

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

UNAUDITED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022

	Note	Group		Company	
		30.09.2022 RM'000	31.03.2022 RM'000	30.09.2022 RM'000	31.03.2022 RM'000
ASSETS					
Cash and short-term funds	A8	6,042,560	13,221,099	433,346	717,660
Deposits and placements with banks and other financial institutions	A9	477,185	1,301,449	-	-
Derivative financial assets	A32	1,544,347	821,373	-	-
Financial assets at fair value through profit or loss	A10	7,547,380	7,216,560	1,142	1,128
Financial investments at fair value through other comprehensive income	A11	23,488,457	18,756,757	-	-
Financial investments at amortised cost	A12	12,027,752	9,037,766	-	-
Loans, advances and financing	A13	122,513,365	118,065,685	-	-
Statutory deposits with Bank Negara Malaysia		536,600	376,523	-	-
Deferred tax assets		235,630	218,551	-	-
Investments in subsidiaries and other investments		-	-	10,852,185	10,857,350
Investments in associates and joint ventures	A14	1,571,791	604,542	-	-
Other assets	A15	3,384,664	2,885,319	7,077	11,615
Reinsurance assets and other insurance receivables	A16	-	580,705	-	-
Property and equipment		153,068	180,968	24	-
Right-of-use assets		199,128	189,372	-	-
Intangible assets		510,255	1,399,912	-	-
Assets held for sale		-	2,324	-	-
TOTAL ASSETS		180,232,182	174,858,905	11,293,774	11,587,753
LIABILITIES AND EQUITY					
Deposits from customers	A17	120,994,901	122,592,850	-	-
Investment accounts of customers		30,348	377,861	-	-
Deposits and placements of banks and other financial institutions	A18	11,728,557	9,894,585	-	-
Securities sold under repurchase agreements		8,988,955	1,582,717	-	-
Recourse obligation on loans and financing sold to Cagamas Berhad		9,860,033	8,375,023	-	-
Derivative financial liabilities	A32	1,431,934	803,563	-	-
Term funding		2,035,666	1,880,097	-	-
Debt capital		4,395,000	4,395,000	-	-
Deferred tax liabilities		-	8,093	-	-
Other liabilities	A19	3,499,139	4,302,862	44,621	533,827
Insurance contract liabilities and other insurance payables	A20	-	2,687,361	-	-
Total Liabilities		162,964,533	156,900,012	44,621	533,827
Share capital		6,376,240	6,776,240	6,372,870	6,372,870
Treasury shares		(9,622)	(11,041)	(9,622)	(11,041)
Reserves		10,900,201	9,994,593	4,885,905	4,692,097
Equity attributable to equity holders of the Company		17,266,819	16,759,792	11,249,153	11,053,926
Non-controlling interests		830	1,199,101	-	-
Total Equity		17,267,649	17,958,893	11,249,153	11,053,926
TOTAL LIABILITIES AND EQUITY		180,232,182	174,858,905	11,293,774	11,587,753
COMMITMENTS AND CONTINGENCIES	A31	123,221,407	122,661,380	-	-
NET ASSETS PER SHARE (RM)		5.21	5.06	3.40	3.34

The unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements of the Group and the Company for the financial year ended 31 March 2022.

AMMB HOLDINGS BERHAD
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UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2022

Group	Note	Individual Quarter		Cumulative Quarter	
		30.09.2022	30.09.2021 (Restated)	30.09.2022	30.09.2021 (Restated)
		RM'000	RM'000	RM'000	RM'000
Continuing operations					
Interest income	A21	1,188,041	969,634	2,231,107	1,943,093
Interest expense	A22	(588,071)	(437,366)	(1,064,718)	(874,101)
Net interest income		599,970	532,268	1,166,389	1,068,992
Net income from Islamic banking		363,502	235,845	646,308	516,681
Other operating income	A23	199,367	219,299	395,798	446,072
Share in results of associates and joint ventures		11,863	5,535	14,717	31,751
Net income		1,174,702	992,947	2,223,212	2,063,496
Other operating expenses	A24	(476,400)	(433,642)	(941,105)	(854,489)
Operating profit before impairment losses		698,302	559,305	1,282,107	1,209,007
Allowances for impairment on loans, advances and financing	A25	(73,747)	(117,159)	(133,809)	(306,050)
Allowances for impairment on:					
Financial investments	A26	(86)	(49,975)	(198)	(55,043)
Other financial assets	A26	(1,537)	(1,799)	(937)	(2,338)
Provision for commitments and contingencies - charge		(12,393)	(3,879)	(18,737)	(8,127)
Other recoveries, net		6	12	9	17
Impairment of investment in associate		-	-	-	(4,625)
Profit before taxation and zakat from continuing operations		610,545	386,505	1,128,435	832,841
Taxation and zakat	B5	(141,443)	(87,007)	(255,397)	(188,019)
Profit after taxation and zakat from continuing operations		469,102	299,498	873,038	644,822
Discontinued operation:					
(Loss)/Profit from operations of discontinued general insurance (including estimated loss on disposal of RM53.9 million)		(16,420)	46,885	19,632	140,581
Impairment of Kurnia Brand, agent relationship and other assets		(115,981)	-	(115,981)	-
(Loss)/Profit before taxation from discontinued operation		(132,401)	46,885	(96,349)	140,581
Taxation	B5	24,921	(8,358)	18,879	(25,187)
(Loss)/Profit after taxation from discontinued operation		(107,480)	38,527	(77,470)	115,394
Profit for the financial period		361,622	338,025	795,568	760,216
Profit for the financial period attributable to:					
Equity holders of the Company		435,401	321,038	854,600	707,642
Non-controlling interests		(73,779)	16,987	(59,032)	52,574
Profit for the financial period		361,622	338,025	795,568	760,216
EARNINGS PER SHARE (SEN)					
Basic/Diluted	B10	13.15	9.69	25.81	21.53

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UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2022

Group	Individual Quarter		Cumulative Quarter	
	30.09.2022 RM'000	30.09.2021 RM'000	30.09.2022 RM'000	30.09.2021 RM'000
Profit for the financial period	361,622	338,025	795,568	760,216
Other comprehensive (loss)/income:				
Items that will not be reclassified subsequently to statement of profit or loss				
Remeasurement of defined benefit liability	-	-	-	(886)
Financial investments at fair value through other comprehensive income ("FVOCI")				
- net unrealised gain on changes in fair value	14,299	581	7,769	3,484
Tax effect relating to components of other comprehensive income				
- defined benefit liability	-	-	-	213
- financial investments at FVOCI	30	(38)	-	(38)
	<u>14,329</u>	<u>543</u>	<u>7,769</u>	<u>2,773</u>
Items that may be reclassified subsequently to statement of profit or loss				
Currency translation gain on foreign operations	14,201	2,137	26,782	2,641
Cash flow hedge				
- gain arising during the financial period	-	596	-	1,160
- amortisation of fair value changes for terminated hedges	1,593	2,548	3,169	5,319
Financial investments at FVOCI				
- net unrealised loss on changes in fair value	(55,484)	(108,141)	(269,700)	(59,073)
- net loss/(gain) reclassified to profit or loss	198	(2,052)	115	(3,601)
- changes in expected credit losses	(1,447)	5,851	1,605	14,558
- foreign exchange differences	1	2	2	2
Tax effect relating to the components of other comprehensive income				
- cash flow hedge	(382)	(755)	(760)	(1,555)
- financial investments at FVOCI	13,385	24,245	64,860	14,872
Share of reserve movements in equity accounted joint ventures	(2,924)	(576)	(2,074)	(3,337)
	<u>(30,859)</u>	<u>(76,145)</u>	<u>(176,001)</u>	<u>(29,014)</u>
Other comprehensive loss for the financial period, net of tax	(16,530)	(75,602)	(168,232)	(26,241)
Total comprehensive income for the financial period	<u>345,092</u>	<u>262,423</u>	<u>627,336</u>	<u>733,975</u>
Total comprehensive income/(loss) for the financial period attributable to:				
Equity holders of the Company				
Continuing operations	452,554	223,677	704,780	618,989
Discontinued operation	(33,683)	21,759	(18,412)	62,742
Non-controlling interests				
Continuing operations	18	220	26	265
Discontinued operation	(73,797)	16,767	(59,058)	51,979
	<u>345,092</u>	<u>262,423</u>	<u>627,336</u>	<u>733,975</u>

The unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements of the Group and the Company for the financial year ended 31 March 2022.

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UNAUDITED STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2022

Company	Note	Individual Quarter		Cumulative Quarter	
		30.09.2022 RM'000	30.09.2021 RM'000	30.09.2022 RM'000	30.09.2021 RM'000
Interest income	A21	1,300	4,207	4,087	12,552
Other operating income	A23	305,225	143,038	399,662	143,269
Net income		<u>306,525</u>	<u>147,245</u>	<u>403,749</u>	<u>155,821</u>
Other operating expenses	A24	(7,647)	(2,314)	(12,494)	(7,796)
Transaction cost from disposal of subsidiary		<u>(15,725)</u>	<u>-</u>	<u>(15,725)</u>	<u>-</u>
Profit before taxation		<u>283,153</u>	<u>144,931</u>	<u>375,530</u>	<u>148,025</u>
Taxation		<u>(317)</u>	<u>(1,961)</u>	<u>(962)</u>	<u>(2,921)</u>
Profit for the financial period representing total comprehensive income for the financial period		<u>282,836</u>	<u>142,970</u>	<u>374,568</u>	<u>145,104</u>

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UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2022

Group	Attributable to Equity Holders of the Company											
	Non-Distributable							Distributable				
	Share capital	Regulatory reserve	Fair value reserve	Cash flow hedging deficit	Foreign currency translation reserve	Executives' share scheme reserve	Treasury shares	Retained Earnings			Non-controlling interests	Total equity
								Non-participating funds	Total			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 01.04.2021	5,951,557	-	708,790	(16,949)	94,992	67,778	(20,970)	45,715	7,809,864	14,640,777	949,582	15,590,359
Profit for the financial period	-	-	-	-	-	-	-	-	707,642	707,642	52,574	760,216
Other comprehensive (loss)/income, net	-	-	(33,133)	4,924	2,641	-	-	-	(343)	(25,911)	(330)	(26,241)
Total comprehensive (loss)/income for the financial period	-	-	(33,133)	4,924	2,641	-	-	-	707,299	681,731	52,244	733,975
Issue of ordinary share capital pursuant to:-												
- private placement	824,683	-	-	-	-	-	-	-	-	824,683	-	824,683
Buy-back of shares	-	-	-	-	-	-	(9,856)	-	-	(9,856)	-	(9,856)
Share-based payment under ESS, net	-	-	-	-	-	(12,056)	-	-	-	(12,056)	-	(12,056)
ESS shares vested to employees	-	-	-	-	-	(29,109)	26,716	-	2,393	-	-	-
Transfer to regulatory reserve	-	7,839	-	-	-	-	-	-	(7,839)	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	(98,000)	(98,000)
Transactions with owners and other equity movements	824,683	7,839	-	-	-	(41,165)	16,860	-	(5,446)	802,771	(98,000)	704,771
At 30.09.2021	6,776,240	7,839	675,657	(12,025)	97,633	26,613	(4,110)	45,715	8,511,717	16,125,279	903,826	17,029,105

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UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2022

Group	Attributable to Equity Holders of the Company											Total equity RM'000
	Non-Distributable							Distributable				
	Share capital RM'000	Regulatory reserve RM'000	Fair value reserve RM'000	Cash flow hedging deficit RM'000	Foreign currency translation reserve RM'000	Executives' share scheme reserve RM'000	Treasury shares RM'000	Retained Earnings			Non-controlling interests RM'000	
							Non-participating funds RM'000	Total RM'000				
At 01.04.2022	6,776,240	102,920	499,227	(9,062)	98,871	36,472	(11,041)	45,715	9,220,450	16,759,792	1,199,101	17,958,893
Profit for the financial period	-	-	-	-	-	-	-	-	854,600	854,600	(59,032)	795,568
Other comprehensive (loss)/income, net	-	-	(197,423)	2,409	26,782	-	-	-	-	(168,232)	-	(168,232)
Total comprehensive (loss)/income for the financial period	-	-	(197,423)	2,409	26,782	-	-	-	854,600	686,368	(59,032)	627,336
Buy-back of shares	-	-	-	-	-	-	(24,787)	-	-	(24,787)	-	(24,787)
Share-based payment under ESS, net	-	-	-	-	-	11,052	-	-	-	11,052	-	11,052
ESS shares vested to employees	-	-	-	-	-	(26,414)	26,206	-	208	-	-	-
Transfer to regulatory reserve	-	56,046	-	-	-	-	-	-	(56,046)	-	-	-
Transfer to retained earnings arising from redemption of preference shares by a subsidiary	(400,000)	-	-	-	-	-	-	-	400,000	-	-	-
Arising from disposal of a subsidiary	-	-	-	-	-	-	-	-	-	-	(61,415)	(61,415)
Capital reduction from a subsidiary	-	-	-	-	-	-	-	-	-	-	(1,075,993)	(1,075,993)
Dividends paid	-	-	-	-	-	-	-	-	(165,606)	(165,606)	(1,831)	(167,437)
Transactions with owners and other equity movements	(400,000)	56,046	-	-	-	(15,362)	1,419	-	178,556	(179,341)	(1,139,239)	(1,318,580)
At 30.09.2022	6,376,240	158,966	301,804	(6,653)	125,653	21,110	(9,622)	45,715	10,253,606	17,266,819	830	17,267,649

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UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2022

Company	Attributable to Equity Holders of the Company				
	Non-Distributable		Distributable		
	Ordinary share capital RM'000	Executives' share scheme reserve RM'000	Treasury shares RM'000	Retained earnings RM'000	Total equity RM'000
At 01.04.2021	5,550,250	67,778	(20,970)	4,461,734	10,058,792
Profit for the financial period	-	-	-	145,104	145,104
Total comprehensive income for the financial period	-	-	-	145,104	145,104
Issue of ordinary share capital pursuant to:-					
- private placement	822,620	-	-	-	822,620
Buy-back of shares	-	-	(9,856)	-	(9,856)
Share-based payment under ESS, net	-	(12,056)	-	-	(12,056)
ESS shares vested to employees	-	(29,109)	26,716	2,393	-
Transactions with owners and other equity movements	822,620	(41,165)	16,860	2,393	800,708
At 30.09.2021	6,372,870	26,613	(4,110)	4,609,231	11,004,604
Company	Attributable to Equity Holders of the Company				
	Non-Distributable		Distributable		
	Ordinary share capital RM'000	Executives' share scheme reserve RM'000	Treasury shares RM'000	Retained earnings RM'000	Total equity RM'000
At 01.04.2022	6,372,870	36,472	(11,041)	4,655,625	11,053,926
Profit for the financial period	-	-	-	374,568	374,568
Total comprehensive income for the financial period	-	-	-	374,568	374,568
Buy-back of shares	-	-	(24,787)	-	(24,787)
Share-based payment under ESS, net	-	11,052	-	-	11,052
ESS shares vested to employees	-	(26,414)	26,206	208	-
Dividends paid	-	-	-	(165,606)	(165,606)
Transactions with owners and other equity movements	-	(15,362)	1,419	(165,398)	(179,341)
At 30.09.2022	6,372,870	21,110	(9,622)	4,864,795	11,249,153

The unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements of the Group and the Company for the financial year ended 31 March 2022.

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Condensed Financial Statements

**UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2022**

	Group		Company	
	30.09.2022	30.09.2021 (Restated)	30.09.2022	30.09.2021
	RM'000	RM'000	RM'000	RM'000
<i>Cash flows from operating activities</i>				
Profit/(Loss) before taxation and zakat				
Continuing operations	1,128,435	832,841	375,530	148,025
Discontinued operation	(96,349)	140,581	-	-
Profit before taxation and zakat including discontinued operation	1,032,086	973,422	375,530	148,025
Adjustments for:				
Net accretion of discount for securities	(49,968)	(29,670)	-	-
Allowance for expected credit losses on loans, advances and financing, net	288,198	424,269	-	-
Dividend income	(2,036)	(3,706)	(396,947)	(142,813)
Net gain on revaluation of derivatives	(94,604)	(34,310)	-	-
Net loss/(gain) on revaluation of financial assets at fair value through profit or loss	51,993	(1,275)	-	-
Net loss/(gain) on sale of financial investments at fair value through other comprehensive income	115	(3,601)	-	-
Net loss on sale of financial assets at fair value through profit or loss	13,044	946	-	-
Impairment loss on investment in associate	-	4,625	-	-
Impairment of Kurnia Brand, agent relationship and other asset	115,981	-	-	-
Estimated loss on disposal of subsidiary	53,893	-	-	-
Other non-operating and non-cash items	125,716	160,112	4	-
Operating profit/(loss) before working capital changes	1,534,418	1,490,812	(21,413)	5,212
<i>Decrease/(Increase) in operating assets:</i>				
Deposits and placements with banks and other financial institutions	9,254	9,122	-	-
Financial assets at fair value through profit or loss	(4,047,004)	(886,978)	(14)	(12)
Loans, advances and financing	(4,661,877)	(896,934)	-	-
Statutory deposits with Bank Negara Malaysia	(160,077)	152,075	-	-
Other assets	(547,863)	332,395	5,547	1,835,040
Reinsurance assets and other insurance receivables	15,939	33,554	-	-
<i>(Decrease)/Increase in operating liabilities:</i>				
Deposits from customers	(1,597,950)	(4,671,718)	-	-
Investment accounts of customers	(347,513)	69,886	-	-
Deposits and placements of banks and other financial institutions	1,816,581	(1,513,059)	-	-
Securities sold under repurchase agreements	7,406,238	(810,171)	-	-
Recourse obligation on loans and financing sold to Cagamas Berhad	1,485,010	1,300,007	-	-
Term funding	112,002	(61,357)	-	-
Other liabilities	(497,412)	(2,002,749)	(476,864)	(1,840,212)
Insurance contract liabilities and other insurance payables	(39,909)	(66,121)	-	-
Cash generated from/(used in) operations	479,837	(7,521,236)	(492,744)	28
Taxation and zakat paid, net	(267,642)	(75,344)	(3,261)	(881)
Net cash generated from/(used in) operating activities	212,195	(7,596,580)	(496,005)	(853)

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UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2022 (CONT'D.)

