06.2024	31.03.2024
	RM'000	RM'000
Maturing within one year	32,317,630	33,539,218
Over one year to three years	6,206,381	7,059,465
Over three years to five years	9,544,067	9,793,397
Over five years	84,603,617	83,738,202
	<u>132,671,695</u>	<u>134,130,282</u>

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

	Group	
	30.06.2024	31.03.2024
	RM'000	RM'000
Gross		
Balance at beginning of the financial period/year	2,236,123	1,896,447
Additions during the financial period/year	540,138	2,284,677
Reclassified as non-impaired	(266,733)	(240,793)
Recoveries	(140,611)	(821,595)
Amount written off	(116,282)	(883,153)
Foreign exchange differences	-	540
Balance at end of the financial period/year	<u>2,252,635</u>	<u>2,236,123</u>
Gross impaired loans, advances and financing as % of gross loans, advances and financing	<u>1.70%</u>	<u>1.67%</u>
Loan/Financing loss coverage (including regulatory reserve)	<u>107.58%</u>	<u>109.47%</u>

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

	Group	
	30.06.2024	31.03.2024
	RM'000	RM'000
In Malaysia	<u>2,252,635</u>	<u>2,236,123</u>

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

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

	Group	
	30.06.2024 RM'000	31.03.2024 RM'000
Agriculture	4,553	6,025
Mining and quarrying	48,018	50,078
Manufacturing	192,064	195,332
Electricity, gas and water	53,227	51,056
Construction	225,188	216,634
Wholesale and retail trade and hotels and restaurants	349,594	340,472
Transport, storage and communication	34,223	30,723
Finance and insurance	2,037	2,899
Real estate	39,100	36,903
Business activities	48,249	43,720
Education and health	33,114	37,512
Household of which:	1,223,268	1,224,769
Purchase of residential properties	955,849	943,990
Purchase of transport vehicles	94,676	103,633
Others	172,743	177,146
	<u>2,252,635</u>	<u>2,236,123</u>

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

Group	Stage 1	Stage 2	Stage 3	Total
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
Balance at beginning of the financial period	335,100	1,028,920	664,145	2,028,165
Net (writeback of)/allowances for ECL (Note A22)	(37,455)	17,543	119,587	99,675
Transfer to 12-month ECL (Stage 1)	12,116	(58,264)	(6,813)	(52,961)
Transfer to Lifetime ECL not credit impaired (Stage 2)	(17,918)	104,723	(37,491)	49,314
Transfer to Lifetime ECL credit impaired (Stage 3)	(525)	(31,653)	77,515	45,337
New financial assets originated	39,478	23,262	171	62,911
Net remeasurement of allowances	(31,253)	(35,418)	136,269	69,598
Modification of contractual cash flows of financial assets	(1,364)	(3,085)	(5,797)	(10,246)
Financial assets derecognised	(37,989)	(20,782)	(44,267)	(103,038)
Changes in model assumptions and methodologies	-	38,760	-	38,760
Foreign exchange differences	(1)	(2)	(13)	(16)
Amount written off	-	-	(116,282)	(116,282)
Balance at end of the financial period	<u>297,644</u>	<u>1,046,461</u>	<u>667,437</u>	<u>2,011,542</u>

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

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

Group	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
31.03.2024	RM'000	RM'000	RM'000	RM'000
Balance at beginning of the financial year	236,612	1,160,966	586,588	1,984,166
Net allowances for/(writeback of) ECL	97,859	(69,156)	960,101	988,804
Transfer to 12-month ECL (Stage 1)	25,665	(148,620)	(10,722)	(133,677)
Transfer to Lifetime ECL not credit impaired (Stage 2)	(12,621)	155,493	(28,147)	114,725
Transfer to Lifetime ECL credit impaired (Stage 3)	(1,510)	(58,178)	266,581	206,893
New financial assets originated	100,728	83,533	15,810	200,071
Net remeasurement of allowances	14,396	(23,396)	819,949	810,949
Modification of contractual cash flows of financial assets	419	(9,379)	3,864	(5,096)
Financial assets derecognised	(49,727)	(105,258)	(151,956)	(306,941)
Changes in model assumptions and methodologies	20,509	36,649	44,722	101,880
Transfer to other assets	-	(62,900)	-	(62,900)
Foreign exchange differences	629	10	609	1,248
Amount written off	-	-	(883,153)	(883,153)
Balance at end of the financial year	335,100	1,028,920	664,145	2,028,165

A14. OTHER ASSETS

	Group		Company	
	30.06.2024 RM'000	31.03.2024 RM'000	30.06.2024 RM'000	31.03.2024 RM'000
Trade receivables	497,303	662,567	-	-
Other receivables, deposits and prepayments	1,101,744	1,335,093	6	494
Interest/Profit receivable	539,013	541,233	-	-
Fee receivable	30,770	32,019	-	-
Amount due from associates and joint ventures	12,953	11,748	2,384	3,040
Amount due from agents and brokers	228,900	319,830	-	-
Foreclosed properties	307	307	-	-
Tax recoverable	700,929	698,880	6,878	6,974
Collateral pledged for derivative and securities transactions	627,276	790,167	-	-
	<u>3,739,195</u>	<u>4,391,844</u>	<u>9,268</u>	<u>10,508</u>
Less: Accumulated impairment losses	(36,489)	(37,508)	-	-
	<u>3,702,706</u>	<u>4,354,336</u>	<u>9,268</u>	<u>10,508</u>

A15. DEPOSITS FROM CUSTOMERS

	Group	
	30.06.2024 RM'000	31.03.2024 RM'000
Demand deposits	37,508,877	44,095,356
Savings deposits	8,258,143	8,671,965
Term/Investment deposits	89,712,398	89,613,894
	<u>135,479,418</u>	<u>142,381,215</u>

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

	Group	
	30.06.2024 RM'000	31.03.2024 RM'000
Due within six months	66,129,332	72,199,766
Over six months to one year	22,690,738	15,383,376
Over one year to three years	854,835	1,977,080
Over three years to five years	37,458	53,672
Over five years	35	-
	<u>89,712,398</u>	<u>89,613,894</u>

The deposits are sourced from the following types of customers:

	Group	
	30.06.2024 RM'000	31.03.2024 RM'000
Government and statutory bodies	5,965,497	6,560,731
Business enterprises	70,426,498	76,211,425
Individuals	54,053,680	54,821,433
Others	5,033,743	4,787,626
	<u>135,479,418</u>	<u>142,381,215</u>

A16. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group	
	30.06.2024 RM'000	31.03.2024 RM'000
Licensed banks	3,485,422	3,808,640
Licensed investment banks	497,658	572,113
Bank Negara Malaysia	1,714,430	1,656,012
Other financial institutions	2,204,783	2,865,159
	<u>7,902,293</u>	<u>8,901,924</u>

A17. OTHER LIABILITIES

	Group		Company	
	30.06.2024	31.03.2024	30.06.2024	31.03.2024
	RM'000	RM'000	RM'000	RM'000
Trade payables	716,548	901,369	-	-
Other payables and accruals	1,350,251	1,354,899	24,576	25,451
Interest/Profit payable on deposits and borrowings/financing	1,084,039	1,167,950	-	-
Lease deposits and advance rental	54,409	54,197	-	-
Provision for commitments and contingencies	2,013	3,244	-	-
Allowances for ECL on loan/financing commitments and financial guarantees	157,376	174,491	-	-
Lease liabilities	172,772	186,790	-	-
Provision for reinstatement of leased premises	6,967	6,956	-	-
Amount due to subsidiaries	-	-	3,143	9,201
Provision for taxation	22,475	28,273	-	-
Collateral received for derivative and securities transactions	284,279	321,081	-	-
Deferred income	85,571	82,434	-	-
	<u>3,936,700</u>	<u>4,281,684</u>	<u>27,719</u>	<u>34,652</u>

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

Group	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
30.06.2024	RM'000	RM'000	RM'000	RM'000
Balance at beginning of the financial period	44,054	17,852	112,585	174,491
Net writeback of ECL	(6,472)	(3,595)	(7,079)	(17,146)
Transfer to 12-month ECL (Stage 1)	629	(3,108)	-	(2,479)
Transfer to Lifetime ECL not credit impaired (Stage 2)	(584)	3,307	-	2,723
Transfer to Lifetime ECL credit impaired (Stage 3)	(4)	(536)	232	(308)
New exposures originated	7,713	3,123	-	10,836
Net remeasurement of allowances	(4,936)	(3,027)	(7,311)	(15,274)
Exposures derecognised	(9,290)	(3,354)	-	(12,644)
Foreign exchange differences	25	4	2	31
Balance at end of the financial period	<u>37,607</u>	<u>14,261</u>	<u>105,508</u>	<u>157,376</u>

Group	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
31.03.2024	RM'000	RM'000	RM'000	RM'000
Balance at beginning of the financial year	42,638	33,816	148,931	225,385
Net allowances for/(writeback of) ECL	1,232	(15,975)	(36,344)	(51,087)
Transfer to 12-month ECL (Stage 1)	1,896	(13,222)	-	(11,326)
Transfer to Lifetime ECL not credit impaired (Stage 2)	(918)	4,073	-	3,155
Transfer to Lifetime ECL credit impaired (Stage 3)	(94)	(1,068)	649	(513)
New exposures originated	19,121	9,164	-	28,285
Net remeasurement of allowances	(7,429)	(4,722)	(36,913)	(49,064)
Exposures derecognised	(11,344)	(10,200)	(80)	(21,624)
Foreign exchange differences	184	11	(2)	193
Balance at end of the financial year	<u>44,054</u>	<u>17,852</u>	<u>112,585</u>	<u>174,491</u>

A18. INTEREST INCOME

Group	Individual Quarter		Cumulative Quarter	
	30.06.2024 RM'000	30.06.2023 RM'000	30.06.2024 RM'000	30.06.2023 RM'000
Short-term funds and deposits and placements				
with banks and other financial institutions	41,047	58,964	41,047	58,964
Financial assets at fair value through profit or loss	46,950	72,798	46,950	72,798
Financial investments at fair value through				
other comprehensive income	177,794	164,725	177,794	164,725
Financial investments at amortised cost	82,349	95,231	82,349	95,231
Loans and advances*	1,162,506	1,075,111	1,162,506	1,075,111
Impaired loans and advances	2,182	1,901	2,182	1,901
Others	16,503	8,160	16,503	8,160
	<u>1,529,331</u>	<u>1,476,890</u>	<u>1,529,331</u>	<u>1,476,890</u>
Company				
Short-term funds and deposits and placements with				
banks and other financial institutions	354	972	354	972

* Included in the interest income of loans and advances of the Group is the net loss of RM0.1 million (30 June 2023: net loss of RM9.0 million) arising from government support measures implemented in response to COVID-19 pandemic.

