

AmlInvestment Bank Berhad

Registration No. 197501002220 (23742-V)

(Incorporated in Malaysia)

And Its Subsidiaries

Condensed Interim Financial Statements

For the Financial Period

1 April 2022 to

31 December 2022

(In Ringgit Malaysia)

AmlInvestment Bank Berhad
Registration No. 197501002220 (23742-V)
(Incorporated in Malaysia)
and its subsidiaries

UNAUDITED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

		Group		Bank	
	Note	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	9	793,237	278,842	711,819	176,597
Deposits and placements with a bank	10	-	300,000	-	300,000
Derivative financial assets		4	-	4	-
Financial assets at fair value through other comprehensive income	11	33,046	33,509	33,046	33,509
Financial investments at amortised cost	12	75,000	75,000	75,000	75,000
Loans and advances	13	749,499	599,556	749,499	599,556
Statutory deposit with Bank Negara Malaysia ("BNM")		11,568	9,523	11,568	9,523
Deferred tax assets		6,014	8,637	3,786	5,305
Investment in subsidiaries		-	-	51,441	51,441
Other assets	14	507,842	888,506	480,270	860,105
Property and equipment		15,401	16,112	15,053	15,710
Right-of-use assets		2,857	3,333	2,857	3,333
Intangible assets		41,083	39,512	3,248	2,063
TOTAL ASSETS		2,235,551	2,252,530	2,137,591	2,132,142
LIABILITIES AND EQUITY					
Deposits and placements of a bank	15	1,260,000	840,000	1,260,000	840,000
Derivative financial liabilities		7	1	7	1
Other liabilities	16	436,066	842,460	412,305	812,666
TOTAL LIABILITIES		1,696,073	1,682,461	1,672,312	1,652,667
Share capital		330,000	330,000	330,000	330,000
Reserves		209,478	240,069	135,279	149,475
Equity attributable to equity holder of the Bank		539,478	570,069	465,279	479,475
TOTAL LIABILITIES AND EQUITY		2,235,551	2,252,530	2,137,591	2,132,142
COMMITMENTS AND CONTINGENCIES	26	248,050	234,036	248,050	234,036
NET ASSETS PER ORDINARY SHARE (RM)		1.72	1.82	1.48	1.53

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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Registration No. 197501002220 (23742-V)
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UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2022

Group	Note	Individual Quarter		Cumulative Quarter	
		31 December 2022 RM'000	31 December 2021 RM'000	31 December 2022 RM'000	31 December 2021 RM'000
Interest income	17	16,500	11,414	46,194	33,049
Interest expense	18	(6,712)	(2,945)	(17,418)	(8,657)
Net interest income		9,788	8,469	28,776	24,392
Net income from operations of Islamic banking	29	-	-	-	2,148
Other operating income	19	91,985	107,802	247,676	324,303
Direct costs	20	(14,300)	(24,361)	(45,938)	(79,022)
Net income		87,473	91,910	230,514	271,821
Other operating expenses	21	(53,027)	(49,355)	(148,684)	(133,715)
Operating profit		34,446	42,555	81,830	138,106
Allowance for impairment on loans and advances	22	-	-	-	(1)
Writeback of allowance/(allowance) for impairment on other financial assets	23	153	(167)	(784)	(348)
Provision for commitments and contingencies		-	-	-	(173)
Profit before taxation		34,599	42,388	81,046	137,584
Taxation		(7,715)	4,555	(17,679)	(16,950)
Profit for the financial period		26,884	46,943	63,367	120,634
Basic/diluted earnings per share (sen)	24	8.6	14.9	20.2	38.4

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.

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	26,884	46,943	63,367	120,634
Other comprehensive income:				
Item that will not be reclassified subsequently to profit or loss				
Equity instruments at fair value through other comprehensive income ("FVOCI")				
Net unrealised (loss)/gain on changes in fair value	-	-	(166)	157
Tax effect	-	38	-	-
	-	38	(166)	157
Item that may be reclassified subsequently to profit or loss				
Debt instruments at FVOCI				
Net unrealised gain/(loss) on changes in fair value	596	12	551	(4)
Tax effect	(144)	(3)	(132)	1
	452	9	419	(3)
Other comprehensive income for the financial period	452	47	253	154
Total comprehensive income for the period attributable to equity holder of the Bank	27,336	46,990	63,620	120,788

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

Bank	Note	Individual Quarter		Cumulative Quarter	
		31 December 2022 RM'000	31 December 2021 RM'000	31 December 2022 RM'000	31 December 2021 RM'000
Interest income	17	16,111	11,069	44,858	31,853
Interest expense	18	(6,676)	(2,903)	(17,310)	(8,512)
Net interest income		9,435	8,166	27,548	23,341
Net income from operations of Islamic banking	29	-	-	-	2,148
Other operating income	19	73,131	83,957	183,115	239,157
Direct costs	20	(7,805)	(11,339)	(23,925)	(37,382)
Net income		74,761	80,784	186,738	227,264
Other operating expenses	21	(35,516)	(33,888)	(100,296)	(86,571)
Operating profit		39,245	46,896	86,442	140,693
Allowance for impairment on loans and advances	22	-	-	-	(1)
Writeback of allowance/(allowance) for impairment on other financial assets	23	153	(167)	(784)	(348)
Provision for commitments and contingencies		-	-	-	(173)
Profit before taxation		39,398	46,729	85,658	140,171
Taxation		(4,229)	8,540	(5,896)	(3,610)
Profit for the financial period		35,169	55,269	79,762	136,561

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

Bank	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	35,169	55,269	79,762	136,561
Other comprehensive income:				
Item that will not be reclassified subsequently to profit or loss				
Equity instruments at fair value through other comprehensive income ("FVOCI")				
Net unrealised (loss)/gain on changes in fair value	-	-	(166)	157
Tax effect	-	38	-	-
	-	38	(166)	157
Item that may be reclassified subsequently to profit or loss				
Debt instruments at FVOCI				
Net unrealised gain/(loss) on changes in fair value	596	12	551	(4)
Tax effect	(144)	(3)	(132)	1
	452	9	419	(3)
Other comprehensive income for the financial period	452	47	253	154
Total comprehensive income for the period attributable to equity holder of the Bank	35,621	55,316	80,015	136,715

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.