	Group		Company	
	30.09.2022	30.09.2021 (Restated)	30.09.2022	30.09.2021
	RM'000	RM'000	RM'000	RM'000
<i>Cash flows from investing activities</i>				
Purchase of treasury shares	(24,787)	(9,856)	(24,787)	(9,856)
Dividend/Distribution income received	5,577	21,312	396,947	142,813
Subscription of shares in subsidiary	-	-	-	(450,000)
Net cash inflow from disposal of subsidiary	1,126,025	-	-	-
Proceeds from disposal of property and equipment	84	74	-	-
Purchase of financial investments	(7,985,458)	(1,554,627)	-	-
Purchase of property and equipment and intangible assets	(31,709)	(45,423)	(28)	-
Proceeds from capital reduction in a subsidiary	-	-	5,165	-
Net cash (used in)/generated from investing activities	<u>(6,910,268)</u>	<u>(1,588,520)</u>	<u>377,297</u>	<u>(317,043)</u>
<i>Cash flows from financing activities</i>				
Dividends paid by the Company to its shareholders	(165,606)	-	(165,606)	-
Repayment of lease liabilities	(53,098)	(44,352)	-	-
Dividends paid to non-controlling interests by subsidiaries	(1,831)	(98,000)	-	-
Return of capital to non-controlling interest	(1,075,993)	-	-	-
Proceeds from issuance of shares from private placement (net)	-	824,683	-	822,620
Net cash (used in)/generated from financing activities	<u>(1,296,528)</u>	<u>682,331</u>	<u>(165,606)</u>	<u>822,620</u>
Net (decrease)/increase in cash and cash equivalents	(7,994,601)	(8,502,769)	(284,314)	504,724
Cash and cash equivalents at beginning of the financial year	14,516,864	18,905,756	717,660	689,326
Effect of exchange rate changes	(180)	(1,473)	-	-
Cash and cash equivalents at end of the financial period	<u>6,522,083</u>	<u>10,401,514</u>	<u>433,346</u>	<u>1,194,050</u>

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

	Group		Company	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
	RM'000	RM'000	RM'000	RM'000
Cash and short-term funds	6,042,560	10,172,738	433,346	1,194,050
Deposits and placements with banks and other financial institutions (with original maturity of three months and less)	477,185	224,228	-	-
	<u>6,519,745</u>	<u>10,396,966</u>	<u>433,346</u>	<u>1,194,050</u>
Add:				
Allowances for expected credit loss ("ECL") for cash and cash equivalents	2,338	4,548	-	-
Cash and cash equivalents	<u>6,522,083</u>	<u>10,401,514</u>	<u>433,346</u>	<u>1,194,050</u>

The unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements of the Group and the Company for the financial year ended 31 March 2022.

EXPLANATORY NOTES :

A1. BASIS OF PREPARATION

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

These condensed interim financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the annual financial statements of the Group and the Company for the financial year ended 31 March 2022 which are available upon request from the Company's registered office at Level 22, Bangunan AmBank Group, No. 55, Jalan Raja Chulan, 50200 Kuala Lumpur.

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

A1.1 Significant Accounting Policies

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

- 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 of the Company. The Group and the Company did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amendments to published standards.

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

(a) 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 Company.

(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 Company.

(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 30 September 2022.

A1. BASIS OF PREPARATION (CONT'D.)

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

(d) Annual Improvements to MFRS Standards 2018-2020

The Annual Improvements to MFRS Standards 2018-2020 include minor amendments 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 Company.

(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 Company.

(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
- Amendments to MFRS 17	1 January 2023
- Initial Application of MFRS 17 and MFRS 9 - Comparative Information (Amendment to MFRS 17)	1 January 2023
- Classification of Liabilities as Current or Non-Current (Amendments to MFRS 101)	1 January 2023
- Disclosure of Accounting Policies (Amendments to MFRS 101)	1 January 2023
- Definition of Accounting Estimates (Amendments to MFRS 108)	1 January 2023
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to MFRS 112)	1 January 2023
- 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 but not yet effective are described below. The Group and the Company are currently assessing the financial effects of their adoption.

(a) New standard and amendments to published standards effective for financial year ending 31 March 2024

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

MFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure which supersedes MFRS 4 *Insurance Contracts*.

A1. BASIS OF PREPARATION (CONT'D.)

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

The nature of the new standard and amendments to published standards that are issued but not yet effective are described below. The Group and the Company are currently assessing the financial effects of their adoption. (Cont'd.)

(a) New standard and amendments to published standards effective for financial year ending 31 March 2024 (Cont'd.)

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

MFRS 17 requires a general measurement model, where estimates are remeasured in each reporting period. The measurement is based on the building blocks of discounted, probability-weighted fulfilment cash flows, a risk adjustment and a contractual service margin ("CSM") representing the unearned profit of the contract. A simplified premium allocation approach is permitted for the liability for the remaining coverage if it provides a measurement that is not materially different from the general model or if the coverage period is one year or less. However, claims incurred will need to be measured based on the building blocks of discounted, risk-adjusted, probability weighted cash flows.

For insurance contracts with direct participation features, the CSM is measured using the variable fee approach to deduct a variable fee comprising the Group's share of the fair value of the underlying items less fulfilment cash flows that do not vary based on the returns of the underlying items.

Changes in cash flows related to future services should be recognised against the CSM. The CSM cannot be negative, so changes in future cash flows that are greater than the remaining CSM are recognised in profit or loss. Interest is accreted on the CSM at rates locked in at initial recognition of a contract. To reflect the service provided, the CSM is released to profit or loss in each period on the basis of passage of time. Entities have an accounting policy choice to recognise the impact of changes in discount rates and other assumptions that relate to financial risks either in profit or loss or in other comprehensive income.

MFRS 17 is effective for reporting periods beginning on or after 1 January 2023. Early application is permitted, provided MFRS 9 is also applied. A full retrospective application is required; an entity is permitted to choose between a modified retrospective approach and the fair value approach if full retrospective application is impracticable. An entity that first applies MFRS 17 and MFRS 9 at the same time is also permitted to apply a classification overlay on the comparative information about a financial asset as if the classification and measurement requirements of MFRS 9 had been applied to that financial asset before to overcome potential accounting mismatches.

The amendments are expected to result impact to the financial statements of the Group and Company.

Classification of Liabilities as Current or Non-Current (Amendments to MFRS 101)

The amendments clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Liabilities are classified as non-current if the entity has a substantive right to defer settlement for at least 12 months at the end of the reporting period. Classification is unaffected by the expectations or intentions of the entity, as well as events after the reporting date. The amendments are applied retrospectively from annual reporting period beginning on or after 1 January 2023. Early adoption is permitted. The amendments are not expected to result in any impact as the Group and the Company present all assets and liabilities in the statements of financial position in order of liquidity.

Disclosure of Accounting Policies (Amendments to MFRS 101)

The amendments require entities to disclose material accounting policies rather than significant accounting policies in the financial statements. Entities are expected to make disclosure of accounting policies specific to the entity and not generic disclosures on MFRS applications.

An accounting policy is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the users make based on those financial statements. Also, accounting policy information is expected to be material if, without it, the users of the financial statements would be unable to understand other material information in the financial statements. Immaterial accounting policy information need not be disclosed.

The amendments are applied from annual reporting period beginning on or after 1 January 2023. Early adoption is permitted.

A1. BASIS OF PREPARATION (CONT'D.)

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

(a) New standard and amendments to published standards effective for financial year ending 31 March 2024 (Cont'd.)

Definition of Accounting Estimates (Amendments to MFRS 108)

The amendments redefined accounting estimates as “monetary amounts in financial statements that are subject to measurement uncertainty” and provide clarity on how to distinguish changes in accounting policies from changes in accounting estimates.

The amendments further clarify that effects of a change in an input or measurement technique used to develop an accounting estimate (for example, expected credit losses, fair value of an asset or liability, and depreciation for property and equipment) is a change in accounting estimate, if they do not arise from prior period errors.

The amendments are applied from annual reporting period beginning on or after 1 January 2023. Early adoption is permitted.

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

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

(i) Income Taxes

In the previous financial year, based on legal opinion received, AmBank (M) Berhad (“AmBank”) and AmInvestment Bank Berhad (“AmInvestment Bank”) claimed tax deduction on the settlement of RM2.83 billion with Ministry of Finance Malaysia and its related expenses of RM21.0 million in their tax returns for the Year Assessment (“YA”) 2021. Accordingly, AmBank and AmInvestment Bank recognised a portion of tax deduction amounting to RM220.5 million and RM14.1 million respectively as tax recoverable.

A1. BASIS OF PREPARATION (CONT'D.)

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

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

(i) Income Taxes (cont'd.)

On 7 September 2022, the Inland Revenue Board ("IRB") formally replied on their differing view on the tax deductibility of the settlement sum of RM2.83 billion and its related expenses of RM21.0 million.

The management believes there are merits to claim for the tax deduction on the settlement sum based on the legal opinion and accordingly, the Group has formally replied to IRB their decision and is following up with a discussion with IRB on the next steps to resolve the matter.

The Group 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.

(ii) Disposal of subsidiary

In arriving to the estimated loss on disposal of RM53.9 million, the Group has used management accounts as of the disposal date which includes an estimated actuarial loss of RM186.0 million based on the draft Independent Reserve Review report ("IRR") conducted by an independent actuary. As at the reporting date, the IRR and the Completion Accounts (collectively known as the "Report") for the disposal has yet to be finalised. Any further adjustments required will be revisited upon completion of the Report. For further details refer to Note A29.

A2. AUDIT QUALIFICATION

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

A3. SEASONALITY OR CYCLICALITY OF OPERATIONS

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

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

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

A5. CHANGES IN ESTIMATES

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

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

Share buy-back

During the current financial period, the Company bought back from the open market, a total of 6,317,050 ordinary shares listed on the Main Market of Bursa Malaysia Securities Berhad at an average buy-back price of RM3.92 per share. The total consideration paid for the share buy-back including transaction costs was approximately RM24,787,178 and was financed by internally generated funds. The shares bought back are held as treasury shares in accordance with Section 127(4)(b) of the Companies Act 2016.

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

A7. DIVIDENDS PAID

The final single-tier dividend of 5.0 sen per share for the financial year ended 31 March 2022 which amounted to approximately RM165,606,270 was paid on 6 July 2022 to shareholders whose names appear in the record of Depositors as at 21 June 2022.

A8. CASH AND SHORT-TERM FUNDS

	Group		Company	
	30.09.2022 RM'000	31.03.2022 RM'000	30.09.2022 RM'000	31.03.2022 RM'000
Cash and balances with banks and other financial institutions	2,108,909	1,502,255	433,346	717,660
Deposit and placements maturing within one month:				
Licensed banks	2,387,953	3,234,599	-	-
Bank Negara Malaysia	1,533,000	8,191,800	-	-
Other financial institutions	14,816	294,690	-	-
	3,935,769	11,721,089	-	-
	6,044,678	13,223,344	433,346	717,660
Less: Allowances for ECL	(2,118)	(2,245)	-	-
	6,042,560	13,221,099	433,346	717,660

Movements in allowances for ECL are as follows:

Group 30.09.2022	Stage 1	Stage 2	Total RM'000
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	
Balance at beginning of the financial period	2,225	20	2,245
Net (writeback of)/allowances for ECL	(476)	256	(220)
Transfer from deposits and placements with banks and other financial institutions (Note A9)	4,290	-	4,290
New financial assets originated	8,215	227	8,442
Financial assets derecognised	(12,937)	-	(12,937)
Net remeasurement of allowances	(44)	29	(15)
Foreign exchange differences	93	-	93
Balance at end of the financial period	1,842	276	2,118

Group 31.03.2022	Stage 1	Stage 2	Total RM'000
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	
Balance at beginning of the financial year	2,310	21	2,331
Net writeback of ECL	(60)	-	(60)
Transfer from deposits and placements with banks and other financial institutions (Note A9)	3,325	-	3,325
New financial assets originated	22,795	4	22,799
Financial assets derecognised	(26,374)	(2)	(26,376)
Net remeasurement of allowances	194	(2)	192
Foreign exchange differences	(25)	(1)	(26)
Balance at end of the financial year	2,225	20	2,245

A9. DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group	
	30.09.2022	31.03.2022
	RM'000	RM'000
Deposits and placements maturity more than one month:		
Licensed banks	477,405	1,302,774
Less: Allowances for ECL	(220)	(1,325)
	<u>477,185</u>	<u>1,301,449</u>
Of which deposits and placements with original maturity of:		
Three months or less	477,405	1,293,520
More than three months	-	9,254
	<u>477,405</u>	<u>1,302,774</u>

Movements in allowances for ECL are as follows:

Group	Stage 1
30.09.2022	12-month
	ECL
	RM'000
Balance at beginning of the financial period	1,325
Net writeback of ECL	(1,105)
Transfer to cash and short-term funds (Note A8)	(4,290)
Net remeasurement of allowances	16
New financial assets originated	3,169
Balance at end of the financial period	<u>220</u>
Group	Stage 1
31.03.2022	12-month
	ECL
	RM'000
Balance at beginning of the financial year	42
Net allowance for ECL	1,283
Transfer to cash and short-term funds (Note A8)	(3,325)
Net remeasurement of allowances	35
New financial assets originated	4,573
Balance at end of the financial year	<u>1,325</u>

A10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group		Company	
	30.09.2022 RM'000	31.03.2022 RM'000	30.09.2022 RM'000	31.03.2022 RM'000
At Fair Value				
Money Market Instruments:				
Malaysian Treasury Bills	394,998	100,625	-	-
Malaysian Islamic Treasury Bills	2,782,990	1,313,273	-	-
Malaysian Government Securities	738,702	258,277	-	-
Malaysian Government Investment Issues	510,452	401,406	-	-
Cagamas bonds	-	99,460	-	-
Bank Negara Monetary Notes	1,126,559	-	-	-
	<u>5,553,701</u>	<u>2,173,041</u>	<u>-</u>	<u>-</u>
Quoted Securities:				
In Malaysia:				
Shares	587,883	643,145	-	-
Unit trusts	19,383	178,219	1,142	1,128
Corporate bonds and sukuk *	12,631	13,315	-	-
Outside Malaysia:				
Shares	476,052	481,104	-	-
	<u>1,095,949</u>	<u>1,315,783</u>	<u>1,142</u>	<u>1,128</u>
Unquoted Securities:				
In Malaysia:				
Shares	31	31	-	-
Corporate bonds and sukuk *	897,699	3,727,705	-	-
	<u>897,730</u>	<u>3,727,736</u>	<u>-</u>	<u>-</u>
Total	<u>7,547,380</u>	<u>7,216,560</u>	<u>1,142</u>	<u>1,128</u>

* The significant decrease is mainly due to the derecognition of investments as a result of the disposal of a subsidiary.