A19. INTEREST EXPENSE

Group	Individual Quarter		Cumulative Quarter	
	30.06.2024 RM'000	30.06.2023 RM'000	30.06.2024 RM'000	30.06.2023 RM'000
Deposits from customers	710,147	638,001	710,147	638,001
Deposits and placements of banks and other				
financial institutions	60,930	82,443	60,930	82,443
Senior notes	7,553	3,045	7,553	3,045
Securities sold under repurchase agreements	67,859	126,783	67,859	126,783
Recourse obligation on loans sold to Cagamas Berhad	49,805	51,302	49,805	51,302
Term loan	-	6,835	-	6,835
Debt capital	35,568	36,923	35,568	36,923
Other structured products and others	26,057	11,176	26,057	11,176
	<u>957,919</u>	<u>956,508</u>	<u>957,919</u>	<u>956,508</u>

A20. OTHER OPERATING INCOME

Group	Individual Quarter		Cumulative Quarter	
	30.06.2024 RM'000	30.06.2023 RM'000	30.06.2024 RM'000	30.06.2023 RM'000
Fee and commission income:				
Fees on loans and securities	41,457	36,102	41,457	36,102
Corporate advisory	6,558	5,490	6,558	5,490
Guarantee fees	13,594	12,113	13,594	12,113
Underwriting commission	615	-	615	-
Portfolio management fees	12,550	18,114	12,550	18,114
Unit trust fees, commission and charges	45,307	39,398	45,307	39,398
Property trust management fees	1,667	1,638	1,667	1,638
Brokerage fees and commission	15,437	7,467	15,437	7,467
Bancassurance commission	8,718	8,471	8,718	8,471
Wealth management fees	5,828	1,667	5,828	1,667
Remittances	5,868	6,521	5,868	6,521
Fees, service and commission charges	7,763	6,146	7,763	6,146
Placement fees	2,961	1,562	2,961	1,562
Others	3,422	11,117	3,422	11,117
	<u>171,745</u>	<u>155,806</u>	<u>171,745</u>	<u>155,806</u>
Investment and trading income:				
Net gain from sale of financial assets at fair value through profit or loss	54,899	18,039	54,899	18,039
Net gain/(loss) from sale of financial investments at fair value through other comprehensive income	598	(130)	598	(130)
Net gain on redemption of financial investments at amortised cost	-	34,854	-	34,854
Net loss on revaluation of financial assets at fair value through profit or loss	(129,805)	(85,689)	(129,805)	(85,689)
Net gain on foreign exchange	58,504	136,340	58,504	136,340
Net gain/(loss) on derivatives	98,403	(24,115)	98,403	(24,115)
Dividend income from:				
Financial assets at fair value through profit or loss	6,717	1,809	6,717	1,809
Financial investments at fair value through other comprehensive income	2,610	1,810	2,610	1,810
Others	13	287	13	287
	<u>91,939</u>	<u>83,205</u>	<u>91,939</u>	<u>83,205</u>
Other income:				
Net gain/(loss) on non-trading foreign exchange	10	(32)	10	(32)
Net gain on disposal of property and equipment	-	7	-	7
Rental income	232	247	232	247
Profit from sale of goods and services	4,146	4,065	4,146	4,065
Others	2,941	6,056	2,941	6,056
	<u>7,329</u>	<u>10,343</u>	<u>7,329</u>	<u>10,343</u>
	<u>271,013</u>	<u>249,354</u>	<u>271,013</u>	<u>249,354</u>

A20. OTHER OPERATING INCOME (CONT'D.)

Company	Individual Quarter		Cumulative Quarter	
	30.06.2024 RM'000	30.06.2023 RM'000	30.06.2024 RM'000	30.06.2023 RM'000
Investment and trading income:				
Dividend income from:				
Subsidiaries	540,609	263,878	540,609	263,878
Financial assets at fair value through profit or loss	11	9	11	9
	<u>540,620</u>	<u>263,887</u>	<u>540,620</u>	<u>263,887</u>
Other income:				
Others	2,304	2,935	2,304	2,935
	<u>2,304</u>	<u>2,935</u>	<u>2,304</u>	<u>2,935</u>
	<u>542,924</u>	<u>266,822</u>	<u>542,924</u>	<u>266,822</u>

A21. OTHER OPERATING EXPENSES

Group	Individual Quarter		Cumulative Quarter	
	30.06.2024 RM'000	30.06.2023 RM'000	30.06.2024 RM'000	30.06.2023 RM'000
Personnel costs:				
Salaries, allowances and bonuses	253,865	262,636	253,865	262,636
Shares granted under ESS - charge	2,633	2,324	2,633	2,324
Contributions to Employees' Provident Fund ("EPF")/private retirement schemes	42,188	42,519	42,188	42,519
Social security cost	2,115	2,165	2,115	2,165
Other staff related expenses	39,879	26,303	39,879	26,303
	<u>340,680</u>	<u>335,947</u>	<u>340,680</u>	<u>335,947</u>
Establishment costs:				
Depreciation of property and equipment	11,349	12,352	11,349	12,352
Depreciation of right-of-use assets	16,469	16,746	16,469	16,746
Amortisation of intangible assets	7,885	17,646	7,885	17,646
Computerisation costs	65,330	51,893	65,330	51,893
Cleaning, maintenance and security	9,421	7,288	9,421	7,288
Finance costs:				
- interest on lease liabilities	1,241	1,629	1,241	1,629
- provision for reinstatement of leased premises	11	16	11	16
Others	10,351	9,688	10,351	9,688
	<u>122,057</u>	<u>117,258</u>	<u>122,057</u>	<u>117,258</u>
Marketing and communication expenses:				
Sales commission	812	658	812	658
Advertising, promotional and other marketing activities	4,677	4,822	4,677	4,822
Telephone charges	2,707	3,710	2,707	3,710
Postage	2,264	2,364	2,264	2,364
Travelling and entertainment	2,039	1,634	2,039	1,634
Others	2,948	2,827	2,948	2,827
	<u>15,447</u>	<u>16,015</u>	<u>15,447</u>	<u>16,015</u>

A21. OTHER OPERATING EXPENSES (CONT'D.)

Group	Individual Quarter		Cumulative Quarter	
	30.06.2024 RM'000	30.06.2023 RM'000	30.06.2024 RM'000	30.06.2023 RM'000
Administration and general expenses:				
Professional services	20,992	18,851	20,992	18,851
Travelling	282	638	282	638
Insurance	2,460	2,347	2,460	2,347
Subscriptions and periodicals	2,465	3,409	2,465	3,409
Others	16,250	13,259	16,250	13,259
	<u>42,449</u>	<u>38,504</u>	<u>42,449</u>	<u>38,504</u>
Total	<u>520,633</u>	<u>507,724</u>	<u>520,633</u>	<u>507,724</u>

Company	Individual Quarter		Cumulative Quarter	
	30.06.2024 RM'000	30.06.2023 RM'000	30.06.2024 RM'000	30.06.2023 RM'000
Establishment costs:				
Depreciation of property and equipment	2	2	2	2
Computerisation costs	4	4	4	4
Others	93	92	93	92
	<u>99</u>	<u>98</u>	<u>99</u>	<u>98</u>
Marketing and communication expenses:				
Advertising, promotional and other marketing activities	-	23	-	23
Travelling and entertainment	7	-	7	-
	<u>7</u>	<u>23</u>	<u>7</u>	<u>23</u>
Administration and general expenses:				
Professional services	145	195	145	195
Travelling	-	4	-	4
Insurance	56	-	56	-
Subscriptions and periodicals	5	-	5	-
Others	1,003	911	1,003	911
	<u>1,209</u>	<u>1,110</u>	<u>1,209</u>	<u>1,110</u>
Service transfer pricing expense, net	7,749	7,894	7,749	7,894
Total	<u>9,064</u>	<u>9,125</u>	<u>9,064</u>	<u>9,125</u>

A22. ALLOWANCES FOR IMPAIRMENT ON LOANS, ADVANCES AND FINANCING

	Individual Quarter		Cumulative Quarter	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
Group	RM'000	RM'000	RM'000	RM'000
Impairment on loans, advances and financing:				
Allowances for ECL	99,675	234,646	99,675	234,646
Impaired loans, advances and financing recovered, net	(63,238)	(68,546)	(63,238)	(68,546)
	<u>36,437</u>	<u>166,100</u>	<u>36,437</u>	<u>166,100</u>

A23. (WRITEBACK OF)/ALLOWANCES FOR IMPAIRMENT ON FINANCIAL INVESTMENTS AND OTHER FINANCIAL ASSETS

	Individual Quarter		Cumulative Quarter	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
Group	RM'000	RM'000	RM'000	RM'000
Financial investments				
Financial investments at fair value through other comprehensive income	(1,719)	12,817	(1,719)	12,817
Financial investments at amortised cost	(3,429)	7,334	(3,429)	7,334
	<u>(5,148)</u>	<u>20,151</u>	<u>(5,148)</u>	<u>20,151</u>
Other financial assets				
Cash and short-term funds	338	1,001	338	1,001
Deposits and placements with banks and other financial institutions	23	954	23	954
Other assets	(1,018)	(268)	(1,018)	(268)
	<u>(657)</u>	<u>1,687</u>	<u>(657)</u>	<u>1,687</u>

A24. 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 funding and 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) **Funds Management**
Funds 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. Funds 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) **Others**
Others comprise activities to 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 Others.

Notes:

- (i) The Chief Operating Decision Maker relies primarily on the net interest and funding 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 to conform with current business realignment between the business segment.

A24. BUSINESS SEGMENT ANALYSIS (CONT'D.)

