

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

Condensed Interim Financial Statements
For the Financial Period
1 April 2022 to
31 December 2022
(In Ringgit Malaysia)

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

**UNAUDITED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022**

	Note	Group		Bank	
		31 December 2022 RM'000	31 March 2022 RM'000	31 December 2022 RM'000	31 March 2022 RM'000
ASSETS					
Cash and short-term funds	A8	6,897,016	9,894,325	6,869,908	9,874,911
Deposits and placements with banks and other financial institutions	A9	2,062,485	2,184,788	2,062,485	2,184,788
Investment account placement	A10	1,543,220	1,708,484	1,543,220	1,708,484
Derivative financial assets		962,508	832,821	962,508	832,821
Financial assets at fair value through profit or loss	A11	6,980,942	2,675,904	6,980,907	2,675,869
Financial investments at fair value through other comprehensive income	A12	19,931,435	14,339,584	19,931,435	14,339,584
Financial investments at amortised cost	A13	8,664,242	5,929,515	8,664,242	5,929,515
Loans and advances	A14	79,672,262	78,817,487	79,645,979	78,784,319
Statutory deposit with Bank Negara Malaysia		1,566,100	200,000	1,566,100	200,000
Deferred tax assets		171,817	139,318	171,817	139,318
Investment in subsidiaries		-	-	22,487	30,964
Investment in associates		16,999	15,597	19,617	19,617
Other assets	A15	1,812,582	1,819,943	1,813,156	1,820,212
Property and equipment		149,961	151,787	132,179	133,683
Right-of-use assets		236,453	172,789	237,592	174,238
Intangible assets		204,780	221,538	204,780	221,538
TOTAL ASSETS		130,872,802	119,103,880	130,828,412	119,069,861
LIABILITIES AND EQUITY					
Deposits from customers	A16	83,479,769	85,856,896	83,484,288	85,870,989
Deposits and placements of banks and other financial institutions	A17	8,813,851	7,377,743	8,828,159	7,387,387
Securities sold under repurchase agreements		12,146,141	1,582,717	12,146,141	1,582,717
Recourse obligation on loans sold to Cagamas Berhad		7,100,032	6,875,023	7,100,032	6,875,023
Derivative financial liabilities		1,229,658	806,634	1,229,658	806,634
Term funding		1,350,334	1,045,260	1,350,334	1,045,260
Debt capital		3,270,000	3,095,000	3,270,000	3,095,000
Other liabilities	A18	2,632,416	2,382,585	2,617,856	2,371,270
TOTAL LIABILITIES		120,022,201	109,021,858	120,026,468	109,034,280
Share capital		3,040,465	3,040,465	3,040,465	3,040,465
Reserves		7,809,991	7,041,411	7,761,479	6,995,116
Equity attributable to equity holder of the Bank		10,850,456	10,081,876	10,801,944	10,035,581
Non-controlling interests		145	146	-	-
TOTAL EQUITY		10,850,601	10,082,022	10,801,944	10,035,581
TOTAL LIABILITIES AND EQUITY		130,872,802	119,103,880	130,828,412	119,069,861
COMMITMENTS AND CONTINGENCIES	A33	108,491,451	113,360,229	108,655,293	113,437,579
NET ASSETS PER SHARE (RM)		11.42	10.61	11.37	10.56

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 March 2022.

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

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2022

	Note	Individual Quarter		Cumulative Quarter	
		31 December 2022 RM'000	31 December 2021 (Restated) RM'000	31 December 2022 RM'000	31 December 2021 (Restated) RM'000
Group					
Interest income	A19	1,354,969	1,002,311	3,608,642	2,942,591
Interest expense	A20	(740,717)	(449,169)	(1,815,224)	(1,322,586)
Net interest income		614,252	553,142	1,793,418	1,620,005
Other operating income	A21	176,193	144,990	473,505	426,176
Share in results of an associate		932	(109)	1,402	(786)
Net income		791,377	698,023	2,268,325	2,045,395
Other operating expenses	A22	(353,946)	(323,602)	(1,030,407)	(949,462)
Operating profit		437,431	374,421	1,237,918	1,095,933
Allowance for impairment on loans and advances	A23	(150,841)	(57,167)	(215,537)	(231,223)
Writeback of provision/(provision) for commitments and contingencies		76,169	(38,418)	59,192	(47,871)
(Allowance)/writeback of allowance for impairment on:					
Financial investments	A24	(6,542)	(10,635)	(5,726)	(16,028)
Other financial assets	A25	(1,679)	2,900	(1,465)	(1,580)
Other recoveries		513	11	523	28
Profit before taxation		355,051	271,112	1,074,905	799,259
Taxation		(81,143)	96,892	(243,742)	(28,258)
Profit for the financial period		273,908	368,004	831,163	771,001
Attributable to:					
Equity holder of the Bank		273,909	368,004	831,164	771,001
Non-controlling interests		(1)	-	(1)	-
Profit for the financial period		273,908	368,004	831,163	771,001
Earnings per share (sen)					
Basic/Diluted	A26	28.83	38.74	87.50	82.04

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 March 2022.

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

**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2022**

Group	Individual Quarter		Cumulative Quarter	
	31 December 2022 RM'000	31 December 2021 RM'000	31 December 2022 RM'000	31 December 2021 RM'000
Profit for the financial period	273,908	368,004	831,163	771,001
Other comprehensive income/(loss)				
Items that will not be reclassified subsequently to statement of profit or loss				
<u>Equity Instruments</u>				
Financial investments at fair value through other comprehensive income				
- net unrealised (loss)/gain on changes in fair value	(917)	(1,254)	3,503	(3,756)
Tax effect	220	220	1,101	1,541
Items that may be reclassified subsequently to statement of profit or loss				
Currency translation on offshore operations	(15,054)	(1,285)	11,730	1,377
Cash flow hedge				
- gain arising during the financial period	-	435	-	1,595
- amortisation of fair value changes of terminated hedge	1,593	1,858	4,762	7,177
Tax effect	(383)	(550)	(1,143)	(2,105)
<u>Debt instruments</u>				
Financial investments at fair value through other comprehensive income				
- net gain/(loss) on changes in fair value	98,527	(62,231)	(111,578)	(104,631)
- net gain reclassified to profit or loss	(63)	(1,055)	(23)	(4,061)
- allowance for expected credit losses ("ECL")	2,634	3,211	2,279	14,087
- foreign exchange differences	3	(1)	1	(1)
Tax effect	(23,632)	15,271	26,784	26,169
Other comprehensive gain/(loss), net of tax	62,928	(45,381)	(62,584)	(62,608)
Total comprehensive income for the financial period, net of tax	336,836	322,623	768,579	708,393
Attributable to:				
Equity holder of the Bank	336,837	322,623	768,580	708,393
Non-controlling interests	(1)	-	(1)	-
	336,836	322,623	768,579	708,393

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 March 2022.

AmBank (M) Berhad
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And Its Subsidiaries

UNAUDITED STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2022

	Note	Individual Quarter		Cumulative Quarter	
		31 December 2022	31 December 2021 (Restated)	31 December 2022	31 December 2021 (Restated)
		RM'000	RM'000	RM'000	RM'000
Bank					
Interest income	A19	1,353,757	1,001,168	3,605,472	2,939,049
Interest expense	A20	(740,725)	(449,221)	(1,815,302)	(1,322,733)
Net interest income		613,032	551,947	1,790,170	1,616,316
Other operating income	A21	176,028	144,812	474,879	440,675
Net income		789,060	696,759	2,265,049	2,056,991
Other operating expenses	A22	(353,946)	(323,339)	(1,030,212)	(948,966)
Operating profit		435,114	373,420	1,234,837	1,108,025
Allowance for impairment on loans and advances	A23	(150,835)	(57,257)	(215,543)	(231,295)
Writeback of provision/(provision) for commitments and contingencies (Allowance)/writeback of allowance for impairment on:		76,111	(38,433)	59,135	(47,912)
Financial investments	A24	(6,542)	(10,635)	(5,726)	(16,028)
Other financial assets	A25	(1,689)	2,900	(1,480)	(1,580)
Associate		-	-	-	(12,683)
Other recoveries		513	11	523	28
Profit before taxation		352,672	270,006	1,071,746	798,555
Taxation		(80,764)	97,252	(242,788)	(27,121)
Profit for the financial period		271,908	367,258	828,958	771,434
Earnings per share (sen)					
Basic/Diluted	A26	28.62	38.66	87.27	82.09

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 March 2022.

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

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2022**

	Individual Quarter		Cumulative Quarter	
	31 December 2022 RM'000	31 December 2021 RM'000	31 December 2022 RM'000	31 December 2021 RM'000
Bank				
Profit for the financial period	271,908	367,258	828,958	771,434
Other comprehensive income/(loss)				
Items that will not be reclassified subsequently to statement of profit or loss				
<u>Equity Instruments</u>				
Financial investments at fair value through other comprehensive income				
- net unrealised (loss)/gain on changes in fair value	(917)	(1,254)	3,503	(3,756)
Tax effect	220	220	1,101	1,541
Items that may be reclassified subsequently to statement of profit or loss				
Currency translation on offshore operations	(15,040)	(1,269)	11,719	1,362
Cash flow hedge				
- gain arising during the financial period	-	435	-	1,595
- amortisation of fair value changes of terminated hedge	1,593	1,858	4,762	7,177
Tax effect	(383)	(550)	(1,143)	(2,105)
<u>Debt instruments</u>				
Financial investments at fair value through other comprehensive income				
- net gain/(loss) on changes in fair value	98,527	(62,231)	(111,578)	(104,631)
- net gain reclassified to profit or loss	(63)	(1,055)	(23)	(4,061)
- allowance for expected credit losses ("ECL")	2,634	3,211	2,279	14,087
- foreign exchange differences	3	(1)	1	(1)
Tax effect	(23,632)	15,271	26,784	26,169
Other comprehensive gain/(loss), net of tax	62,942	(45,365)	(62,595)	(62,623)
Total comprehensive income for the financial period, net of tax	334,850	321,893	766,363	708,811

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 March 2022.

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

**UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2022**

Group	Attributable to equity holder of the Bank								
	Non-distributable					Distributable			
	Share capital RM'000	Merger reserve RM'000	Fair value reserve RM'000	Cash flow hedging deficit RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	Total attributable to equity holder RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 April 2021	2,590,465	104,149	457,552	(16,949)	84,588	5,541,997	8,761,802	146	8,761,948
Profit for the financial period	-	-	-	-	-	771,001	771,001	-	771,001
Other comprehensive (loss)/income, net	-	-	(70,652)	6,667	1,377	-	(62,608)	-	(62,608)
Total comprehensive (loss)/income for the financial period	-	-	(70,652)	6,667	1,377	771,001	708,393	-	708,393
Transfer of net gain on disposal of financial investments at fair value through other comprehensive income to retained earnings	-	-	(8,871)	-	-	8,871	-	-	-
Issuance of ordinary shares	450,000	-	-	-	-	-	450,000	-	450,000
Transaction with owner and other equity movements	450,000	-	(8,871)	-	-	8,871	450,000	-	450,000
At 31 December 2021	3,040,465	104,149	378,029	(10,282)	85,965	6,321,869	9,920,195	146	9,920,341

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 March 2022.

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

UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONT'D.)
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2022

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

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 March 2022.

Registration No. 196901000166 (8515-D)

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

**UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2022**

	Attributable to equity holder of the Bank					Total equity RM'000
	Non-distributable			Distributable		
Bank	Share capital RM'000	Fair value reserve RM'000	Cash flow hedging deficit RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	
At 1 April 2021	2,590,465	457,552	(16,949)	88,443	5,591,998	8,711,509
Profit for the financial period	-	-	-	-	771,434	771,434
Other comprehensive (loss)/income, net	-	(70,652)	6,667	1,362	-	(62,623)
Total comprehensive (loss)/income for the financial period	-	(70,652)	6,667	1,362	771,434	708,811
Transfer of net gain on disposal of financial investments at fair value through other comprehensive income to retained earnings	-	(8,871)	-	-	8,871	-
Issuance of ordinary shares	450,000	-	-	-	-	450,000
Transaction with owner and other equity movements	450,000	(8,871)	-	-	8,871	450,000
At 31 December 2021	3,040,465	378,029	(10,282)	89,805	6,372,303	9,870,320

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 March 2022.