A11. FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	Group	
	30.09.2022 RM'000	31.03.2022 RM'000
At Fair Value		
Money Market Instruments:		
Malaysian Treasury Bills	264,109	-
Malaysian Government Securities	3,709,575	3,099,232
Malaysian Government Investment Issues	4,147,089	4,356,026
Bank Negara Monetary Notes	486,625	-
Negotiable Instruments of Deposit	-	450,001
Islamic Negotiable Instruments of Deposit	498,276	579,298
Malaysian Islamic Treasury Bills	2,775,174	-
Foreign Government Securities	13,317	13,619
	<u>11,894,165</u>	<u>8,498,176</u>
Unquoted Securities:		
In Malaysia:		
Shares	682,097	674,456
Corporate bonds and sukuk	10,901,292	9,573,069
Outside Malaysia:		
Shares	761	633
Corporate bonds and sukuk	10,142	10,423
	<u>11,594,292</u>	<u>10,258,581</u>
Total	<u>23,488,457</u>	<u>18,756,757</u>

Movements in allowances for ECL are as follows:

Group 30.09.2022	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Total RM'000
	Balance at beginning of the financial period	10,494	9,842
Net (writeback of)/allowances for ECL	(405)	2,010	1,605
Transfer to 12-month ECL (Stage 1)	4	(2,121)	(2,117)
New financial assets originated	3,325	-	3,325
Financial assets derecognised	(1,818)	-	(1,818)
Net remeasurement of allowances	(1,916)	4,131	2,215
Foreign exchange differences	2	-	2
Balance at end of the financial period	<u>10,091</u>	<u>11,852</u>	<u>21,943</u>

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

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

Group	Stage 1	Stage 2	Total
31.03.2022	12-month	Lifetime	
	ECL	ECL	
	RM'000	not credit	RM'000
		impaired	RM'000
		RM'000	
Balance at beginning of the financial year	11,224	6,847	18,071
Net (writeback of)/allowances for ECL	(732)	2,995	2,263
Transfer to Lifetime ECL not credit impaired (Stage 2)	(893)	3,602	2,709
New financial assets originated	4,809	-	4,809
Financial assets derecognised	(4,010)	(607)	(4,617)
Net remeasurement of allowances	(638)	-	(638)
Foreign exchange differences	2	-	2
Balance at end of the financial year	<u>10,494</u>	<u>9,842</u>	<u>20,336</u>

A12. FINANCIAL INVESTMENTS AT AMORTISED COST

	Group	
	30.09.2022	31.03.2022
	RM'000	RM'000
At Amortised Cost		
Money Market Instruments:		
Malaysian Government Securities	1,346,166	907,429
Malaysian Government Investment Issues	4,020,123	2,261,515
	<u>5,366,289</u>	<u>3,168,944</u>
Unquoted Securities:		
In Malaysia:		
Corporate Bonds and sukuk	7,143,280	6,352,046
	<u>12,509,569</u>	<u>9,520,990</u>
Less: Allowances for ECL	(481,817)	(483,224)
Total	<u>12,027,752</u>	<u>9,037,766</u>

Movements in allowances for ECL are as follows:

	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
Group				
30.09.2022				
Balance at beginning of the financial period	4,497	-	478,727	483,224
Net writeback of ECL	(394)	-	(1,013)	(1,407)
New financial assets originated	337	-	-	337
Net remeasurement of allowances	(46)	-	(1,013)	(1,059)
Financial assets derecognised	(685)	-	-	(685)
Balance at end of the financial period	<u>4,103</u>	<u>-</u>	<u>477,714</u>	<u>481,817</u>

	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
Group				
31.03.2022				
Balance at beginning of the financial year	3,916	211,331	-	215,247
Net allowances for/(writeback of) ECL	581	(211,331)	478,727	267,977
Transfer to 12-month ECL (Stage 1)	591	(8,549)	-	(7,958)
Transfer to Lifetime ECL credit impaired (Stage 3)	-	(10,788)	478,727	467,939
New financial assets originated	385	-	-	385
Net remeasurement of allowances	(379)	-	-	(379)
Financial assets derecognised	(16)	-	-	(16)
Changes in model assumptions and methodologies	-	(191,994)	-	(191,994)
Balance at end of the financial year	<u>4,497</u>	<u>-</u>	<u>478,727</u>	<u>483,224</u>

A13. LOANS, ADVANCES AND FINANCING

	Group	
	30.09.2022	31.03.2022
	RM'000	RM'000
At Amortised Cost:		
Loans, advances and financing:		
Term loans/financing	42,045,759	38,801,821
Revolving credit	11,502,497	11,370,620
Housing loans/financing	40,148,810	39,031,362
Hire purchase receivables	13,718,799	13,854,097
Card receivables	1,996,778	1,903,171
Overdraft	3,059,063	3,222,656
Claims on customers under acceptance credits	6,253,067	6,485,259
Trust receipts	2,481,833	2,577,510
Bills receivables	2,885,346	2,473,103
Staff loans	102,759	106,105
Others	156,761	167,557
Gross loans, advances and financing	<u>124,351,472</u>	<u>119,993,261</u>
Less: Allowances for ECL		
- Stage 1 - 12-month ECL	(231,448)	(217,884)
- Stage 2 - Lifetime ECL not credit impaired	(1,122,569)	(1,159,616)
- Stage 3 - Lifetime ECL credit impaired	(484,090)	(550,076)
	<u>(1,838,107)</u>	<u>(1,927,576)</u>
Net loans, advances and financing	<u>122,513,365</u>	<u>118,065,685</u>

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

	Group	
	30.09.2022	31.03.2022
	RM'000	RM'000
Domestic non-bank financial institutions	3,005,666	3,133,599
Domestic business enterprises:		
- Small and medium enterprises	25,198,222	24,919,016
- Others	25,089,209	25,613,034
Government and statutory bodies	2,648,953	163,603
Individuals	66,414,147	64,535,980
Other domestic entities	9,274	7,647
Foreign individuals and entities	1,986,001	1,620,382
	<u>124,351,472</u>	<u>119,993,261</u>

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

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

	Group	
	30.09.2022	31.03.2022
	RM'000	RM'000
In Malaysia	124,035,887	119,099,088
Outside Malaysia	315,585	894,173
	124,351,472	119,993,261

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

	Group	
	30.09.2022	31.03.2022
	RM'000	RM'000
Fixed rate:		
- Housing loans/financing	317,289	314,482
- Hire purchase receivables	13,288,708	13,355,884
- Other loans/financing	12,397,197	10,907,556
Variable rate:		
- Base rate and lending/financing rate plus	67,115,712	65,265,205
- Cost plus	30,316,345	28,898,958
- Other variable rates	916,221	1,251,176
	124,351,472	119,993,261

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

	Group	
	30.09.2022	31.03.2022
	RM'000	RM'000
Agriculture	3,137,921	2,374,086
Mining and quarrying	2,303,125	2,130,214
Manufacturing	15,402,335	15,902,661
Electricity, gas and water	1,348,268	1,182,630
Construction	4,345,769	4,352,593
Wholesale and retail trade and hotels and restaurants	10,783,529	10,534,493
Transport, storage and communication	4,801,278	4,842,904
Finance and insurance	4,840,411	3,266,845
Real estate	6,293,482	6,616,194
Business activities	2,594,883	2,258,944
Education and health	1,518,762	1,409,736
Household of which:	66,969,533	65,096,931
Purchase of residential properties	40,479,911	39,390,816
Purchase of transport vehicles	12,471,245	12,575,408
Others	14,018,377	13,130,707
Others	12,176	25,030
	124,351,472	119,993,261

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

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

	Group	
	30.09.2022 RM'000	31.03.2022 RM'000
Maturing within one year	30,717,046	30,390,452
Over one year to three years	7,206,385	6,830,043
Over three years to five years	11,011,962	11,611,293
Over five years	75,416,079	71,161,473
	<u>124,351,472</u>	<u>119,993,261</u>

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

	Group	
	30.09.2022 RM'000	31.03.2022 RM'000
Gross		
Balance at beginning of the financial period/year	1,676,044	1,770,320
Additions during the financial period/year	1,109,178	1,357,323
Reclassified as non-impaired	(170,305)	(205,843)
Recoveries	(344,275)	(542,645)
Amount written off	(378,994)	(702,792)
Foreign exchange differences	425	(319)
Balance at end of the financial period/year	<u>1,892,073</u>	<u>1,676,044</u>
Gross impaired loans, advances and financing as % of gross loans, advances and financing	<u>1.52%</u>	<u>1.40%</u>
Loan loss coverage (including regulatory reserve)	<u>122.58%</u>	<u>139.24%</u>

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

	Group	
	30.09.2022 RM'000	31.03.2022 RM'000
In Malaysia	1,892,073	1,666,873
Outside Malaysia	-	9,171
	<u>1,892,073</u>	<u>1,676,044</u>

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

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

	Group	
	30.09.2022 RM'000	31.03.2022 RM'000
Agriculture	9,879	8,834
Mining and quarrying	44,092	175,741
Manufacturing	177,348	226,687
Electricity, gas and water	6,082	4,639
Construction	145,436	112,676
Wholesale and retail trade and hotels and restaurants	200,885	170,049
Transport, storage and communication	17,808	18,518
Finance and insurance	9,332	1,494
Real estate	183,109	188,167
Business activities	47,151	37,595
Education and health	8,501	6,218
Household of which:	1,042,450	725,426
Purchase of residential properties	778,063	540,323
Purchase of transport vehicles	107,450	80,127
Others	156,937	104,976
	<u>1,892,073</u>	<u>1,676,044</u>

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

Group 30.09.2022	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Stage 3 Lifetime ECL credit impaired RM'000	Total RM'000
	Balance at beginning of the financial period	217,884	1,159,616	550,076
Net allowances for/(writeback of) ECL	12,832	(37,074)	312,440	288,198
Transfer to 12-month ECL (Stage 1)	12,342	(121,181)	(2,422)	(111,261)
Transfer to Lifetime ECL not credit impaired (Stage 2)	(11,938)	123,559	(23,228)	88,393
Transfer to Lifetime ECL credit impaired (Stage 3)	(1,086)	(33,072)	149,250	115,092
New financial assets originated	46,532	48,889	2,505	97,926
Net remeasurement of allowances	(6,646)	(21,287)	227,533	199,600
Modification of contractual cash flows of financial assets	(597)	(3,841)	1,030	(3,408)
Financial assets derecognised	(33,132)	(60,823)	(42,233)	(136,188)
Changes in model assumptions and methodologies	7,357	30,682	5	38,044
Foreign exchange differences	801	27	568	1,396
Amount written off	-	-	(378,994)	(378,994)
Disposal of subsidiary	(69)	-	-	(69)
Balance at end of the financial period	<u>231,448</u>	<u>1,122,569</u>	<u>484,090</u>	<u>1,838,107</u>

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

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

Group 31.03.2022	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Stage 3 Lifetime ECL credit impaired RM'000	Total RM'000
Balance at beginning of the financial year	431,800	1,109,340	534,631	2,075,771
Net (writeback of)/allowances for ECL	(214,035)	50,259	718,339	554,563
Transfer to 12-month ECL (Stage 1)	10,638	(116,234)	(4,209)	(109,805)
Transfer to Lifetime ECL not credit impaired (Stage 2)	(20,546)	165,613	(24,785)	120,282
Transfer to Lifetime ECL credit impaired (Stage 3)	(1,304)	(37,541)	99,054	60,209
New financial assets originated	56,300	71,735	5,707	133,742
Net remeasurement of allowances	(55,790)	24,165	741,532	709,907
Modification of contractual cash flows of financial assets	(1,750)	4,847	83	3,180
Financial assets derecognised	(39,585)	(72,934)	(99,043)	(211,562)
Changes in model assumptions and methodologies	(161,998)	10,608	-	(151,390)
Foreign exchange differences	119	17	(102)	34
Amount written off	-	-	(702,792)	(702,792)
Balance at end of the financial year	<u>217,884</u>	<u>1,159,616</u>	<u>550,076</u>	<u>1,927,576</u>

A14. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

	Group	
	30.09.2022 RM'000	31.03.2022 RM'000
Unquoted shares:		
At cost at the beginning of the financial period/year	669,169	669,169
Addition	958,147	-
At cost at the end of the financial period/year	<u>1,627,316</u>	<u>669,169</u>
Share of post acquisition reserves	96,919	87,817
	1,724,235	756,986
Less: Impairment loss	(152,444)	(152,444)
	<u>1,571,791</u>	<u>604,542</u>

Increase in cost of investment in associates and joint ventures represent 30% stake in Liberty Insurance Berhad. For further details, please refer to Note A29.

A15. OTHER ASSETS

	Group		Company	
	30.09.2022 RM'000	31.03.2022 RM'000	30.09.2022 RM'000	31.03.2022 RM'000
Trade receivables	310,850	432,591	-	-
Other receivables, deposits and prepayments	1,078,244	944,628	3,503	11,410
Interest/Profit receivable	466,482	456,844	-	-
Fee receivable	21,401	18,229	-	-
Amount due from associates and joint ventures	18,222	9,884	2,565	205
Amount due from agents, brokers and reinsurers	280,953	412,153	-	-
Foreclosed properties	2,634	2,634	-	-
Tax recoverable	201,557	168,371	1,009	-
Collateral pledged for derivative and securities transactions	1,012,955	446,809	-	-
	<u>3,393,298</u>	<u>2,892,143</u>	<u>7,077</u>	<u>11,615</u>
Less: Accumulated impairment losses	(8,634)	(6,824)	-	-
	<u>3,384,664</u>	<u>2,885,319</u>	<u>7,077</u>	<u>11,615</u>

A16. REINSURANCE ASSETS AND OTHER INSURANCE RECEIVABLES

	Note	Group	
		30.09.2022 RM'000	31.03.2022 RM'000
Reinsurance assets from general insurance business	(i)	-	518,225
Other insurance receivables	(ii)	-	62,480
		<u>-</u>	<u>580,705</u>
(i) Movements in allowances for impairment are as follows:			
Balance at beginning of the financial period/year		926	2,075
Writeback for the financial period/year		-	(1,149)
Disposal of subsidiary		(926)	-
Balance at end of the financial period/year		<u>-</u>	<u>926</u>
(ii) Other insurance receivables			
Due premiums including agents/brokers and co-insurers' balances		-	71,041
Amount owing by reinsurance and cedants		-	9,639
Accumulated impairment losses		-	(18,200)
		<u>-</u>	<u>62,480</u>
Movements in allowances for impairment are as follows:			
Balance at beginning of the financial period/year		18,200	18,732
Writeback for the financial period/year		(2,736)	(532)
Disposal of subsidiary		(15,464)	-
Balance at end of the financial period/year		<u>-</u>	<u>18,200</u>

As at 30 September 2022, reinsurance assets and other insurance receivables is at RM Nil due to derecognition of the balance as a result of the disposal of AGIB.

A17. DEPOSITS FROM CUSTOMERS

	Group	
	30.09.2022	31.03.2022
	RM'000	RM'000
Demand deposits	31,377,684	33,709,677
Savings deposits	8,447,730	9,397,684
Term/Investment deposits	81,119,487	79,485,489
Negotiable instruments of deposits	50,000	-
	<u>120,994,901</u>	<u>122,592,850</u>

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

	Group	
	30.09.2022	31.03.2022
	RM'000	RM'000
Due within six months	64,490,526	62,120,020
Six months to one year	15,257,170	15,645,790
Over one year to three years	1,287,748	1,540,070
Over three years to five years	134,043	179,609
	<u>81,169,487</u>	<u>79,485,489</u>

The deposits are sourced from the following types of customers:

	Group	
	30.09.2022	31.03.2022
	RM'000	RM'000
Government and statutory bodies	5,698,161	4,730,100
Business enterprises	60,043,459	61,314,620
Individuals	48,411,529	45,921,495
Others	6,841,752	10,626,635
	<u>120,994,901</u>	<u>122,592,850</u>

A18. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group	
	30.09.2022	31.03.2022
	RM'000	RM'000
Licensed banks	6,794,472	5,571,352
Licensed investment banks	701,355	651,726
Bank Negara Malaysia	1,326,236	1,270,123
Other financial institutions	2,906,494	2,401,384
	<u>11,728,557</u>	<u>9,894,585</u>

A19. OTHER LIABILITIES

	Group		Company	
	30.09.2022	31.03.2022	30.09.2022	31.03.2022
	RM'000	RM'000	RM'000	RM'000
Trade payables	513,939	761,368	-	-
Other payables and accruals	1,239,295	1,543,486	25,752	17,537
Interest payable on deposits and borrowings	686,320	561,674	-	-
Lease deposits and advance rental	48,598	47,830	-	-
Provision for commitments and contingencies	3,533	3,546	-	-
Allowances for ECL on loan/financing commitments and financial guarantees	322,158	303,197	-	-
Lease liabilities	201,755	191,465	-	-
Provision for reinstatement of leased properties	6,558	9,706	-	-
Amount due to subsidiaries	-	-	18,869	-
Settlement payable	-	515,000	-	515,000
Provision for taxation	34,265	61,532	-	1,290
Collateral received for derivative and securities transactions	368,588	229,098	-	-
Deferred income	74,130	74,960	-	-
	3,499,139	4,302,862	44,621	533,827

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

Group	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
30.09.2022	RM'000	RM'000	RM'000	RM'000
Balance at beginning of the financial period	28,926	26,330	247,941	303,197
Net allowances for ECL	5,087	6,671	6,990	18,748
Transfer to 12-month ECL (Stage 1)	856	(5,774)	-	(4,918)
Transfer to Lifetime ECL not credit impaired (Stage 2)	(1,249)	8,817	-	7,568
Transfer to Lifetime ECL credit impaired (Stage 3)	(19)	(358)	138	(239)
New exposures originated	11,055	9,219	-	20,274
Net remeasurement of allowances	923	(254)	6,852	7,521
Exposures derecognised	(6,479)	(4,979)	-	(11,458)
Foreign exchange differences	197	31	(15)	213
Balance at the end of the financial period	34,210	33,032	254,916	322,158

A19. OTHER LIABILITIES (CONT'D.)

Movements in allowances for ECL on loan/financing commitments and financial guarantees are as follows: (Cont'd.)