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

Group	Attributable to equity holder of the Bank					Total equity RM'000	
	Non-distributable						Distributable
	Share capital RM'000	Capital reserve RM'000	Regulatory reserve RM'000	Merger reserve RM'000	Fair value reserve RM'000	Retained earnings RM'000	
At 1 April 2021	330,000	2,815	-	82,115	1,539	43,454	459,923
Profit for the financial period	-	-	-	-	-	120,634	120,634
Other comprehensive income	-	-	-	-	154	-	154
Total comprehensive income for the period	-	-	-	-	154	120,634	120,788
Transfer to regulatory reserve	-	-	8,140	-	-	(8,140)	-
Dividends paid	-	-	-	-	-	(50,246)	(50,246)
Transactions with owner and other equity movements	-	-	8,140	-	-	(58,386)	(50,246)
At 31 December 2021	330,000	2,815	8,140	82,115	1,693	105,702	530,465
At 1 April 2022	330,000	2,815	8,457	82,115	1,703	144,979	570,069
Profit for the financial period	-	-	-	-	-	63,367	63,367
Other comprehensive income	-	-	-	-	253	-	253
Total comprehensive income for the period	-	-	-	-	253	63,367	63,620
Transfer to regulatory reserve	-	-	1,240	-	-	(1,240)	-
Dividends	-	-	-	-	-	(94,211)	(94,211)
Transactions with owner and other equity movements	-	-	1,240	-	-	(95,451)	(94,211)
At 31 December 2022	330,000	2,815	9,697	82,115	1,956	112,895	539,478

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.

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

Bank	Attributable to equity holder of the Bank				
	Share capital RM'000	Regulatory reserve RM'000	Fair value reserve RM'000	Retained earnings RM'000	Total equity RM'000
At 1 April 2021	330,000	-	1,539	35,695	367,234
Profit for the financial period	-	-	-	136,561	136,561
Other comprehensive income	-	-	154	-	154
Total comprehensive income for the period	-	-	154	136,561	136,715
Transfer to regulatory reserve	-	8,140	-	(8,140)	-
Dividends paid	-	-	-	(50,246)	(50,246)
Transactions with owner and other equity movements	-	8,140	-	(58,386)	(50,246)
At 31 December 2021	330,000	8,140	1,693	113,870	453,703
At 1 April 2022	330,000	8,457	1,703	139,315	479,475
Profit for the financial period	-	-	-	79,762	79,762
Other comprehensive income	-	-	253	-	253
Total comprehensive income for the period	-	-	253	79,762	80,015
Transfer to regulatory reserve	-	1,240	-	(1,240)	-
Dividends	-	-	-	(94,211)	(94,211)
Transactions with owner and other equity movements	-	1,240	-	(95,451)	(94,211)
At 31 December 2022	330,000	9,697	1,956	123,626	465,279

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.

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	81,046	137,584	85,658	140,171
Adjustments for non-operating and non cash items	3,705	125	(63,234)	(67,601)
Operating profit before working capital changes	84,751	137,709	22,424	72,570
Change in operating assets	533,500	195,007	536,050	202,530
Change in operating liabilities	14,045	598,394	20,079	592,871
Cash generated from operations	632,296	931,110	578,553	867,971
Tax paid	(20,848)	(10,264)	(13,021)	(2,550)
Net cash generated from operating activities	611,448	920,846	565,532	865,421
Net cash (used in)/generated from investing activities	(2,331)	(2,154)	64,412	65,792
Net cash used in financing activities	(94,722)	(50,757)	(94,722)	(50,757)
Net increase in cash and cash equivalents	514,395	867,935	535,222	880,456
Cash and cash equivalents at beginning of the financial year	278,842	235,109	176,597	135,624
Cash and cash equivalents at end of the financial period (Note 1)	793,237	1,103,044	711,819	1,016,080
Note 1:				
Cash and short term funds	793,237	1,103,043	711,819	1,016,079
Add:				
Allowances for expected credit losses	-	1	-	1
Cash and cash equivalents at end of the financial period	793,237	1,103,044	711,819	1,016,080

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.

EXPLANATORY NOTES :

1. 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"). These financial statements also comply with IAS 34, Interim Financial Reporting issued by the International Accounting Standards Board.

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

1.1 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 which became effective for the first time for the Group and the Bank on 1 April 2022:

- 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 these 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 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 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 quarter 31 December 2022.

1. BASIS OF PREPARATION (CONT'D.)

1.1 Significant Accounting Policies (Cont'd.)

(d) Annual Improvements to MFRS Standards 2018-2020

The Annual Improvements to MFRS Standards 2018-2020 include minor amendments affecting 4 MFRSs, 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 this amendment 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 this amendment did not result in any impact to the financial statements of the Group and 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 and the Bank are not in the agriculture business.

1.2 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 Leases)	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 amendments to published standards that are issued but not yet effective are described below. The Group and the Bank are assessing the financial effects of their adoption.

(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 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.

1. BASIS OF PREPARATION (CONT'D.)

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

(a) Amendments to published standards effective for financial year ending 31 March 2024 (Cont'd.)

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

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, 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.