Registration No. 196901000166 (8515-D)

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

**UNAUDITED STATEMENT OF CHANGES IN EQUITY (CONT'D.)
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2022**

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

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 March 2022.

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

UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2022

	Group		Bank	
	31 December 2022 RM'000	31 December 2021 RM'000	31 December 2022 RM'000	31 December 2021 RM'000
Profit before taxation	1,074,905	799,259	1,071,746	798,555
Adjustments for non-operating and non-cash items	666,671	452,842	666,703	449,579
Operating profit before working capital changes	1,741,576	1,252,101	1,738,449	1,248,134
Changes in working capital:				
Net change in operating assets	(6,556,476)	(5,312,539)	(6,563,861)	(5,317,816)
Net change in operating liabilities	10,365,310	9,698,796	10,356,723	9,700,679
Tax paid	(262,082)	(33,464)	(260,307)	(32,583)
Net cash generated from operating activities	5,288,328	5,604,894	5,271,004	5,598,414
Net cash used in investing activities	(8,486,927)	(2,948,573)	(8,476,927)	(2,948,573)
Net cash generated from financing activities	115,915	394,176	115,546	394,056
Net (decrease)/increase in cash and cash equivalents	(3,082,684)	3,050,497	(3,090,377)	3,043,897
Cash and cash equivalents at beginning of the financial period	11,139,096	10,021,441	11,119,681	10,013,280
Effect of exchange rate changes	18	(1,672)	18	(1,672)
Cash and cash equivalents at end of financial period	8,056,430	13,070,266	8,029,322	13,055,505
Cash and cash equivalents comprise:				
Cash and short-term funds	6,897,016	12,876,862	6,869,908	12,862,101
Deposits and placements with banks and other financial institutions	2,062,485	1,283,953	2,062,485	1,283,953
	8,959,501	14,160,815	8,932,393	14,146,054
Less: Deposits and placements with original maturity of more than 3 months	(906,737)	(1,092,358)	(906,737)	(1,092,358)
	8,052,764	13,068,457	8,025,656	13,053,696
Allowances for expected credit loss ("ECL") for cash and cash equivalents at end of the financial period	3,666	1,809	3,666	1,809
	8,056,430	13,070,266	8,029,322	13,055,505

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 March 2022.

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(Incorporated in Malaysia)
And Its Subsidiaries

A1. BASIS OF PREPARATION

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

These condensed interim financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the annual financial statements of the Group and the Bank for the financial year ended 31 March 2022.

A1.1 Significant Accounting Policies

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

- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to MFRS 116)
- Onerous Contracts - Cost of Fulfilling a Contract (Amendments to MFRS 137)
- Reference to the Conceptual Framework (Amendments to MFRS 3)
- Annual Improvements to MFRS Standards 2018-2020

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

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

(a) Property, Plant and Equipment: Proceeds before Intended Use (Amendments to MFRS 116)

The amendments clarify that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset, and prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly). The proceeds from selling such samples, together with the costs of producing them, shall be recognised in profit or loss. The adoption of these amendments did not result in any impact to the financial statements of the Group and the Bank.

(b) Onerous Contracts - Cost of Fulfilling a Contract (Amendments to MFRS 137)

The amendments explain that, for the purpose of determining the unavoidable costs of meeting the entity's contractual obligations, the direct cost of fulfilling a contract comprises the incremental costs of fulfilling that contract (e.g. direct labour and materials) and an allocation of other costs that relate directly to fulfilling contracts (e.g. an allocation of the depreciation charge for an asset used to fulfil the contract). The amendments also clarify that, before a separate provision for an onerous contract is established, an entity recognises any impairment loss that has occurred on assets used in fulfilling the contract, rather than on assets dedicated to that contract. The adoption of these amendments did not result in any impact to the financial statements of the Group and the Bank.

(c) Reference to the Conceptual Framework (Amendments to MFRS 3)

The amendments updated MFRS 3 Business Combinations to refer to the revised Conceptual Framework for Financial Reporting ("Conceptual Framework") in order to determine what constitutes an asset or a liability in a business combination. In addition, a new exception is added in MFRS 3 in connection with liabilities and contingent liabilities. The exception specifies that, for some types of liabilities and contingent liabilities, an entity applying MFRS 3 should instead refer to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets or IC Interpretation 21 Levies, rather than the Conceptual Framework. The adoption of these amendments did not result in any impact as there is no business combination or asset acquisition occurred during the financial period 31 December 2022.

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And Its Subsidiaries

A1. BASIS OF PREPARATION (CONT'D.)

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

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

(d) Annual Improvements to MFRS Standards 2018-2020

The Annual Improvements to MFRS Standards 2018-2020 include minor amendments, as summarised below:

(i) MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards*

When a subsidiary adopts MFRS at a later date than its parent, MFRS 1 permits the subsidiary to measure its assets and liabilities at the carrying amounts that would be included in its parent's consolidated financial statements, based on the parent's date of transition to MFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. The amendment expanded the above by allowing the subsidiary to also measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to MFRS. The adoption of these amendments did not result in any impact as there is no subsidiary of the Group that adopt MFRS later than the Bank.

(ii) MFRS 9 *Financial Instruments*

The amendment clarified that costs or fees paid to third parties shall not be included in the 10% test for derecognition of financial liabilities. The adoption of these amendments did not result in any impact to the financial statements of the Group and the Bank.

(iii) MFRS 141 *Agriculture*

The amendment removed the requirement for entities to exclude cash flows for taxation when measuring fair value to align with the requirement in the standard to discount cash flows on a post-tax basis. The adoption of this amendment did not result in any impact as the Group is not in the agriculture business.

Standards issued but not yet effective

Description	Effective for annual periods beginning on or after
- MFRS 17 <i>Insurance Contracts</i>	1 January 2023
- Initial Application of MFRS 17 and MFRS 9 - Comparative Information (Amendment to MFRS 17 <i>Insurance Contracts</i>)	1 January 2023
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to MFRS 112)	1 January 2023
- Lease Liability in a Sale and Leaseback (Amendments to MFRS 16 <i>Leases</i>)	1 January 2024
- Non-current Liabilities with Covenants (Amendments to MFRS 101)	1 January 2024
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 and MFRS 128)	To be determined by MASB

The nature of the new standard and amendments to published standards that are issued and relevant to the Group and the Bank but not yet effective are described below. The Group and the Bank are assessing the financial effects of their adoption except for MFRS 17 which is not relevant as the Group and the Bank do not issue any insurance contract or investment contract with discretionary participation features.

A1. BASIS OF PREPARATION (CONT'D.)

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

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

(a) Amendments to published standards effective for financial year ending 31 March 2024

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

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

The amendments are applied from annual reporting period beginning on or after 1 January 2023. Early adoption is permitted. As the Group currently adopted the policy not to recognise deferred taxes on leases, additional deferred taxes on temporary differences associated with right-of-use assets, lease liabilities and decommissioning obligations would need to be recognised when the amendments become effective.

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

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

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

The amendments are applied from annual reporting period beginning on or after 1 January 2024. Early adoption is permitted.

Non-current Liabilities with Covenants (Amendments to MFRS 101)

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.

The amendments are applied from annual reporting period beginning on or after 1 January 2024. Early adoption is permitted.

(c) Standard effective on a date to be determined by MASB

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 and MFRS 128)

The amendments clarify that:

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

A1.2 Significant Accounting Judgements, Estimates and Assumptions

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

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

A1. BASIS OF PREPARATION (CONT'D.)

A1.2 Significant Accounting Judgements, Estimates and Assumptions (Cont'd.)

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

In the process of applying the Group's and the Bank's accounting policies, the significant judgements, estimates and assumptions made by management were the same as those applied to the annual financial statements for the financial year ended 31 March 2022 except for:

Income taxes

During the previous financial year, the Bank has claimed tax deduction on the settlement of RM2.535 billion with Ministry of Finance Malaysia and its related expenses of RM19.0 million ("settlement sum") in the Year of Assessment ("YA") 2021 tax returns. The claim was made based on legal opinion received and accordingly, the Bank recognised a portion of tax deduction amounting to RM220.5 million as tax recoverable.

On 7 September 2022, the Inland Revenue Board ("IRB") formally replied on their differing view on the tax deductibility of the settlement sum.

The management believes there are merits to claim for the tax deduction on the settlement sum based on the legal opinion. Accordingly, the AMMB Group has formally replied to IRB their decision and has had several discussions with IRB to provide additional clarifications/documents to IRB.

On 23 November 2022, IRB advised that YA 2022 will be the first YA to claim tax deduction on the settlement sum to coincide with the settlement agreement dated on 5 May 2021. IRB has also agreed to reassess on the deductibility of settlement sum from YA 2022.

On 16 December 2022, the Bank has received YA 2021 Notice of Assessment ("Form J") with no penalty from IRB. Accordingly, the Bank has reinstated the statement of profit or loss for the financial period ended 31 December 2022 for the tax payable of RM221 million.

While waiting for a reply from IRB on the tax deductibility on the settlement sum, the Bank has filed its YA 2022's tax return with no deduction made on the settlement sum. Subsequent to the filing of tax returns, the Bank has lodged an appeal via Forms Q on 14 December 2022 for the YA 2022 to preserve its right on the deduction for settlement sum and have partially recognised the same tax recoverable amount on the settlement sum as per YA 2021. Accordingly, the net tax impact to the statement of profit or loss for the financial period ended 31 December 2022 for the Bank is NIL.

The Bank will continuously reassess the tax recoverable recognised and the unutilised tax loss arose from the remaining tax deduction based on the developments of the discussion with IRB.

A2. AUDIT QUALIFICATION

The auditors' report on the audited annual financial statements for the financial year ended 31 March 2022 was not qualified.

A3. SEASONALITY OR CYCLICALITY OF OPERATIONS

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

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

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

A5. CHANGES IN ESTIMATES

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

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

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

On 12 October 2022, the Bank issued Tranche 9 with nominal amount of RM745.0 million under its RM4.0 billion Subordinated Notes Issuance Programme. The interest rate of this tranche is at 5.20% per annum payable half-yearly with a tenure of 10 years (callable in the 5th year).

On its first call date of 17 October 2022, the Bank fully redeemed Tranche 3 of Subordinated Notes with nominal amount of RM570.0 million issued under its Subordinated Notes programme of RM4.0 billion.

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

A7. DIVIDENDS

The Directors do not recommend the payment of any dividend in respect of the financial quarter ended 31 December 2022 and no dividends were paid in the current financial quarter and period.

A8. CASH AND SHORT-TERM FUNDS

	Group		Bank	
	31 December 2022 RM'000	31 March 2022 RM'000	31 December 2022 RM'000	31 March 2022 RM'000
Cash and bank balances	2,746,069	1,354,847	2,743,361	1,353,622
Deposit placements maturing within one month:				
Licensed banks	3,714,165	3,139,771	3,689,765	3,121,582
Bank Negara Malaysia	440,000	5,401,800	440,000	5,401,800
	<u>4,154,165</u>	<u>8,541,571</u>	<u>4,129,765</u>	<u>8,523,382</u>
Total cash and bank balances and deposit placements	6,900,234	9,896,418	6,873,126	9,877,004
Less: Allowances for ECL	(3,218)	(2,093)	(3,218)	(2,093)
	<u>6,897,016</u>	<u>9,894,325</u>	<u>6,869,908</u>	<u>9,874,911</u>

Movements in allowances for ECL are as follows:

Group and Bank	Stage 1 12-Month ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Total RM'000
31 December 2022			
Balance at beginning of the financial period	2,072	21	2,093
Net allowance for ECL:	531	599	1,130
- Transfer to Stage 1	5	(24)	(19)
New financial assets originated	13,421	627	14,048
Financial assets derecognised	(18,108)	(3)	(18,111)
Transfer from deposits and placements with banks and other financial institution (Note A9)	5,083	-	5,083
Net remeasurement of allowances	130	(1)	129
Foreign exchange differences	59	(64)	(5)
Balance at end of the financial period	<u>2,662</u>	<u>556</u>	<u>3,218</u>

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

A8. CASH AND SHORT-TERM FUNDS (CONT'D.)