Group

For the financial period ended 30.06.2024	Continuing Operations								Total RM'000
	Wholesale banking				Investment banking RM'000	Funds management RM'000	Insurance RM'000	Others RM'000	
	Retail banking RM'000	Business banking RM'000	Corporate and Transaction banking RM'000	Group Treasury and Markets RM'000					
External net income	551,276	420,050	236,724	(168,303)	68,459	39,915	29,358	1,062	1,178,541
Intersegments net income	(75,828)	(102,492)	(107,439)	308,047	(8,467)	-	-	(13,821)	-
	<u>475,448</u>	<u>317,558</u>	<u>129,285</u>	<u>139,744</u>	<u>59,992</u>	<u>39,915</u>	<u>29,358</u>	<u>(12,759)</u>	<u>1,178,541</u>
Net interest and funding income	397,991	238,107	109,922	121,942	14,141	405	-	(21,606)	860,902
Other operating income	76,856	79,451	19,363	17,802	45,851	39,510	-	6,475	285,308
Share in results of associates and joint ventures	601	-	-	-	-	-	29,358	2,372	32,331
Net income/(loss)	<u>475,448</u>	<u>317,558</u>	<u>129,285</u>	<u>139,744</u>	<u>59,992</u>	<u>39,915</u>	<u>29,358</u>	<u>(12,759)</u>	<u>1,178,541</u>
Other operating expenses	(286,980)	(92,858)	(49,652)	(36,148)	(39,062)	(18,542)	-	2,609	(520,633)
<i>of which:</i>									
<i>Depreciation of property and equipment</i>	(4,294)	(398)	(282)	(124)	(217)	(37)	-	(5,997)	(11,349)
<i>Depreciation of right-of-use assets</i>	-	-	-	-	-	-	-	(16,469)	(16,469)
<i>Amortisation of intangible assets</i>	(2,355)	(99)	(860)	(1,712)	(114)	(78)	-	(2,667)	(7,885)
Profit/(Loss) before impairment losses	<u>188,468</u>	<u>224,700</u>	<u>79,633</u>	<u>103,596</u>	<u>20,930</u>	<u>21,373</u>	<u>29,358</u>	<u>(10,150)</u>	<u>657,908</u>
(Allowances for)/Writeback of impairment on loans, advances and financing	(76,489)	18,740	19,308	-	2,004	-	-	-	(36,437)
(Allowances for)/Writeback of impairment on financial investments and other financial assets	(56)	571	3,157	2,281	561	1	-	(710)	5,805
Writeback of provision for commitments and contingencies	2,328	13,090	1,733	-	-	-	-	1,226	18,377
Other recoveries, net	-	-	-	-	-	-	-	1	1
Profit/(Loss) before taxation and zakat	<u>114,251</u>	<u>257,101</u>	<u>103,831</u>	<u>105,877</u>	<u>23,495</u>	<u>21,374</u>	<u>29,358</u>	<u>(9,633)</u>	<u>645,654</u>
Taxation and zakat	(27,281)	(60,337)	(24,881)	(22,597)	(5,359)	(2,410)	-	(2,659)	(145,524)
Profit/(Loss) for the financial period	<u>86,970</u>	<u>196,764</u>	<u>78,950</u>	<u>83,280</u>	<u>18,136</u>	<u>18,964</u>	<u>29,358</u>	<u>(12,292)</u>	<u>500,130</u>
Other information									
Total segment assets	73,962,450	39,286,619	21,454,096	56,968,329	3,087,417	151,776	1,298,890	(29,868)	196,179,709
Total segment liabilities	65,957,188	28,895,583	11,659,447	68,186,631	2,300,310	32,281	13	(865,552)	176,165,901
Cost-to-income ratio	60.4%	29.2%	38.4%	25.9%	65.1%	46.5%	-	(20.4%)	44.2%
Gross loans, advances and financing	73,814,550	38,700,059	17,983,775	324	2,172,987	-	-	-	132,671,695
Net loans, advances and financing	72,489,653	38,315,357	17,703,196	324	2,151,623	-	-	-	130,660,153
Impaired loans, advances and financing	1,505,857	502,941	208,160	-	35,677	-	-	-	2,252,635
Total deposits	65,144,382	28,544,184	11,427,254	36,712,337	1,553,554	-	-	-	143,381,711
Additions to:									
Property and equipment	5,609	402	56	15	90	35	-	1,639	7,846
Intangible assets	4,217	805	326	-	554	22	-	756	6,680

A24. BUSINESS SEGMENT ANALYSIS (CONT'D.)

Group	Continuing Operations								Discontinued Operation		
	Wholesale banking				Investment banking	Funds management	Insurance	Others	Total	Insurance	Total
	Retail banking	Business banking	Transaction banking	Corporate and Group Treasury and Markets							
For the financial period ended 30.06.2023 (Restated)	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External net income	569,459	387,654	257,244	(170,615)	59,578	45,280	9,240	(7,056)	1,150,784	51,115	1,201,899
Intersegments net income	(104,208)	(118,476)	(123,232)	371,095	(14,118)	-	-	(11,061)	-	-	-
	<u>465,251</u>	<u>269,178</u>	<u>134,012</u>	<u>200,480</u>	<u>45,460</u>	<u>45,280</u>	<u>9,240</u>	<u>(18,117)</u>	<u>1,150,784</u>	<u>51,115</u>	<u>1,201,899</u>
Net interest and funding income	406,099	206,336	112,141	98,772	11,994	444	63	(27,110)	808,739	-	808,739
Insurance and other operating income	59,159	62,842	21,871	101,708	33,466	44,836	(11)	8,338	332,209	51,115	383,324
Share in results of associates and joint ventures	(7)	-	-	-	-	-	9,188	655	9,836	-	9,836
Net income/(loss)	<u>465,251</u>	<u>269,178</u>	<u>134,012</u>	<u>200,480</u>	<u>45,460</u>	<u>45,280</u>	<u>9,240</u>	<u>(18,117)</u>	<u>1,150,784</u>	<u>51,115</u>	<u>1,201,899</u>
Other operating expenses	(284,017)	(89,038)	(47,829)	(35,621)	(37,143)	(17,685)	-	3,609	(507,724)	-	(507,724)
<i>of which:</i>											
<i>Depreciation of property and equipment</i>	(3,894)	(420)	(285)	(125)	(190)	(38)	-	(7,400)	(12,352)	-	(12,352)
<i>Depreciation of right-of-use assets</i>	-	-	-	-	-	-	-	(16,746)	(16,746)	-	(16,746)
<i>Amortisation of intangible assets</i>	(4,862)	(282)	(1,503)	(1,516)	(261)	(95)	-	(9,127)	(17,646)	-	(17,646)
Profit/(Loss) before impairment losses (Allowances for)/Writeback of impairment on loans, advances and financing	(129,077)	(106,631)	69,598	-	10	-	-	-	(166,100)	-	(166,100)
Writeback of/(Allowances for) impairment on financial investments and other financial assets	24	(498)	(6,876)	(15,003)	(122)	2	-	635	(21,838)	-	(21,838)
Writeback of provision/(Provision) for commitments and contingencies	1,263	(6,449)	1,386	-	-	-	-	1,292	(2,508)	-	(2,508)
Other recoveries, net	-	-	-	-	-	-	-	4	4	-	4
Profit/(Loss) before taxation and zakat	<u>53,444</u>	<u>66,562</u>	<u>150,291</u>	<u>149,856</u>	<u>8,205</u>	<u>27,597</u>	<u>9,240</u>	<u>(12,577)</u>	<u>452,618</u>	<u>51,115</u>	<u>503,733</u>
Taxation and zakat	(12,828)	(15,546)	(35,847)	(31,469)	(1,690)	(6,689)	(50)	3,851	(100,268)	-	(100,268)
Profit/(Loss) for the financial period	<u>40,616</u>	<u>51,016</u>	<u>114,444</u>	<u>118,387</u>	<u>6,515</u>	<u>20,908</u>	<u>9,190</u>	<u>(8,726)</u>	<u>352,350</u>	<u>51,115</u>	<u>403,465</u>
Other information											
Total segment assets	73,132,215	33,810,991	22,246,870	63,731,902	2,877,794	156,681	1,424,459	(3,268,068)	194,112,844	-	194,112,844
Total segment liabilities	61,149,171	22,484,955	10,247,323	81,463,255	1,375,173	33,320	2,763	(1,128,371)	175,627,589	-	175,627,589
Cost-to-income ratio	61.0%	33.1%	35.7%	17.8%	81.7%	39.1%	-	19.9%	44.1%	-	42.2%
Gross loans, advances and financing	73,259,468	33,218,665	20,102,517	421	2,389,434	-	-	-	128,970,505	-	128,970,505
Net loans, advances and financing	72,080,765	32,723,819	19,706,086	420	2,389,434	-	-	-	126,900,524	-	126,900,524
Impaired loans, advances and financing	1,439,711	529,706	170,040	-	-	-	-	-	2,139,457	-	2,139,457
Total deposits	60,286,514	22,213,795	9,974,061	47,486,203	1,037,757	-	-	-	140,998,330	-	140,998,330
Additions to:											
Property and equipment	5,411	187	307	106	142	20	-	6,368	12,541	-	12,541
Intangible assets	10,398	52	1,654	759	283	3	-	9,808	22,957	-	22,957

A25. VALUATION OF PROPERTY AND EQUIPMENT

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

A26. EVENTS SUBSEQUENT TO REPORTING PERIOD

There has not arisen in the interval between the end of the reporting period and the date of this report any items, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the result of the operations of the Group for the current financial quarter.