1. BASIS OF PREPARATION (CONT'D.)

1.3 Significant Accounting judgements, Estimates and Assumptions

The preparation of the condensed interim financial statements in accordance with MFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of revenue, expenses, assets and liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Judgements, estimates and assumptions are continually evaluated and are based on past experience, reasonable expectations of future events and other factors. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets and 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 RM295.0 million with Ministry of Finance Malaysia and its related expenses of RM2.0 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 RM14.1 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, AMMB Holdings ("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 RM13.6 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.

2. AUDIT QUALIFICATION

There was no audit qualification in the audited annual financial statements for the year ended 31 March 2022.

3. 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.

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

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

5. CHANGES IN ESTIMATES

There was no material change in estimates of amounts reported in the prior financial years that have a material effect for the financial quarter and period ended 31 December 2022.

6. ISSUANCE AND REPAYMENT OF DEBT AND EQUITY SECURITIES

The Group and the Bank have not issued any new shares or debentures during the financial quarter and period.

There were no share buy-back, share cancellation, shares held as treasury shares nor resale of treasury shares by the Group and the Bank during the financial quarter and period.

7. DIVIDENDS

The second interim single-tier dividend of 30.00 sen per ordinary share on 314,035,088 ordinary shares was declared on 26 April 2022 amounting to RM94,210,526 in respect of financial year ended 31 March 2022 and was paid by the Bank on 1 July 2022.

The directors do not recommend the payment of any dividend in respect of the current financial quarter ended 31 December 2022.

9. 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	609,702	87,695	584,204	63,989
Deposit placements maturing within one month:				
Licensed banks	138,420	176,139	82,500	97,600
Bank Negara Malaysia	30,000	-	30,000	-
Other financial institutions	15,115	15,010	15,115	15,010
	<u>793,237</u>	<u>278,844</u>	<u>711,819</u>	<u>176,599</u>
Less: Allowances for ECL				
- Stage 1 -12-month ECL	-	(2)	-	(2)
	<u>793,237</u>	<u>278,842</u>	<u>711,819</u>	<u>176,597</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
At 31 December 2022			
Balance at beginning of the financial period	2	-	2
Net remeasurement of allowances	(2)	-	(2)
Balance at end of the financial period	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2022			
Balance at beginning of the financial year	-	-	-
Net remeasurement of allowances	2	-	2
Balance at end of the financial year	<u>2</u>	<u>-</u>	<u>2</u>

10. DEPOSITS AND PLACEMENTS WITH A BANK

	Group and Bank	
	31 December	31 March
	2022	2022
	RM'000	RM'000
Licensed bank, a related company	-	300,000

As at 31 March 2022, deposits and placements with a bank represent interbank placements with remaining maturity of more than one month but less than one year.

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	Group and Bank	
	31 December	31 March
	2022	2022
	RM'000	RM'000
At Fair value		
Money Market Instruments:		
Malaysian Government Investment Issues	-	30,357
Malaysian Government Securities	30,060	-
Unquoted Securities:		
In Malaysia:		
Shares	2,960	3,131
Outside Malaysia:		
Shares	26	21
	<u>33,046</u>	<u>33,509</u>

12. FINANCIAL INVESTMENTS AT AMORTISED COST

	Group and Bank	
	31 December	31 March
	2022	2022
	RM'000	RM'000
At Amortised Cost:		
Unquoted Securities in Malaysia:		
Sukuk	75,000	75,000

13. LOANS AND ADVANCES

	Group and Bank	
	31 December	31 March
	2022	2022
	RM'000	RM'000
At Amortised Cost		
Share margin financing	742,012	591,415
Revolving credits	7,033	7,637
Staff loans	455	505
Gross loans and advances	<u>749,500</u>	<u>599,557</u>
Less: Allowance for impairment on loans and advances		
Allowances for ECL		
Stage 1 - 12 months expected credit loss ("ECL")	(1)	(1)
Net loans and advances	<u>749,499</u>	<u>599,556</u>

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

	Group and Bank	
	31 December	31 March
	2022	2022
	RM'000	RM'000
Domestic business enterprises:		
Small medium enterprises	37,922	35,837
Others	7,120	10,888
Individuals	698,475	547,897
Foreign individuals and entities	5,815	4,783
Other domestic entities	168	152
	<u>749,500</u>	<u>599,557</u>

(b) All loans and advances reside in Malaysia.

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

	Group and Bank	
	31 December	31 March
	2022	2022
	RM'000	RM'000
Fixed rate		
Other fixed rate loans	742,012	591,415
	<u>742,012</u>	<u>591,415</u>
Variable rate:		
Base rate and base lending rate plus	455	505
Cost-plus	7,033	7,637
	<u>7,488</u>	<u>8,142</u>
	<u>749,500</u>	<u>599,557</u>

13. LOANS AND ADVANCES (CONT'D.)

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

	Group and Bank	
	31 December	31 March
	2022	2022
	RM'000	RM'000
Agriculture	368	691
Manufacturing	6,047	8,683
Construction	2,009	5,908
Wholesale and retail trade and hotels and restaurant	6,326	8,717
Transport, storage and communication	11,843	7,768
Finance and insurance	168	152
Real estate	1,612	403
Business activities	7,070	4,571
Education and health	9,767	9,984
Household, of which:		
Purchase of residential properties	456	505
Purchase of securities	703,834	552,175
	<u>749,500</u>	<u>599,557</u>

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

	Group and Bank	
	31 December	31 March
	2022	2022
	RM'000	RM'000
Maturing within one year	749,100	599,118
Over one year to three years	93	22
Over three years to five years	83	121
Over five years	224	296
	<u>749,500</u>	<u>599,557</u>

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

Group and Bank	Stage 1
	12-Month
	ECL
	RM'000
At 31 December 2022	
Balance at the beginning/end of the financial period	<u>1</u>
At 31 March 2022	
Balance at beginning/end of the financial year	<u>1</u>

14. OTHER ASSETS

	Group		Bank	
	31 December 2022 RM'000	31 March 2022 RM'000	31 December 2022 RM'000	31 March 2022 RM'000
Trade receivables	295,106	426,775	282,418	414,394
Other receivables, deposits and prepayments	33,581	30,944	15,053	11,215
Interest receivable	1,486	2,449	1,486	2,449
Tax recoverable	35,511	26,920	35,421	26,909
Margin deposits	145,687	404,449	145,687	404,449
Amount due from:				
Subsidiaries	-	-	2,995	2,980
Other related companies	387	312	387	312
	<u>511,758</u>	<u>891,849</u>	<u>483,447</u>	<u>862,708</u>
Less:				
Allowances for impairment	(3,916)	(3,343)	(3,177)	(2,603)
	<u>507,842</u>	<u>888,506</u>	<u>480,270</u>	<u>860,105</u>

15. DEPOSITS AND PLACEMENTS OF A BANK

The deposit placed with the Bank is by a related company.