Group 31.03.2022	Stage 1	Stage 2	Stage 3	Total RM'000
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
Balance at beginning of the financial year	30,429	37,348	52,733	120,510
Net (writeback of)/allowances for ECL	(1,516)	(11,011)	195,208	182,681
Transfer to 12-month ECL (Stage 1)	778	(8,874)	-	(8,096)
Transfer to Lifetime ECL not credit impaired (Stage 2)	(1,709)	7,344	-	5,635
Transfer to Lifetime ECL credit impaired (Stage 3)	(59)	(478)	190,455	189,918
New exposures originated	12,352	11,466	5,780	29,598
Net remeasurement of allowances	(3,837)	(6,337)	(1,019)	(11,193)
Exposures derecognised	(9,041)	(14,132)	(8)	(23,181)
Foreign exchange differences	13	(7)	-	6
Balance at the end of the financial year	28,926	26,330	247,941	303,197

A20. INSURANCE CONTRACT LIABILITIES AND OTHER INSURANCE PAYABLES

Group	Note	30.09.2022	31.03.2022
		RM'000	RM'000
Insurance contract liabilities	(i)	-	2,625,284
Other insurance payables	(ii)	-	62,077
		-	2,687,361
(i) Insurance contract liabilities			
		30.09.2022	Net contract
		Gross contract liabilities RM'000	liabilities RM'000
General insurance business		-	-
		31.03.2022	Net contract
		Gross contract liabilities RM'000	liabilities RM'000
General insurance business		2,625,284	2,107,059
(ii) Other insurance payables			
		30.09.2022	31.03.2022
		RM'000	RM'000
Amount due to agents and intermediaries		-	19,136
Amount due to reinsurers and cedants		-	42,941
		-	62,077

As at 30 September 2022, insurance contract liabilities and other insurance payables is at RM Nil due to derecognition of the balance as a result of the disposal of AGIB.

A21. INTEREST INCOME

	Individual Quarter		Cumulative Quarter	
	30.09.2022	30.09.2021 (Restated)	30.09.2022	30.09.2021 (Restated)
	RM'000	RM'000	RM'000	RM'000
Group				
Short-term funds and deposits and placements				
with banks and other financial institutions	31,045	12,848	53,325	27,249
Financial assets at fair value through profit or loss	33,957	20,659	51,507	42,990
Financial investments at fair value through				
other comprehensive income	128,926	114,317	239,789	227,610
Financial investments at amortised cost	78,237	40,708	145,385	81,161
Loans and advances*	909,145	777,571	1,727,755	1,557,147
Impaired loans and advances	864	777	1,747	1,401
Others	5,867	2,754	11,599	5,535
	<u>1,188,041</u>	<u>969,634</u>	<u>2,231,107</u>	<u>1,943,093</u>
Company				
Short-term funds and deposits and placements with				
banks and other financial institutions	1,300	4,207	4,087	12,552

* Included in the interest income of loans and advances of the Group is the net loss of RM3.14 million (30.09.2021: net gain of RM9.69 million) arising from government support measures implemented in response to COVID-19 pandemic.

A22. INTEREST EXPENSE

	Individual Quarter		Cumulative Quarter	
	30.09.2022	30.09.2021 (Restated)	30.09.2022	30.09.2021 (Restated)
	RM'000	RM'000	RM'000	RM'000
Group				
Deposits from customers	408,396	321,549	756,178	641,352
Deposits and placements of banks and other				
financial institutions	45,388	21,533	70,980	43,583
Senior notes	3,090	-	6,147	-
Credit-Linked Notes	-	1,719	-	3,673
Securities sold under repurchase agreements	40,365	1,487	53,308	6,787
Recourse obligation on loans sold to Cagamas Berhad	45,892	50,774	90,152	97,584
Term loan	3,416	1,036	5,373	2,093
Debt Capital	37,230	37,280	74,056	74,156
Other structured products and others	4,294	1,988	8,524	4,873
	<u>588,071</u>	<u>437,366</u>	<u>1,064,718</u>	<u>874,101</u>

A23. OTHER OPERATING INCOME

Group	Individual Quarter		Cumulative Quarter	
	30.09.2022 RM'000	30.09.2021 RM'000	30.09.2022 RM'000	30.09.2021 RM'000
Fee and commission income:				
Fees on loans and securities	33,112	36,568	69,015	69,663
Corporate advisory	3,389	6,547	6,989	11,308
Guarantee fees	10,703	11,385	24,579	22,950
Underwriting commission	160	541	2,642	541
Portfolio management fees	10,269	10,667	20,517	29,365
Unit trust fees, commission and charges	38,164	44,037	74,636	88,231
Property trust management fees	1,690	1,675	3,354	3,323
Brokerage fees and commission	6,412	11,003	13,803	24,668
Bancassurance commission	8,431	6,927	15,694	12,663
Wealth management fees	5,191	6,071	8,610	13,877
Remittances	6,408	5,191	14,113	10,953
Fees, service and commission charges	7,977	5,547	17,174	11,569
Placement fees	-	1,254	600	2,537
Others	4,920	4,768	9,259	10,275
	<u>136,826</u>	<u>152,181</u>	<u>280,985</u>	<u>311,923</u>
Investment and trading income:				
Net loss from sale of financial assets at fair value through profit or loss	(11,309)	(4,216)	(13,771)	(4,525)
Net (loss)/gain from sale of financial investments at fair value through other comprehensive income	(123)	2,053	(40)	3,006
Net gain/(loss) on revaluation of financial assets at fair value through profit or loss	13,264	33,158	(24,108)	10,554
Net gain on foreign exchange	82,638	46,513	244,590	73,751
Net (loss)/gain on derivatives	(31,975)	(18,370)	(112,936)	28,490
Dividend income from:				
Financial assets at fair value through profit or loss	1,361	1,661	4,020	3,471
Financial investments at fair value through other comprehensive income	226	1,056	2,036	3,706
Others	642	481	649	5,262
	<u>54,724</u>	<u>62,336</u>	<u>100,440</u>	<u>123,715</u>
Other income:				
Net (loss)/gain on non-trading foreign exchange	(292)	141	(121)	333
Net gain/(loss) on disposal of property and equipment	4	(9)	19	9
Rental income	64	133	116	141
Profit from sale of goods and services	4,127	4,347	8,189	8,830
Others	3,914	170	6,170	1,121
	<u>7,817</u>	<u>4,782</u>	<u>14,373</u>	<u>10,434</u>
	<u>199,367</u>	<u>219,299</u>	<u>395,798</u>	<u>446,072</u>

A23. OTHER OPERATING INCOME (CONT'D.)

Company	Individual Quarter		Cumulative Quarter	
	30.09.2022 RM'000	30.09.2021 RM'000	30.09.2022 RM'000	30.09.2021 RM'000
Investment and trading income:				
Dividend income from:				
Subsidiaries	302,737	142,813	396,947	142,813
Financial assets at fair value through profit or loss	7	6	14	12
	<u>302,744</u>	<u>142,819</u>	<u>396,961</u>	<u>142,825</u>
Other income:				
Others	2,481	219	2,701	444
	<u>2,481</u>	<u>219</u>	<u>2,701</u>	<u>444</u>
	<u>305,225</u>	<u>143,038</u>	<u>399,662</u>	<u>143,269</u>

A24. OTHER OPERATING EXPENSES

Group	Individual Quarter		Cumulative Quarter	
	30.09.2022 RM'000	30.09.2021 RM'000	30.09.2022 RM'000	30.09.2021 RM'000
Personnel costs:				
Salaries, allowances and bonuses	228,417	219,814	468,461	425,003
Shares granted under ESS				
- charge/(writeback)	9,225	(8,765)	11,004	(11,306)
Contributions to Employees' Provident Fund ("EPF")/Private Retirement Schemes	36,191	36,003	74,460	69,694
Social security cost	1,874	1,777	3,638	3,567
Other staff related expenses	30,655	22,263	61,165	48,051
	<u>306,362</u>	<u>271,092</u>	<u>618,728</u>	<u>535,009</u>
Establishment costs:				
Depreciation of property and equipment	12,588	14,872	24,751	31,220
Depreciation of right-of-use assets	15,593	17,727	38,426	34,750
Amortisation of intangible assets	19,063	19,105	37,676	50,993
Computerisation costs	55,075	45,311	100,012	65,908
Rental of premises	1,868	187	(3,571)	782
Cleaning, maintenance and security	7,791	6,165	14,362	12,531
Finance costs:				
- interest on lease liabilities	1,414	1,852	3,172	3,691
- provision for reinstatement of leased properties	21	28	44	57
Others	8,508	6,620	16,729	13,986
	<u>121,921</u>	<u>111,867</u>	<u>231,601</u>	<u>213,918</u>
Marketing and communication expenses:				
Sales commission	653	1,175	1,466	2,741
Advertising, promotional and other marketing activities	5,849	3,033	9,246	3,313
Telephone charges	4,728	5,000	9,862	9,275
Postage	2,338	2,945	4,654	5,697
Travelling and entertainment	1,323	343	2,356	1,172
Others	2,585	2,016	4,445	4,099
	<u>17,476</u>	<u>14,512</u>	<u>32,029</u>	<u>26,297</u>

A24. OTHER OPERATING EXPENSES (CONT'D.)

Group	Individual Quarter		Cumulative Quarter	
	30.09.2022 RM'000	30.09.2021 RM'000	30.09.2022 RM'000	30.09.2021 RM'000
Administration and general expenses:				
Professional services	15,343	14,765	29,161	33,184
Travelling	654	191	1,206	503
Insurance	1,997	1,938	5,428	3,395
Subscriptions and periodicals	2,168	2,074	3,985	4,837
Others	10,479	17,203	18,967	37,346
	<u>30,641</u>	<u>36,171</u>	<u>58,747</u>	<u>79,265</u>
Total	<u>476,400</u>	<u>433,642</u>	<u>941,105</u>	<u>854,489</u>

Company	Individual Quarter		Cumulative Quarter	
	30.09.2022 RM'000	30.09.2021 RM'000	30.09.2022 RM'000	30.09.2021 RM'000
Establishment costs:				
Depreciation of property and equipment	2	-	4	-
Computerisation costs	61	59	185	156
Others	19	-	19	-
	<u>82</u>	<u>59</u>	<u>208</u>	<u>156</u>
Marketing and communication expenses:				
Advertising, promotional and other marketing activities	38	1	38	1
Telephone charges	1	1	1	1
Travelling and entertainment	8	-	15	7
Others	-	1	-	1
	<u>47</u>	<u>3</u>	<u>54</u>	<u>10</u>
Administration and general expenses:				
Professional services	477	1,515	836	2,304
Travelling	3	7	7	12
Insurance	-	-	1	-
Subscriptions and periodicals	-	3	-	3
Others	998	(2,528)	2,054	(1,607)
	<u>1,478</u>	<u>(1,003)</u>	<u>2,898</u>	<u>712</u>
Service transfer pricing expense, net	6,040	3,255	9,334	6,918
Total	<u>7,647</u>	<u>2,314</u>	<u>12,494</u>	<u>7,796</u>

A25. ALLOWANCES FOR IMPAIRMENT ON LOANS, ADVANCES AND FINANCING

Group	Individual Quarter		Cumulative Quarter	
	30.09.2022 RM'000	30.09.2021 (Restated) RM'000	30.09.2022 RM'000	30.09.2021 (Restated) RM'000
Impairment on loans, advances and financing:				
Allowances for ECL	156,764	178,003	288,198	424,269
Impaired loans, advances and financing recovered, net	(83,017)	(60,844)	(154,389)	(118,219)
	<u>73,747</u>	<u>117,159</u>	<u>133,809</u>	<u>306,050</u>

A26. ALLOWANCES FOR IMPAIRMENT ON FINANCIAL INVESTMENTS AND OTHER FINANCIAL ASSETS

	Individual Quarter		Cumulative Quarter	
	30.09.2022	30.09.2021 (Restated)	30.09.2022	30.09.2021 (Restated)
	RM'000	RM'000	RM'000	RM'000
Group				
Financial investments				
Financial investments at fair value through other comprehensive income	(1,447)	5,851	1,605	14,558
Financial investments at amortised cost	1,533	44,124	(1,407)	40,485
	<u>86</u>	<u>49,975</u>	<u>198</u>	<u>55,043</u>
Other financial assets				
Cash and short-term funds	196	542	(220)	1,184
Deposits and placements with banks and other financial institutions	(1,057)	1,056	(1,105)	1,014
Other assets	2,398	201	2,262	140
	<u>1,537</u>	<u>1,799</u>	<u>937</u>	<u>2,338</u>

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.
- (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 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 includes proprietary trading as well as provides 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**
Investment Banking provides a full range of integrated solutions and services, which include corporate finance M&A advisory, equity and debt capital markets, private banking and stockbroking services.
- (e) **Fund Management**
Fund Management manages a broad range of investment mandates and unit trust funds across the risk-return spectrum for individuals, corporates and institutions, and provides fund distribution support services for institutional distributors. Fund Management also manages Private Retirement Schemes and Exchange Traded Funds.
- (f) **Insurance, from continuing business**
Insurance segment offers a broad range of general insurance products, namely motor, personal accident, property and household through our associates with effective August 2022. It also offers life insurance and takaful products namely wealth protection/savings, health and medical protection and family takaful solutions provided through our joint venture operations.
- (g) **Group Funding and Others**
Group Funding and Others comprises activities to maintain the liquidity of the Group as well as support operations of its main business units and non-core operations of the Group.
- (h) **Insurance, from discontinued operation**
Insurance segment offers a broad range of general insurance products, namely motor, personal accident, property and household.

Measurement of segment performance

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

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.

A27. BUSINESS SEGMENT ANALYSIS (CONT'D.)

Group	Continuing Operations								Discontinued Operation		
	Retail banking RM'000	Business banking RM'000	Corporate banking RM'000	Treasury and Markets RM'000	Investment banking RM'000	Fund management RM'000	Insurance RM'000	Group funding and others RM'000	Total RM'000	Insurance RM'000	Total RM'000
For the financial period ended 30.09.2022											
External net income	1,155,284	375,431	603,881	153,557	91,124	73,828	12,986	(249,163)	2,216,928	129,543	2,346,471
Intersegments net income	(229,646)	(49,469)	(230,015)	191,822	(15,496)	-	-	339,088	6,284	(6,284)	-
	<u>925,638</u>	<u>325,962</u>	<u>373,866</u>	<u>345,379</u>	<u>75,628</u>	<u>73,828</u>	<u>12,986</u>	<u>89,925</u>	<u>2,223,212</u>	<u>123,259</u>	<u>2,346,471</u>
Net interest and funding income	803,682	257,379	304,753	270,013	25,175	865	161	82,211	1,744,239	42,389	1,786,628
Insurance and other operating income	121,486	68,583	69,113	75,366	50,453	72,963	9	6,283	464,256	80,870	545,126
Share in results of associates and joint ventures	470	-	-	-	-	-	12,816	1,431	14,717	-	14,717
Net income	<u>925,638</u>	<u>325,962</u>	<u>373,866</u>	<u>345,379</u>	<u>75,628</u>	<u>73,828</u>	<u>12,986</u>	<u>89,925</u>	<u>2,223,212</u>	<u>123,259</u>	<u>2,346,471</u>
Other operating expenses	(444,702)	(99,184)	(86,193)	(36,011)	(59,083)	(32,319)	(46)	(183,567)	(941,105)	(106,369)	(1,047,474)
of which:											
Depreciation of property and equipment	(7,976)	(867)	(633)	(230)	(372)	(92)	-	(14,581)	(24,751)	(1,237)	(25,988)
Depreciation of right-of-use assets	-	-	-	-	-	-	-	(38,426)	(38,426)	(4,009)	(42,435)
Amortisation of intangible assets	(11,018)	(519)	(2,836)	(3,027)	(280)	(185)	-	(19,811)	(37,676)	(6,065)	(43,741)
Profit/(Loss) before impairment losses	<u>480,936</u>	<u>226,778</u>	<u>287,673</u>	<u>309,368</u>	<u>16,545</u>	<u>41,509</u>	<u>12,940</u>	<u>(93,642)</u>	<u>1,282,107</u>	<u>16,890</u>	<u>1,298,997</u>
(Allowances for)/Writeback of impairment on loans, advances and financing	(149,093)	(26,987)	71,752	-	152	-	-	(29,633)	(133,809)	-	(133,809)
(Allowances for)/Writeback of impairment on other assets	(81)	-	(75)	(900)	(939)	-	-	860	(1,135)	(113,245)	(114,380)
Provision for commitments and contingencies - (charge)/writeback	(9,758)	(6,058)	(2,931)	-	-	-	-	10	(18,737)	-	(18,737)
Other recoveries, net	-	-	-	-	-	-	-	9	9	6	15
Profit/(Loss) before taxation and zakat	<u>322,004</u>	<u>193,733</u>	<u>356,419</u>	<u>308,468</u>	<u>15,758</u>	<u>41,509</u>	<u>12,940</u>	<u>(122,396)</u>	<u>1,128,435</u>	<u>(96,349)</u>	<u>1,032,086</u>
Taxation and zakat	(77,170)	(45,859)	(82,971)	(67,503)	(3,200)	(8,286)	(5)	29,597	(255,397)	18,879	(236,518)
Profit/(Loss) for the financial period	<u>244,834</u>	<u>147,874</u>	<u>273,448</u>	<u>240,965</u>	<u>12,558</u>	<u>33,223</u>	<u>12,935</u>	<u>(92,799)</u>	<u>873,038</u>	<u>(77,470)</u>	<u>795,568</u>
Other information											
Total segment assets	70,137,356	19,152,300	34,450,119	54,090,418	2,660,708	117,442	1,484,931	(1,861,092)	180,232,182	-	180,232,182
Total segment liabilities	58,042,255	15,259,948	15,268,703	59,874,975	1,385,023	21,659	18,581	13,093,389	162,964,533	-	162,964,533
Cost to income ratio	48.0%	30.4%	23.1%	10.4%	78.1%	43.8%	0.4%	>100.0%	42.3%	86.3%	44.6%
Gross loans, advances and financing	70,262,332	19,336,132	32,806,278	-	2,022,818	-	-	(76,088)	124,351,472	-	124,351,472
Net loans, advances and financing	69,078,781	19,143,630	32,401,677	-	2,022,818	-	-	(133,541)	122,513,365	-	122,513,365
Impaired loans, advances and financing	1,276,282	265,394	350,397	-	-	-	-	-	1,892,073	-	1,892,073
Total deposits	57,223,910	15,082,377	14,838,323	48,217,263	840,575	-	-	(3,478,990)	132,723,458	-	132,723,458
Additions to:											
Property and equipment	4,242	111	132	39	182	48	-	4,873	9,627	230	9,857
Intangible assets	8,769	221	2,478	55	736	668	-	9,155	22,082	2,765	24,847

A27. BUSINESS SEGMENT ANALYSIS (CONT'D.)