A27. CHANGES IN THE COMPOSITION OF THE GROUP AND THE COMPANY

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

A28. COMMITMENTS AND CONTINGENCIES

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

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

	Group	
	30.06.2024 Principal/ Notional Amount RM'000	31.03.2024 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	21,027,244	19,021,868
over one year	3,366,817	3,765,181
Unutilised credit card lines	5,619,257	5,614,875
Forward asset purchases	280,237	904,729
	<u>30,293,555</u>	<u>29,306,653</u>
Contingent Liabilities		
Direct credit substitutes	1,306,386	1,644,803
Transaction-related contingent items	6,763,976	7,000,448
Obligations under on-going underwriting agreements	-	10,373
Short-term self-liquidating trade-related contingencies	934,673	811,097
	<u>9,005,035</u>	<u>9,466,721</u>
Derivative Financial Instruments		
Interest/Profit rate related contracts:	40,919,848	35,393,146
One year or less	9,829,407	8,431,793
Over one year to five years	22,321,743	21,252,893
Over five years	8,768,698	5,708,460
Foreign exchange related contracts:	52,186,239	51,838,931
One year or less	47,534,284	46,777,079
Over one year to five years	3,564,167	3,888,683
Over five years	1,087,788	1,173,169
Equity and commodity related contracts:	2,564,401	2,704,223
One year or less	2,528,551	2,685,383
Over one year to five years	35,850	18,840
	<u>95,670,488</u>	<u>89,936,300</u>
	<u>134,969,078</u>	<u>128,709,674</u>

A29. DERIVATIVE FINANCIAL INSTRUMENTS

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

Group	30.06.2024			31.03.2024		
	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:	40,369,848	346,258	169,528	35,043,146	374,194	182,518
- One year or less	9,479,407	24,478	13,882	8,081,793	29,499	12,433
- Over one year to three years	6,001,300	47,055	28,989	5,934,903	71,306	45,658
- Over three years	24,889,141	274,725	126,657	21,026,450	273,389	124,427
Foreign exchange related contracts:	52,186,239	438,523	598,036	51,838,931	605,735	765,459
- One year or less	47,534,284	290,408	287,544	46,777,079	446,768	449,165
- Over one year to three years	1,990,069	134,369	159,632	1,789,238	45,935	70,760
- Over three years	2,661,886	13,746	150,860	3,272,614	113,032	245,534
Equity and commodity related contracts:	2,564,401	23,362	88,068	2,704,223	32,379	72,628
- One year or less	2,528,551	22,764	87,470	2,685,383	32,091	72,340
- Over one year to three years	35,850	598	598	18,840	288	288
	95,120,488	808,143	855,632	89,586,300	1,012,308	1,020,605
Hedging derivatives						
Interest/Profit rate related contracts:						
Interest/Profit rate swaps:						
Fair value hedge	550,000	-	1,738	350,000	-	1,088
- One year or less	350,000	-	453	350,000	-	1,088
- Over three years	200,000	-	1,285	-	-	-
Total	95,670,488	808,143	857,370	89,936,300	1,012,308	1,021,693

A30. 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 or 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 2.1% (31 March 2024: 1.9%) of the Group's total financial assets recorded at fair value, are based on estimates and recorded as Level 3 investments. Where estimates are used, these are based on a combination of independent third-party evidence and internally developed models, calibrated to market observable data where possible. While such valuations are sensitive to estimates, it is believed that changing one or more of the assumptions to reasonably possible alternative assumptions would not change the fair value significantly.

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

Group	Level 1	Level 2	Level 3	Total
30.06.2024	RM'000	RM'000	RM'000	RM'000
Financial assets measured at fair value				
Derivative financial assets	358	807,785	-	808,143
Financial assets at fair value through profit or loss				
- Money market securities	-	6,455,064	-	6,455,064
- Quoted shares	1,809,152	-	-	1,809,152
- Unquoted shares	-	-	29	29
- Unit trusts	46,725	1,209	-	47,934
- Quoted corporate bonds and sukuk	-	10,210	-	10,210
- Unquoted corporate bonds and sukuk	-	1,300,166	-	1,300,166
Financial investments at fair value through other comprehensive income				
- Money market securities	-	12,982,352	-	12,982,352
- Quoted shares	14,000	-	-	14,000
- Unquoted shares	-	41,174	807,809	848,983
- Unquoted corporate bonds and sukuk	-	13,485,810	-	13,485,810
	1,870,235	35,083,770	807,838	37,761,843
Financial liabilities measured at fair value				
Derivative financial liabilities	63,135	794,235	-	857,370

A30. 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.)

Group 31.03.2024	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial assets measured at fair value				
Derivative financial assets	1,762	1,010,546	-	1,012,308
Financial assets at fair value through profit or loss				
- Money market securities	-	6,987,375	-	6,987,375
- Quoted shares	1,796,109	-	-	1,796,109
- Unquoted shares	-	-	29	29
- Unit trusts	46,074	1,198	-	47,272
- Quoted corporate bonds and sukuk	-	10,249	-	10,249
- Unquoted corporate bonds and sukuk	-	1,163,850	-	1,163,850
Financial investments at fair value through other comprehensive income				
- Money market securities	-	11,386,362	-	11,386,362
- Quoted shares	12,740	-	-	12,740
- Unquoted shares	-	37,469	721,045	758,514
- Unquoted corporate bonds and sukuk	-	14,233,555	-	14,233,555
	<u>1,856,685</u>	<u>34,830,604</u>	<u>721,074</u>	<u>37,408,363</u>
Financial liabilities measured at fair value				
Derivative financial liabilities	30,502	991,191	-	1,021,693
Financial liabilities at fair value through profit or loss				
- Quoted securities	68,022	-	-	68,022
	<u>98,524</u>	<u>991,191</u>	<u>-</u>	<u>1,089,715</u>
Company 30.06.2024	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	-	1,209	-	1,209
Company 31.03.2024				
Financial assets measured at fair value				
Financial assets at fair value through profit or loss				
- Unit trusts	-	1,198	-	1,198

A30. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONT'D.)

Movements in Level 3 financial instruments measured at fair value

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

Group	Financial assets at FVTPL RM'000	Financial investments at FVOCI RM'000	Total RM'000
30.06.2024			
Balance at beginning of the financial period	29	721,045	721,074
Total gains recognised in other comprehensive income under fair value reserve	-	86,764	86,764
Balance at end of the financial period	<u>29</u>	<u>807,809</u>	<u>807,838</u>
31.03.2024			
Balance at beginning of the financial year	33	682,858	682,891
Loss on revaluation of financial assets at FVTPL taken up in statement of profit or loss	(4)	-	(4)
Total gains recognised in other comprehensive income under fair value reserve	-	38,187	38,187
Balance at end of the financial year	<u>29</u>	<u>721,045</u>	<u>721,074</u>

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

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

Group	30.06.2024 RM'000	31.03.2024 RM'000
Financial assets at FVTPL:		
Total loss included in:		
- investment and trading income in statement of profit or loss	-	(4)
Financial investments at FVOCI:		
Total gains included in:		
- fair value reserve in statement of comprehensive income	86,764	38,187

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.

A31. CAPITAL ADEQUACY

- (a) As of 31 March 2024, the Capital Adequacy Ratios were computed based on BNM's policy documents on Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework for Islamic Banks (Capital Components) issued on 15 December 2023, where the Group's and the banking subsidiaries had applied transitional arrangements on provision for Expected Credit Loss ("ECL"). Under the transitional arrangements, the Group is allowed to add back a portion of loss allowance for non-credit-impaired exposure (i.e. Stage 1 and Stage 2 provisions) to Common Equity Tier 1 ("CET1") Capital from financial year 2021 to financial year 2024.

The capital adequacy ratios with transitional arrangements of the Group and the banking subsidiaries are as follows:

	31.03.2024			Group
	AmBank	AmBank Islamic	AmInvestment Bank*	
Before deducting proposed dividends:				
CET1 Capital Ratio	13.437%	13.103%	27.952%	13.745%
Tier 1 Capital Ratio	13.437%	13.103%	27.952%	13.746%
Total Capital Ratio	18.057%	17.774%	28.846%	16.929%
After deducting proposed dividends:				
CET1 Capital Ratio	12.927%	13.047%	27.952%	13.304%
Tier 1 Capital Ratio	12.927%	13.047%	27.952%	13.304%
Total Capital Ratio	17.547%	17.719%	28.846%	16.487%

* No final dividend proposed for the financial year ended 31 March 2024.

- (b) Effective 1 April 2024, the transitional arrangements have ended and the capital adequacy ratios of the Group and the banking subsidiaries are computed in accordance with BNM's policy documents on Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework for Islamic Banks (Capital Components) issued on 14 June 2024.

The capital adequacy ratios without transitional arrangements of the Group and the banking subsidiaries are as follows:

	30.06.2024			Group
	AmBank	AmBank Islamic	AmInvestment Bank	
Before/After deducting proposed dividends:**				
CET1 Capital Ratio	12.905%	13.038%	40.732%	13.240%
Tier 1 Capital Ratio	12.905%	13.038%	40.732%	13.240%
Total Capital Ratio	17.608%	17.835%	41.567%	16.519%
Before deducting proposed dividends:				
CET1 Capital Ratio	13.185%	12.808%	27.951%	13.481%
Tier 1 Capital Ratio	13.185%	12.808%	27.951%	13.482%
Total Capital Ratio	17.856%	17.530%	28.846%	16.745%
After deducting proposed dividends:				
CET1 Capital Ratio	12.675%	12.753%	27.951%	13.040%
Tier 1 Capital Ratio	12.675%	12.753%	27.951%	13.040%
Total Capital Ratio	17.346%	17.475%	28.846%	16.303%

** No interim dividend proposed for the financial period ended 30 June 2024.

Notes:

- (1) 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.

A31. CAPITAL ADEQUACY (CONT'D.)

Notes: (Cont'd.)