16. OTHER LIABILITIES

	Group		Bank	
	31 December 2022 RM'000	31 March 2022 RM'000	31 December 2022 RM'000	31 March 2022 RM'000
Trade payables	371,836	760,172	371,836	760,172
Other payables and accruals	48,864	55,734	26,417	31,784
Interest payable	1,857	4,680	1,857	4,680
Provision for commitments and contingencies	173	173	173	173
Lease liabilities	2,916	3,353	2,916	3,353
Provision for reinstatement of leased properties	303	301	303	301
Amount due to:				
Holding company	76	1,792	47	1,261
Related companies	10,041	16,255	8,756	10,942
	<u>436,066</u>	<u>842,460</u>	<u>412,305</u>	<u>812,666</u>

17. INTEREST 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
Cash and short-term funds	5,184	1,600	14,804	3,787
Financial investments at fair value through other comprehensive income	229	140	504	194
Financial investments at amortised cost	788	788	2,356	2,805
Loans and advances	9,990	8,543	27,623	25,233
Others	309	343	907	1,030
	<u>16,500</u>	<u>11,414</u>	<u>46,194</u>	<u>33,049</u>

Bank	Individual Quarter		Cumulative Quarter	
	31 December	31 December	31 December	31 December
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Cash and short-term funds	4,795	1,255	13,468	2,591
Financial investments at fair value through other comprehensive income	229	140	504	194
Financial investments at amortised cost	788	788	2,356	2,805
Loans and advances	9,990	8,543	27,623	25,233
Others	309	343	907	1,030
	<u>16,111</u>	<u>11,069</u>	<u>44,858</u>	<u>31,853</u>

18. INTEREST EXPENSE

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
Deposits and placements of a bank	6,487	2,734	16,770	8,135
Others	225	211	648	522
	<u>6,712</u>	<u>2,945</u>	<u>17,418</u>	<u>8,657</u>

Bank	Individual Quarter		Cumulative Quarter	
	31 December	31 December	31 December	31 December
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of a bank	6,487	2,734	16,770	8,135
Others	189	169	540	377
	<u>6,676</u>	<u>2,903</u>	<u>17,310</u>	<u>8,512</u>

19. 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:				
Brokerage fees and commission	14,456	19,361	41,095	67,151
Corporate advisory	8,173	1,290	15,172	12,598
Fees on loans and securities				
Arrangement and upfront fees	8,943	21,918	12,628	38,143
Other loans and securities related fees	4,386	2,331	8,076	5,622
Portfolio management fees	11,372	6,652	31,953	36,039
Underwriting commission	59	241	2,551	782
Unit trust management fees	35,196	37,305	103,774	100,220
Unit trust service charges	1,742	8,365	7,550	28,127
Wealth management fees	4,241	4,039	15,300	18,662
Placement fees	2,378	3,833	2,978	8,103
Other fee and commission income	989	1,518	3,002	5,692
	<u>91,935</u>	<u>106,853</u>	<u>244,079</u>	<u>321,139</u>
Investment and trading income:				
Dividend income from:				
Financial assets at fair value through other comprehensive income	-	-	146	293
Net foreign exchange (loss)/gain	(650)	(158)	1,535	146
Net gain from sale of financial assets at fair value through profit or loss	-	-	2	-
Net gain from redemption of financial liabilities at fair value through profit or loss	-	313	-	313
Net gain on revaluation of financial liabilities at fair value through profit or loss	-	59	-	59
	<u>(650)</u>	<u>214</u>	<u>1,683</u>	<u>811</u>
Other income:				
Net gain/(loss) on disposal of property and equipment	-	1	(32)	2
Non-trading foreign exchange gain/(loss)	-	5	(9)	4
Rental income	581	615	1,753	1,866
Others	119	114	202	481
	<u>700</u>	<u>735</u>	<u>1,914</u>	<u>2,353</u>
	<u>91,985</u>	<u>107,802</u>	<u>247,676</u>	<u>324,303</u>

19. OTHER OPERATING INCOME (CONT'D.)

Bank	Individual Quarter		Cumulative Quarter	
	31 December 2022 RM'000	31 December 2021 RM'000	31 December 2022 RM'000	31 December 2021 RM'000
Fee and commission income:				
Brokerage fees and commission	14,456	19,361	41,095	67,151
Corporate advisory	8,173	1,290	15,172	12,598
Fees on loans and securities				
Arrangement and upfront fees	8,943	21,918	12,628	38,143
Other loans and securities related fees	4,386	2,331	8,076	5,622
Portfolio management fees	249	332	824	1,045
Underwriting commission	59	241	2,551	782
Wealth management fees	8,054	7,953	26,732	29,153
Placement fees	2,378	3,833	2,978	8,103
Other fee and commission income	1,067	1,525	3,329	5,732
	<u>47,765</u>	<u>58,784</u>	<u>113,385</u>	<u>168,329</u>
Investment and trading income:				
Dividend income from :				
Subsidiaries	24,600	24,200	66,000	67,600
Financial assets at fair value through other comprehensive income	-	-	146	293
Net foreign exchange gain/(loss)	70	(121)	1,676	194
Net gain from sale of financial assets at fair value through profit or loss	-	-	2	-
Net gain from redemption of financial liabilities at fair value through profit or loss	-	313	-	313
Net gain on revaluation of financial liabilities at fair value through profit or loss	-	59	-	59
Gain on liquidation of a subsidiary	-	6	-	6
	<u>24,670</u>	<u>24,457</u>	<u>67,824</u>	<u>68,465</u>
Other income:				
Net gain/(loss) on disposal of property and equipment	-	1	(32)	2
Rental income	582	616	1,757	1,869
Others	114	99	181	492
	<u>696</u>	<u>716</u>	<u>1,906</u>	<u>2,363</u>
	<u>73,131</u>	<u>83,957</u>	<u>183,115</u>	<u>239,157</u>