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

Group and Bank	Stage 1	Stage 2	Total
	12-Month ECL RM'000	Lifetime ECL not credit impaired RM'000	
31 March 2022			
Balance at beginning of the financial year	2,234	22	2,256
Net writeback of ECL:	(135)	-	(135)
New financial assets originated	22,653	4	22,657
Financial assets derecognised	(26,313)	(2)	(26,315)
Transfer from deposits and placements with banks and other financial institutions (Note A9)	3,325	-	3,325
Net remeasurement of allowances	200	(2)	198
Foreign exchange differences	(27)	(1)	(28)
Balance at end of the financial year	2,072	21	2,093

A9. DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group and Bank	
	31 December 2022 RM'000	31 March 2022 RM'000
Licensed banks	856,196	1,282,678
Licensed islamic bank (a related company)	106,737	103,435
Licensed investment bank (a related company)	1,100,000	800,000
	2,062,933	2,186,113
Less: Allowances for ECL	(448)	(1,325)
	2,062,485	2,184,788

Movements in allowances for ECL are as follows:

Group and Bank	Stage 1	Stage 2	Total
	12-Month ECL RM'000	Lifetime ECL not credit impaired RM'000	
31 December 2022			
Balance at beginning of the financial period	1,325	-	1,325
Net (writeback of)/allowance for ECL:	(889)	12	(877)
New financial assets originated	4,143	12	4,155
Net remeasurement of allowances	51	-	51
Transfer to cash and short term funds (Note A8)	(5,083)	-	(5,083)
Balance at end of the financial period	436	12	448

Group and Bank	Stage 1	Total
	12-Month ECL RM'000	
31 March 2022		
Balance at beginning of the financial year	42	42
Net allowance of ECL:	1,283	1,283
New financial assets originated	4,573	4,573
Transfer to cash and short-term funds (Note A8)	(3,325)	(3,325)
Net remeasurement of allowances	35	35
Balance at end of the financial year	1,325	1,325

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

A10. INVESTMENT ACCOUNT PLACEMENT

	Group and Bank	
	31 December 2022 RM'000	31 March 2022 RM'000
Licensed Islamic bank	1,545,306	1,710,663
Less: Allowances for ECL	(2,086)	(2,179)
	1,543,220	1,708,484

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

As at 31 December 2022, the gross exposure relating to the RA financing for the Group and the Bank amounted to RM1,549.5 million (31 March 2022: RM1,713.8 million). No stage 3 ECL is provided for the RA financing as at 31 December 2022 and 31 March 2022.

Movements in allowances for ECL are as follows:

Group and Bank	Stage 1 12-Month ECL RM'000	Total RM'000
31 December 2022		
Balance at beginning of the financial period	2,179	2,179
Net writeback of ECL:	(93)	(93)
Net remeasurement of allowances	(93)	(93)
Balance at end of the financial period	2,086	2,086

Group and Bank	Stage 1 12-Month ECL RM'000	Total RM'000
31 March 2022		
Balance at beginning of the financial year	1,943	1,943
Net allowances for ECL:	236	236
New financial assets originated	1,024	1,024
Net remeasurement of allowances	(788)	(788)
Balance at end of the financial year	2,179	2,179

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

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

	Group		Bank	
	31 December 2022 RM'000	31 March 2022 RM'000	31 December 2022 RM'000	31 March 2022 RM'000
At fair value				
Money market instruments:				
Malaysian Islamic Treasury Bills	1,131,044	676,964	1,131,044	676,964
Malaysian Government Investment Issues	221,656	60,920	221,656	60,920
Malaysian Government Securities	1,469,838	258,277	1,469,838	258,277
Malaysian Treasury Bills	2,067,514	100,625	2,067,514	100,625
	<u>4,890,052</u>	<u>1,096,786</u>	<u>4,890,052</u>	<u>1,096,786</u>
Quoted securities:				
<i>In Malaysia:</i>				
Shares	605,142	566,314	605,142	566,314
Unit trusts	40,765	12,466	40,765	12,466
Sukuk	13,055	13,315	13,055	13,315
	<u>658,962</u>	<u>592,095</u>	<u>658,962</u>	<u>592,095</u>
<i>Outside Malaysia:</i>				
Shares	435,070	481,104	435,066	481,100
Unquoted securities:				
<i>In Malaysia:</i>				
Shares	31	31	-	-
Corporate bonds and sukuk	996,827	505,888	996,827	505,888
	<u>996,858</u>	<u>505,919</u>	<u>996,827</u>	<u>505,888</u>
	<u>6,980,942</u>	<u>2,675,904</u>	<u>6,980,907</u>	<u>2,675,869</u>

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

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

	Group		Bank	
	31 December 2022 RM'000	31 March 2022 RM'000	31 December 2022 RM'000	31 March 2022 RM'000
At fair value				
Money market instruments:				
Malaysian Islamic Treasury Bills	1,148,323	-	1,148,323	-
Malaysian Treasury Bills	462,491	-	462,491	-
Malaysian Government Investment Issues	3,069,966	2,931,442	3,069,966	2,931,442
Malaysian Government Securities	3,677,302	3,099,232	3,677,302	3,099,232
Foreign Government Securities	13,078	13,619	13,078	13,619
Islamic Negotiable Instruments of Deposit	2,581,972	-	2,581,972	-
Bank Negara Monetary Notes	244,907	-	244,907	-
Negotiable Instruments of Deposit	-	450,001	-	450,001
	<u>11,198,039</u>	<u>6,494,294</u>	<u>11,198,039</u>	<u>6,494,294</u>
Quoted securities:				
<i>In Malaysia:</i>				
Unit trusts	65,139	69,726	65,139	69,726
	<u>65,139</u>	<u>69,726</u>	<u>65,139</u>	<u>69,726</u>
Unquoted securities:				
<i>In Malaysia:</i>				
Corporate bonds and sukuk	7,980,793	7,095,973	7,980,793	7,095,973
Shares	676,523	668,557	676,523	668,557
	<u>8,657,316</u>	<u>7,764,530</u>	<u>8,657,316</u>	<u>7,764,530</u>
<i>Outside Malaysia:</i>				
Sukuk	10,206	10,423	10,206	10,423
Shares	735	611	735	611
	<u>10,941</u>	<u>11,034</u>	<u>10,941</u>	<u>11,034</u>
	<u>19,931,435</u>	<u>14,339,584</u>	<u>19,931,435</u>	<u>14,339,584</u>

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

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

Movements in allowances for ECL are as follows:

Group and Bank	Stage 1	Stage 2	Total
	12-Month ECL	Lifetime ECL not credit impaired	
	RM'000	RM'000	RM'000
31 December 2022			
Balance at beginning of the financial period	8,038	3,602	11,640
Net allowance/(writeback) of ECL:	5,496	(3,217)	2,279
- Transfer to Stage 1	4	(2,082)	(2,078)
- Transfer to Stage 2	(79)	386	307
New financial assets originated	4,741	-	4,741
Financial assets derecognised	(1,466)	(1,521)	(2,987)
Net remeasurement of allowances	2,296	-	2,296
Foreign exchange differences	1	-	1
Balance at end of the financial period	13,535	385	13,920

Group and Bank	Stage 1	Stage 2	Total
	12-Month ECL	Lifetime ECL not credit impaired	
	RM'000	RM'000	RM'000
31 March 2022			
Balance at beginning of the financial year	9,297	19	9,316
Net (writeback of)/allowance for ECL:	(1,261)	3,583	2,322
- Transfer to Stage 2	(893)	3,602	2,709
New financial assets originated	3,316	-	3,316
Financial assets derecognised	(3,111)	(19)	(3,130)
Net remeasurement of allowances	(573)	-	(573)
Foreign exchange differences	2	-	2
Balance at end of the financial year	8,038	3,602	11,640

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

A13. FINANCIAL INVESTMENTS AT AMORTISED COST

	Group and Bank	
	31 December 2022 RM'000	31 March 2022 RM'000
At amortised cost		
Money market instruments:		
Malaysian Government Investment Issues	2,459,248	980,886
Malaysian Government Securities	1,346,573	907,429
	<u>3,805,821</u>	<u>1,888,315</u>
Unquoted securities:		
<i>In Malaysia:</i>		
Corporate bonds and sukuk	4,899,454	4,078,786
	<u>8,705,275</u>	<u>5,967,101</u>
Less: Allowances for ECL	(41,033)	(37,586)
	<u>8,664,242</u>	<u>5,929,515</u>

Movements in allowances for ECL are as follows:

Group and Bank	Stage 1	Stage 2	Stage 3	Total
	12-Month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
31 December 2022				
Balance at beginning of the financial period	3,314	-	34,272	37,586
Net allowance of ECL:	2,996	-	451	3,447
New financial assets originated	3,247	-	-	3,247
Net remeasurement of allowances	643	-	451	1,094
Financial assets derecognised	(894)	-	-	(894)
Balance at end of the financial period	<u>6,310</u>	<u>-</u>	<u>34,723</u>	<u>41,033</u>

Group and Bank	Stage 1	Stage 2	Stage 3	Total
	12-Month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
31 March 2022				
Balance at beginning of the financial year	2,939	22,690	-	25,629
Net allowance/(writeback) of ECL:	375	(22,690)	34,272	11,957
- Transfer to Stage 1	209	(8,124)	-	(7,915)
- Transfer to Stage 3	-	(772)	34,272	33,500
New financial assets originated	135	-	-	135
Net remeasurement of allowances	34	-	-	34
Financial assets derecognised	(3)	-	-	(3)
Changes in model assumptions and methodologies	-	(13,794)	-	(13,794)
Balance at end of the financial year	<u>3,314</u>	<u>-</u>	<u>34,272</u>	<u>37,586</u>

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

A14. LOANS AND ADVANCES

	Group		Bank	
	31 December 2022 RM'000	31 March 2022 RM'000	31 December 2022 RM'000	31 March 2022 RM'000
At amortised cost:				
Overdraft	2,029,514	2,029,703	2,029,514	2,029,703
Term loans	25,057,051	23,981,311	25,057,051	23,981,311
Housing loan receivables	28,557,629	27,857,289	28,293,779	27,750,900
Hire purchase receivables	9,363,793	9,598,644	9,363,793	9,598,644
Bills receivables	2,055,378	1,802,396	2,055,378	1,802,396
Trust receipts	1,903,881	2,196,281	1,903,881	2,196,281
Claims on customers under acceptance credits	4,078,864	4,346,521	4,078,864	4,346,521
Card receivables	1,599,955	1,455,413	1,599,955	1,455,413
Revolving credits	6,119,331	6,535,875	6,356,639	6,608,831
Staff loans	80,221	87,344	80,221	87,344
Others	134,564	158,454	134,564	158,454
Gross loans and advances	80,980,181	80,049,231	80,953,639	80,015,798
Allowances for ECL:				
- Stage 1 - 12 months ECL	(184,392)	(154,044)	(184,380)	(154,074)
- Stage 2 - Lifetime ECL not credit impaired	(734,251)	(758,197)	(734,242)	(758,182)
- Stage 3 - Lifetime ECL credit impaired	(389,276)	(319,503)	(389,038)	(319,223)
Net loans and advances	79,672,262	78,817,487	79,645,979	78,784,319

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

	Group		Bank	
	31 December 2022 RM'000	31 March 2022 RM'000	31 December 2022 RM'000	31 March 2022 RM'000
Domestic non-bank financial institutions	980,528	1,045,624	1,217,836	1,118,579
Domestic business enterprises				
- Small medium enterprises	19,259,195	17,804,425	19,259,195	17,804,425
- Others	16,752,055	17,768,448	16,752,055	17,768,448
Government and statutory bodies	46,391	60,790	46,391	60,790
Individuals	42,563,412	41,794,021	42,299,562	41,687,633
Other domestic entities	8,827	6,850	8,827	6,850
Foreign individuals and entities	1,369,773	1,569,073	1,369,773	1,569,073
Gross loans and advances	80,980,181	80,049,231	80,953,639	80,015,798

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

A14. LOANS AND ADVANCES (CONT'D.)