Group	Continuing Operations								Discontinued Operation		
	Wholesale banking								Total	Insurance	Total
	Retail banking	Business banking	Corporate banking	Treasury and Markets	Investment banking	Fund management	Insurance	Group funding and others			
For the financial period ended 30.09.2021 (Restated)	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
External net income	1,081,918	321,266	519,349	147,907	120,325	78,785	19,903	(232,725)	2,056,728	302,049	2,358,777
Intersegments net income	(244,713)	(53,919)	(183,367)	153,997	(14,004)	-	-	348,774	6,768	(6,768)	-
	<u>837,205</u>	<u>267,347</u>	<u>335,982</u>	<u>301,904</u>	<u>106,321</u>	<u>78,785</u>	<u>19,903</u>	<u>116,049</u>	<u>2,063,496</u>	<u>295,281</u>	<u>2,358,777</u>
Net interest and funding income	712,922	211,367	277,707	229,411	21,865	737	(10,440)	111,319	1,554,888	62,780	1,617,668
Insurance and other operating income	124,960	55,980	58,275	72,493	84,456	78,048	54	2,591	476,857	232,501	709,358
Share in results of associates and joint ventures	(677)	-	-	-	-	-	30,289	2,139	31,751	-	31,751
Net income	<u>837,205</u>	<u>267,347</u>	<u>335,982</u>	<u>301,904</u>	<u>106,321</u>	<u>78,785</u>	<u>19,903</u>	<u>116,049</u>	<u>2,063,496</u>	<u>295,281</u>	<u>2,358,777</u>
Other operating expenses	(410,728)	(69,549)	(86,386)	(38,584)	(51,227)	(33,911)	(41)	(164,063)	(854,489)	(153,738)	(1,008,227)
of which:											
Depreciation of property and equipment	(9,117)	(919)	(727)	(102)	(420)	(105)	-	(19,830)	(31,220)	(2,064)	(33,284)
Depreciation of right-of-use assets	-	-	-	-	-	-	-	(34,750)	(34,750)	(6,358)	(41,108)
Amortisation of intangible assets	(11,038)	(421)	(2,802)	(672)	(328)	(93)	-	(35,639)	(50,993)	(9,490)	(60,483)
Profit/(Loss) before impairment losses	<u>426,477</u>	<u>197,798</u>	<u>249,596</u>	<u>263,320</u>	<u>55,094</u>	<u>44,874</u>	<u>19,862</u>	<u>(48,014)</u>	<u>1,209,007</u>	<u>141,543</u>	<u>1,350,550</u>
(Allowances for)/Writeback of impairment on loans, advances and financing	(45,103)	(66,503)	(140,008)	-	9,486	-	-	(63,922)	(306,050)	-	(306,050)
Writeback of/(Allowances for) impairment on other assets	8	-	(10,902)	(11,001)	(180)	-	-	(35,306)	(57,381)	(880)	(58,261)
Provision for commitments and contingencies - writeback/(charge)	7,327	(7,986)	(7,532)	-	-	-	-	64	(8,127)	-	(8,127)
Other recoveries/(write-offs), net	-	-	-	-	-	-	-	17	17	(82)	(65)
Impairment of investment in associate	-	-	-	-	-	-	-	(4,625)	(4,625)	-	(4,625)
Profit/(Loss) before taxation and zakat	<u>388,709</u>	<u>123,309</u>	<u>91,154</u>	<u>252,319</u>	<u>64,400</u>	<u>44,874</u>	<u>19,862</u>	<u>(151,786)</u>	<u>832,841</u>	<u>140,581</u>	<u>973,422</u>
Taxation and zakat	(91,927)	(27,219)	(20,685)	(52,692)	(14,604)	(9,286)	1,785	26,609	(188,019)	(25,187)	(213,206)
Profit/(Loss) for the financial period	<u>296,782</u>	<u>96,090</u>	<u>70,469</u>	<u>199,627</u>	<u>49,796</u>	<u>35,588</u>	<u>21,647</u>	<u>(125,177)</u>	<u>644,822</u>	<u>115,394</u>	<u>760,216</u>
Other information											
Total segment assets	65,768,990	17,159,311	28,975,462	42,276,538	2,406,127	119,053	534,557	1,206,721	158,446,759	5,121,519	163,568,278
Total segment liabilities	52,922,031	12,695,162	12,970,680	48,190,355	1,072,852	20,732	523,800	15,356,373	143,751,985	2,787,188	146,539,173
Cost to income ratio	49.1%	26.0%	25.7%	12.8%	48.2%	43.0%	0.2%	>100.0%	41.4%	52.1%	42.7%
Gross loans, advances and financing	65,887,646	17,373,871	28,377,690	-	1,822,386	-	-	(91,358)	113,370,235	448	113,370,683
Net loans, advances and financing	64,791,868	17,149,166	27,779,307	-	1,822,164	-	-	(431,647)	111,110,858	378	111,111,236
Impaired loans, advances and financing	858,167	287,865	521,852	-	221	-	-	-	1,668,105	-	1,668,105
Total deposits	52,327,297	12,542,179	12,741,228	46,344,953	696,740	-	-	(358,614)	124,293,783	-	124,293,783
Additions to:											
Property and equipment	2,366	77	227	328	590	266	-	7,011	10,865	1,924	12,789
Intangible assets	7,786	245	2,371	8,547	154	15	-	10,921	30,039	2,595	32,634

A28. VALUATION OF PROPERTY AND EQUIPMENT

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

A29. SIGNIFICANT EVENT DURING THE REPORTING PERIOD

Disposal of AmGeneral Insurance Berhad to Liberty Insurance Berhad

On 19 July 2021, AmGeneral Holdings Berhad ("AGHB"), a 51%-owned subsidiary of the Company entered into an Implementation Agreement with Liberty Insurance Berhad ("LIB") whereby AGHB will dispose its wholly-owned subsidiary, AmGeneral Insurance Berhad ("AGIB"), to LIB for approximately RM2,290 million (subject to adjustments), to be satisfied via a combination of cash and shares in LIB.

Upon receiving the approval from the Higher Court of Malaysia on 7 July 2022, AGHB undertook selective capital reduction ("SCR") and capital repayment in respect of IAG International Pty Limited's 49% shareholding in AGHB comprising of 93,100,000 ordinary shares. IAG received a total capital repayment amount of RM1,076 million and ceased to be a shareholder of AGHB.

The disposal completed on 28 July 2022 and has resulted in a loss of RM53.9 million to the Group as shown below:

	Group RM'000
Cash and short-term funds	187,774
Deposits and placements with banks and other financial institutions	21,486
Financial assets at fair value through profit or loss	3,695,277
Loans, advances and financing	292
Deferred tax assets	46,427
Other assets	81,628
Reinsurance assets and other insurance receivables	567,502
Property and equipment	11,641
Right-of-use assets	8,003
Intangible assets (excluding goodwill)	35,657
Assets held for sale	1,562
Other liabilities	(333,824)
Insurance contract liabilities and other insurance payables	(2,647,451)
Net assets disposed	1,675,974
Attributable goodwill recognised in income statement	717,070
Disposal cost incurred	15,715
Agreed ceded amount from IAG International Pty Limited ("IAG")	(58,100)
Total estimated sales considerations:	
Agreed proceeds settled by cash	(1,351,000)
Agreed proceeds settled by shares in LIB	(939,000)
Estimated adjustment to disposal proceeds settled by cash	12,381
Estimated adjustment - settled by shares in LIB	(19,147)
Estimated net loss on disposal to the Group	53,893
Estimated net loss on the disposal of AGIB, attributable to equity holders of the Company	6,621
Estimated net loss on the disposal of AGIB, attributable to IAG	47,272
Estimated net loss on disposal to the Group	53,893

A30. CHANGES IN THE COMPOSITION OF THE GROUP AND THE COMPANY

(a) Dissolution of subsidiary

Komuda Credit & Leasing Sdn Bhd had commenced members' voluntary winding-up on 31 July 2013 was dissolved on 7 July 2022.

(b) AmGeneral Insurance Berhad ceased to be subsidiary of AmGeneral Holdings Berhad with effect from 28 July 2022 following the completion of disposal as further disclosed in Note A29.

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

A31. COMMITMENTS AND CONTINGENCIES

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

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

	Group	
	30.09.2022	31.03.2022
	Principal/ Notional Amount RM'000	Principal/ Notional Amount RM'000
Commitments		
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:		
up to one year	16,036,910	17,485,076
over one year	3,090,195	2,516,528
Unutilised credit card lines	5,357,764	5,126,496
Forward asset purchases	408,196	60,257
	<u>24,893,065</u>	<u>25,188,357</u>
Contingent Liabilities		
Direct credit substitutes	2,729,177	2,972,783
Transaction related contingent items	4,353,097	4,295,291
Obligations under underwriting agreements	180,000	130,000
Short-term self-liquidating trade-related contingencies	1,092,782	604,427
	<u>8,355,056</u>	<u>8,002,501</u>
Derivative Financial Instruments		
Interest/Profit rate related contracts:	38,642,804	39,195,917
One year or less	11,065,586	12,051,408
Over one year to five years	22,673,186	20,836,522
Over five years	4,904,032	6,307,987
Foreign exchange related contracts:	49,732,934	48,628,852
One year or less	40,947,539	40,258,048
Over one year to five years	6,648,879	6,154,545
Over five years	2,136,516	2,216,259
Equity and commodity related contracts:	1,597,548	1,645,753
One year or less	1,515,592	1,570,386
Over one year to five years	81,956	75,367
	<u>89,973,286</u>	<u>89,470,522</u>
	<u>123,221,407</u>	<u>122,661,380</u>

A31. COMMITMENTS AND CONTINGENCIES (CONT'D.)

As at the reporting date, other commitments and contingencies of the Group and of the Company are as follows:

- (a) The Company has given an unsecured guarantee amounting to RM50.0 million (31 March 2022: RM50.0 million) on behalf of AmlInvestment Bank Berhad ("AmlInvestment Bank"), for the payment and discharge of all monies due on trading accounts maintained by Morgan Stanley & Co. International Plc., Morgan Stanley & Co. LLC and Morgan Stanley Capital Group Inc in respect of their respective futures trading activity with AmlInvestment Bank.
- (b) The Malaysia Competition Commission ("MyCC")'s Proposed Decision against Persatuan Insurans Am Malaysia ("PIAM") and its 22 members (including AGIB, a subsidiary).

On 25 September 2020, AGIB received the Notice of Finding of an infringement by the Competition Commission ("the Commission") under Section 40 of the Competition Act 2010 ("CA 2010").

Pursuant to Section 40 of CA 2010, the Commission has determined that PIAM and its 22 members have infringed the prohibition under section 4 of CA 2010 by participating in an agreement that significantly prevents, restricts or distorts competition in relation to PIAM Approved Repairers Scheme.

The penalty imposed of RM13.7 million was lower than the initial proposed decision by MyCC since 27 February 2017 of RM45.2 million.

On 13 October 2020, AGIB submitted a Notice of Appeal to MyCC pursuant to Section 51 of the CA and on 23 October 2020, submitted an Application for Stay to the Competition Appeal Tribunal ("COMPAT") pursuant to Section 53 of the CA. On 23 March 2021, the COMPAT panel unanimously decided to grant a stay of the financial penalties pending the disposal of the appeal.

On 26 April 2021, the High Court has granted AGIB's Application for Leave for Judicial Review and extended the interim stay which was granted on 15 March 2021 until the hearing of any objections or application by MyCC to set it aside. The grant of leave means the High Court has agreed to hear arguments on AGIB's application to set aside MyCC's decision.

Judicial Review was heard on 20 October 2021 and the High Court allowed MyCC's application to set aside the leave and stay order granted by the High Court. AGIB has lodged an appeal to the Court of Appeal accordingly within the stipulated timeline. The matter is fixed for Case Management on 8 September 2022. The High Court have yet to provide the grounds on their decision in allowing MyCC's application to set aside the leave and stay order granted by the High Court.

AGIB has lodged an appeal to the Court of Appeal accordingly within the stipulated timeline. Further to this, COMPAT proceedings for oral submission by counsel representing PIAM, our counsel and all other Insurers' counsel were concluded on 12, 15, 16, 19 and 26 November 2021. COMPAT has fixed new dates for MyCC to conclude their oral submissions and counsel for the insurers to present their submissions in reply.

On 17 and 21 March 2022, MyCC appeared before COMPAT for MyCC's submissions in reply whereby MyCC raised some new points but did not address several main points that was brought up by AGIB's counsel. The submission in reply by other counsels commenced on 24 March 2022. On 21 April 2022, AGIB's counsel appeared before the COMPAT panel and proceeded with their oral submissions in reply. AGIB's counsel addressed the Court on and rebutted the points/cases referred to by MyCC. MyCC also made an application to put in further reply submissions to the reply submissions of AGIB's counsel. On 22 April 2022, AGIB's counsel appeared before the COMPAT panel who heard their oral submissions in full. The COMPAT panel then deliberated on the application for further submissions by MyCC and decided not to allow further submissions. On 2 September 2022, PIAM and 22 of its members, general insurers's appeal were allowed and MyCC's decision was set aside.

A32. DERIVATIVE FINANCIAL INSTRUMENTS

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

Group	30.09.2022			31.03.2022		
	Contract/ Notional Amount RM'000	Fair Value		Contract/ Notional Amount RM'000	Fair Value	
		Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000
Trading derivatives						
Interest/Profit rate related contracts:	38,292,804	511,124	296,742	38,845,917	424,297	345,542
- One year or less	11,065,586	11,921	19,754	12,051,408	54,274	49,463
- Over one year to three years	15,885,518	153,316	93,844	15,851,862	125,730	119,451
- Over three years	11,341,700	345,887	183,144	10,942,647	244,293	176,628
Foreign exchange related contracts:	49,732,934	1,002,182	1,095,389	48,628,852	341,606	372,353
- One year or less	40,947,539	664,328	597,833	40,258,048	124,735	105,866
- Over one year to three years	4,918,643	211,890	238,886	5,031,525	142,909	144,524
- Over three years	3,866,752	125,964	258,670	3,339,279	73,962	121,963
Equity and commodity related contracts:	1,597,548	31,041	35,833	1,645,753	55,470	74,386
- One year or less	1,515,592	25,271	30,012	1,570,386	47,256	66,123
- Over one year to three years	81,956	5,770	5,821	75,367	8,214	8,263
	89,623,286	1,544,347	1,427,964	89,120,522	821,373	792,281
Hedging derivatives						
Interest/Profit rate related contracts:						
Interest/Profit rate swaps:						
Fair value hedge	350,000	-	3,970	350,000	-	11,282
- Over one year to three years	350,000	-	3,970	350,000	-	11,282
Total	89,973,286	1,544,347	1,431,934	89,470,522	821,373	803,563

A33. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Determination of fair value and fair value hierarchy

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

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

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

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

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

About 2.1% (31 March 2022: 2.5%) of the Group's total financial assets recorded at fair value, are based on estimates and recorded as Level 3 investments. Where estimates are used, these are based on a combination of independent third-party evidence and internally developed models, calibrated to market observable data where possible. While such valuations are sensitive to estimates, it is believed that changing one or more of the assumptions to reasonably possible alternative assumptions would not change the fair value significantly.

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

Group 30.09.2022	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial assets measured at fair value				
Derivative financial assets	-	1,544,347	-	1,544,347
Financial assets at fair value through profit or loss				
- Money market securities	-	5,553,701	-	5,553,701
- Shares	1,063,935	-	31	1,063,966
- Unit trusts	17,100	2,283	-	19,383
- Quoted corporate bonds and sukuk	-	12,631	-	12,631
- Unquoted corporate bonds and sukuk	-	897,699	-	897,699
Financial investments at fair value through other comprehensive income				
- Money market securities	-	11,894,165	-	11,894,165
- Shares	-	-	682,858	682,858
- Unquoted corporate bonds and sukuk	-	10,911,434	-	10,911,434
	<u>1,081,035</u>	<u>30,816,260</u>	<u>682,889</u>	<u>32,580,184</u>
Financial liabilities measured at fair value				
Derivative financial liabilities	11,681	1,420,253	-	1,431,934

A33. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONT'D.)