20. DIRECT COSTS

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
Brokerage commission	5,083	7,565	13,993	26,372
Unit trust commission	6,495	13,022	22,013	41,640
Others	2,722	3,774	9,932	11,010
	<u>14,300</u>	<u>24,361</u>	<u>45,938</u>	<u>79,022</u>
Bank				
Brokerage commission	5,083	7,565	13,993	26,372
Others	2,722	3,774	9,932	11,010
	<u>7,805</u>	<u>11,339</u>	<u>23,925</u>	<u>37,382</u>

21. 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				
- Contributions to Employees' Provident Fund ("EPF")/Private Retirement Schemes	4,041	3,490	11,100	10,189
- Salaries, allowances and bonuses	25,623	21,781	70,085	63,719
- Share granted under AMMB Executives' Share Scheme ("ESS") - charge/(writeback)	544	198	1,635	(2,335)
- Social security costs	151	125	410	380
- Others	3,066	2,374	7,119	5,476
	<u>33,425</u>	<u>27,968</u>	<u>90,349</u>	<u>77,429</u>
Establishment costs				
- Amortisation of intangible assets	236	204	705	638
- Cleaning, maintenance and security	204	(80)	964	668
- Computerisation costs	3,710	3,565	9,274	8,336
- Depreciation of property and equipment	443	488	1,333	1,495
- Depreciation of right-of-use asset	159	165	476	476
- Finance costs:				
- interest on lease liability	24	29	75	88
- provision for reinstatement of leased properties	1	1	2	3
- Rental of premises	1,722	1,731	5,162	5,174
- Others	142	232	597	423
	<u>6,641</u>	<u>6,335</u>	<u>18,588</u>	<u>17,301</u>
Marketing and communication expenses				
- Advertising, promotional and other marketing activities	142	239	345	402
- Sales commission	7	12	21	19
- Travelling and entertainment	248	107	603	288
- Communication expenses	329	470	1,048	1,498
- Others	169	44	588	302
	<u>895</u>	<u>872</u>	<u>2,605</u>	<u>2,509</u>
Administration and general expenses				
- Professional fees	3,027	5,962	9,491	12,590
- Travelling	67	45	253	159
- Others	3,429	3,248	9,725	9,911
	<u>6,523</u>	<u>9,255</u>	<u>19,469</u>	<u>22,660</u>
Service transfer pricing - expense, net	5,543	4,925	17,673	13,816
	<u>53,027</u>	<u>49,355</u>	<u>148,684</u>	<u>133,715</u>

21. OTHER OPERATING EXPENSES (CONTD.)

Bank	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				
- Contributions to EPF/Private Retirement Schemes	2,762	2,313	7,608	6,668
- Salaries, allowances and bonuses	17,547	14,497	48,136	41,636
- Share granted under AMMB ESS - charge/(writeback)	394	99	1,258	(2,120)
- Social security costs	99	81	269	249
- Others	1,879	1,697	4,926	3,559
	<u>22,681</u>	<u>18,687</u>	<u>62,197</u>	<u>49,992</u>
Establishment costs				
- Amortisation of intangible assets	138	161	423	502
- Cleaning, maintenance and security	177	(83)	898	660
- Computerisation costs	3,426	3,548	8,942	8,306
- Depreciation of property and equipment	405	439	1,202	1,341
- Depreciation of right-of-use asset	159	165	476	476
- Finance costs:				
- interest on lease liability	24	30	74	91
- provision for reinstatement of leased properties	1	-	3	-
- Rental of premises	1,299	1,312	3,894	3,919
- Others	123	218	541	379
	<u>5,752</u>	<u>5,790</u>	<u>16,453</u>	<u>15,674</u>
Marketing and communication expenses				
- Advertising, promotional and other marketing activities	105	214	191	305
- Sales commission	7	12	21	19
- Travelling and entertainment	211	85	528	262
- Communication expenses	251	350	799	1,103
- Others	98	33	321	166
	<u>672</u>	<u>694</u>	<u>1,860</u>	<u>1,855</u>
Administration and general expenses				
- Professional fees	434	3,539	1,214	4,419
- Travelling	62	37	241	133
- Others	1,383	1,430	4,170	4,235
	<u>1,879</u>	<u>5,006</u>	<u>5,625</u>	<u>8,787</u>
Service transfer pricing - expense, net				
	<u>4,532</u>	<u>3,711</u>	<u>14,161</u>	<u>10,263</u>
	<u>35,516</u>	<u>33,888</u>	<u>100,296</u>	<u>86,571</u>

22. ALLOWANCE FOR IMPAIRMENT ON LOANS AND ADVANCES

	Individual Quarter		Cumulative Quarter	
	31 December	31 December	31 December	31 December
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Group and Bank				
Allowance for impairment on loans and advances	-	-	-	(1)