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

	Group		Bank	
	31 December 2022 RM'000	31 March 2022 RM'000	31 December 2022 RM'000	31 March 2022 RM'000
In Malaysia	80,716,095	79,155,058	80,689,553	79,121,625
Outside Malaysia	264,086	894,173	264,086	894,173
	<u>80,980,181</u>	<u>80,049,231</u>	<u>80,953,639</u>	<u>80,015,798</u>

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

	Group		Bank	
	31 December 2022 RM'000	31 March 2022 RM'000	31 December 2022 RM'000	31 March 2022 RM'000
Fixed rate				
- Housing loans	324,266	154,240	60,416	47,851
- Hire purchase receivables	9,009,274	9,155,918	9,009,274	9,155,918
- Other fixed rate loans	6,721,867	6,799,568	6,721,867	6,799,568
Variable rate				
- Base rate and base lending rate plus	45,118,065	43,732,877	45,118,065	43,732,877
- Cost plus	18,939,203	19,095,010	19,176,511	19,167,966
- Other variable rates	867,506	1,111,618	867,506	1,111,618
	<u>80,980,181</u>	<u>80,049,231</u>	<u>80,953,639</u>	<u>80,015,798</u>

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

	Group		Bank	
	31 December 2022 RM'000	31 March 2022 RM'000	31 December 2022 RM'000	31 March 2022 RM'000
Agriculture	1,193,466	1,455,342	1,193,466	1,455,342
Mining and quarrying	1,506,593	1,772,651	1,506,593	1,772,651
Manufacturing	10,417,606	11,084,348	10,417,606	11,084,348
Electricity, gas and water	971,617	909,608	971,617	909,608
Construction	3,327,850	3,295,894	3,327,850	3,295,894
Wholesale and retail trade and hotel and restaurants	7,880,857	7,578,695	7,880,857	7,578,695
Transport, storage and communication	3,419,253	3,340,069	3,419,253	3,340,069
Finance and insurance	1,201,697	1,163,013	1,439,005	1,235,969
Real estate	5,227,680	4,431,674	5,227,680	4,431,674
Business activities	1,653,761	1,666,498	1,653,761	1,666,498
Education and health	1,110,413	1,022,743	1,110,413	1,022,743
Household of which:	43,063,341	42,303,665	42,799,491	42,197,276
- purchase of residential properties	28,817,227	28,148,654	28,553,377	28,042,265
- purchase of transport vehicles	8,418,813	8,659,412	8,418,813	8,659,412
- others	5,827,301	5,495,599	5,827,301	5,495,599
Others	6,047	25,031	6,047	25,031
	<u>80,980,181</u>	<u>80,049,231</u>	<u>80,953,639</u>	<u>80,015,798</u>

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

A14. LOANS AND ADVANCES (CONT'D.)

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

	Group		Bank	
	31 December 2022 RM'000	31 March 2022 RM'000	31 December 2022 RM'000	31 March 2022 RM'000
Maturing within one year	19,083,090	19,457,299	19,317,196	19,526,853
Over one year to three years	5,078,635	4,746,704	5,072,704	4,740,692
Over three years to five years	9,565,214	9,568,951	9,557,654	9,560,548
Over five years	47,253,242	46,276,277	47,006,085	46,187,705
	<u>80,980,181</u>	<u>80,049,231</u>	<u>80,953,639</u>	<u>80,015,798</u>

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

	Group		Bank	
	31 December 2022 RM'000	31 March 2022 RM'000	31 December 2022 RM'000	31 March 2022 RM'000
Balance at beginning of the financial period/year	1,047,502	1,157,246	1,046,185	1,156,027
Additions during the financial period/year	948,504	638,568	947,971	638,204
Reclassified as non-impaired	(151,520)	(128,657)	(150,788)	(128,512)
Recoveries	(199,806)	(205,367)	(199,790)	(205,246)
Amount written off	(275,794)	(413,969)	(275,794)	(413,969)
Foreign exchange differences	330	(319)	330	(319)
Balance at end of the financial period/year	<u>1,369,216</u>	<u>1,047,502</u>	<u>1,368,114</u>	<u>1,046,185</u>
Gross impaired loans and advances as % of gross loans and advances	<u>1.69%</u>	<u>1.31%</u>	<u>1.69%</u>	<u>1.31%</u>
Loan loss coverage (Including regulatory reserve)	<u>121.6%</u>	<u>153.2%</u>	<u>121.6%</u>	<u>153.4%</u>

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

	Group		Bank	
	31 December 2022 RM'000	31 March 2022 RM'000	31 December 2022 RM'000	31 March 2022 RM'000
In Malaysia	1,369,216	1,038,331	1,368,114	1,037,014
Outside Malaysia	-	9,171	-	9,171
	<u>1,369,216</u>	<u>1,047,502</u>	<u>1,368,114</u>	<u>1,046,185</u>

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

A14. LOANS AND ADVANCES (CONT'D.)

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

	Group		Bank	
	31 December 2022 RM'000	31 March 2022 RM'000	31 December 2022 RM'000	31 March 2022 RM'000
Agriculture	7,695	8,832	7,695	8,832
Mining and quarrying	5,053	13,093	5,053	13,093
Manufacturing	188,986	174,821	188,986	174,821
Electricity, gas and water	46,278	4,639	46,278	4,639
Construction	132,800	96,951	132,800	96,951
Wholesale and retail trade and hotel and restaurants	118,399	106,915	118,399	106,915
Transport, storage and communication	17,523	14,852	17,523	14,852
Finance and insurance	10,451	1,493	10,451	1,493
Real estate	18,484	22,237	18,484	22,237
Business activities	49,055	37,207	49,055	37,207
Education and health	8,853	6,217	8,853	6,217
Household of which:	765,639	560,245	764,537	558,928
- purchase of residential properties	569,132	420,936	568,030	419,619
- purchase of transport vehicles	88,403	59,989	88,403	59,989
- others	108,104	79,320	108,104	79,320
	1,369,216	1,047,502	1,368,114	1,046,185

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

A14. LOANS AND ADVANCES (CONT'D.)

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

Group	Stage 1	Stage 2	Stage 3	Total
	12-Month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
31 December 2022				
Balance at beginning of the financial period	154,044	758,197	319,503	1,231,744
Net allowance/(writeback) for ECL:	30,021	(23,938)	345,140	351,223
- Transfer to Stage 1	10,090	(114,270)	(3,824)	(108,004)
- Transfer to Stage 2	(9,428)	106,370	(17,345)	79,597
- Transfer to Stage 3	(980)	(26,520)	173,822	146,322
New financial assets originated	45,519	50,925	5,193	101,637
Net remeasurement of allowances	11,005	(20,532)	233,827	224,300
Modification of contractual cash flows of financial assets	-	(66)	1,651	1,585
Financial assets derecognised	(26,185)	(56,220)	(48,184)	(130,589)
Changes to model assumptions and methodologies	-	36,375	-	36,375
Foreign exchange differences	327	(8)	427	746
Amount written-off	-	-	(275,794)	(275,794)
Balance at end of the financial period	184,392	734,251	389,276	1,307,919
31 March 2022				
Balance at beginning of the financial year	286,308	707,881	432,998	1,427,187
Net (writeback)/allowances for ECL:	(132,369)	50,301	300,577	218,509
- Transfer to Stage 1	8,013	(87,575)	(3,139)	(82,701)
- Transfer to Stage 2	(15,965)	128,595	(17,001)	95,629
- Transfer to Stage 3	(762)	(19,071)	76,875	57,042
New financial assets originated	35,000	54,786	4,428	94,214
Net remeasurement of allowances	(17,347)	(2,308)	314,749	295,094
Modification of contractual cash flows of financial assets	(1,376)	1,599	567	790
Financial assets derecognised	(25,092)	(50,295)	(75,902)	(151,289)
Changes to model assumptions and methodologies	(114,840)	24,570	-	(90,270)
Foreign exchange differences	105	15	(103)	17
Amount written-off	-	-	(413,969)	(413,969)
Balance at end of the financial year	154,044	758,197	319,503	1,231,744

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

A14. LOANS AND ADVANCES (CONT'D.)

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

Bank	Stage 1 12-Month ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Stage 3 Lifetime ECL credit impaired RM'000	Total RM'000
31 December 2022				
Balance at beginning of the financial period	154,074	758,182	319,223	1,231,479
Net allowance/(writeback) for ECL:	29,979	(23,932)	345,182	351,229
- Transfer to Stage 1	10,092	(114,267)	(3,668)	(107,843)
- Transfer to Stage 2	(9,428)	106,368	(17,338)	79,602
- Transfer to Stage 3	(980)	(26,517)	173,697	146,200
New financial assets originated	45,520	50,925	5,193	101,638
Net remeasurement of allowances	11,187	(20,532)	233,831	224,486
Modification of contractual cash flows of financial assets	-	(66)	1,651	1,585
Financial assets derecognised	(26,412)	(56,219)	(48,184)	(130,815)
Changes to model assumptions and methodologies	-	36,376	-	36,376
Foreign exchange differences	327	(8)	427	746
Amount written-off	-	-	(275,794)	(275,794)
Balance at end of the financial period	<u>184,380</u>	<u>734,242</u>	<u>389,038</u>	<u>1,307,660</u>
31 March 2022				
Balance at beginning of the financial year	286,338	707,855	432,736	1,426,929
Net (writeback)/allowances for ECL:	(132,369)	50,312	300,559	218,502
- Transfer to Stage 1	8,012	(87,556)	(3,139)	(82,683)
- Transfer to Stage 2	(15,964)	128,583	(16,984)	95,635
- Transfer to Stage 3	(762)	(19,071)	76,822	56,989
New financial assets originated	35,000	54,786	4,428	94,214
Net remeasurement of allowances	(17,351)	(2,306)	314,748	295,091
Modification of contractual cash flows of financial assets	(1,376)	1,599	567	790
Financial assets derecognised	(25,088)	(50,293)	(75,883)	(151,264)
Changes to model assumptions and methodologies	(114,840)	24,570	-	(90,270)
Foreign exchange differences	105	15	(103)	17
Amount written-off	-	-	(413,969)	(413,969)
Balance at end of the financial year	<u>154,074</u>	<u>758,182</u>	<u>319,223</u>	<u>1,231,479</u>

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

A15. OTHER ASSETS

	Group		Bank	
	31 December	31 March	31 December	31 March
	2022	2022	2022	2022
	RM'000	RM'000	RM'000	RM'000
Other receivables, deposits and prepayments	541,034	585,561	539,571	583,880
Interest receivable	359,424	356,902	359,419	356,902
Amount due from related companies	132,505	211,743	134,729	213,715
Collateral pledged for derivative and securities transactions	547,152	446,809	547,152	446,809
Foreclosed properties	2,643	2,635	2,335	2,327
Deferred charges	108,803	106,545	108,803	106,545
Tax recoverable	124,214	111,722	123,888	111,534
	<u>1,815,775</u>	<u>1,821,917</u>	<u>1,815,897</u>	<u>1,821,712</u>
Less: Accumulated impairment losses	(3,193)	(1,974)	(2,741)	(1,500)
	<u>1,812,582</u>	<u>1,819,943</u>	<u>1,813,156</u>	<u>1,820,212</u>

A16. DEPOSITS FROM CUSTOMERS

	Group		Bank	
	31 December	31 March	31 December	31 March
	2022	2022	2022	2022
	RM'000	RM'000	RM'000	RM'000
Demand deposits	23,114,463	24,114,121	23,118,168	24,126,407
Savings deposits	4,700,304	5,400,230	4,700,304	5,400,230
Term/Investment deposits	55,665,002	56,342,545	55,665,816	56,344,352
	<u>83,479,769</u>	<u>85,856,896</u>	<u>83,484,288</u>	<u>85,870,989</u>

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

	Group		Bank	
	31 December	31 March	31 December	31 March
	2022	2022	2022	2022
	RM'000	RM'000	RM'000	RM'000
Government and other statutory bodies	1,473,288	1,549,251	1,473,288	1,549,251
Business enterprises	39,045,668	39,347,970	39,050,187	39,362,063
Individuals	37,138,014	35,321,255	37,138,014	35,321,255
Others	5,822,799	9,638,420	5,822,799	9,638,420
	<u>83,479,769</u>	<u>85,856,896</u>	<u>83,484,288</u>	<u>85,870,989</u>

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

A16. DEPOSITS FROM CUSTOMERS (CONT'D.)