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

Company 30.09.2022	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial assets measured at fair value				
Financial assets at fair value through profit or loss				
- Unit trusts	-	1,142	-	1,142
Group 31.03.2022	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial assets measured at fair value				
Derivative financial assets				
	2,090	819,283	-	821,373
Financial assets at fair value through profit or loss				
- Money market securities	-	2,173,041	-	2,173,041
- Shares	1,124,249	-	31	1,124,280
- Unit trusts	177,091	1,128	-	178,219
- Quoted corporate bonds and sukuk	-	13,315	-	13,315
- Unquoted corporate bonds and sukuk	-	3,727,705	-	3,727,705
Financial investments at fair value through other comprehensive income				
- Money market securities	-	8,498,176	-	8,498,176
- Shares	-	-	675,089	675,089
- Unquoted corporate bonds and sukuk	-	9,583,492	-	9,583,492
	<u>1,303,430</u>	<u>24,816,140</u>	<u>675,120</u>	<u>26,794,690</u>
Financial liabilities measured at fair value				
Derivative financial liabilities				
	<u>26,965</u>	<u>776,598</u>	<u>-</u>	<u>803,563</u>
Company 31.03.2022				
Financial assets measured at fair value				
Financial assets at fair value through profit or loss				
- Unit trusts	-	1,128	-	1,128

A33. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONT'D.)

Movements in Level 3 financial instruments measured at fair value

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

Group	Financial assets at FVTPL RM'000	Financial investments at FVOCI RM'000	Total RM'000
30.09.2022			
Balance at beginning of the financial period	31	675,089	675,120
Total gains recognised in other comprehensive income under fair value reserve	-	7,769	7,769
Balance at end of the financial period	<u>31</u>	<u>682,858</u>	<u>682,889</u>
31.03.2022			
Balance at beginning of the financial year	34	686,792	686,826
Loss on revaluation of financial assets at FVTPL taken up in statement of profit or loss	(3)	-	(3)
Total gains recognised in other comprehensive income under fair value reserve	-	3,148	3,148
Additions	-	6	6
Disposals	-	(14,857)	(14,857)
Balance at end of the financial year	<u>31</u>	<u>675,089</u>	<u>675,120</u>

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

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

Group	30.09.2022 RM'000	31.03.2022 RM'000
Financial assets at FVTPL:		
Total loss included in:		
- investment and trading income in statement of profit or loss	-	(3)
Financial investments at FVOCI:		
Total gains included in:		
- fair value reserve in statement of comprehensive income	7,769	3,148

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.

A34. CAPITAL ADEQUACY

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

	30.09.2022			
	AmBank	AmBank Islamic	AmInvestment Bank	Group
Under transitional arrangements, refer Note (1) below				
Before deducting proposed dividends:				
CET1 Capital Ratio	12.087%	12.340%	32.082%	12.738%
Tier 1 Capital Ratio	12.087%	12.340%	32.082%	12.738%
Total Capital Ratio	16.732%	17.074%	32.880%	15.958%
After deducting proposed dividends:				
CET1 Capital Ratio	12.087%	12.340%	32.082%	12.571%
Tier 1 Capital Ratio	12.087%	12.340%	32.082%	12.571%
Total Capital Ratio	16.732%	17.074%	32.880%	15.791%
31.03.2022				
Under transitional arrangements, refer Note (1) below				
Before deducting proposed dividends:				
CET1 Capital Ratio	11.659%	12.489%	33.393%	12.342%
Tier 1 Capital Ratio	11.659%	12.489%	33.393%	12.342%
Total Capital Ratio	16.109%	17.292%	34.077%	15.456%
After deducting proposed dividends:				
CET1 Capital Ratio	11.659%	12.489%	25.771%	12.202%
Tier 1 Capital Ratio	11.659%	12.489%	25.771%	12.202%
Total Capital Ratio	16.109%	17.292%	26.456%	15.315%

Notes:

- (1) Pursuant to the revised BNM policy documents, Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework for Islamic Banks (Capital Components) issued on 9 December 2020, the capital ratios of the Group and the banking subsidiaries had been computed applying transitional arrangements on provision for ECL. Under the transitional arrangements, the Group is allowed to add back the amount of loss allowance for non-credit-impaired exposure (i.e. Stage 1 and Stage 2 provisions) to CET1 Capital. Had the transitional arrangements not been applied, the capital ratios of the Group and the banking subsidiaries as at 30 September 2022 and 31 March 2022 are as follows:

	30.09.2022			
	AmBank	AmBank Islamic	AmInvestment Bank	Group
Before deducting proposed dividends:				
CET1 Capital Ratio	11.742%	11.784%	32.082%	12.336%
Tier 1 Capital Ratio	11.742%	11.784%	32.082%	12.337%
Total Capital Ratio	16.570%	16.756%	32.880%	15.797%
After deducting proposed dividends:				
CET1 Capital Ratio	11.742%	11.784%	32.082%	12.169%
Tier 1 Capital Ratio	11.742%	11.784%	32.082%	12.169%
Total Capital Ratio	16.570%	16.756%	32.880%	15.630%
31.03.2022				
Before deducting proposed dividends:				
CET1 Capital Ratio	11.168%	11.763%	33.393%	11.791%
Tier 1 Capital Ratio	11.168%	11.763%	33.393%	11.791%
Total Capital Ratio	15.967%	16.948%	34.077%	15.324%
After deducting proposed dividends:				
CET1 Capital Ratio	11.168%	11.763%	25.771%	11.651%
Tier 1 Capital Ratio	11.168%	11.763%	25.771%	11.651%
Total Capital Ratio	15.967%	16.948%	26.456%	15.184%

A34. CAPITAL ADEQUACY (CONT'D.)

- (2) The Company, being a financial holding company ("FHC") i.e. a financial holding company approved pursuant to Section 112(3) of the FSA or Section 124(3) of the IFSA and holds investment directly or indirectly in corporations that are engaged predominantly in banking business or Islamic banking business, has complied with BNM guidelines on minimum capital adequacy ratios and capital buffer requirements at the consolidated level effective 1 January 2019.

For regulatory capital reporting purposes, the consolidated level comprises the consolidation of all its financial and non-financial subsidiaries, excluding investments in insurance subsidiaries as per BNM's guidelines on Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework for Islamic Banks (Capital Components). Under the guidelines, investments in insurance subsidiaries shall be deducted in the calculation of CET1 Capital ratio.

- (3) Pursuant to the BNM's guidelines on Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework for Islamic Banks (Capital Components) issued, financial institutions are required to maintain minimum capital adequacy ratios at 4.5% for CET1 Capital, 6.0% for Tier 1 Capital and 8.0% for Total Capital ratio at all times. In addition, financial institutions are also required to maintain capital buffers which comprise the sum of the following:

- (a) a Capital Conservation Buffer ("CCB") of 2.5%;
 - (b) a Countercyclical Capital Buffer ("CCyB") determined as the weighted-average of the prevailing CCyB rates applied in the jurisdictions in which the banking institutions have 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").
- (b) The components of CET1 Capital, Additional Tier 1 Capital, Tier 2 Capital and Total Capital of the Group and its banking subsidiaries are as follows:

	30.09.2022			
	AmBank RM'000	AmBank Islamic RM'000	AmInvestment Bank RM'000	Group RM'000
<u>CET1 Capital</u>				
Ordinary share capital	3,040,465	1,387,107	330,000	6,376,240
Retained earnings	7,025,653	2,763,757	89,117	10,141,345
Fair value reserve	138,641	(46,433)	1,503	290,410
Foreign exchange translation reserve	119,060	-	-	125,653
Treasury shares	-	-	-	(9,622)
Regulatory reserve	149,928	-	9,038	158,966
Cash flow hedging deficit	(6,653)	-	-	(6,653)
Other remaining disclosed reserves	-	-	-	21,110
Less: Regulatory adjustments applied on CET1 Capital				
Goodwill	-	-	-	(303,492)
Other intangible assets	(201,993)	(338)	(2,918)	(206,763)
Deferred tax assets	(194,183)	(71,709)	(3,837)	(259,097)
55% of cumulative gains in fair value reserve	(76,253)	-	(827)	(159,726)
Cash flow hedging deficit	6,653	-	-	6,653
Regulatory reserve	(149,928)	-	(9,038)	(158,966)
Investment in capital instruments of unconsolidated financial and insurance/ takaful entities	(11)	-	(49,809)	(1,334,000)
Unrealised fair value gains on financial liabilities due to changes in own credit risk	(1,498)	(78)	-	(1,507)
Other CET1 regulatory adjustments specified by BNM	289,055	190,032	1	478,189
CET1 Capital	10,138,936	4,222,338	363,230	15,158,740

A34. CAPITAL ADEQUACY (CONT'D.)

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

	30.09.2022			Group RM'000
	AmBank RM'000	AmBank Islamic RM'000	AmInvestment Bank RM'000	
<u>Additional Tier 1 Capital</u>				
Qualifying CET1, Additional Tier 1 Capital instruments held by third parties	-	-	-	428
Tier 1 Capital	10,138,936	4,222,338	363,230	15,159,168
<u>Tier 2 Capital</u>				
Tier 2 Capital instruments meeting all relevant criteria for inclusion	3,095,000	1,300,000	-	-
Qualifying CET1, Additional Tier 1 and Tier 2 Capital instruments held by third parties	-	-	-	2,700,950
General provisions*	801,898	319,867	9,042	1,130,422
Tier 2 Capital	3,896,898	1,619,867	9,042	3,831,372
Total Capital	14,035,834	5,842,205	372,272	18,990,540

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

Credit RWA	76,415,550	33,657,465	787,863	107,559,248
Less: Credit RWA absorbed by Profit Sharing Investment Account	-	(1,570,035)	-	(14,538)
Total Credit RWA	76,415,550	32,087,430	787,863	107,544,710
Market RWA	1,468,063	267,148	3,234	3,012,237
Operational RWA	4,987,424	1,862,854	341,110	7,432,488
Large exposure risk RWA for equity holdings	1,013,810	-	-	1,014,732
Total RWA	83,884,847	34,217,432	1,132,207	119,004,167

A34. CAPITAL ADEQUACY (CONT'D.)

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

	31.03.2022			
	AmBank RM'000	AmBank Islamic RM'000	AmInvestment Bank RM'000	Group RM'000
CET1 Capital				
Ordinary share capital	3,040,465	1,387,107	330,000	6,376,240
Retained earnings	6,524,068	2,490,692	139,315	9,251,065
Fair value reserve	293,346	(3,893)	1,703	485,759
Foreign exchange translation reserve	92,301	-	-	98,871
Treasury shares	-	-	-	(11,041)
Regulatory reserve	94,463	-	8,457	102,920
Cash flow hedging deficit	(9,062)	-	-	(9,062)
Other remaining disclosed reserves	-	-	-	36,472
Less: Regulatory adjustments applied on CET1 Capital				
Goodwill	-	-	-	(303,492)
Other intangible assets	(221,538)	(495)	(2,063)	(225,116)
Deferred tax assets	(158,227)	(61,249)	(5,446)	(216,855)
55% of cumulative gains in fair value reserve	(161,340)	-	(937)	(267,168)
Cash flow hedging deficit	9,062	-	-	9,062
Regulatory reserve	(94,463)	-	(8,457)	(102,920)
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	(8,488)	-	(49,809)	(1,334,000)
Unrealised fair value gains on financial liabilities due to changes in own credit risk	(648)	(92)	-	(681)
Other CET1 regulatory adjustments specified by BNM	413,471	235,578	1	649,031
CET1 Capital	9,813,410	4,047,648	412,764	14,539,085
Additional Tier 1 Capital				
Qualifying CET1, Additional Tier 1 Capital instruments held by third parties	-	-	-	431
Tier 1 Capital	9,813,410	4,047,648	412,764	14,539,516
Tier 2 Capital				
Tier 2 Capital instruments meeting all relevant criteria for inclusion	3,095,000	1,300,000	-	-
Qualifying CET1, Additional Tier 1 and Tier 2 Capital instruments held by third parties	-	-	-	2,752,328
General provisions*	650,081	256,523	8,460	914,980
Tier 2 Capital	3,745,081	1,556,523	8,460	3,667,308
Total Capital	13,558,491	5,604,171	421,224	18,206,824
The breakdown of the risk-weighted assets ("RWA") in various categories of risk are as follows:				
Credit RWA	75,535,958	32,508,336	891,418	106,092,293
Less: Credit RWA absorbed by Profit Sharing Investment Account	-	(2,075,074)	-	(361,288)
Total Credit RWA	75,535,958	30,433,262	891,418	105,731,005
Market RWA	2,859,665	215,113	17,652	3,973,469
Operational RWA	4,792,198	1,760,237	327,009	7,114,901
Large exposure risk RWA for equity holdings	980,771	-	-	981,925
Total RWA	84,168,592	32,408,612	1,236,079	117,801,300

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

A35. CREDIT TRANSACTIONS AND EXPOSURES WITH CONNECTED PARTIES

	Group	
	30.09.2022	31.03.2022
Outstanding credit exposures with connected parties (RM'000)	<u>6,003,095</u>	<u>5,297,585</u>
Percentage of outstanding credit exposures to connected parties (%)		
- as a proportion of total credit exposures	<u>4.35</u>	<u>3.96</u>

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

A36. DISCONTINUED OPERATION

The results of AGIB for the financial period 30 September 2022 have been presented separately in the income statements as "Profit after taxation from discontinued operation".

Corresponding reclassifications have been made to the prior year's income statements to allow for fair comparison of operational performance of AGIB.

Income statements disclosures

The results of AGIB for the period ended 30 September are as follows:

	Note	Group			
		Individual Quarter		Cumulative Quarter	
		30.09.2022	30.09.2021	30.09.2022	30.09.2021
		RM'000	RM'000	RM'000	RM'000
Interest income		10,279	30,877	42,389	62,780
Income from insurance business		117,672	330,015	457,976	673,997
Insurance claims and commissions		(80,007)	(218,125)	(290,902)	(431,278)
Net income from insurance business		37,665	111,890	167,074	242,719
Other operating income/(loss)	(i)	16,200	(14,789)	(32,311)	(10,218)
Estimated loss on disposal of subsidiary		(53,893)	-	(53,893)	-
Net income		10,251	127,978	123,259	295,281
Other operating expenses	(ii)	(27,413)	(79,985)	(106,369)	(153,738)
Operating (loss)/profit		(17,162)	47,993	16,890	141,543
Writeback of/(Allowances for) impairment on insurance receivables		741	(1,099)	2,736	(880)
Other recoveries/(write-offs), net		1	(9)	6	(82)
Impairment of Kurnia Brand, agent relationship and other assets		(115,981)	-	(115,981)	-
(Loss)/Profit before tax from discontinued operations		(132,401)	46,885	(96,349)	140,581
Taxation		24,921	(8,358)	18,879	(25,187)
(Loss)/Profit for the period from discontinued operations		(107,480)	38,527	(77,470)	115,394
Attributable to:					
Equity holders of the Company		(33,683)	21,759	(18,412)	63,085
Non-controlling interests		(73,797)	16,768	(59,058)	52,309
		(107,480)	38,527	(77,470)	115,394

(i) Other operating income/(loss)

	Group				
	Individual Quarter		Cumulative Quarter		
	30.09.2022	30.09.2021	30.09.2022	30.09.2021	
	RM'000	RM'000	RM'000	RM'000	
Fee and commission income:					
Bancassurance commission		(1,614)	(3,675)	(6,284)	(6,768)
Investment and trading income:					
Net gain from sale of financial assets at fair value through profit or loss		288	329	405	3,194
Net gain/(loss) on revaluation of financial assets at fair value through profit or loss		17,297	(14,470)	(27,798)	(8,005)
Gain/(Loss) on foreign exchange		4	(1)	27	2
Dividend income from financial assets at fair value through profit or loss		128	1,416	1,138	2,470
		17,717	(12,726)	(26,228)	(2,339)
Other income:					
Net gain on disposal of property and equipment		-	-	9	-
Rental income		2	-	9	76
Others		95	1,612	183	(1,187)
		97	1,612	201	(1,111)
		16,200	(14,789)	(32,311)	(10,218)

A36. DISCONTINUED OPERATIONS (CONT'D.)