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

	Individual Quarter		Cumulative Quarter	
	31 December	31 December	31 December	31 December
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Group				
Cash and short term funds	-	(1)	2	(2)
Other assets	153	(166)	(786)	(346)
	<u>153</u>	<u>(167)</u>	<u>(784)</u>	<u>(348)</u>
Bank				
Cash and short term funds	-	(1)	2	(2)
Other assets	153	(166)	(786)	(346)
	<u>153</u>	<u>(167)</u>	<u>(784)</u>	<u>(348)</u>

24. BASIC/DILUTED EARNINGS PER SHARE

	Individual Quarter		Cumulative Quarter	
	31 December	31 December	31 December	31 December
	2022	2021	2022	2021
Group				
Net profit attributable to shareholder of the Group (RM'000)	<u>26,884</u>	<u>46,943</u>	<u>63,367</u>	<u>120,634</u>
Weighted average number of ordinary shares in issue ('000)	<u>314,035</u>	<u>314,035</u>	<u>314,035</u>	<u>314,035</u>
Basic/diluted earnings per share (sen)	<u>8.6</u>	<u>14.9</u>	<u>20.2</u>	<u>38.4</u>

25. 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 segment and to assess its performance. The division forms the basis on which the Group reports its segment information.

i. The Group comprises the following main business segments:

(a) Investment banking

The Investment Banking division of the Group offers a full range of investment banking solutions and services, encompassing the following business segments:

- (i) Equity Markets – provides clients an investment avenue to participate in the equity markets through its multiple distribution channels, including remisiers, Bank Branch Broking, salaried dealers, and the internet trading platform, offering clients the flexibility to trade equities and futures both online and offline.
- (ii) Fund Management – comprises the asset and fund management services, offering a variety of investment solutions for various asset classes to retail, corporate and institutional clients.
- (iii) Private Banking – manages the private wealth of high net worth individuals, family groups and companies by offering comprehensive wealth management solutions and integrated access to expertise and resources of AMMB Group.
- (iv) Corporate Finance – provides an extensive range of corporate finance and advisory services which include mergers and acquisitions, divestitures, take-overs, initial public offerings, restructuring, privatisations, issuance of equity and equity-linked instruments as well as valuation support.
- (v) Capital Markets – provides debt financing solutions to clients through a wide array of products which include conventional corporate bonds and Islamic sukuk, loan syndication, capital and project advisory as well as structured finance and securitization deals.
- (vi) Others – other Investment Banking supporting function within the Group.

(b) Group Funding and Others

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

ii. Measurement of Segment Performance

The segment performance is measured on income, expenses and profit basis. These are shown after allocation of certain centralised cost, funding income and expenses 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 fee income information to assess the performance of, and to make decisions about resources to be allocated to these operating segments.
- (ii) The financial information by geographical segment is not presented as the Group's activities are principally conducted in Malaysia.
- (iii) The comparatives have been restated to conform with current business realignment.

25. BUSINESS SEGMENT ANALYSIS (CONT'D.)

For the financial period ended 31 December 2022

Group	Investment Banking							Total RM'000
	Equity Markets RM'000	Fund Management RM'000	Private Banking RM'000	Corporate Finance RM'000	Capital Markets RM'000	Others RM'000	Group Funding and Others RM'000	
External net income	62,041	111,767	24,704	14,224	19,472	83	(1,777)	230,514
Intersegments net income	(15,496)	-	(139)	(16)	30	11	15,610	-
Net income	46,545	111,767	24,565	14,208	19,502	94	13,833	230,514
Net interest income/(expense)	18,001	1,211	62	(16)	30	10	9,478	28,776
Other operating income, net of direct costs	28,544	110,556	24,503	14,224	19,472	84	4,355	201,738
Net income	46,545	111,767	24,565	14,208	19,502	94	13,833	230,514
Other operating expenses	(35,767)	(50,490)	(17,121)	(13,506)	(8,759)	(9,143)	(13,898)	(148,684)
of which:								
<i>Depreciation of property and equipment</i>	(381)	(131)	(76)	(39)	(23)	(37)	(646)	(1,333)
<i>Depreciation of right-of-use assets</i>	-	-	-	-	-	-	(476)	(476)
<i>Amortisation of intangible assets</i>	(304)	(283)	(66)	(7)	(2)	(36)	(7)	(705)
Operating profit/(loss)	10,778	61,277	7,444	702	10,743	(9,049)	(65)	81,830
Net writeback of allowance/(allowance) for other financial assets	59	-	-	314	(1,159)	-	2	(784)
Profit/(loss) before taxation	10,837	61,277	7,444	1,016	9,584	(9,049)	(63)	81,046
Taxation	(2,602)	(11,763)	(1,787)	(244)	(2,300)	2,173	(1,156)	(17,679)
Profit/(loss) for the period	8,235	49,514	5,657	772	7,284	(6,876)	(1,219)	63,367
Other information:								
Total segment assets	1,233,196	114,838	8,479	2,994	2,008	1,370	872,666	2,235,551
Total segment liabilities	377,349	27,430	2,315	3,008	3,377	3,017	1,279,577	1,696,073
Cost to income ratio	76.8%	45.2%	69.7%	95.1%	44.9%	>100%	>100%	64.5%
Gross loans and advances	742,012	-	7,033	-	-	-	455	749,500
Net loans and advances	742,012	-	7,033	-	-	-	454	749,499
Total deposits and placements	-	-	-	-	-	-	1,260,000	1,260,000
Additions to:								
Property and equipment	242	76	42	16	-	21	323	720
Intangible assets	91	668	-	-	-	1,031	537	2,327

25. BUSINESS SEGMENT ANALYSIS (CONT'D.)

For the financial period ended 31 December 2021
Group (Restated)