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

	Group		Bank	
	31 December 2022 RM'000	31 March 2022 RM'000	31 December 2022 RM'000	31 March 2022 RM'000
Due within six months	44,492,918	44,037,037	44,493,732	44,038,844
Over six months to one year	9,227,076	10,871,790	9,227,076	10,871,790
Over one year to three years	1,868,324	1,325,160	1,868,324	1,325,160
Over three years to five years	76,684	108,558	76,684	108,558
	<u>55,665,002</u>	<u>56,342,545</u>	<u>55,665,816</u>	<u>56,344,352</u>

A17. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group		Bank	
	31 December 2022 RM'000	31 March 2022 RM'000	31 December 2022 RM'000	31 March 2022 RM'000
Licensed banks	5,358,252	4,146,076	5,358,252	4,146,076
Licensed investment banks	1,049,840	845,298	1,049,840	845,298
Other financial institutions	1,116,253	1,164,875	1,130,561	1,174,519
Bank Negara Malaysia	1,289,506	1,221,494	1,289,506	1,221,494
	<u>8,813,851</u>	<u>7,377,743</u>	<u>8,828,159</u>	<u>7,387,387</u>

A18. OTHER LIABILITIES

	Group		Bank	
	31 December 2022 RM'000	31 March 2022 RM'000	31 December 2022 RM'000	31 March 2022 RM'000
Other payables and accruals	1,050,782	1,161,187	1,034,975	1,149,050
Lease liabilities	240,010	174,133	241,234	175,639
Provision for reinstatement for leased properties	6,190	6,130	6,190	6,130
Interest payable	528,493	429,512	528,494	429,512
Amount due to holding company and other related companies	-	8,291	-	8,291
Collateral received for derivative and securities transactions	488,762	229,098	488,762	229,098
Lease deposits and advance rentals	38,025	36,476	38,025	36,476
Provision for commitments and contingencies	4,086	3,372	4,086	3,372
Allowances for ECL on loan commitments and financial guarantees (Note (a))	218,579	278,389	218,681	278,435
Provision for taxation	2,417	2,489	2,337	1,759
Deferred income	55,072	53,508	55,072	53,508
	<u>2,632,416</u>	<u>2,382,585</u>	<u>2,617,856</u>	<u>2,371,270</u>

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

A18. OTHER LIABILITIES (CONT'D.)

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

Group	Stage 1	Stage 2	Stage 3	Total
	12-Month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
31 December 2022				
Balance at beginning of the financial period	20,472	15,763	242,154	278,389
Net allowances/(writeback) for ECL:	12,365	10,947	(83,217)	(59,905)
- Transfer to Stage 1	754	(4,375)	-	(3,621)
- Transfer to Stage 2	(851)	8,542	-	7,691
- Transfer to Stage 3	(29)	(358)	3,825	3,438
New exposure originated	14,536	11,750	-	26,286
Net remeasurement of allowances	3,421	(213)	(87,007)	(83,799)
Exposure derecognised/withdrawn	(5,466)	(4,399)	(35)	(9,900)
Foreign exchange differences	110	3	(18)	95
Balance at end of the financial period	32,947	26,713	158,919	218,579
31 March 2022				
Balance at beginning of the financial year	21,416	30,544	52,718	104,678
Net (writeback of)/allowances for ECL:	(957)	(14,772)	189,436	173,707
- Transfer to Stage 1	593	(6,341)	-	(5,748)
- Transfer to Stage 2	(1,391)	5,622	-	4,231
- Transfer to Stage 3	(49)	(401)	190,368	189,918
New exposure originated	8,765	5,356	-	14,121
Net remeasurement of allowances	(2,023)	(6,263)	(932)	(9,218)
Exposure derecognised/withdrawn	(6,852)	(12,745)	-	(19,597)
Foreign exchange differences	13	(9)	-	4
Balance at end of the financial year	20,472	15,763	242,154	278,389

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

A18. OTHER LIABILITIES (CONT'D.)

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

Bank	Stage 1 12-Month ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Stage 3 Lifetime ECL credit impaired RM'000	Total RM'000
31 December 2022				
Balance at beginning of the financial period	20,518	15,763	242,154	278,435
Net allowances/(writeback) for ECL:	12,421	10,947	(83,217)	(59,849)
- Transfer to Stage 1	754	(4,375)	-	(3,621)
- Transfer to Stage 2	(851)	8,542	-	7,691
- Transfer to Stage 3	(29)	(358)	3,825	3,438
New financial instruments originated	14,536	11,750	-	26,286
Net remeasurement of allowances	3,477	(213)	(87,007)	(83,743)
Exposure derecognised/withdrawn	(5,466)	(4,399)	(35)	(9,900)
Foreign exchange differences	110	3	(18)	95
Balance at end of the financial period	33,049	26,713	158,919	218,681

Bank	Stage 1 12-Month ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Stage 3 Lifetime ECL credit impaired RM'000	Total RM'000
31 March 2022				
Balance at beginning of the financial year	21,453	30,544	52,718	104,715
Net (writeback of)/allowances for ECL:	(948)	(14,772)	189,436	173,716
- Transfer to Stage 1	593	(6,341)	-	(5,748)
- Transfer to Stage 2	(1,391)	5,622	-	4,231
- Transfer to Stage 3	(49)	(401)	190,368	189,918
New financial instruments originated	8,765	5,356	-	14,121
Net remeasurement of allowances	(2,014)	(6,263)	(932)	(9,209)
Exposure derecognised/withdrawn	(6,852)	(12,745)	-	(19,597)
Foreign exchange differences	13	(9)	-	4
Balance at end of the financial year	20,518	15,763	242,154	278,435

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

A19. INTEREST INCOME

	Individual Quarter		Cumulative Quarter	
	31 December 2022 RM'000	31 December 2021 RM'000	31 December 2022 RM'000	31 December 2021 RM'000
Group				
Short-term funds and deposits and placements with financial institutions*	68,495	12,522	135,581	35,822
Financial assets at fair value through profit or loss	36,315	20,855	87,822	63,844
Financial investments at fair value through other comprehensive income	154,398	113,257	399,533	340,812
Financial investments at amortised cost	87,371	36,293	231,189	94,605
Loans and advances*	982,494	803,263	2,691,910	2,364,403
Investment account placement	14,137	11,850	38,100	32,584
Impaired loans and advances	1,280	643	3,027	2,044
Others	10,479	3,628	21,480	8,477
	<u>1,354,969</u>	<u>1,002,311</u>	<u>3,608,642</u>	<u>2,942,591</u>
Bank				
Short-term funds and deposits and placements with financial institutions*	68,359	12,466	135,263	35,701
Financial assets at fair value through profit or loss	36,315	20,855	87,822	63,844
Financial investments at fair value through other comprehensive income	154,398	113,257	399,533	340,812
Financial investments at amortised cost	87,371	36,293	231,189	94,605
Loans and advances*	981,418	802,176	2,689,058	2,360,982
Investment account placement	14,137	11,850	38,100	32,584
Impaired loans and advances	1,280	643	3,027	2,044
Others	10,479	3,628	21,480	8,477
	<u>1,353,757</u>	<u>1,001,168</u>	<u>3,605,472</u>	<u>2,939,049</u>

* Interest income on short-term funds and deposits and placements with financial institutions and loans and advances of the Group and the Bank had included the fair value loss of RM Nil (December 2021: net loss of RM18,872,000) and net modification and fair value loss of RM3,858,000 (December 2021: net gain of RM30,856,000) respectively from measures implemented in response to COVID-19 pandemic.

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

A20. INTEREST EXPENSE

	Individual Quarter		Cumulative Quarter	
	31 December 2022 RM'000	31 December 2021 RM'000	31 December 2022 RM'000	31 December 2021 RM'000
Group				
Deposits from customers	483,078	328,457	1,241,305	969,917
Deposits and placements of banks and other financial institutions	58,540	20,194	133,859	64,525
Securities sold under repurchase agreements	82,670	8,404	135,978	15,191
Recourse obligation on loans sold to Cagamas Berhad	57,146	52,685	147,298	150,269
Term funding	15,666	1,955	37,596	10,514
Debt capital	40,012	37,281	114,068	111,437
Others	3,605	193	5,120	733
	<u>740,717</u>	<u>449,169</u>	<u>1,815,224</u>	<u>1,322,586</u>
Bank				
Deposits from customers	483,086	328,509	1,241,383	970,064
Deposits and placements of banks and other financial institutions	58,540	20,194	133,859	64,525
Securities sold under repurchase agreements	82,670	8,404	135,978	15,191
Recourse obligation on loans sold to Cagamas Berhad	57,146	52,685	147,298	150,269
Term funding	15,666	1,955	37,596	10,514
Debt capital	40,012	37,281	114,068	111,437
Others	3,605	193	5,120	733
	<u>740,725</u>	<u>449,221</u>	<u>1,815,302</u>	<u>1,322,733</u>

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

A21. OTHER OPERATING INCOME

Group	Individual Quarter		Cumulative Quarter	
	31 December	31 December	31 December	31 December
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Fee and commission income:				
Bancassurance commission	9,447	7,529	25,057	20,155
Brokerage fees, commission and rebates	315	356	1,087	2,510
Fees on loans, advances and securities	30,962	31,135	94,378	83,931
Fees, service and commission charges	8,177	6,925	25,351	18,494
Unit trust fees, commission and charges	7,814	17,020	23,581	51,192
Guarantee fees	13,518	11,486	38,097	34,436
Remittances	6,887	5,769	21,000	16,722
Other fee and commission	6,447	3,373	13,769	9,372
	<u>83,567</u>	<u>83,593</u>	<u>242,320</u>	<u>236,812</u>
Investment and trading income:				
Foreign exchange (loss)/gain	(84,247)	7,723	182,255	68,923
Gross dividend income/distribution from:				
Financial assets at fair value through profit or loss	16,839	12,122	20,769	15,507
Financial investments at fair value through other comprehensive income	603	-	2,413	3,253
Net gain/(loss) on sale of:				
Financial assets at fair value through profit or loss	28,445	(1,173)	14,671	(5,699)
Financial investments at fair value through other comprehensive income	63	1,055	23	4,061
Net gain/(loss) on revaluation of financial assets at fair value through profit or loss	6,858	15,361	(17,196)	25,924
Net gain/(loss) on derivatives	114,302	16,904	(1,136)	46,595
Others	1,657	2,289	5,846	10,158
	<u>84,520</u>	<u>54,281</u>	<u>207,645</u>	<u>168,722</u>
Other income:				
Net gain/(loss) on disposal of property and equipment	22	(10)	73	(2)
Net gain on non trading foreign exchange	308	404	196	739
Profit from sale of goods and services	4,161	4,283	12,350	13,113
Rental income	2,006	2,177	5,931	6,229
Others	1,609	262	4,990	563
	<u>8,106</u>	<u>7,116</u>	<u>23,540</u>	<u>20,642</u>
	<u>176,193</u>	<u>144,990</u>	<u>473,505</u>	<u>426,176</u>

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

A21. OTHER OPERATING INCOME (CONT'D.)