(ii) Other Operating Expenses

	Group			
	Individual Quarter		Cumulative Quarter	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
	RM'000	RM'000	RM'000	RM'000
Personnel costs:				
Salaries, allowances and bonuses	9,554	34,521	41,033	63,480
Shares granted under ESS - charge/(writeback)	28	(517)	109	(836)
Contributions to Employees' Provident Fund ("EPF")/ Private Retirement Schemes	1,601	5,330	6,343	9,654
Social security cost	94	287	377	577
Other staff related expenses	2,427	2,531	6,153	5,454
	<u>13,704</u>	<u>42,152</u>	<u>54,015</u>	<u>78,329</u>
Establishment costs:				
Depreciation of property and equipment	299	1,034	1,237	2,064
Depreciation of right-of-use assets	996	3,127	4,009	6,358
Amortisation of intangible assets	1,497	4,754	6,065	9,490
Computerisation costs	2,301	6,599	7,731	12,992
Rental of premises	-	(7)	(2)	(11)
Cleaning, maintenance and security	591	836	1,638	1,639
Finance costs:				
- interest on lease liabilities	29	223	144	734
Others	135	407	523	877
	<u>5,848</u>	<u>16,973</u>	<u>21,345</u>	<u>34,143</u>
Marketing and communication expenses:				
Advertising, promotional and other marketing activities	3,731	8,814	13,005	16,979
Telephone charges	165	539	650	1,045
Postage	26	71	93	114
Travelling and entertainment	394	408	1,361	1,178
Others	46	224	153	763
	<u>4,362</u>	<u>10,056</u>	<u>15,262</u>	<u>20,079</u>
Administration and general expenses:				
Professional services	925	1,455	2,887	3,042
Travelling	35	62	173	152
Insurance	12	48	60	97
Subscriptions and periodicals	2	42	26	85
Others	1,290	5,879	7,488	11,172
	<u>2,264</u>	<u>7,486</u>	<u>10,634</u>	<u>14,548</u>
Service transfer pricing expense, net	1,235	3,318	5,113	6,639
Total	<u>27,413</u>	<u>79,985</u>	<u>106,369</u>	<u>153,738</u>

Statements of cash flows disclosures

The cash flows attributable to AGIB for the period ended 30 September are as follows:

	Group	
	30.09.2022	30.09.2021
	RM'000	RM'000
Operating activities	97,806	(30,137)
Investing activities	(2,968)	(4,516)
Financing activities	(4,140)	(6,735)
Net increase/(decrease) in cash and cash equivalents for the financial period	<u>90,698</u>	<u>(41,388)</u>

A37. OPERATIONS OF ISLAMIC BANKING

**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022**

	Note	Group	
		30.09.2022 RM'000	31.03.2022 RM'000
ASSETS			
Cash and short-term funds		1,452,855	3,599,095
Derivative financial assets		75,211	51,661
Financial assets at fair value through profit or loss		767,843	986,968
Financial investments at fair value through other comprehensive income		6,331,863	4,450,620
Financial investments at amortised cost		3,977,131	3,033,252
Financing and advances	(a)	43,004,744	38,653,868
Statutory deposit with Bank Negara Malaysia		270,000	167,000
Deferred tax assets		71,653	61,176
Other assets		606,889	286,825
Property and equipment		324	363
Right-of-use assets		2,152	2,066
Intangible assets		338	495
TOTAL ASSETS		56,561,003	51,293,389
LIABILITIES AND ISLAMIC BANKING FUNDS			
Deposits from customers	(b)	40,150,107	37,590,250
Investment accounts of customers	(c)	30,348	377,861
Deposits and placements of banks and other financial institutions		5,435,690	3,634,435
Securities sold under repurchase agreements		702,284	-
Investment account due to a licensed bank	(d)	1,552,092	1,710,663
Recourse obligation on financing sold to Cagamas Berhad		2,060,003	1,500,000
Derivative financial liabilities		76,221	60,038
Term funding		834,872	834,836
Subordinated Sukuk		1,300,000	1,300,000
Other liabilities	(e)	314,955	411,400
TOTAL LIABILITIES		52,456,572	47,419,483
Share capital/Capital funds		1,387,107	1,387,107
Reserves		2,717,324	2,486,799
TOTAL ISLAMIC BANKING FUNDS		4,104,431	3,873,906
TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS		56,561,003	51,293,389
COMMITMENTS AND CONTINGENCIES		14,403,579	14,702,448

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

**UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2022**

Group	Note	Individual Quarter		Cumulative Quarter	
		30.09.2022	30.09.2021 (Restated) (Note A38)	30.09.2022	30.09.2021 (Restated) (Note A38)
		RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds	1	537,518	411,311	969,335	840,719
Income derived from investment of investment account funds		14,361	14,394	29,317	24,748
Income derived from Islamic Banking Funds	1	49,813	39,924	92,884	83,995
Allowances for impairment on financing and advances - net		(11,686)	(42,025)	(69,462)	(133,455)
Writeback of/(Allowances for) impairment on:					
- Financial investments		526	(44,581)	(2,220)	(45,887)
- Other financial assets		(11)	(18)	136	31
Provision for commitments and contingencies - charge		(463)	(4,157)	(1,760)	(4,865)
Total distributable income		590,058	374,848	1,018,230	765,286
Income attributable to the depositors and others	2	(247,165)	(181,708)	(434,121)	(372,521)
Income attributable to the investment account holders		(12,755)	(12,453)	(25,363)	(21,546)
Total net income		330,138	180,687	558,746	371,219
Operating expenses		(82,563)	(69,894)	(159,836)	(142,375)
Finance costs		(22,228)	(24,625)	(44,216)	(48,966)
Profit before taxation and zakat		225,347	86,168	354,694	179,878
Taxation and zakat		(52,574)	(18,608)	(81,629)	(39,325)
Profit for the financial period		172,773	67,560	273,065	140,553

Note:

1 Included the net gain of RM173,000 (30 September 2021: net loss of RM13,907,000) from measures implemented in response to COVID-19 pandemic.

2 Included a fair value gain of RM9,351,000 recognised by AmBank Islamic Berhad in financial period ended 30 September 2021 from funding obtained from a related company. The funding was obtained for the purposes of providing Special Relief Facility ("SRF") financing at concessionary rate to assist SME businesses adversely impacted by the COVID-19 pandemic.

**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2022**

Group	Individual Quarter		Cumulative Quarter	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	172,773	67,560	273,065	140,553
Other comprehensive income:				
Items that may be reclassified subsequently to statement of profit or loss				
Financial investments at fair value through other comprehensive income:				
- net unrealised loss for changes in fair value	(12,017)	(29,643)	(60,214)	(16,654)
- changes in expected credit loss	(1,853)	1,611	3,166	3,681
- net loss/(gain) reclassified to profit or loss	75	-	75	(596)
- tax effect	2,866	7,114	14,433	3,970
Other comprehensive loss for the financial period net of tax	(10,929)	(20,918)	(42,540)	(9,599)
Total comprehensive income for the financial period	161,844	46,642	230,525	130,954

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

**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2022**

Group	Share capital/ Capital funds RM'000	Non- Distributable Distributable		Total Equity RM'000
		Fair value reserve RM'000	Retained earnings RM'000	
At 1 April 2021	1,417,107	43,972	2,434,800	3,895,879
Profit for the financial period	-	-	140,553	140,553
Other comprehensive loss, net	-	(9,599)	-	(9,599)
Total comprehensive (loss)/income for the financial period	-	(9,599)	140,553	130,954
Transfer to conventional fund*	(30,000)	-	(95,424)	(125,424)
Dividend on ordinary shares: - final, financial year ended 31 March 2021	-	-	(37,078)	(37,078)
	(30,000)	-	(132,502)	(162,502)
At 30 September 2021	1,387,107	34,373	2,442,851	3,864,331
At 1 April 2022	1,387,107	(3,893)	2,490,692	3,873,906
Profit for the financial period	-	-	273,065	273,065
Other comprehensive loss, net	-	(42,540)	-	(42,540)
Total comprehensive (loss)/income for the financial period	-	(42,540)	273,065	230,525
At 30 September 2022	1,387,107	(46,433)	2,763,757	4,104,431

* Relates to Islamic Banking of AmInvestment Bank.

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

(a) Financing and Advances

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

Group 30.09.2022	Bai' Bithaman Ajlil RM'000	Murabahah RM'000	Musharakah Mutanaqisah RM'000	Al-Ijarah Thummah Al-Bai' (AITAB) RM'000	Bai' Inah RM'000	Others RM'000	Total RM'000
At amortised cost:							
Cash lines	-	521,583	-	-	516,399	-	1,037,982
Term financing	377,958	15,526,669	8,584	-	929,323	10,097	16,852,631
Revolving credit	22,035	4,411,115	-	-	971,723	-	5,404,873
Housing financing	2,499,256	9,435,685	42,386	-	-	-	11,977,327
Hire purchase receivables	3	-	-	4,455,656	-	-	4,455,659
Bills receivables	-	552,585	-	-	-	79,466	632,051
Credit card receivables	-	-	-	-	-	467,397	467,397
Trust receipts	-	459,112	-	-	-	-	459,112
Claims on customers under acceptance credits	-	1,997,529	-	-	-	280,391	2,277,920
Staff financing	-	20,028	-	-	-	-	20,028
Others	-	-	-	-	-	29,057	29,057
Gross financing and advances*	2,899,252	32,924,306	50,970	4,455,656	2,417,445	866,408	43,614,037
Allowance for impairment on financing and advances							
- Stage 1 - 12-months ECL							(67,961)
- Stage 2 - Lifetime ECL not credit impaired							(408,032)
- Stage 3 - Lifetime ECL credit impaired							(133,300)
Net financing and advances							43,004,744

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

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

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

Group	Bai' Bithaman Ajil RM'000	Murabahah RM'000	Musharakah Mutanaqisah RM'000	Al-Ijarah Thummah Al-Bai' (AITAB) RM'000	Bai' Inah RM'000	Others RM'000	Total RM'000
31.03.2022							
At amortised cost:							
Cash lines	-	617,679	-	-	578,646	-	1,196,325
Term financing	439,860	12,596,186	8,806	-	1,091,129	20,160	14,156,141
Revolving credit	27,065	3,744,672	-	-	1,128,326	-	4,900,063
Housing financing	2,589,646	8,540,970	43,458	-	-	-	11,174,074
Hire purchase receivables	3	-	-	4,255,450	-	-	4,255,453
Bills receivables	-	630,366	-	-	-	40,342	670,708
Credit card receivables	-	-	-	-	-	447,758	447,758
Trust receipts	-	381,229	-	-	-	-	381,229
Claims on customers under acceptance credits	-	1,784,824	-	-	-	353,913	2,138,737
Staff financing	-	17,862	-	-	-	-	17,862
Others	-	-	-	-	-	9,102	9,102
Gross financing and advances*	3,056,574	28,313,788	52,264	4,255,450	2,798,101	871,275	39,347,452
Allowance for impairment on financing and advances							
- Stage 1 - 12-months ECL							(61,592)
- Stage 2 - Lifetime ECL not credit impaired							(401,419)
- Stage 3 - Lifetime ECL credit impaired							(230,573)
Net financing and advances							<u>38,653,868</u>

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

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

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

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

	Group	
	30.09.2022 RM'000	31.03.2022 RM'000
Balance at beginning of the financial period/year	628,542	613,074
Additions during the financial period/year	453,540	718,754
Reclassified to non-impaired financing	(36,237)	(77,186)
Recoveries	(209,450)	(337,277)
Amount written off	(221,868)	(288,823)
Balance at end of the financial period/year	<u>614,527</u>	<u>628,542</u>
Gross impaired financing and advances as % of total gross financing and advances	<u>1.41%</u>	<u>1.60%</u>
Financing loss coverage (including regulatory reserve)	<u>103.5%</u>	<u>114.3%</u>

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

Group 30.09.2022	Stage 1	Stage 2	Stage 3	Total
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
Balance at beginning of the financial period	61,592	401,419	230,573	693,584
Net allowances for ECL	6,286	6,587	124,595	137,468
Transfer to 12-month ECL (Stage 1)	3,241	(28,812)	(383)	(25,954)
Transfer to Lifetime ECL not credit impaired (Stage 2)	(4,317)	41,183	(6,370)	30,496
Transfer to Lifetime ECL credit impaired (Stage 3)	(285)	(9,403)	43,461	33,773
New financial assets originated	16,894	11,519	450	28,863
Net remeasurement of allowances	(6,566)	(6,218)	97,753	84,969
Changes in model assumptions and methodologies	7,357	17,643	5	25,005
Modification of contractual cash flows of financial assets	(325)	(2,343)	250	(2,418)
Financial assets derecognised	(9,713)	(16,982)	(10,571)	(37,266)
Foreign exchange differences	83	26	-	109
Amount written off	-	-	(221,868)	(221,868)
Balance at end of the financial period	<u>67,961</u>	<u>408,032</u>	<u>133,300</u>	<u>609,293</u>

Note:

1 As at 30 September 2022, the gross exposure (including profit receivable) relating to RA financing amounted to RM1,555.5 million (31 March 2022: RM1,713.8 million). ECL allowance for the RA financing which amounted to RM1.8 million (31 March 2022: RM2.2 million) is taken up by AmBank.

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

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

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

Group 31.03.2022	Stage 1	Stage 2	Stage 3	Total
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
Balance at beginning of the financial year	143,487	401,459	101,634	646,580
Net (writeback of)/allowances for ECL	(81,909)	(42)	417,762	335,811
Transfer to 12-month ECL (Stage 1)	2,625	(28,659)	(1,070)	(27,104)
Transfer to Lifetime ECL not credit impaired (Stage 2)	(4,581)	37,018	(7,784)	24,653
Transfer to Lifetime ECL credit impaired (Stage 3)	(542)	(18,470)	22,179	3,167
New financial assets originated	20,276	16,949	1,279	38,504
Net remeasurement of allowances	(37,662)	26,473	426,783	415,594
Changes in model assumptions and methodologies	(47,158)	(13,962)	-	(61,120)
Modification of contractual cash flows of financial assets	(374)	3,248	(484)	2,390
Financial assets derecognised	(14,493)	(22,639)	(23,141)	(60,273)
Foreign exchange differences	14	2	-	16
Amount written off	-	-	(288,823)	(288,823)
Balance at end of the financial year	61,592	401,419	230,573	693,584

(b) Deposits From Customers

	Group	
	30.09.2022 RM'000	31.03.2022 RM'000
By type of deposit:		
Savings deposits		
<i>Commodity Murabahah</i>	3,587,378	3,850,631
<i>Qard</i>	113,786	146,823
Demand deposits		
<i>Commodity Murabahah</i>	8,220,519	9,587,153
<i>Qard</i>	700,906	861,168
Term deposits		
<i>Commodity Murabahah</i>	27,170,324	22,994,199
<i>Qard</i>	357,194	150,276
	<u>40,150,107</u>	<u>37,590,250</u>

The deposits are sourced from the following types of customers:

	Group	
	30.09.2022 RM'000	31.03.2022 RM'000
Business enterprises	22,846,369	22,820,946
Government and statutory bodies	4,460,828	3,180,849
Individuals	11,819,740	10,600,240
Others	1,023,170	988,215
	<u>40,150,107</u>	<u>37,590,250</u>

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

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

The maturity structure of term deposits are as follows:

	Group	
	30.09.2022	31.03.2022
	RM'000	RM'000
Due within six months	22,839,086	18,084,514
Over six months to one year	4,363,382	4,774,000
Over one year to three years	276,359	214,910
Over three years to five years	48,691	71,051
	27,527,518	23,144,475

(c) Investment Accounts Of Customers

	Group	
	30.09.2022	31.03.2022
	RM'000	RM'000
Unrestricted investment accounts:		
Without maturity		
- Wakalah	15,810	16,573
With maturity		
- Mudarabah	14,538	361,288
	30,348	377,861

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

	Group	
	30.09.2022	31.03.2022
	RM'000	RM'000
Business enterprises	8,828	354,618
Individuals	21,520	23,243
	30,348	377,861

	Group	
	30.09.2022	31.03.2022
	RM'000	RM'000
Investment asset:		
Interbank placement (Wakalah)	15,810	16,573
Housing financing (Mudarabah)	14,538	361,288
Total investment	30,348	377,861

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

	Investment account holder		
	Average profit sharing ratio (%)	Average rate of return (%)	Average performance incentive fee (%)
30.09.2022			
Maturity			
less than 3 months	55.42	1.91	2.08
over 3 months to 1 year	55.15	2.22	-
31.03.2022			
Maturity			
less than 3 months	53.12	1.92	1.75
over 3 months to 1 year	54.01	2.16	-

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

(d) Investment Account Due to A Licensed Bank

	Group	
	30.09.2022	31.03.2022
	RM'000	RM'000
<u>Restricted investment account ("RA")</u>		
- Mudarabah Muqayyadah	1,552,092	1,710,663
Investment asset:		
Financing	1,552,092	1,710,663
Total investment	1,552,092	1,710,663

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

As at 30 September 2022, the remaining tenure of the RA contracts is for a period of 2 months to 8 years (31 March 2022: 8 months to 8 years).