(2) Pursuant to BNM's policy documents on 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) a Capital Conservation Buffer ("CCB") of 2.5%;
 - (b) a Countercyclical Capital Buffer ("CCyB") determined as the weighted-average of the prevailing CCyB rates applied in the jurisdictions in which the 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
 - (c) a Higher Loss Absorbency ("HLA") requirement for a financial institution that is designated as a domestic systemically important bank ("D-SIB").
- (c) The components of CET1 Capital, Additional Tier 1 Capital, Tier 2 Capital and Total Capital of the Group and its banking subsidiaries are as follows:

	30.06.2024			
	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	8,108,570	3,315,635	194,719	11,481,998
Fair value reserve	491,407	9,997	1,816	706,245
Foreign exchange translation reserve	124,790	-	-	131,388
Treasury shares	-	-	-	(34,180)
Regulatory reserve	192,766	51,540	10,189	254,495
Cash flow hedging deficit	(691)	-	-	(691)
Other remaining disclosed reserves	-	-	-	39,140
Less: Regulatory adjustments applied on CET1 Capital				
- Goodwill	-	-	-	(303,492)
- Other intangible assets	(122,360)	(272)	(3,497)	(127,057)
- Deferred tax assets	(160,618)	(47,004)	(36,537)	(235,205)
- 55% of cumulative gains in fair value reserve	(270,274)	(5,499)	(999)	(388,435)
- Cash flow hedging deficit	691	-	-	691
- Regulatory reserve	(192,766)	(51,540)	(10,189)	(254,495)
- Investment in capital instruments of unconsolidated financial and insurance/ takaful entities	(1)	-	(49,809)	(1,334,000)
- Unrealised fair value gains on financial liabilities due to changes in own credit risk	(1,099)	(35)	-	(1,109)
CET1 Capital	11,210,880	4,659,929	435,693	16,311,533
<u>Additional Tier 1 Capital</u>				
Qualifying CET1, Additional Tier 1 Capital instruments held by third parties	-	-	-	430
Tier 1 Capital	11,210,880	4,659,929	435,693	16,311,963
<u>Tier 2 Capital</u>				
Tier 2 Capital instruments meeting all relevant criteria for inclusion	3,095,000	1,300,000	-	-
Qualifying CET1, Additional Tier 1 and Tier 2 Capital instruments held by third parties	-	-	-	2,635,302
General provisions***	990,135	414,599	8,929	1,404,046
Tier 2 Capital	4,085,135	1,714,599	8,929	4,039,348
Total Capital	15,296,015	6,374,528	444,622	20,351,311
The breakdown of the risk-weighted assets ("RWA") in various categories of risk are as follows:				
Credit RWA	79,210,825	34,386,970	714,306	112,324,935
Less: Credit RWA absorbed by Profit Sharing Investment Account	-	(1,219,042)	-	(1,265)
Total Credit RWA	79,210,825	33,167,928	714,306	112,323,670
Market RWA	2,254,949	432,457	2,769	2,676,906
Operational RWA	5,406,208	2,140,820	352,575	8,200,662
Total RWA	86,871,982	35,741,205	1,069,650	123,201,238

A31. CAPITAL ADEQUACY (CONT'D.)

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

	31.03.2024			
	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	8,561,556	3,344,076	191,226	12,042,847
Fair value reserve	411,695	8,390	1,912	624,239
Foreign exchange translation reserve	124,851	-	-	131,449
Treasury shares	-	-	-	(29,079)
Regulatory reserve	188,146	43,368	13,682	245,196
Cash flow hedging deficit	(1,029)	-	-	(1,029)
Other remaining disclosed reserves	-	-	-	36,504
Less: Regulatory adjustments applied on CET1 Capital				
- Goodwill	-	-	-	(303,492)
- Other intangible assets	(123,528)	(220)	(3,068)	(127,802)
- Deferred tax assets	(198,535)	(52,449)	(40,964)	(281,745)
- 55% of cumulative gains in fair value reserve	(226,432)	(4,615)	(1,052)	(343,332)
- Cash flow hedging deficit	1,029	-	-	1,029
- Regulatory reserve	(188,146)	(43,368)	(13,682)	(245,196)
- Investment in capital instruments of unconsolidated financial and insurance/ takaful entities	(1)	-	(49,809)	(1,334,000)
- Unrealised fair value gains on financial liabilities due to changes in own credit risk	(1,354)	(44)	-	(1,359)
- Other CET1 regulatory adjustments specified by BNM [^]	221,599	107,754	9	328,783
CET1 Capital	11,810,316	4,789,999	428,254	17,119,253
<u>Additional Tier 1 Capital</u>				
Qualifying CET1, Additional Tier 1 Capital instruments held by third parties	-	-	-	434
Tier 1 Capital	11,810,316	4,789,999	428,254	17,119,687
<u>Tier 2 Capital</u>				
Tier 2 Capital instruments meeting all relevant criteria for inclusion	3,095,000	1,300,000	-	-
Qualifying CET1, Additional Tier 1 and Tier 2 Capital instruments held by third parties	-	-	-	2,578,486
General provisions ^{***}	965,363	407,645	13,694	1,386,039
Tier 2 Capital	4,060,363	1,707,645	13,694	3,964,525
Total Capital	15,870,679	6,497,644	441,948	21,084,212
The breakdown of the risk-weighted assets ("RWA") in various categories of risk are as follows:				
Credit RWA	80,811,594	35,468,914	1,164,364	114,352,333
Less: Credit RWA absorbed by Profit Sharing Investment Account	-	(1,371,871)	-	(1,441)
Total Credit RWA	80,811,594	34,097,043	1,164,364	114,350,892
Market RWA	1,708,904	345,524	15,539	2,058,484
Operational RWA	5,370,458	2,114,545	352,208	8,136,666
Total RWA	87,890,956	36,557,112	1,532,111	124,546,042

[^] Refers to adjustments on transitional arrangements as per Note A31(a).

^{***} Consists of Stage 1 and Stage 2 loss allowances and regulatory reserve subject to a maximum 1.25% of total credit RWA.

A32. DISCONTINUED OPERATION

STATEMENT OF PROFIT OR LOSS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2024

	Group			
	Individual Quarter		Cumulative Quarter	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000
Gain on disposal of subsidiary*, representing profit before/after taxation from discontinued operation	-	51,115	-	51,115
Attributable to:				
Equity holders of the Company	-	26,069	-	26,069
Non-controlling interests	-	25,046	-	25,046
	-	51,115	-	51,115

* Arose from the finalisation of sales consideration of disposal of AmGeneral Insurance Berhad.

A33. OPERATIONS OF ISLAMIC BANKING

**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024**

	Note	Group	
		30.06.2024 RM'000	31.03.2024 RM'000
ASSETS			
Cash and short-term funds		1,157,754	775,179
Derivative financial assets		28,396	41,917
Financial assets at fair value through profit or loss		2,617,694	3,235,806
Financial investments at fair value through other comprehensive income		7,342,236	6,713,908
Financial investments at amortised cost		3,834,735	3,859,657
Financing and advances	(a)	44,262,985	44,982,387
Statutory deposit with Bank Negara Malaysia		960,000	920,000
Deferred tax assets		46,955	52,425
Other assets		355,241	1,560,059
Property and equipment		209	251
Right-of-use assets		1,906	1,981
Intangible assets		272	220
TOTAL ASSETS		60,608,383	62,143,790
LIABILITIES AND ISLAMIC BANKING FUNDS			
Deposits from customers	(b)	45,595,684	48,234,293
Investment accounts of customers	(c)	14,162	14,059
Deposits and placements of banks and other financial institutions		1,062,685	2,915,211
Investment account due to a licensed bank	(d)	1,214,571	1,366,363
Securities sold under repurchase agreements		2,214,129	-
Recourse obligation on financing sold to Cagamas Berhad		2,215,005	2,215,002
Derivative financial liabilities		28,419	41,030
Term funding		1,634,994	834,977
Subordinated Sukuk		1,300,000	1,300,000
Other liabilities	(e)	426,849	439,914
TOTAL LIABILITIES		55,706,498	57,360,849
Share capital/Capital funds		1,387,107	1,387,107
Reserves		3,514,778	3,395,834
TOTAL ISLAMIC BANKING FUNDS		4,901,885	4,782,941
TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS		60,608,383	62,143,790
COMMITMENTS AND CONTINGENCIES		13,999,938	14,330,865

A33. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

**UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2024**

Group	Note	Individual Quarter		Cumulative Quarter	
		30.06.2024 RM'000	30.06.2023 RM'000	30.06.2024 RM'000	30.06.2023 RM'000
Income derived from investment of depositors' funds	1	645,484	660,994	645,484	660,994
Income derived from investment of investment account funds		14,872	15,471	14,872	15,471
Income derived from Islamic banking funds	1	69,674	59,151	69,674	59,151
Writeback of/(Allowances for) impairment on financing and advances - net		3,849	(32,310)	3,849	(32,310)
Writeback of/(Allowances for) impairment on:					
- Financial investments		620	(7,248)	620	(7,248)
- Other financial assets		-	(19)	-	(19)
Writeback of provision for commitments and contingencies		935	1,441	935	1,441
Total distributable income		735,434	697,480	735,434	697,480
Income attributable to the depositors and others		(392,439)	(404,991)	(392,439)	(404,991)
Income attributable to the investment account holders		(13,294)	(13,827)	(13,294)	(13,827)
Total net income		329,701	278,662	329,701	278,662
Other operating expenses		(123,413)	(117,777)	(123,413)	(117,777)
Finance costs		(25,966)	(21,974)	(25,966)	(21,974)
Profit before taxation and zakat		180,322	138,911	180,322	138,911
Taxation and zakat		(42,716)	(31,618)	(42,716)	(31,618)
Profit for the financial period		137,606	107,293	137,606	107,293

1 Included the net loss of RM31,000 (30 June 2023: net loss of RM549,000) from measures implemented in response to COVID-19 pandemic.