	Individual Quarter		Cumulative Quarter	
	31 December 2022 RM'000	31 December 2021 RM'000	31 December 2022 RM'000	31 December 2021 RM'000
Bank				
Fee and commission income:				
Bancassurance commission	9,447	7,529	25,057	20,155
Brokerage fees, commission and rebates	315	356	1,087	2,510
Fees on loans, advances and securities	30,962	31,135	94,378	83,931
Fees, service and commission charges	8,017	6,782	24,888	18,082
Unit trust fees, commission and charges	7,814	17,020	23,581	51,192
Guarantee fees	13,518	11,486	38,097	34,436
Remittances	6,887	5,769	21,000	16,722
Other fee and commission	6,447	3,373	13,769	9,372
	<u>83,407</u>	<u>83,450</u>	<u>241,857</u>	<u>236,400</u>
Investment and trading income:				
Foreign exchange (loss)/gain	(84,196)	7,723	182,280	68,923
Gross dividend income/distribution from:				
Financial assets at fair value through profit or loss	16,839	12,122	20,769	15,507
Financial investments at fair value through other comprehensive income	603	-	2,413	3,253
Associate	-	-	-	15,000
Net gain/(loss) on sale of:				
Financial assets at fair value through profit or loss	28,445	(1,173)	14,671	(5,699)
Financial investments at fair value through other comprehensive income	63	1,055	23	4,061
Net gain/(loss) on revaluation of financial assets at fair value through profit or loss	6,858	15,361	(17,196)	25,924
Net gain/(loss) on derivatives	114,302	16,904	(1,136)	46,595
Others	1,657	2,289	7,421	10,158
	<u>84,571</u>	<u>54,281</u>	<u>209,245</u>	<u>183,722</u>
Other income:				
Net gain/(loss) on disposal of property and equipment	22	(10)	73	(2)
Net gain on non trading foreign exchange	256	403	143	742
Profit from sale of goods and services	4,161	4,283	12,350	13,113
Rental income	2,107	2,159	6,260	6,150
Others	1,504	246	4,951	550
	<u>8,050</u>	<u>7,081</u>	<u>23,777</u>	<u>20,553</u>
	<u>176,028</u>	<u>144,812</u>	<u>474,879</u>	<u>440,675</u>

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

A22. OTHER OPERATING EXPENSES

Group	Individual Quarter		Cumulative Quarter	
	31 December 2022 RM'000	31 December 2021 RM'000	31 December 2022 RM'000	31 December 2021 RM'000
Personnel costs:				
Medical	7,856	5,287	17,407	15,013
Insurance	(99)	4,508	13,677	17,900
Contributions to Employees' Provident Fund/ Private Retirement Schemes ("PRS")	34,309	30,938	99,957	92,364
Salaries, bonuses, allowances and incentives	222,578	197,942	649,287	586,813
Share granted under AMMB Executives' Share Scheme ("ESS") - charge/(writeback)	2,712	1,733	12,169	(6,550)
Social security costs	1,925	1,618	5,254	4,882
Recruitment costs	6,700	3,206	15,252	7,071
Training	3,220	2,180	9,267	5,118
Others	2,776	4,181	6,788	2,844
	<u>281,977</u>	<u>251,593</u>	<u>829,058</u>	<u>725,455</u>
Establishment costs:				
Amortisation of intangible assets	20,579	18,559	57,603	68,927
Cleaning, maintenance and security	8,990	7,358	22,548	19,127
Computerisation cost	41,404	45,475	135,184	105,938
Depreciation of property and equipment	13,740	14,006	37,495	44,109
Depreciation of right-of-use assets	17,586	17,214	56,496	52,455
Rental of premises	481	427	(2,954)	1,479
Finance cost:				
- Lease liabilities	1,693	1,530	4,803	5,168
- Provision for reinstatement for leased properties	18	25	60	79
Others	8,880	7,431	25,142	21,219
	<u>113,371</u>	<u>112,025</u>	<u>336,377</u>	<u>318,501</u>
Marketing and communication expenses:				
Advertising, marketing and communication	12,836	14,456	36,986	33,929
Commission	200	1,062	1,638	3,496
Others	1,250	501	3,196	1,465
	<u>14,286</u>	<u>16,019</u>	<u>41,820</u>	<u>38,890</u>
Administration and general expenses:				
Bank charges	3,049	2,368	7,960	7,019
Insurance	1,934	1,242	7,309	4,595
Professional services	10,631	9,529	31,358	32,197
Travelling	529	290	1,477	647
Subscriptions and periodicals	56	196	336	1,012
Others	10,314	3,280	21,865	39,758
	<u>26,513</u>	<u>16,905</u>	<u>70,305</u>	<u>85,228</u>
Service transfer pricing recovery - net	(82,201)	(72,940)	(247,153)	(218,612)
	<u>353,946</u>	<u>323,602</u>	<u>1,030,407</u>	<u>949,462</u>

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

A22. OTHER OPERATING EXPENSES (CONT'D.)

	Individual Quarter		Cumulative Quarter	
	31 December 2022 RM'000	31 December 2021 RM'000	31 December 2022 RM'000	31 December 2021 RM'000
Bank				
Personnel costs:				
Medical	7,856	5,287	17,407	15,013
Insurance	(99)	4,508	13,677	17,900
Contributions to Employees' Provident Fund/ PRS	34,309	30,938	99,957	92,364
Salaries, bonuses, allowances and incentives	222,578	197,942	649,287	586,813
Share granted under AMMB ESS - charge/(writeback)	2,712	1,733	12,169	(6,550)
Social security costs	1,925	1,618	5,254	4,882
Recruitment costs	6,700	3,206	15,252	7,071
Training	3,220	2,180	9,267	5,118
Others	2,776	4,161	6,788	2,824
	<u>281,977</u>	<u>251,573</u>	<u>829,058</u>	<u>725,435</u>
Establishment costs:				
Amortisation of intangible assets	20,579	18,559	57,603	68,927
Cleaning, maintenance and security	8,876	7,215	22,173	18,755
Computerisation cost	41,404	45,475	135,184	105,938
Depreciation of property and equipment	13,638	13,873	37,174	43,712
Depreciation of right-of-use assets	17,689	17,248	56,806	52,559
Rental of premises	602	550	(2,589)	1,848
Finance cost:				
- Lease liabilities	1,721	1,538	4,890	5,190
- Provision for reinstatement for leased properties	18	25	60	79
Others	8,864	7,396	25,046	21,152
	<u>113,391</u>	<u>111,879</u>	<u>336,347</u>	<u>318,160</u>
Marketing and communication expenses:				
Advertising, marketing and communication	12,836	14,454	36,985	33,926
Commission	199	1,062	1,637	3,496
Others	1,250	501	3,196	1,465
	<u>14,285</u>	<u>16,017</u>	<u>41,818</u>	<u>38,887</u>
Administration and general expenses:				
Bank charges	3,049	2,368	7,960	7,019
Insurance	1,934	1,158	7,226	4,511
Professional services	10,592	9,518	31,281	32,151
Travelling	529	290	1,477	647
Subscriptions and periodicals	57	196	336	1,012
Others	10,333	3,280	21,862	39,756
	<u>26,494</u>	<u>16,810</u>	<u>70,142</u>	<u>85,096</u>
Service transfer pricing recovery - net	(82,201)	(72,940)	(247,153)	(218,612)
	<u>353,946</u>	<u>323,339</u>	<u>1,030,212</u>	<u>948,966</u>

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

A23. ALLOWANCE FOR IMPAIRMENT ON LOANS AND ADVANCES

	Individual Quarter		Cumulative Quarter	
	31 December 2022	31 December 2021 (Restated)	31 December 2022	31 December 2021 (Restated)
	RM'000	RM'000	RM'000	RM'000
Group				
Allowance for impairment on loans and advances	200,143	85,128	351,223	338,137
Impaired loans and advances recovered, net	(49,302)	(27,961)	(135,686)	(106,914)
	<u>150,841</u>	<u>57,167</u>	<u>215,537</u>	<u>231,223</u>
Bank				
Allowance for impairment on loans and advances	200,137	85,218	351,229	338,209
Impaired loans and advances recovered, net	(49,302)	(27,961)	(135,686)	(106,914)
	<u>150,835</u>	<u>57,257</u>	<u>215,543</u>	<u>231,295</u>

A24. ALLOWANCE FOR IMPAIRMENT ON FINANCIAL INVESTMENTS

	Individual Quarter		Cumulative Quarter	
	31 December 2022	31 December 2021 (Restated)	31 December 2022	31 December 2021 (Restated)
	RM'000	RM'000	RM'000	RM'000
Group and Bank				
Financial investments at fair value through other comprehensive income	2,634	3,211	2,279	14,087
Financial investments at amortised cost	3,908	7,424	3,447	1,941
	<u>6,542</u>	<u>10,635</u>	<u>5,726</u>	<u>16,028</u>

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

	Individual Quarter		Cumulative Quarter	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	RM'000	RM'000	RM'000	RM'000
Group				
Cash and short-term funds	1,214	(1,681)	1,130	(468)
Deposits and placements with banks and other financial institutions	228	(1,001)	(877)	13
Investment account placement	259	(306)	(93)	1,986
Other assets	(22)	88	1,305	49
	<u>1,679</u>	<u>(2,900)</u>	<u>1,465</u>	<u>1,580</u>
Bank				
Cash and short-term funds	1,214	(1,681)	1,130	(468)
Deposits and placements with banks and other financial institutions	228	(1,001)	(877)	13
Investment account placement	259	(306)	(93)	1,986
Other assets	(12)	88	1,320	49
	<u>1,689</u>	<u>(2,900)</u>	<u>1,480</u>	<u>1,580</u>

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

A26. EARNINGS PER SHARE ("EPS")

Basic/Diluted

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

	Individual Quarter		Cumulative Quarter	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Group				
Net profit attributable to equity holder of the Bank (RM'000)	273,909	368,004	831,164	771,001
Number of ordinary shares at beginning of the financial period	949,927	903,247	949,927	903,247
Effect of issuance of new ordinary shares ('000)	-	46,680	-	36,496
Weighted average number of ordinary shares in issue at the end of the financial period ('000)	949,927	949,927	949,927	939,743
Basic/diluted earnings per share (sen)	28.83	38.74	87.50	82.04
Bank				
Net profit attributable to equity holder of the Bank (RM'000)	271,908	367,258	828,958	771,434
Number of ordinary shares at beginning of the financial period	949,927	903,247	949,927	903,247
Effect of issuance of new ordinary shares ('000)	-	46,680	-	36,496
Weighted average number of ordinary shares in issue at the end of the financial period ('000)	949,927	949,927	949,927	939,743
Basic/diluted earnings per share (sen)	28.62	38.66	87.27	82.09

A27. BUSINESS SEGMENT ANALYSIS

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

The Group comprises the following main business segments:

- (a) Retail Banking

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

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

A27. BUSINESS SEGMENT ANALYSIS (CONT'D.)

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

(b) Business Banking

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

(c) Wholesale Banking

Wholesale Banking comprises Corporate Banking and Group Treasury and Markets.

(i) Corporate Banking

Corporate Banking offers a full range of products and services of corporate lending, trade finance, offshore banking, and cash management solutions to wholesale banking clients.

(ii) Group Treasury and Markets

Group Treasury and Markets includes proprietary trading as well as providing full range of products and services relating to treasury activities, including foreign exchange, derivatives, fixed income and structured warrants. It also offers customised investment solutions for customers.

(d) Investment Banking

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

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

(e) Group Funding and Others

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

Measurement of Segment Performance

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

Note:

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

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

A27. BUSINESS SEGMENT ANALYSIS (CONT'D.)

Group For the financial period ended 31 December 2022	Wholesale Banking						Total RM'000
	Retail Banking RM'000	Business Banking RM'000	Corporate Banking RM'000	Group Treasury and Markets RM'000	Investment Banking RM'000	Group Funding and Others RM'000	
External net income	1,153,759	402,166	609,336	326,751	32,347	(256,034)	2,268,325
Intersegments net income	(154,866)	(23,469)	(195,245)	73,197	(11,535)	311,918	-
Net income	998,893	378,697	414,091	399,948	20,812	55,884	2,268,325
Net interest income	845,838	291,019	331,601	266,317	18,935	39,708	1,793,418
Other operating income	151,653	87,678	82,490	133,631	1,877	16,176	473,505
Share in results of an associate	1,402	-	-	-	-	-	1,402
Net income	998,893	378,697	414,091	399,948	20,812	55,884	2,268,325
Other operating expenses	(522,021)	(135,856)	(99,972)	(49,228)	(6,747)	(216,583)	(1,030,407)
<i>of which:</i>							
<i>Depreciation of property and equipment</i>	(11,963)	(1,278)	(927)	(344)	(7)	(22,976)	(37,495)
<i>Depreciation of right-of-use assets</i>	-	-	-	-	-	(56,496)	(56,496)
<i>Amortisation of intangible assets</i>	(16,293)	(772)	(4,249)	(4,564)	-	(31,725)	(57,603)
Profit/(loss) before impairment losses	476,872	242,841	314,119	350,720	14,065	(160,699)	1,237,918
(Allowance)/writeback of allowance for impairment on loans and advances	(147,064)	(55,754)	(17,044)	-	153	4,172	(215,537)
(Provision)/writeback of provision for commitments and contingencies	(6,629)	(14,952)	81,430	-	-	(657)	59,192
(Allowance)/writeback of allowance for impairment on financial investment and other financial assets	(69)	-	(4,642)	(2,495)	-	15	(7,191)
Other recoveries	-	-	-	508	-	15	523
Profit/(loss) before taxation	323,110	172,135	373,863	348,733	14,218	(157,154)	1,074,905
Taxation	(77,210)	(42,173)	(86,547)	(81,046)	(2,555)	45,789	(243,742)
Profit/(loss) for the financial period	245,900	129,962	287,316	267,687	11,663	(111,365)	831,163
Other information							
Total segment assets	47,167,075	12,980,776	21,489,182	44,636,536	1,414,105	3,185,128	130,872,802
Total segment liabilities	43,589,236	11,500,961	11,979,970	39,398,622	792,841	12,760,571	120,022,201
Cost to income ratio	52.3%	35.9%	24.1%	12.3%	32.4%	>100.0%	45.4%
Gross loans and advances	46,848,702	13,146,540	19,818,525	-	1,409,295	(242,881)	80,980,181
Net loans and advances	46,003,831	12,973,907	19,527,859	-	1,409,295	(242,630)	79,672,262
Impaired loans and advances	1,000,598	209,289	159,329	-	-	-	1,369,216
Total deposits	42,847,248	11,300,222	11,711,123	24,600,398	933,265	901,364	92,293,620
Additions to:							
Property and equipment	6,349	523	209	65	-	28,963	36,109
Intangible assets	13,796	266	2,851	20	-	27,170	44,103

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

A27. BUSINESS SEGMENT ANALYSIS (CONT'D.)