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

	Investment account holder			
	30.09.2022		31.03.2022	
	Average Profit sharing ratio	Average rate of return	Average Profit sharing ratio	Average rate of return
	(%)	(%)	(%)	(%)
Maturity:				
over 2 years to 5 years	90	2.90	90	2.64
more than 5 years	90	3.04	90	2.80

(e) Other Liabilities

	Group	
	30.09.2022	31.03.2022
	RM'000	RM'000
Other payables and accruals	242,486	354,912
Deferred income	15,047	16,022
Lease liabilities	2,191	2,092
Provision for reinstatement of leased properties	83	82
Provision for taxation and zakat	16,950	2,130
Allowances for ECL on financing commitments and financial guarantees	26,591	24,808
Advance rental	11,607	11,354
	314,955	411,400

A38. RESTATEMENT OF COMPARATIVE INFORMATION

In March 2022, the Group conducted a review on the classification of its unrated bonds and sukuk and reclassified the instruments from loans, advances and financing 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:

Group	As previously reported RM'000	Reclassification RM'000	As restated RM'000
As at 30 September 2021			
(i) Reconciliation of statement of profit or loss			
Individual Quarter			
Allowances for impairment on loans, advances and financing	163,373	(46,214)	117,159
Allowances for impairment on financial investments	3,761	46,214	49,975
Cumulative Quarter			
Allowances for impairment on loans, advances and financing	352,326	(46,276)	306,050
Allowances for impairment on financial investments	8,767	46,276	55,043
(ii) Reconciliation of statements of cash flows			
Cash flows from operating activities:			
Add adjustments for:			
Allowance for expected credit losses on loans, advances and financing, net	470,545	(46,276)	424,269
Other non-operating and non-cash items	113,836	46,276	160,112
(Increase)/Decrease in operating assets:			
Loans, advances and financing	(1,013,014)	116,080	(896,934)
Other assets	332,052	343	332,395
Cash flows from investing activities:			
Purchase of financial investments	(1,438,204)	(116,423)	(1,554,627)
Islamic Banking Business			
As at 30 September 2021			
(i) Reconciliation of statement of profit or loss			
Individual Quarter			
Allowances for impairment on financing and advances	85,098	(43,073)	42,025
Allowances for impairment on financial investments	1,508	43,073	44,581
Cumulative Quarter			
Allowances for impairment on financing and advances	175,968	(42,513)	133,455
Allowances for impairment on financial investments	3,374	42,513	45,887

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

B1. PERFORMANCE REVIEW ON THE RESULTS OF THE GROUP

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

	Group				Group			
	Individual Quarter		Changes		Cumulative Quarter		Changes	
	30.09.2022 RM'000	30.09.2021 RM'000	Amount RM'000	%	30.09.2022 RM'000	30.09.2021 RM'000	Amount RM'000	%
Operating profit before impairment losses, from continuing operations	698,302	559,305	138,997	24.9	1,282,107	1,209,007	73,100	6.0
Profit before taxation and zakat from continuing operations	610,545	386,505	224,040	58.0	1,128,435	832,841	295,594	35.5
(Loss)/Profit before taxation from discontinued operation	(132,401)	46,885	(179,286)	(>100.0)	(96,349)	140,581	(236,930)	(>100.0)
Profit for the financial period	361,622	338,025	23,597	7.0	795,568	760,216	35,352	4.7
Profit attributable to equity holders of the Company	435,401	321,038	114,363	35.6	854,600	707,642	146,958	20.8

Financial year to date - Cumulative period ended 30 September 2022 compared to 30 September 2021

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

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

Fee based income recorded a decrease of RM20.5 million mainly due to lower commission from unit trust and lower net brokerage fees. Market based income increased from higher gains from trading in foreign exchange offset by higher loss on derivatives, lower gains on sale of securities and revaluation on trading securities.

The Group's associates and joint ventures recorded lower profits as reflected in the share of profits of RM14.7 million compared to RM31.7 million in prior year same period. The Group's share of profits was mainly due to the insurance-based joint ventures which recorded higher claims and lower investment income offset by lower reserving and higher net earned premium.

Total operating expenses increased by 10.1% compared to same period last year. The increase was mainly due to higher personnel, establishment and promotion and marketing expenses partly offset by lower in administration expenses. The Group's cost-to-income ratio had deteriorated to 42.3% from 41.4% a year ago.

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

Profit before taxation and zakat from continuing operations for the current financial period was higher compared to a year ago at RM1,128.4 million, an increase of RM296.6 million (35.5%).

As for discontinued operation, the profit before taxation for the period reduced by RM236.9 million mainly due to the impairment of Kurnia Brand, agent relationship and other assets of RM115.9 million, estimated loss on disposal of general insurance of RM53.9 million as well as loss of general insurance income for the month of August and September 2022 as a result of disposal of insurance subsidiary.

Profit for the financial period increased by RM35.4 million to RM795.6 million compared to same period last year.

Commentary on key components of financial position

The Group's core interest bearing assets namely loans, advances and financing recorded a growth in gross balances by RM4.4 billion from 31 March 2022 to RM124.4 billion. The Group's impaired loans ratio was at 1.52%.

Deposits from customers was lower compared to 31 March 2022 at RM121.0 billion. Low cost deposits which constituted 32.9% of total deposits from customers decreased compared to 35.2% as at 31 March 2022.

Liquidity and capital strength

The Group is well-positioned to meet and comply with regulatory requirements. Its banking subsidiaries recorded Liquidity Coverage ratios in excess of minimum requirements. The Group's capital adequacy ratio is strong at 15.79% at the end of the reporting period.

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

Divisional performance

Retail Banking (Year to date ("YTD") FY2023: RM322.0 million vs FY2022: RM388.7 million)

Profit before tax ("PBT") decreased by RM66.7 million mainly from higher other operating expenses and net impairment, partially offset by higher net income.

Net income increased by 10.6% mainly from by higher volume and margin impact, partially offset by lower fee income from Wealth. Higher other operating expenses mainly due to higher personnel costs and higher service transfer pricing ("STP") expenses, offset by lower marketing expenses. Higher net impairment mainly from provision on loans, advances and financing, coupled with higher provision for commitments and contingencies.

Retail deposits increased by RM4.9 billion to RM57.2 billion from all deposits type. Gross loans, advances and financing grew by RM4.4 billion to close at RM70.3 billion mainly attributed by Mortgages, Personal Financing and Retail SME.

Business Banking (YTD FY2023: RM193.7 million vs YTD FY2022: RM123.3 million)

PBT increased by RM70.4 million mainly driven by higher net income and lower net impairment, partially offset by higher other operating expenses.

Higher net income mainly from higher net finance income due to higher business volume and margin impact, coupled with higher other income from loan related fees and commission on bancassurance. Higher other operating expenses mainly due to higher personnel costs and STP expenses. Lower net impairment arising from lower provision on loans, advances and financing, coupled with lower provision for commitments and contingencies.

Business Banking deposits increased by RM2.5 billion to RM15.1 billion from both current accounts and fixed deposits, while gross loans, advances and financing grew by RM2.0 billion to close at RM19.3 billion.

Corporate Banking (YTD FY2023: RM356.4 million vs YTD FY2022: RM91.1 million)

PBT increased by RM265.3 million mainly due to higher net income and lower net impairment.

Net income increased by 11.3% due to higher net finance income from higher margin and volume, coupled with higher loan related fees income. Lower net impairment mainly writeback from provision on loans, advances and financing.

Corporate Banking gross loans, advances and financing increased by RM4.4 billion to close at RM32.8 billion, while deposits increased by RM2.1 billion to close at RM14.8 billion.

Group Treasury and Markets (YTD FY2023: RM308.5 million vs YTD FY2022: RM252.3 million)

PBT increased by RM56.2 million mainly from higher net income, lower other operating expenses and lower net impairment.

Net income increased by 14.4% mainly due to higher margin and volume impact, coupled with higher gain from foreign exchange trading.

Investment Banking (YTD FY2023: RM15.8 million vs YTD FY2022: RM64.4 million)

PBT decreased by RM48.6 million from lower net income, higher other operating expenses and higher net impairment mainly due to lower recoveries.

Net income decreased by RM30.7 million from lower number of sizeable deals and brokerage fees.

Fund Management (YTD FY2023: RM41.5 million vs YTD FY2022: RM44.9 million)

PBT decreased by RM3.4 million mainly from lower management fees, partially offset by lower other operating expenses.

Insurance (from continuing business) (YTD FY2023: RM12.9 million vs YTD FY2022: RM19.9 million)

Insurance PBT decreased by RM7.0 million mainly lower income from share of associates and joint ventures due to lower investment income offset by higher premium and lower reserving.

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

Divisional performance (Cont'd.)

Group Funding & Others (YTD FY2023: Loss of RM122.4 million vs YTD FY2022: Loss of RM151.8 million)

Lower loss before tax mainly from lower net impairment, partially offset by lower net income and higher other operating expenses.

Insurance (from discontinued operation) (YTD FY2023: Loss of RM96.3 million vs YTD FY2022: Profit of RM140.6 million)

Loss before tax for discontinued operation of general insurance include RM53.9 million estimated loss on disposal of subsidiary and RM116.0 million impairment of Kurnia Brand, agency relationship and other assets in FY2023.

B2. REVIEW OF MATERIAL CHANGES IN PROFIT BEFORE TAXATION

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

	Group			
	Individual Quarter		Changes	
	30.09.2022	30.06.2022	Amount	
	RM'000	RM'000	RM'000	%
Operating profit before impairment losses, from continuing operations	698,302	583,805	114,497	19.6
Profit before taxation and zakat from continuing operations	610,545	517,890	92,655	17.9
(Loss)/Profit before taxation from discontinued operation	(132,401)	36,052	(168,453)	(>100.0)
Profit for the financial quarter	361,622	433,946	(72,324)	(16.7)
Profit attributable to equity holders of the Company	435,401	419,199	16,202	3.9

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

Funding costs increased attributable to higher interest expense on deposits from customers and deposits and placements from banks and other financial institutions.

Overall other operating income increased for this quarter compared to preceding quarter due to higher gains from derivatives and gains from revaluation of securities offset by lower gain on foreign exchange.

Total operating expenses increased by 2.5% compared to preceding quarter mainly due to increase in computerisation costs.

Credit costs increased due to higher allowances for impairment on loans, advances and financing and provision for commitments and contingencies.

Against the preceding quarter, profit before taxation and zakat from continuing operations for the current quarter is higher at RM610.5 million, an increase of RM92.6 million (17.9%).

As for discontinued operation, the profit before taxation for the quarter reduced by RM168.5 million mainly due to the impairment of Kurnia Brand, agent relationship and other assets of RM115.9 million and estimated loss on disposal of general insurance of RM53.9 million.

Profit for the financial quarter decreased by RM72.3 million to to RM361.6 million compared to same quarter last year.

B3. PROSPECTS FOR THE NEXT FINANCIAL YEAR END

The economy has shown a strong post-COVID recovery in 2022 especially after the full lifting of pandemic rules and international borders, evidenced by the robust third quarter of 2022 Gross Domestic Products ("GDP") growth of 14.2% year-on-year, after 8.9% year-on-year during the previous quarter. With such a strong third quarter performance, the average GDP for the first three quarters of 2022 would be 9.3%. We have now revised upwardly our 2022 GDP projection to between 8.5% and 9.0% from the previous 7.5%. BNM's projection is between 5.3% and 6.3% for 2022.

Heading into 2023, there are more downside risk on the economic growth. External headwinds and domestic challenges especially on the outcome of 15th General Election ("GE15") will weigh on the economic performance. We expect first half of 2023 would be far noisier as opposed to second half 2023. We project the GDP should grow around 4.5%.

Headline inflation eased to 4.5% year-on-year growth in September 2022 after posting more than 1-year high of 4.7% in the previous month. Average inflation for the first nine months of 2022 is now at 3.2%. Despite the producer price index coming off from its recent peak and dissipating low-base effects, upside pressure on inflation remains, coming from the weakening Ringgit (particularly in October 2022) and elevated commodity prices, which may translates into higher importation prices. For the full year, we project inflation to be around 3.2%.

In tandem with the healthy economic environment, loans growth in the banking industry grew by 6.4% year-on-year in September 2022, slightly slower than 6.8% in August 2022. Strong loans growth came from both the household loans which grew 6.6% year-on-year (August 2022: 6.5%), while business segment loans grew slower at 6.2% year-on-year (August 2022: 7.1%) and we believe loans growth in 2022 would reach 6.0%.

The overall banking system remains healthy in 2022 underpinned by strong liquidity. This is reflected by the liquidity coverage ratio which stayed above the 100% regulatory requirement in September 2022 which ticked up to 152.5% (August 2022 was at 141.3%). The funding profile was well-diversified with August 2022's loan-to-fund ratio and loan-to-fund-and-equity ratio at 81.6% and 71.2% respectively (August 2022 was at 81.8% and 71.3%, respectively).

On the monetary policy, Bank Negara Malaysia ("BNM") remained careful in calibrating the policy by not raising the rates too fast and hurt the economic growth, nor raise rates too slowly and risk capital outflows. But the final overnight policy rate ("OPR") hike in early November 2022 was a pre-emptive move by the BNM to manage the risk of demand-pull inflation, offering a slight hawkish tone.

With the OPR now standing at 2.75%, expectations are for BNM to raise another 25bps in January 2023 to settle at 3.00%. This would reach the levels at end 2019 prior to the COVID-19 crisis. Current OPR level is still accommodative and supportive of Malaysia's economic growth.

The Group remains committed in growing revenue, rebuilding capital and shoring up liquidity levels while closely monitoring asset quality and exerting cost discipline. At the same time, customers' needs are not forgotten as the Group continues to extend financial assistance to those who qualify.

Despite near term challenges, the Group remains upbeat on delivering strong financial performance throughout FY23 as it benefits from factors such as the OPR uptrend, lower provisions and improving asset quality which are all in line with the steady recovery of the local economy.

Nevertheless, the Group remains laser focused on its Focus 8 execution to deliver more integrated value propositions and create sustainable long-term value for all its shareholders and stakeholders. The 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.

B4. VARIANCE FROM PROFIT FORECAST AND SHORTFALL FROM PROFIT GUARANTEE

This is not applicable to the Group.

B5. TAXATION AND ZAKAT

Group	Individual Quarter		Cumulative Quarter	
	30.09.2022 RM'000	30.09.2021 RM'000	30.09.2022 RM'000	30.09.2021 RM'000
<u>Continuing operations</u>				
Estimated current tax payable	157,628	100,765	227,843	199,401
Deferred tax	(17,066)	(14,038)	26,202	(12,704)
	<u>140,562</u>	<u>86,727</u>	<u>254,045</u>	<u>186,697</u>
(Over)/Under provision of current taxation in respect of prior years	(2)	-	(2)	77
Taxation	<u>140,560</u>	<u>86,727</u>	<u>254,043</u>	<u>186,774</u>
Zakat	883	280	1,354	1,245
Taxation and zakat	<u>141,443</u>	<u>87,007</u>	<u>255,397</u>	<u>188,019</u>
<u>Discontinued operation</u>				
Estimated current tax payable	2,914	8,616	14,818	24,428
Deferred tax	(27,835)	(258)	(33,703)	(299)
	<u>(24,921)</u>	<u>8,358</u>	<u>(18,885)</u>	<u>24,129</u>
Under provision of current taxation in respect of prior years	-	-	6	1,058
Taxation	<u>(24,921)</u>	<u>8,358</u>	<u>(18,879)</u>	<u>25,187</u>

The total tax charge of the Group for the financial period ended 30 September 2022 and 30 September 2021 reflects an effective tax rate which is lower than the statutory tax rate mainly due to income not subject to tax.

B6. BORROWINGS AND DEBT SECURITIES

Group	Long term*		Short term*		Total	
	Foreign denomination USD'000	RM denomination RM'000	Foreign denomination USD'000	RM denomination RM'000	Foreign denomination USD'000	RM denomination RM'000
	30.09.2022					
Unsecured						
Term funding	100,000	1,687,955 #	-	347,711	100,000	2,035,666
Debt capital	-	3,300,000	-	1,095,000	-	4,395,000
30.09.2021						
Unsecured						
Term funding	100,000	1,034,801 #	-	652,320	100,000	1,687,121
Debt capital	-	4,295,000	-	-	-	4,295,000

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

As at 30 September 2022 and 30 September 2021, USD100 million term loan drawdown to be utilised for diversifying the sources of funding the growth of the USD balance sheet.

* remaining contractual maturity

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

Month of Issuance/ Redemption	Entity	Note/ Sukuk type and tenure	Nominal value RM'000	Weighted average interest/ profit rate %	Net interest/ profit savings per annum for redemption RM'000
December 2021 - Issuance	AmBank	Senior Notes Series 1 - 1.5 years	150,000	2.94	-
December 2021 - Issuance	AmBank	Senior Notes Series 2 - 2 years	250,000	3.14	-
December 2021 - Redemption	AmBank Islamic	Subordinated Sukuk Murabahah - 10 years	10,000	5.50	550
March 2022 - Issuance	AmBank	Subordinated Note Tier 2 - 10 years	600,000	4.30	-
March 2022 - Redemption	AmBank	Subordinated Note Tier 2 - 10 years	500,000	5.20	26,000
March 2022 - Issuance	AmBank Islamic	Subordinated Sukuk Murabahah - 10 years	250,000	4.25	-
March 2022 - Redemption	AmBank Islamic	Senior Sukuk Musharakah - 2 years	200,000	3.55	7,100

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

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

Month of Issuance/ Redemption	Entity	Note/ Sukuk type and tenure	Nominal value RM'000	Weighted average interest/ profit rate %	Net interest/ profit savings per annum for redemption RM'000
March 2022 - Redemption	AmBank Islamic	Subordinated Sukuk Murabahah - 10 years	240,000	5.20	12,480

Borrowing and debt securities issued are for purposes of working capital, investment, enhancing capital position and other general funding requirements of the Company and its banking subsidiaries.

B7. MATERIAL LITIGATION

The Group and the Company do not have any material litigation which would materially affect the financial position of the Group and the Company. For other litigations, please refer to Note A31.

B8. DIVIDENDS

- (i) A proposed interim cash dividend of 6.0 sen per share for the financial year ending 31 March 2023 has been recommended by the directors;
- (ii) Payment date: To be determined and announced at a later date; and
- (iii) In respect of ordinary share capital, entitlement to the dividend will be determined on the basis of the Record of Depositors as at the close of business on the date to be determined and announced at a later date.
- (iv) No dividend was declared for the previous financial half year ended 30 September 2021.

B9. DERIVATIVE FINANCIAL INSTRUMENTS

Please refer to Note A32.

B10. EARNINGS PER SHARE (SEN)

- (a) Basic/Diluted earnings per share

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

	Individual Quarter		Cumulative Quarter	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
Net profit attributable to equity holders of the Company (RM'000)	435,401	321,038	854,600	707,642
Weighted average number of ordinary shares in issue ('000)	3,311,108	3,312,467	3,310,694	3,286,807
Basic/diluted earnings per share (Sen)	13.15	9.69	25.81	21.53