**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2024**

Group	Individual Quarter		Cumulative Quarter	
	30.06.2024 RM'000	30.06.2023 RM'000	30.06.2024 RM'000	30.06.2023 RM'000
Profit for the financial period	137,606	107,293	137,606	107,293
Other comprehensive income/(loss):				
Items that will not be reclassified subsequently to statement of profit or loss				
<u>Equity Instruments</u>				
Financial investments at FVOCI				
- net unrealised gain on changes in fair value	4,966	-	4,966	-
- tax effect	(1,192)	-	(1,192)	-
	3,774	-	3,774	-
Items that may be reclassified subsequently to statement of profit or loss				
<u>Debt Instruments</u>				
Financial investments at FVOCI				
- net unrealised (loss)/gain on changes in fair value	(2,409)	4,567	(2,409)	4,567
- changes in ECL	(336)	2,951	(336)	2,951
- net gain reclassified to profit or loss	-	(1,353)	-	(1,353)
- tax effect	578	(771)	578	(771)
	(2,167)	5,394	(2,167)	5,394
Other comprehensive income for the financial period, net of tax	1,607	5,394	1,607	5,394
Total comprehensive income for the financial period	139,213	112,687	139,213	112,687

A33. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2024**

Group	Non-Distributable		Distributable		Total Equity RM'000
	Share capital/ Capital funds RM'000	Regulatory reserve RM'000	Fair value reserve RM'000	Retained earnings RM'000	
At 01.04.2023	1,387,107	-	(9,188)	3,022,623	4,400,542
Profit for the financial period	-	-	-	107,293	107,293
Other comprehensive income, net	-	-	5,394	-	5,394
Total comprehensive income for the financial period	-	-	5,394	107,293	112,687
At 30.06.2023	1,387,107	-	(3,794)	3,129,916	4,513,229
At 01.04.2024	1,387,107	43,368	8,390	3,344,076	4,782,941
Profit for the financial period	-	-	-	137,606	137,606
Other comprehensive income, net	-	-	1,607	-	1,607
Total comprehensive income for the financial period	-	-	1,607	137,606	139,213
Transfer to regulatory reserve	-	8,172	-	(8,172)	-
Dividend paid	-	-	-	(20,269)	(20,269)
	-	8,172	-	(28,441)	(20,269)
At 30.06.2024	1,387,107	51,540	9,997	3,453,241	4,901,885

A33. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(a) Financing and Advances

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

Group	Bai' Bithaman	Murabahah	Musharakah	Al-Ijarah Thummah	Bai' Inah	Others	Total
30.06.2024	Ajil	RM'000	Mutanaqisah	Al-Bai' ("AITAB")	RM'000	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At amortised cost							
Cash lines	-	563,524	-	-	453,503	-	1,017,027
Term financing	276,405	14,140,287	6,837	-	381,176	-	14,804,705
Revolving credit	1,883	4,579,194	-	-	558,965	-	5,140,042
Housing financing	2,207,149	11,984,990	35,561	-	-	-	14,227,700
Hire purchase receivables	3	-	-	5,465,166	-	-	5,465,169
Bills receivables	-	790,889	-	-	-	100,488	891,377
Credit card receivables	-	-	-	-	-	545,414	545,414
Trust receipts	-	525,179	-	-	-	-	525,179
Staff financing	-	21,487	-	-	-	-	21,487
Claims on customers under acceptance credits	-	1,913,481	-	-	-	327,382	2,240,863
Others	-	-	-	-	-	10,969	10,969
Gross financing and advances*	<u>2,485,440</u>	<u>34,519,031</u>	<u>42,398</u>	<u>5,465,166</u>	<u>1,393,644</u>	<u>984,253</u>	<u>44,889,932</u>
Less: Allowances for ECL							
- Stage 1 - 12-months ECL							(95,897)
- Stage 2 - Lifetime ECL not credit impaired							(340,606)
- Stage 3 - Lifetime ECL credit impaired							(190,444)
Net financing and advances							<u>44,262,985</u>

A33. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

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

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

Group	Bai' Bithaman Ajil RM'000	Murabahah RM'000	Musharakah Mutanaqisah RM'000	Al-Ijarah Thummah Al-Bai' ("AITAB") RM'000	Bai' Inah RM'000	Others RM'000	Total RM'000
31.03.2024							
At amortised cost							
Cash lines	-	622,102	-	-	459,810	-	1,081,912
Term financing	288,240	14,447,065	6,947	-	432,488	-	15,174,740
Revolving credit	1,947	4,904,320	-	-	638,926	-	5,545,193
Housing financing	2,246,277	11,721,324	36,315	-	-	-	14,003,916
Hire purchase receivables	3	-	-	5,520,834	-	-	5,520,837
Bills receivables	-	810,117	-	-	-	104,871	914,988
Credit card receivables	-	-	-	-	-	546,005	546,005
Trust receipts	-	458,832	-	-	-	-	458,832
Staff financing	-	22,921	-	-	-	-	22,921
Claims on customers under acceptance credits	-	1,996,785	-	-	-	324,271	2,321,056
Others	-	-	-	-	-	35,190	35,190
Gross financing and advances*	<u>2,536,467</u>	<u>34,983,466</u>	<u>43,262</u>	<u>5,520,834</u>	<u>1,531,224</u>	<u>1,010,337</u>	<u>45,625,590</u>
Less: Allowances for ECL							
- Stage 1 - 12-months ECL							(109,080)
- Stage 2 - Lifetime ECL not credit impaired							(337,673)
- Stage 3 - Lifetime ECL credit impaired							(196,450)
Net financing and advances							<u>44,982,387</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.

A33. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

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

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

	Group	
	30.06.2024 RM'000	31.03.2024 RM'000
Balance at beginning of the financial period/year	655,234	521,155
Additions during the financial period/year	184,449	836,529
Reclassified as non-impaired	(100,987)	(79,347)
Recoveries	(60,299)	(344,648)
Amount written off	(33,433)	(278,455)
Balance at end of the financial period/year	644,964	655,234
Gross impaired financing and advances as % of gross financing and advances	1.44%	1.44%
Financing loss coverage (including regulatory reserve)	108.2%	107.9%

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

Group	Stage 1	Stage 2	Stage 3	Total
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
30.06.2024				RM'000
Balance at beginning of the financial period	109,080	337,673	196,450	643,203
Net (writeback of)/allowances for ECL	(13,199)	2,933	27,427	17,161
Transfer to 12-month ECL (Stage 1)	3,932	(20,681)	(2,560)	(19,309)
Transfer to Lifetime ECL not credit impaired (Stage 2)	(5,157)	36,573	(15,065)	16,351
Transfer to Lifetime ECL credit impaired (Stage 3)	(174)	(10,936)	25,210	14,100
New financial assets originated	9,685	8,037	21	17,743
Net remeasurement of allowances	(10,266)	(12,584)	39,752	16,902
Changes in model assumptions and methodologies	-	9,939	-	9,939
Modification of contractual cash flows of financial assets	(446)	(1,338)	(5,727)	(7,511)
Financial assets derecognised	(10,773)	(6,077)	(14,204)	(31,054)
Foreign exchange differences	16	-	-	16
Amount written off	-	-	(33,433)	(33,433)
Balance at end of the financial period	95,897	340,606	190,444	626,947

Note 1

A33. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

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

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

Group 31.03.2024	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	74,502	441,391	163,096	678,989
Net allowances for/(writeback of) ECL	34,499	(40,838)	311,809	305,470
Transfer to 12-month ECL (Stage 1)	6,995	(40,012)	(2,767)	(35,784)
Transfer to Lifetime ECL not credit impaired (Stage 2)	(3,600)	51,324	(10,453)	37,271
Transfer to Lifetime ECL credit impaired (Stage 3)	(426)	(21,841)	83,098	60,831
New financial assets originated	28,374	31,314	7,306	66,994
Net remeasurement of allowances	4,925	2,783	247,226	254,934
Changes in model assumptions and methodologies	12,953	(15,955)	21,753	18,751
Modification of contractual cash flows of financial assets	222	(7,007)	5,432	(1,353)
Financial assets derecognised	(14,944)	(41,444)	(39,786)	(96,174)
Transfer to other assets	-	(62,900)	-	(62,900)
Foreign exchange differences	79	20	-	99
Amount written off	-	-	(278,455)	(278,455)
Balance at end of the financial year	Note 1 109,080	337,673	196,450	643,203

Note:

1 As at 30 June 2024, the gross exposure (including profit receivable) relating to RA financing amounted to RM1,217.8 million (31 March 2024: RM1,370.4 million). ECL allowances relating to the RA financing which amounted to RM1.4 million (31 March 2024: RM1.8 million) is taken up by AmBank.

(b) Deposits From Customers

	Group	
	30.06.2024 RM'000	31.03.2024 RM'000
By type of deposit:		
Savings deposits		
Commodity Murabahah	3,686,696	3,929,316
Qard	49,334	39,883
Demand deposits		
Commodity Murabahah	11,455,921	14,273,884
Qard	182,685	125,735
Term deposits		
Commodity Murabahah	29,830,481	29,535,968
Qard	390,567	329,507
	<u>45,595,684</u>	<u>48,234,293</u>

The deposits are sourced from the following types of customers:

	Group	
	30.06.2024 RM'000	31.03.2024 RM'000
Business enterprises	23,855,100	28,240,844
Government and statutory bodies	4,161,022	4,743,809
Individuals	16,705,907	14,155,295
Others	873,655	1,094,345
	<u>45,595,684</u>	<u>48,234,293</u>

A33. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

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

The maturity structure of term deposits are as follows:

	Group	
	30.06.2024	31.03.2024
	RM'000	RM'000
Due within six months	21,005,960	24,778,812
Over six months to one year	8,961,841	4,729,705
Over one year to three years	247,370	339,335
Over three years to five years	5,877	17,623
	30,221,048	29,865,475

(c) Investment Accounts Of Customers

	Group	
	30.06.2024	31.03.2024
	RM'000	RM'000
Unrestricted investment accounts:		
Without maturity		
- Wakalah	12,897	12,619
With maturity		
- Mudarabah	1,265	1,440
	14,162	14,059

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

	Group	
	30.06.2024	31.03.2024
	RM'000	RM'000
Business enterprises	62	55
Individuals	14,100	14,004
	14,162	14,059

	Group	
	30.06.2024	31.03.2024
	RM'000	RM'000
Investment assets:		
Interbank placement (Wakalah)	12,897	12,619
Housing financing (Mudarabah)	1,265	1,440
Total investment	14,162	14,059

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

	Investment account holder		
	Average profit sharing ratio (%)	Average rate of return (%)	Average performance incentive fee (%)
30.06.2024			
Maturity			
- less than 3 months	47.52	0.17	2.94
- over 3 months to 1 year	50.21	2.50	-
31.03.2024			
Maturity			
- less than 3 months	46.85	0.21	2.92
- over 3 months to 1 year	49.95	2.48	-

A33. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(d) Investment Account Due to A Licensed Bank

	Group	
	30.06.2024 RM'000	31.03.2024 RM'000
<u>Restricted investment account ("RA")</u>		
- Mudarabah Muqayyadah	1,214,571	1,366,363
Investment asset:		
Financing	1,214,571	1,366,363
Total investment	1,214,571	1,366,363

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

As at 30 June 2024, the tenure of the RA contracts is for a period of 3 to 6 years (31 March 2024: 3 to 6 years).