Group For the financial period ended 31 December 2021 (Restated)	Wholesale Banking						Total RM'000
	Retail Banking RM'000	Business Banking RM'000	Corporate Banking RM'000	Group Treasury and Markets RM'000	Investment Banking RM'000	Group Funding and Others RM'000	
External net income	1,138,931	341,293	470,412	292,981	31,092	(229,314)	2,045,395
Intersegments net income	(213,807)	(36,467)	(143,914)	67,418	(10,728)	337,498	-
Net income	925,124	304,826	326,498	360,399	20,364	108,184	2,045,395
Net interest income	757,869	233,441	261,219	257,364	15,830	94,282	1,620,005
Other operating income	168,041	71,385	65,279	103,035	4,534	13,902	426,176
Share in results of an associate	(786)	-	-	-	-	-	(786)
Net income	925,124	304,826	326,498	360,399	20,364	108,184	2,045,395
Other operating expenses	(494,894)	(97,607)	(96,925)	(52,493)	(5,526)	(202,017)	(949,462)
<i>of which:</i>							
<i>Depreciation of property and equipment</i>	(13,285)	(1,387)	(1,020)	(148)	(4)	(28,265)	(44,109)
<i>Depreciation of right-of-use</i>	-	-	-	-	-	(52,455)	(52,455)
<i>Amortisation of intangible assets</i>	(16,403)	(630)	(4,084)	(1,607)	-	(46,203)	(68,927)
Profit/(loss) before impairment losses (Allowance)/writeback of allowance for impairment on loans and advances	430,230	207,219	229,573	307,906	14,838	(93,833)	1,095,933
Writeback of provision/(provision) for commitments and contingencies	(111,061)	(55,266)	(75,928)	-	10,108	924	(231,223)
Allowance for impairment on financial investment and other financial assets	1,613	(5,090)	8,947	-	-	(53,341)	(47,871)
Other recoveries	(61)	-	(2,854)	(8,998)	-	(5,695)	(17,608)
Profit/(loss) before taxation	-	-	-	-	-	28	28
Taxation	320,721	146,863	159,738	298,908	24,946	(151,917)	799,259
Profit for the financial period	(77,162)	(32,074)	(36,615)	(66,973)	(4,740)	189,306	(28,258)
	243,559	114,789	123,123	231,935	20,206	37,389	771,001
Other information							
Total segment assets	46,259,198	12,043,335	20,106,995	39,077,126	1,350,589	3,141,250	121,978,493
Total segment liabilities	40,545,584	10,270,927	11,021,931	35,133,026	764,905	14,321,779	112,058,152
Cost to income ratio	53.5%	32.0%	29.7%	14.6%	27.1%	>100.0%	46.4%
Gross loans and advances	45,842,047	12,191,780	19,257,253	-	1,197,237	(84,059)	78,404,258
Net loans and advances	45,067,226	12,034,454	18,969,213	-	1,197,100	(259,365)	77,008,628
Impaired loans and advances	604,517	172,533	163,272	-	138	-	940,460
Total deposits	39,976,857	10,140,121	10,859,332	27,497,340	759,564	857,573	90,090,787
Additions to:							
Property and equipment	5,438	252	400	348	-	8,889	15,327
Intangible assets	11,570	236	5,035	10,736	-	17,106	44,683

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

A28. PERFORMANCE REVIEW FOR THE PERIOD ENDED 31 DECEMBER 2022

The Group registered a profit before taxation ("pre-tax profit") of RM1,074.9 million for the financial period ended 31 December 2022, representing an increase of RM275.6 million or 34.5% compared to the pre-tax profit for the corresponding period last year.

The increase in Group's profit before taxation for the period is attributable to lower net impairment allowance for loans and advances, financial investments and other financial assets of RM26.1 million and writeback of provision for commitments and contingencies of RM107.1 million compared to the corresponding period last year. Net interest income increased by RM173.4 million mainly from loans and advances and higher other operating income mainly from investment and trading income.

The increase was partly offset by higher other operating expenses.

The Group's impaired loans and advances ratio stood at 1.69% end December 2022. Loan loss coverage ratio including regulatory reserve is well above 100% at 121.6%.

The Group and the Bank remained well capitalised with risk weighted capital adequacy ratios of 17.18% and 17.04% respectively.

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

A29. PROSPECTS FOR FINANCIAL YEAR ENDING 31 MARCH 2023

The economy has shown a strong post-COVID recovery in 2022 on the back of full reopening of international borders, higher private consumption, and favourable base effect. In addition to that, external trades also contributed positively to the economy in 2022 although global economic activities tapered towards the end of the year. Gross Domestic Products ("GDP") growth came in at 8.7% for the full year 2022, the strongest momentum since 1996.

For 2023, we see more external headwinds given the higher chance of a mild global recession as suggested by recent flow of economic data. Additionally, cumulative interest rate hikes that had taken place among most of the central banks to bring inflation lower are likely to cause slower GDP growth. On a positive note, the end of zero-COVID policy in China and strong job market in the United States ("US") are seen as the mitigating factors to prevent the global economy from serious slowdown. The US unemployment rate remained low at 3.4% in January 2023 while consumer balance sheets are somewhat robust as evidenced by lower debt service ratio. Against this backdrop, the US Federal Reserve is expected to deliver few more interest rate hikes to tame the inflation towards its 2.0% target. Despite that, we still see the possibility of a "soft-landing" scenario for the economy.

On the domestic front, we expect private consumption to continue to be supportive of economic growth albeit at more moderate pace with the unemployment rate converging further towards its pre-pandemic average. The tourism sector is anticipated to remain on recovery trajectory and the China reopening is an added impetus to the sector considering that tourists from China used to be around 12% of total tourist arrivals during the pre-pandemic period. Moreover, continuous realisation of investments as well as accommodative monetary policy locally should also bode well for the economy. Against this backdrop, we expected Malaysia's GDP to grow by 4.5% in 2023.

Due to the elevated food prices and weakened Ringgit, headline inflation came in at 3.3% in 2022 after a reading of 2.5% in the previous year. We expect headline inflation to be lower at 3.0% in 2023 due to the declining commodity prices since second half 2022 as well as easing global supply chain disruption. The risk of inflation rising beyond this target could come from persistent weakening in local currency or unexpected increase in global commodity prices.

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

A29. PROSPECTS FOR FINANCIAL YEAR ENDING 31 MARCH 2023 (CONT'D.)

In tandem with the healthy economic environment, outstanding loans in the banking industry grew 5.7% year-on-year in December 2022, faster than 5.5% in November (December 2021: 4.5%). Both the household and business segment loans posted a similar growth of 5.3% year-on-year. In view of higher interest rate and slower economic activity, we expect loan growth to be lower at around 4.0% to 5.0% for 2023.

The overall banking system remains healthy in 2022 underpinned by strong liquidity. This is reflected by the liquidity coverage ratio which ticked up to 154.0% in December 2022 (November 2022 was at 146.6%), the highest level since April 2022. The funding profile was well-diversified with December 2022's loan-to-fund ratio and loan-to-fund-and-equity ratio at 82.4% and 72.0%, respectively (November 2022 was at 82.2% and 71.7%, respectively).

On the monetary policy front, cumulative interest rate hikes in Malaysia have been gradual compared to the outcome seen across other major economies. The recent Monetary Policy Committee ("MPC") statement shows that the Bank Negara Malaysia ("BNM") is assessing the impact of the cumulative past Overnight Policy Rate ("OPR") adjustments. At this juncture, we still see the potential of 25 bps hike in the OPR to 3.00%, a level that is still accommodative and supportive of Malaysia's economic growth. Our rate hike expectation is largely due to relatively high core inflation which stood at 4.1% as at December 2022.

AMMB Group remains on track to deliver strong financial performance throughout FY23 as it benefits from the rising demand for financing, the up-trending of the OPR and lower provisions due to an improving economy.

AMMB Group will continue to focus full effort on growing revenue, building capital and shoring up liquidity levels while closely monitoring asset quality and exercising cost discipline. At the same time, customers' needs are observed and prioritized as AMMB Group delivers customized solutions to help customers adapt to the rapidly changing environment.

The execution of AMMB Group's Focus 8 strategy continues in FY23 as AMMB Group strives to deliver more integrated value propositions and create sustainable long-term value for all its shareholders and stakeholders. AMMB Group's key focus areas in FY23 include accelerating its digital transformation, forming more strategic partnerships as well as embedding Environmental, Social and Governance ("ESG") considerations into all its strategies, businesses and operations.

A30. VALUATION OF PROPERTY AND EQUIPMENT

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

A31. SIGNIFICANT EVENT DURING THE FINANCIAL PERIOD

There was no significant event during the current financial quarter and period.

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

(i) Dissolution of a subsidiary

The Bank's wholly-owned subsidiary, Komuda Credit & Leasing Sdn Bhd, which commenced member's voluntary liquidation pursuant to Section 439(1)(b) of the Companies Act 2016 on 31 July 2013 was dissolved on 7 July 2022. As the subsidiary was dormant, there was no significant impact on the Group's statement of comprehensive income or statement of financial position arising from the dissolution.

(ii) Capital reduction of a subsidiary

On 14 July 2022, AmCard Services Berhad ("AmCard") being wholly-owned subsidiary of the Bank, had obtained the Capital Reduction Order from the High Court pursuant to Section 116 of the Companies Act 2016. On 29 July 2022, AmCard had returned paid-up share capital in excess of the subsidiary needs which amounted to a total equivalent of RM10.0 million to the Bank. The capital repayment did not have any effect on the reported cashflows from operations, financial position and performance of the Group for the current financial period.

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

A33. COMMITMENTS AND CONTINGENCIES

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

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

	Group		Bank	
	31 December 2022 RM'000	31 March 2022 RM'000	31 December 2022 RM'000	31 March 2022 RM'000
Commitments				
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	13,347,897	11,640,100	13,511,689	11,717,400
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	2,401,935	1,619,911	2,401,935	1,619,911
Unutilised credit card lines	3,849,027	3,696,035	3,849,027	3,696,035
Forward asset purchase	672,302	50,143	672,302	50,143
Others	-	-	50	50
	<u>20,271,161</u>	<u>17,006,189</u>	<u>20,435,003</u>	<u>17,083,539</u>
Contingencies				
Direct credit substitutes	2,625,896	2,500,325	2,625,896	2,500,325
Transaction related contingent items	3,333,028	3,411,078	3,333,028	3,411,078
Short term self liquidating trade related contingencies	795,702	523,110	795,702	523,110
Obligations under on-going underwriting agreements	150,000	-	150,000	-
	<u>6,904,626</u>	<u>6,434,513</u>	<u>6,904,626</u>	<u>6,434,513</u>
Derivative Financial Instruments				
Foreign exchange related contracts				
- One year or less	37,731,755	41,939,583	37,731,755	41,939,583
- Over one year to five years	4,949,147	4,572,015	4,949,147	4,572,015
- Over five years	1,656,473	2,216,259	1,656,473	2,216,259
Interest rate related contracts				
- One year or less	12,180,897	12,051,407	12,180,897	12,051,407
- Over one year to five years	19,543,168	21,186,522	19,543,168	21,186,522
- Over five years	3,851,214	6,307,988	3,851,214	6,307,988
Equity and commodity related contracts				
- One year or less	1,324,499	1,570,386	1,324,499	1,570,386
- Over one year to five years	78,511	75,367	78,511	75,367
	<u>81,315,664</u>	<u>89,919,527</u>	<u>81,315,664</u>	<u>89,919,527</u>
Total	<u>108,491,451</u>	<u>113,360,229</u>	<u>108,655,293</u>	<u>113,437,579</u>

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

A34. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Determination of fair value and fair value hierarchy

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

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

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

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

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

About 2.4% of the Group's and the Bank's (31 March 2022: 3.7% of the Group's and the Bank's) total financial assets recorded at fair value, are based on estimates and recorded as Level 3 investments. Where estimates are used, these are based on a combination of independent third-party evidence and internally developed models, calibrated to market observable data where possible. While such valuations are sensitive to estimates, it is believed that changing one or more of the assumptions to reasonably possible alternative assumptions would not change the fair value significantly.