	Investment Banking							Total RM'000
	Equity Markets RM'000	Fund Management RM'000	Private Banking RM'000	Corporate Finance RM'000	Capital Markets RM'000	Others RM'000	Group Funding and Others RM'000	
External net income	71,033	115,083	28,479	19,219	25,848	44	12,115	271,821
Intersegments net income	(10,835)	-	(96)	(26)	108	11	10,838	-
Net income	60,198	115,083	28,383	19,193	25,956	55	22,953	271,821
Net interest income	16,338	1,034	101	(26)	107	12	7,015	24,581
Other operating income, net of direct costs	43,860	114,049	28,282	19,219	25,849	43	15,938	247,240
Net income	60,198	115,083	28,383	19,193	25,956	55	22,953	271,821
Other operating expenses	(35,812)	(50,390)	(16,496)	(9,595)	(6,565)	(4,494)	(10,363)	(133,715)
of which:								
Depreciation of property and equipment	(416)	(154)	(82)	(37)	(27)	(64)	(715)	(1,495)
Depreciation of right-of-use assets	-	-	-	-	-	-	(476)	(476)
Amortisation of intangible assets	(289)	(136)	(138)	(7)	(9)	(41)	(18)	(638)
Operating profit/(loss)	24,386	64,693	11,887	9,598	19,391	(4,439)	12,590	138,106
Net writeback of allowance/(allowance) for:								
Loans and advances	-	-	-	-	-	-	(1)	(1)
Other financial assets	37	-	-	(383)	-	-	(2)	(348)
Provisions for commitments and contingencies	-	-	-	-	-	-	(173)	(173)
Profit/(loss) before taxation	24,423	64,693	11,887	9,215	19,391	(4,439)	12,414	137,584
Taxation	(5,861)	(13,262)	(2,853)	(2,212)	(4,654)	1,065	10,827	(16,950)
Profit/(loss) for the period	18,562	51,431	9,034	7,003	14,737	(3,374)	23,241	120,634
Other information:								
Total segment assets	935,071	121,257	95,383	1,263	257	702	1,070,055	2,223,988
Total segment liabilities	233,453	31,538	89,411	1,873	2,802	1,409	1,333,037	1,693,523
Cost to income ratio	59.5%	43.8%	58.1%	50.0%	25.3%	>100%	45.1%	49.2%
Gross loans and advances	594,035	-	7,987	-	-	-	522	602,544
Net loans and advances	594,035	-	7,987	-	-	-	520	602,542
Total deposits and placements	-	-	-	-	-	-	1,310,000	1,310,000
Additions to:								
Property and equipment	491	307	102	50	5	36	228	1,219
Intangible assets	213	36	-	-	-	-	491	740

26. 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 and Bank	
	31 December	31 March
	2022	2022
	RM'000	RM'000
Commitments		
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	220,292	233,359
Contingent Liabilities		
Obligations under an on-going underwriting agreement	24,737	-
Derivative Financial Instruments		
Foreign exchange related contracts:		
- One year or less	3,021	677
	248,050	234,036

27. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Determination of fair value and fair value hierarchy

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

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

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

Non-market observable inputs means that fair values are determined, in whole or in part, using a valuation technique (model) based on assumptions that are neither supported by prices from observable current market transactions in the same instrument, nor are they based on available market data. The main asset classes in this category are unlisted equity investments and debt instruments. Valuation techniques are used to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. However, the fair value measurement objective remains the same, that is, an exit price from the perspective of the Group or the 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 from the counterparties. Unquoted equity investments at FVOCI are measured using adjusted net asset based on available market information.

9.0% (31 March 2022 : 9.4%) 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.

There was no transfer between Level 1 and Level 2 during the current financial quarter and previous financial year for the Group and the Bank.

27. 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 and Bank ----- >				
	Level 1	Level 2	Level 3	Total	
	RM'000	RM'000	RM'000	RM'000	RM'000
31 December 2022					
Assets measured at fair value					
Derivative financial assets	4	-	-	-	4
Financial investments at fair value through other comprehensive income	-	30,060	-	-	30,060
- Money market securities	-	-	2,986	-	2,986
- Unquoted shares	4	30,060	2,986	-	33,050
	7	-	-	-	7
	7	-	-	-	7

Liability measured at fair value

Derivative financial liabilities

	< ----- Group and Bank ----- >				
	Level 1	Level 2	Level 3	Total	
	RM'000	RM'000	RM'000	RM'000	RM'000
31 March 2022					
Assets measured at fair value					
Financial investments at fair value through other comprehensive income	-	30,357	-	-	30,357
- Money market securities	-	-	3,152	-	3,152
- Unquoted shares	-	30,357	3,152	-	33,509
	1	-	-	-	1
	1	-	-	-	1

Liability measured at fair value

Derivative financial liabilities

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

Movements In Level 3 financial instruments measured at fair value

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

	Equity instruments at fair value through other comprehensive income	
	31 December	31 March
	2022	2022
	RM'000	RM'000
Group and Bank		
At beginning of the financial period/year	3,152	2,995
Unrealised (loss)/gain on changes in fair value taken up in statement of comprehensive income	(166)	157
At end of the financial period/year	<u>2,986</u>	<u>3,152</u>

Total loss or gain included in the statement of comprehensive income for financial instruments held at the end of reporting period/year:

	31 December	31 March
	2022	2022
	RM'000	RM'000
Financial investments at fair value through other comprehensive income		
Unrealised (loss)/gain in fair value reserve	<u>(166)</u>	<u>157</u>

There were no transfers between Level 2 and Level 3 financial instruments 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 assumptions.