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

	Investment account holder			
	30.06.2024		31.03.2024	
	Average profit sharing ratio (%)	Average rate of return (%)	Average profit sharing ratio (%)	Average rate of return (%)
Maturity:				
- over 2 years to 5 years	90	4.02	90	3.89
- more than 5 years	90	4.24	90	4.26

(e) Other Liabilities

	Group	
	30.06.2024 RM'000	31.03.2024 RM'000
Other payables and accruals	373,668	383,506
Deferred income	13,728	14,092
Lease liabilities	1,992	2,064
Provision for reinstatement of leased premises	85	85
Provision for taxation and zakat	6,277	7,841
Allowances for ECL on financing commitments and financial guarantees	19,524	20,462
Advance rentals	11,575	11,864
	426,849	439,914

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

B1. PERFORMANCE REVIEW ON THE RESULTS OF THE GROUP

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

	Group				Group			
	Individual Quarter		Changes		Cumulative Quarter		Changes	
	30.06.2024 RM'000	30.06.2023 RM'000	RM'000	%	30.06.2024 RM'000	30.06.2023 RM'000	RM'000	%
Net Income, from								
- Continuing operations	1,178,541	1,150,784	27,757	2.4	1,178,541	1,150,784	27,757	2.4
- Discontinued operation	-	51,115	(51,115)	(100.0)	-	51,115	(51,115)	(100.0)
	1,178,541	1,201,899	(23,358)	(1.9)	1,178,541	1,201,899	(23,358)	(1.9)
Operating profit before impairment losses, from								
- Continuing operations	657,908	643,060	14,848	2.3	657,908	643,060	14,848	2.3
- Discontinued operation	-	51,115	(51,115)	(100.0)	-	51,115	(51,115)	(100.0)
	657,908	694,175	(36,267)	(5.2)	657,908	694,175	(36,267)	(5.2)
Profit before taxation and zakat from								
- Continuing operations	645,654	452,618	193,036	42.6	645,654	452,618	193,036	42.6
- Discontinued operation	-	51,115	(51,115)	(100.0)	-	51,115	(51,115)	(100.0)
	645,654	503,733	141,921	28.2	645,654	503,733	141,921	28.2
Profit for the financial period	500,130	403,465	96,665	24.0	500,130	403,465	96,665	24.0
Profit attributable to equity holders of the Company	500,197	378,371	121,826	32.2	500,197	378,371	121,826	32.2

Financial year to date - cumulative period ended 30 June 2024 compared to 30 June 2023

The Group reported a net income of RM1,178.5 million (Q1FY2024: RM1,201.9 million). Net interest income ("NII") grew 6.4% YoY to RM860.9 million (Q1FY2024: RM808.7 million), on the back of a 13 basis points ("bps") net interest margin ("NIM") expansion to 1.89% (Q1FY2024: 1.76%). Gross loans, advances and financing grew 2.9% YoY mainly led by Business Banking loans growth of 16.5% YoY. Non-interest income ("Noll") was 19.2% lower YoY to RM317.6 million (Q1FY2024: RM393.2 million) due to non-repeat of the AmGeneral Insurance Berhad divestment gain of RM51.1 million and lower trading and securities gain. Continuing Operations' net income of RM1,178.5 million was 2.4% higher YoY, led by NII growth of 6.4%, offset by a 7.1% decline in Noll.

Overall expenses were up by 2.5% YoY to RM520.6 million, increasing Cost-to-Income ("CTI") to 44.2% (Q1FY2024: 42.2%).

Profit before provisions ("PBP") was 5.2% lower YoY at RM657.9 million (Q1FY2024: RM694.2 million). Continuing Operations PBP of RM657.9 million, however, was 2.3% higher YoY.

Net impairment charges this quarter were lower at RM12.3 million (Q1FY2024: RM190.4 million) due to lower impairment charges in Retail Banking and Business Banking with higher forward-looking reversals arising from favourable changes in macroeconomic variables.

As a result, profit after taxation and minority interest ("PATMI") grew 32.2% YoY to RM500.2 million, culminating in an improved annualised return on equity ("ROE") of 10.2% (Q1FY2024: 8.3%). Return on assets ("ROA") also improved to 1.02% (Q1FY2024: 0.83%). Continuing Operations' PATMI of RM500.2 million grew 42.0% YoY.

Divisional performance

Retail Banking - Profit after taxation ("PAT") of RM87.0 million

PAT increased RM46.4 million YoY to RM87.0 million mainly from higher income and lower net impairment, partially offset by higher operating expenses.

Income grew 2.2% YoY to RM475.4 million, driven by a 29.9% YoY Noll growth from foreign exchange ("FX") and Wealth Management, partly offset by margin compression. Operating expenses increased marginally by 1.0% YoY. Net impairment charge was lower at RM74.2 million (Q1FY2024: RM127.8 million) mainly due to writeback of forward-looking provisions.

Gross loans, advances and financing increased 0.8% YoY to RM73.8 billion driven by mortgages while total deposits increased 8.1% YoY to RM65.1 billion.

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

Divisional performance (Cont'd.)

Business Banking - PAT of RM196.8 million

PAT increased by RM145.7 million YoY to RM196.8 million mainly due to higher income and writeback of impairment and provision, partially offset by higher operating expenses.

Income grew 18.0% YoY to RM317.6 million driven by a 15.4% YoY growth in NII from strong loans growth and higher NIM. Noll grew 26.4% YoY from higher loan-related fees and FX income. Operating expense was 4.3% higher YoY at RM92.9 million. Q1FY2025 recorded writeback of impairment and provision amounting to RM32.4 million (Q1FY2024: impairment charge and provision of RM113.6 million).

Gross loans, advances and financing increased 16.5% YoY to RM38.7 billion, while total deposits recorded a 28.5% increase YoY to RM28.5 billion.

Wholesale Banking - PAT of RM162.2 million

PAT decreased RM70.6 million YoY to RM162.2 million mainly attributable to lower income, higher operating expenses and lower writeback of net impairment.

Income decreased 19.6% YoY to RM269.0 million mainly due to lower Noll, partially offset by a 9.9% YoY growth in NII. Operating expenses increased marginally by 2.8% YoY to RM85.8 million. Net impairment writeback was lower at RM26.5 million (Q1FY2024: RM49.1 million).

Gross loans, advances and financing declined 10.5% YoY to RM18.0 billion, while total deposits decreased 16.2% YoY to RM48.1 billion.

(i) Corporate and Transaction Banking - PAT of RM78.9 million

PAT decreased RM35.5 million YoY to RM78.9 million mainly due to lower income and lower writeback of net impairment.

Income decreased 3.5% YoY to RM129.3 million, driven by a 2.0% YoY decline in NII. Operating expenses increased 3.8% YoY to RM49.7 million. Net impairment writeback was lower at RM24.2 million (Q1FY2024: RM64.1 million) due to lower writeback of impairment on loans, advances and financing.

Gross loans, advances and financing declined 10.5% YoY to RM18.0 billion, while total deposits increased 14.6% YoY to RM11.4 billion.

(ii) Group Treasury and Markets - PAT of RM83.3 million

PAT decreased 29.7% YoY to RM83.3 million mainly due to lower income and higher operating expenses, partially offset by net writeback of impairment on financial investments and other financial assets.

Income reduced RM60.7 million or 30.3% YoY due to lower trading and securities gains.

Investment Banking and Funds Management - PAT of RM37.1 million

PAT increased 35.3% YoY to RM37.1 million. This was attributable to income rising 10.1% YoY to RM99.9 million underpinned by strong fee income from Broking and Private Banking, coupled with writeback of impairment, partially offset by lower funds management income and higher operating expenses which grew 5.1% YoY. Funds Management delivered a PAT of RM19.0 million (Q1FY2024: RM20.9 million) with assets under management ("AUM") growth of 6.4% YoY to RM51.4 billion (Q1FY2024: RM48.3 billion).

Insurance (Continuing Operations) - PAT of RM29.4 million

Insurance businesses PAT grew 219.5% YoY to RM29.4 million mainly due to higher premium and lower reserves, partially offset by higher claims. The results of the Group's life insurance, family takaful and general insurance businesses were equity accounted to reflect the Group's effective equity interests in the respective joint ventures and associate.

Others - Loss after taxation ("LAT") of RM12.3 million

This segment comprises activities supporting operations of the Group's main business units and non-core operations. Higher LAT was mainly due to higher taxation charge, partially offset by improved net income.

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

Divisional performance (Cont'd.)

General Insurance (Discontinued Operation)

A non-repeat gain of RM51.1 million was recorded in Q1FY2024 upon the completion of the divestment of AmGeneral Insurance Berhad. After adjusting for minority interest, PATMI attributable to shareholders was RM26.1 million.

Islamic Banking – Profit after taxation and zakat ("PATZ") of RM137.6 million

PATZ increased 28.3% YoY to RM137.6 million. Total income grew marginally 1.2% YoY to RM298.3 million driven by an 8.9% YoY growth in NII due to NIM expansion coupled with lower net impairment. Operating expenses increased 4.8% YoY to RM123.4 million.

Commentary on key components of financial statements

The Group's gross impaired loans, advances and financing ("GIL") ratio was at 1.70% (FY2024: 1.67%) with a loan/financing loss coverage (including regulatory reserves) of 107.6% (FY2024: 109.5%). The Group continues to monitor its asset quality vigilantly.

Total gross loans, advances and financing decreased by a marginal 1.1% year to date ("YTD") to RM132.7 billion (FY2024: RM134.1 billion), mainly due to a large loan repayment in Wholesale Banking, offset by growth in Business Banking (increased RM0.6 billion or +1.5% YTD).

Total customer deposits decreased 4.8% YTD to RM135.5 billion (FY2024: RM142.4 billion) as the Group managed its cost of funds and diversified funding sources to improve margins. Time deposits remained flat YTD at RM89.7 billion (FY2024: RM89.6 billion) while current account savings accounts ("CASA") decreased 13.3% YTD to RM45.8 billion (FY2024: RM52.8 billion). CASA mix declined to 33.8% (FY2024: 37.1%).

Capital ratios improved further underpinned by RWA reduction from asset repayments and improved reserves from the fair value through other comprehensive income ("FVOCI") portfolio. The Group's CET1 improved to 13.24% (FY2024: 13.04%) while total capital ratio ("TCR") improved to 16.52% (FY2024: 16.30%). If Q1FY2025 unverified profits were included, CET1 would improve further to 13.68% while TCR would improve to 16.96%.