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

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

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

	Group				Bank			
	Valuation technique			Total RM'000	Valuation technique			Total RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
31 December 2022								
Financial assets measured at fair value								
Derivative financial assets	5	962,503	-	962,508	5	962,503	-	962,508
Financial assets at fair value through profit or loss								
- Money market securities	-	4,890,052	-	4,890,052	-	4,890,052	-	4,890,052
- Quoted shares	1,040,212	-	-	1,040,212	1,040,208	-	-	1,040,208
- Unquoted shares	-	-	31	31	-	-	-	-
- Quoted unit trust	40,765	-	-	40,765	40,765	-	-	40,765
- Quoted sukuk	-	13,055	-	13,055	-	13,055	-	13,055
- Unquoted corporate bonds and sukuk	-	996,827	-	996,827	-	996,827	-	996,827
Financial investments at fair value through other comprehensive income								
- Money market securities	-	11,198,039	-	11,198,039	-	11,198,039	-	11,198,039
- Unquoted shares	-	-	677,258	677,258	-	-	677,258	677,258
- Quoted unit trust	65,139	-	-	65,139	65,139	-	-	65,139
- Unquoted corporate bonds and sukuk	-	7,990,999	-	7,990,999	-	7,990,999	-	7,990,999
	<u>1,146,121</u>	<u>26,051,475</u>	<u>677,289</u>	<u>27,874,885</u>	<u>1,146,117</u>	<u>26,051,475</u>	<u>677,258</u>	<u>27,874,850</u>
Financial liabilities measured at fair value								
Derivative financial liabilities	<u>12,494</u>	<u>1,217,164</u>	<u>-</u>	<u>1,229,658</u>	<u>12,494</u>	<u>1,217,164</u>	<u>-</u>	<u>1,229,658</u>

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

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

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

	Group				Bank			
	Valuation technique			Total RM'000	Valuation technique			Total RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
31 March 2022								
Financial assets measured at fair value								
Derivative financial assets	2,090	830,731	-	832,821	2,090	830,731	-	832,821
Financial assets at fair value through profit or loss								
- Money market securities	-	1,096,786	-	1,096,786	-	1,096,786	-	1,096,786
- Quoted shares	1,047,418	-	-	1,047,418	1,047,414	-	-	1,047,414
- Unquoted shares	-	-	31	31	-	-	-	-
- Quoted unit trust	12,466	-	-	12,466	12,466	-	-	12,466
- Quoted sukuk	-	13,315	-	13,315	-	13,315	-	13,315
- Unquoted corporate bonds and sukuk	-	505,888	-	505,888	-	505,888	-	505,888
Financial investments at fair value through other comprehensive income								
- Money market securities	-	6,494,294	-	6,494,294	-	6,494,294	-	6,494,294
- Unquoted shares	-	-	669,168	669,168	-	-	669,168	669,168
- Quoted unit trust	69,726	-	-	69,726	69,726	-	-	69,726
- Unquoted corporate bonds and sukuk	-	7,106,396	-	7,106,396	-	7,106,396	-	7,106,396
	<u>1,131,700</u>	<u>16,047,410</u>	<u>669,199</u>	<u>17,848,309</u>	<u>1,131,696</u>	<u>16,047,410</u>	<u>669,168</u>	<u>17,848,274</u>
Financial liabilities measured at fair value								
Derivative financial liabilities	<u>26,964</u>	<u>779,670</u>	<u>-</u>	<u>806,634</u>	<u>26,964</u>	<u>779,670</u>	<u>-</u>	<u>806,634</u>

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

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

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

Movements In Level 3 financial instruments measured at fair value

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

Group	Equity instruments at FVTPL RM'000	Equity instruments at FVOCI RM'000	Total RM'000
At 1 April 2022	31	669,168	669,199
Gain on revaluation of financial investments at FVOCI taken up in statement of comprehensive income	-	8,090	8,090
At 31 December 2022	<u>31</u>	<u>677,258</u>	<u>677,289</u>

	Equity instruments at FVTPL RM'000	Equity instruments at FVOCI RM'000	Total RM'000
At 1 April 2021	34	681,353	681,387
Loss on revaluation of financial assets at FVTPL taken up in statement of profit or loss	(3)	-	(3)
Gain on revaluation of financial investments at FVOCI taken up in statement of comprehensive income	-	2,666	2,666
Disposal	-	(14,857)	(14,857)
Addition	-	6	6
At 31 March 2022	<u>31</u>	<u>669,168</u>	<u>669,199</u>

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

	Equity instruments at FVOCI RM'000	Total RM'000
At 1 April 2021	681,353	681,353
Gain on revaluation of financial investments at FVOCI taken up in statement of comprehensive income	2,666	2,666
Disposal	(14,857)	(14,857)
Addition	6	6
At 31 March 2022	<u>669,168</u>	<u>669,168</u>

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

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

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

	Group		Bank	
	31 December	31 March	31 December	31 March
	2022	2022	2022	2022
	RM'000	RM'000	RM'000	RM'000
Financial assets at FVTPL				
Total loss included in:				
- profit or loss	-	(3)	-	-
Financial investments at FVOCI				
Total gain included in:				
- other comprehensive income	8,090	2,666	8,090	2,666

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

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

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

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

A35. CAPITAL ADEQUACY

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

	Group	Bank
Under transitional arrangement (Note (i))		
31 December 2022		
CET 1 Capital Ratio	12.389%	12.270%
Tier 1 Capital Ratio	12.389%	12.270%
Total Capital Ratio	17.182%	17.038%
31 March 2022		
CET 1 Capital Ratio	11.767%	11.659%
Tier 1 Capital Ratio	11.767%	11.659%
Total Capital Ratio	16.233%	16.109%

Notes:

- (i) Pursuant to the revised BNM policy document, Capital Adequacy Framework (Capital Component) issued on 9 December 2020, capital ratios of the Group and the Bank had been computed applying transitional arrangement on provision for ECL. Under the transitional arrangement, the Bank is allowed to add back the amount of loss allowance for non credit impaired exposure (ie. stage 1 and stage 2 provisions) to CET1 Capital. Had the transitional arrangement not been applied, the capital ratios of the Group and the Bank as at 31 December 2022 and 31 March 2022 are as follow:

	31 December 2022		31 March 2022	
	Group	Bank	Group	Bank
CET 1	11.993%	11.876%	11.274%	11.168%
Tier 1 Capital Ratio	11.993%	11.876%	11.274%	11.168%
Total Capital Ratio	16.972%	16.835%	16.086%	15.967%

- (ii) Pursuant to the above BNM's guideline on Capital Adequacy Framework (Capital Components), the minimum capital adequacy ratios to be maintained under the guideline are at 4.5% for CET 1 capital, 6.0% for Tier 1 capital and 8.0% for total capital ratio. In addition, banking institutions are also required to maintain capital buffers in form of CET 1 capital above the minimum CET 1 Capital, Tier 1 Capital and Total Capital adequacy levels. The capital buffers shall comprise the sum of the following:
- (a) a Capital Conservation Buffer ("CCB") of 2.5%;
 - (b) a Countercyclical Capital Buffer ("CCyB") determined as the weighted-average of the prevailing CCyB rates applied in the jurisdictions in which the Bank has credit exposures. BNM will communicate any decision on the CCyB rate by up to 12 months before the date from which the rate applies; and
 - (c) a Higher Loss Absorbency ("HLA") requirement for a financial institution that is designated as a domestic systemically important bank ("D-SIB").

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

A35. CAPITAL ADEQUACY (CONT'D.)

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

	Group		Bank	
	31 December 2022 RM'000	31 March 2022 RM'000	31 December 2022 RM'000	31 March 2022 RM'000
CET 1 Capital				
Share Capital	3,040,465	3,040,465	3,040,465	3,040,465
Retained earnings	7,254,251	6,470,027	7,309,604	6,524,068
Fair value reserve	215,413	293,346	215,413	293,346
Foreign currency translation reserve	100,218	88,488	104,020	92,301
Regulatory reserve	137,885	94,463	137,885	94,463
Merger reserve	104,149	104,149	-	-
Cash flow hedging deficit	(5,443)	(9,062)	(5,443)	(9,062)
Less: Regulatory adjustments applied on CET 1 Capital				
- Intangible assets	(204,780)	(221,538)	(204,780)	(221,538)
- Deferred tax assets	(192,668)	(158,227)	(192,668)	(158,227)
- 55% of cumulative fair value gains in fair value reserve	(118,477)	(161,340)	(118,477)	(161,340)
- Cash flow hedging deficit	5,443	9,062	5,443	9,062
- Regulatory reserve	(137,885)	(94,463)	(137,885)	(94,463)
- Investment in ordinary shares of unconsolidated financial entities	-	-	(11)	(8,488)
- Unrealised fair value gains on financial liabilities due to changes in own credit risk	(1,619)	(648)	(1,619)	(648)
- Other CET1 regulatory adjustments specified by the BNM	336,534	413,454	336,562	413,471
Total CET 1 Capital	10,533,486	9,868,176	10,488,509	9,813,410
Additional Tier 1 Capital				
Qualifying CET 1, Additional Tier 1 capital instruments held by third parties	2	2	-	-
Total Tier 1 Capital	10,533,488	9,868,178	10,488,509	9,813,410
Tier 2 Capital				
Tier 2 Capital instruments meeting all relevant criteria for inclusion	3,270,000	3,095,000	3,270,000	3,095,000
Qualifying CET 1, Additional Tier 1 and Tier 2 capital instruments held by third parties	1	1	-	-
General provisions*	805,638	650,038	805,691	650,081
Total Tier 2 capital	4,075,639	3,745,039	4,075,691	3,745,081
Total Capital	14,609,127	13,613,217	14,564,200	13,558,491

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

	Group		Bank	
	31 December 2022 RM'000	31 March 2022 RM'000	31 December 2022 RM'000	31 March 2022 RM'000
Credit RWA	77,078,403	75,218,030	77,548,199	75,535,958
Market RWA	1,843,851	2,859,494	1,843,810	2,859,665
Operational RWA	5,092,974	4,802,415	5,082,871	4,792,198
Large exposure risk RWA for equity holdings	1,008,154	980,771	1,008,154	980,771
Total RWA	85,023,382	83,860,710	85,483,034	84,168,592

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

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

A36. RESTATEMENT OF COMPARATIVE INFORMATION

In March 2022, the Group and the Bank conducted a review on the classification of its unrated bonds and sukuk and reclassified the instruments from loans and advances to financial investments at amortised cost to align the presentation of its debt securities as financial investments.

The reclassification resulted in changes to the comparative financial information to conform with current period's presentation, which resulted in the following financial effects to the statements of the Group and of the Bank:

	As previously reported RM'000	Reclassification RM'000	As restated RM'000
Reconciliation of statements of profit or loss			
Individual quarter			
Group			
Allowance for impairment on loans and advances	(63,778)	6,611	(57,167)
Impairment loss on financial investments	(4,024)	(6,611)	(10,635)
Bank			
Allowance for impairment on loans and advances	(63,868)	6,611	(57,257)
Impairment loss on financial investments	(4,024)	(6,611)	(10,635)
Cumulative period			
Group			
Allowance for impairment on loans and advances	(237,834)	6,611	(231,223)
Impairment loss on financial investments	(9,417)	(6,611)	(16,028)
Bank			
Allowance for impairment on loans and advances	(237,906)	6,611	(231,295)
Impairment loss on financial investments	(9,417)	(6,611)	(16,028)