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

28. CAPITAL ADEQUACY

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

	Group	Bank
As at 31 December 2022		
Common Equity Tier 1 ("CET1") Capital Ratio	31.264%	36.476%
Tier 1 Capital Ratio	31.264%	36.476%
Total Capital Ratio	31.934%	37.296%
As at 31 March 2022		
Before deducting proposed dividends:		
CET1 Capital Ratio	33.757%	33.393%
Tier 1 Capital Ratio	33.757%	33.393%
Total Capital Ratio	34.314%	34.077%
After deducting proposed dividends:		
CET1 Capital Ratio	27.550%	25.771%
Tier 1 Capital Ratio	27.550%	25.771%
Total Capital Ratio	28.108%	26.456%

Notes:

(i) The capital adequacy ratios of the Group and of the Bank are computed in accordance with BNM's policy document on Capital Adequacy Framework (Capital Components) issued on 9 December 2020 and Capital Adequacy Framework (Basel II – Risk Weighted Assets) issued on 3 May 2019. The Group and the Bank have adopted the Standardised Approach for Credit and Market Risks and the Basic Indicator Approach for Operational Risk, based on BNM's Guidelines on Capital Adequacy Framework (Basel II - Risk Weighted Assets).

Pursuant to the revised BNM policy document, Capital Adequacy Framework (Capital Component) issued on 9 December 2020, the capital ratios had been computed by applying transitional arrangements. Under the transitional arrangements, the Group and the Bank are allowed to add back the amount of loss allowance for non credit impaired exposure (ie: stage 1 and stage 2 provision) to CET1 Capital. Had the transitional arrangements not been applied, the impact to the capital ratios of the Group and the Bank is not material.

(ii) Pursuant to the BNM's guidelines on Capital Adequacy Framework (Capital Components) issued, a financial institution is required to hold and maintain, at all times, minimum capital adequacy ratios at 4.5% for CET1 Capital, 6.0% for Tier 1 Capital and 8.0% for Total Capital Ratio. In addition, a financial institution is also required to hold and maintain capital buffers in the form of CET1 Capital above the minimum CET1 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 banking institution has credit exposures. BNM will communicate any decision on the CCyB rate by up to 12 months before the date from which the rate applies for exposures in Malaysia; and
- (c) a Higher Loss Absorbency ("HLA") requirement for a financial institution that is designated as a domestic systemically important bank ("DSIB").

28. CAPITAL ADEQUACY (CONT'D.)

(b) The components of CET1, Tier 2 Capital 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
CET1 Capital				
Share capital	330,000	330,000	330,000	330,000
Retained earnings	63,290	144,979	123,626	139,315
Fair value reserve	1,956	1,703	1,956	1,703
Regulatory reserve	9,697	8,457	9,697	8,457
Capital reserve	2,815	2,815	-	-
Merger reserve	82,115	82,115	-	-
Less : Regulatory adjustments applied on CET 1 capital:				
Goodwill	(36,442)	(36,442)	-	-
Other intangible assets	(4,641)	(3,070)	(3,248)	(2,063)
Deferred tax assets	(6,169)	(8,777)	(3,941)	(5,446)
55% of Fair value reserve	(1,076)	(937)	(1,076)	(937)
Regulatory reserve	(9,697)	(8,457)	(9,697)	(8,457)
Investments in capital instruments of unconsolidated financial entities	-	-	(49,809)	(49,809)
Other CET1 regulatory adjustments specified by the BNM	3	1	3	1
CET1 Capital/Tier 1 Capital	431,851	512,387	397,511	412,764
Tier 2 Capital				
General provisions*	9,244	8,460	8,944	8,460
Tier 2 Capital	9,244	8,460	8,944	8,460
Total Capital	441,095	520,847	406,455	421,224

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

The breakdown of risk-weighted assets("RWA") of the Group and the Bank in the various risk categories 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
Credit RWA	739,485	920,942	715,550	891,418
Market RWA	41,561	24,467	35,708	17,652
Operational RWA	600,239	572,462	338,541	327,009
Total RWA	1,381,285	1,517,871	1,089,799	1,236,079

29. OPERATIONS OF ISLAMIC BANKING

Upon notification to BNM, with effect from 15 June 2021, the Group and the Bank no longer required to disclose its operations of Islamic banking relating to stockbroking and capital market activities undertaken in compliance with Shariah principles that are regulated by the Securities Commission and Bursa Malaysia Berhad.

**STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL PERIOD ENDED 15 JUNE 2021**

Group and Bank	1 April - 15 June 2021 RM'000
Income derived from investment of depositors' funds	18
Income derived from investment of Islamic banking funds	2,757
Direct costs	(73)
Total distributable/net income	<u>2,702</u>
Other operating expenses	(218)
Profit before taxation	<u>2,484</u>
Taxation	(538)
Profit for the financial period representing total comprehensive income for the financial period	<u><u>1,946</u></u>

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 15 JUNE 2021**

	<u>Non-distributable</u>	<u>Distributable</u>	Total RM'000
	Capital Funds RM'000	Retained Earnings RM'000	
Group and Bank			
At 1 April 2020	30,000	88,481	118,481
Profit for the financial period	-	1,946	1,946
Transfer to conventional fund	(30,000)	(90,427)	(120,427)
At 15 June 2021	<u>-</u>	<u>-</u>	<u>-</u>

30. PERFORMANCE REVIEW FOR THE PERIOD ENDED 31 DECEMBER 2022

The Group's profit before taxation for the nine months ended 31 December 2022 of RM63.4 million was lower mainly due to lower income from lower brokerage fees and commission, arrangement and upfront fees, portfolio management fees, placement fees, wealth management fees, unit trust service charges and other fees and commission income offset by higher corporate advisory fees and unit trust management fees.

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

31. 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 Product ("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 2H2022 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.

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.

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

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 prioritised as AMMB Group delivers customised 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.

32. VALUATION OF PROPERTY AND EQUIPMENT

Property and equipment are stated at cost less accumulated depreciation and impairment losses (if any).

33. EVENTS SUBSEQUENT TO REPORTING DATE

There were no other significant events subsequent to the reporting date that require disclosure or adjustment in the condensed interim financial statements.