The Group remained highly liquid with an liquidity coverage ratio ("LCR") of 167.9% (FY2024: 164.6%) while loan-to-deposit ratio ("LDR") was slightly higher at 97.9% (FY2024: 94.2%).

B2. REVIEW OF MATERIAL CHANGES IN PROFIT BEFORE TAXATION

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

	Group			
	Individual Quarter		Changes	
	30.06.2024	31.03.2024	RM'000	%
	RM'000	RM'000		
Net Income	1,178,541	1,169,672	8,869	0.8
Operating profit before impairment losses, from continuing operations	657,908	640,003	17,905	2.8
Profit before taxation and zakat from continuing operations	645,654	619,715	25,939	4.2
Profit for the financial quarter	500,130	476,636	23,494	4.9
Profit attributable to equity holders of the Company	500,197	476,536	23,661	5.0

For the financial quarter under review, the Group's total income was higher 0.8% quarter-on-quarter ("QoQ") to RM1,178.5 million. The Group's NII increased 4.6% QoQ to RM860.9 million mainly driven by 10bps NIM improvement to 1.89%. However, this was partially offset by lower Noll, decreased 8.3% QoQ to RM317.6 million largely due to lower group treasury and markets ("GTM") trading income and lower non-flow income from Investment Banking, mainly due to lower corporate advisory fees from Corporate Finance.

Total operating expenses decreased by 1.7% QoQ to RM520.6 million from lower bonus and long term incentive ("LTI") provisions, partly offset by annual salary increment and higher computerisation costs. CTI was lower at 44.2%.

PBP was higher 2.8% QoQ at RM657.9 million.

B2. REVIEW OF MATERIAL CHANGES IN PROFIT BEFORE TAXATION (CONT'D.)

Net impairment charge was lower at RM12.3 million (Q4FY2024: RM20.3 million) due to lower allowances for impairment on loans, advances and financing in current quarter, higher writeback of impairment of financial investments and higher writeback of provision for commitments and contingencies.

Against the preceding quarter, profit before taxation and zakat from continuing operations for the current quarter is higher at RM645.7 million, an increase of RM25.9 million or 4.2%.

PATMI for the financial quarter was higher by RM23.7 million or 5.0% to RM500.2 million compared to the preceding quarter.

B3. PROSPECTS FOR THE NEXT FINANCIAL YEAR END

Recently, the United States ("US") Federal Reserve ("Fed") signalled that rate cuts during the upcoming September meeting is 'on the table', giving investors the good news they have been waiting for. The signal underpins that the Fed is now focusing less on inflationary pressure and more on the softening labour market. Latest data suggests the world's biggest economy is cooling steadily amid the unprecedented policy tightening. Nonetheless, the Fed officials conveyed mixed messages as most of them are still not ready to start lowering the Federal Funds Rate ("FFR"), highlighting not to let the risk of "moving too early" to materialise. Overall, global markets are now expecting the Fed to start cutting the FFR during September meeting but pared their bets on a larger 50bps as data only suggests 'soft-landing' scenario and not a 'hard-landing' one. In the meantime, both the Eurozone's and United Kingdom's economies continue to limp along after it overcame the technical recession experienced in the second half of calendar year ("CY") 2023.

The European Central Bank ("ECB") took its first step in doing so during June's policy meeting and further established itself among the earliest major central banks to ease its monetary policy. The ECB continues to be cautious as disinflation progress seemed to be stalling, holding rates unchanged during recent July meeting but kept the 'door open' for a September cut amidst downside risks. In the United Kingdom ("UK"), the Bank of England ("BoE") took its first rate cut decision since 2020 but the tight voting of 5-4 denoting a more measured rate cut cycle compared to other central banks. This is appropriate in our view, as looking past headline inflation, certain components of inflation such as services remain too hot.

We anticipate continued support for growth from domestic demand and recovery in the external trade for the rest of CY2024. The possible statutory minimum wage revision, civil servants' wage review, EPF's Flexible (Account 3) withdrawals, progressive wage model and continued subsidies for lower-income household groups will help support domestic consumption. Furthermore, tourism and related sectors are improving. Market indicators suggest that the semiconductor industry reached its low point at the end of the first half of CY2023 and has since embarked on a path to recovery, offering positive prospects for CY2024.

Thanks to the surprisingly good print in second quarter of CY2024 which saw Malaysia's economy surged to 5.9% YoY (first quarter of CY2024: 4.2% YoY), we believe this year's growth will hover closer to 5.0%, falling at the upper official range of 4.0% to 5.0%. However, it's important to note that this forecast is subject to potential risks, such as global economic conditions and geopolitical tensions, which could affect the recovery of the semiconductor industry and the overall Gross Domestic Products ("GDP") growth.

For the banking sector, the outstanding loans grew by 6.4%YoY in June 2024, the highest growth since 2022. Interestingly, both the household and non-household segment loans expanded by 6.4% YoY. We anticipate loans growth to be in the range of 5.0% to 6.0% in lieu of promising GDP growth for the year. The overall banking system remains highly liquid. This is reflected by the LCR of 155.2% in June 2024. The funding profile remains well-diversified, with June 2024's loan-to-fund ratio and loan-to-fund-and-equity ratio at 82.8% and 72.1%, respectively.

We believe the Overnight Policy Rate ("OPR") will be maintained at its current rate of 3.0% throughout CY2024. However, the rollout of subsidy rationalisation and wage growth may add some inflationary pressure in the second half of the year and beyond. However, our baseline view suggests that the OPR could go up in first quarter of CY2025 when the growth momentum is at the full speed. We are not discounting an earlier hike should the current momentum persists into second half of CY2024.

The Group began its FY2025 with a strong Q1FY2025 with solid PATMI on the back of improved NIM and lower provisions. At the same time, the Group kept CTI flat and achieved a ROA of above 1%. The Group's financial performance in Q1FY2025 is in line with the financial goals in the Group Chief Executive Officer's newly unveiled 5-year plan, dubbed "Winning Together", to propel the Group into its next growth phase. Having observed the positive economic momentum across all sectors in CY2024 so far, the Group remains optimistic on its FY2025 prospects.

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

Moving forward, the Group's strategic focus will be on driving its SME and Mid Corp segments to lead lending growth, building out its wealth management offerings and developing efficient supply chain solutions for customers. The Group will continue to invest in technology, in line with its digitalisation agenda, to achieve operational excellence through improved process efficiency and the development of productivity tools. To future-proof its workforce, the Group will strengthen its talent pool by acquiring and developing new skills and capabilities as required. Sustainability continues to be at the forefront of our key priorities as our legitimacy to operate and to reinforce our franchise.

Simultaneously, the Group commits to maintaining healthy liquidity levels and the continuous strengthening of capital base while closely monitoring asset quality to mitigate balance sheet related risks.

B4. VARIANCE FROM PROFIT FORECAST AND SHORTFALL FROM PROFIT GUARANTEE

This is not applicable to the Group.

B5. TAXATION AND ZAKAT

Group	Individual Quarter		Cumulative Quarter	
	30.06.2024 RM'000	30.06.2023 RM'000	30.06.2024 RM'000	30.06.2023 RM'000
<u>Continuing operations</u>				
Estimated current tax payable	94,465	65,034	94,465	65,034
Deferred tax	51,505	37,930	51,505	37,930
	<u>145,970</u>	<u>102,964</u>	<u>145,970</u>	<u>102,964</u>
Over provision of current taxation in respect of prior years	<u>(2,223)</u>	<u>(3,334)</u>	<u>(2,223)</u>	<u>(3,334)</u>
Taxation	<u>143,747</u>	<u>99,630</u>	<u>143,747</u>	<u>99,630</u>
Zakat	<u>1,777</u>	<u>638</u>	<u>1,777</u>	<u>638</u>
Taxation and zakat	<u>145,524</u>	<u>100,268</u>	<u>145,524</u>	<u>100,268</u>

The total tax charge of the Group for the financial period ended 30 June 2024 and 30 June 2023 reflects an effective tax rate which is lower than the statutory tax rate mainly due to income not subject to tax and expenses not deductible.

B6. BORROWINGS AND DEBT SECURITIES

Group	Long term*		Short term*		Total	
	Foreign denomination USD'000	RM denomination RM'000	Foreign denomination USD'000	RM denomination RM'000	Foreign denomination USD'000	RM denomination RM'000
30.06.2024						
Unsecured						
Term funding	-	4,454,608	-	1,195,002	-	5,649,610
Debt capital	-	4,395,000	-	-	-	4,395,000
30.06.2023						
Unsecured						
Term funding	-	1,165,330	100,000 ^	890,038	100,000	2,055,368
Debt capital	-	4,395,000	-	1,000,000	-	5,395,000

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

As at 30 June 2023, 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
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
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

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
May 2024 - Issuance	AmBank Islamic	Senior Sukuk - 5 years	300,000	4.00	-
May 2024 - Issuance	AmBank Islamic	Senior Sukuk - 7 years	500,000	4.10	-
June 2024 - Issuance	AmBank	Senior Notes - 5 years	300,000	4.00	-
June 2024 - Issuance	AmBank	Senior Notes - 7 years	800,000	4.10	-
June 2024 - Issuance	AmBank	Senior Notes - 10 years	500,000	4.15	-

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 A29.

B10. EARNINGS PER SHARE (SEN)

(a) Basic/Diluted earnings per share

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

	Individual Quarter		Cumulative Quarter	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
Net profit attributable to equity holders of the Company (RM'000)				
Continuing operations	500,197	352,302	500,197	352,302
Discontinued operation	-	26,069	-	26,069
	<u>500,197</u>	<u>378,371</u>	<u>500,197</u>	<u>378,371</u>
Weighted average number of ordinary shares in issue ('000)	<u>3,305,980</u>	<u>3,306,707</u>	<u>3,305,980</u>	<u>3,306,707</u>
Basic/Diluted earnings per share (sen)				
Continuing operations	15.13	10.65	15.13	10.65
Discontinued operation	-	0.79	-	0.79
	<u>15.13</u>	<u>11.44</u>	<u>15.13</u>	<u>11.44</u>