

AmlInvestment Bank Berhad

Registration No. 197501002220 (23742-V)

(Incorporated in Malaysia)

And Its Subsidiaries

Condensed Interim Financial Statements

For the Financial Period

1 April 2022 to

30 September 2022

(In Ringgit Malaysia)

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

UNAUDITED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022

		Group		Bank	
	Note	30 September 2022 RM'000	31 March 2022 RM'000	30 September 2022 RM'000	31 March 2022 RM'000
ASSETS					
Cash and short-term funds	9	223,735	278,842	140,236	176,597
Deposits and placements with a bank	10	300,000	300,000	300,000	300,000
Financial assets at fair value through other comprehensive income	11	33,020	33,509	33,020	33,509
Financial investments at amortised cost	12	75,000	75,000	75,000	75,000
Loans and advances	13	657,625	599,556	657,625	599,556
Statutory deposit with Bank Negara Malaysia		12,275	9,523	12,275	9,523
Deferred tax assets		5,464	8,637	3,649	5,305
Investment in subsidiaries		-	-	51,441	51,441
Other assets	14	659,274	888,506	629,901	860,105
Property and equipment		15,569	16,112	15,211	15,710
Right-of-use assets		3,016	3,333	3,016	3,333
Intangible assets		40,851	39,512	2,918	2,063
TOTAL ASSETS		2,025,829	2,252,530	1,924,292	2,132,142
LIABILITIES AND EQUITY					
Deposits and placements of a bank	15	930,000	840,000	930,000	840,000
Derivative financial liabilities		-	1	-	1
Other liabilities	16	583,687	842,460	564,634	812,666
TOTAL LIABILITIES		1,513,687	1,682,461	1,494,634	1,652,667
Share capital		330,000	330,000	330,000	330,000
Reserves		182,142	240,069	99,658	149,475
Equity attributable to equity holder of the Bank		512,142	570,069	429,658	479,475
TOTAL LIABILITIES AND EQUITY		2,025,829	2,252,530	1,924,292	2,132,142
COMMITMENTS AND CONTINGENCIES	25	245,913	234,036	245,913	234,036
NET ASSETS PER ORDINARY SHARE (RM)		1.63	1.82	1.37	1.53

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

AmlInvestment Bank Berhad
Registration No. 197501002220 (23742-V)
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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 September 2022 RM'000	30 September 2021 RM'000	30 September 2022 RM'000	30 September 2021 RM'000
Interest income	17	14,810	11,020	29,694	21,636
Interest expense	18	(5,584)	(2,885)	(10,705)	(5,711)
Net interest income		9,226	8,135	18,989	15,925
Net income from operations of Islamic banking	28	-	-	-	2,148
Other operating income	19	78,439	108,314	155,694	216,499
Direct costs	20	(15,937)	(28,385)	(31,640)	(54,661)
Net income		71,728	88,064	143,043	179,911
Other operating expenses	21	(50,062)	(44,470)	(95,658)	(84,362)
Operating profit		21,666	43,594	47,385	95,549
Allowance for impairment on other financial assets	22	(1,130)	(186)	(937)	(181)
Provision for commitments and contingencies		-	(173)	-	(173)
Profit before taxation		20,536	43,235	46,448	95,195
Taxation		(4,463)	(9,699)	(9,964)	(21,505)
Profit for the financial period		16,073	33,536	36,484	73,690
Basic/diluted earnings per share (sen)	23	5.1	10.7	11.6	23.5

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

AmlInvestment Bank Berhad
Registration No. 197501002220 (23742-V)
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UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2022

Group	Individual Quarter		Cumulative Quarter	
	30 September 2022 RM'000	30 September 2021 RM'000	30 September 2022 RM'000	30 September 2021 RM'000
Profit for the financial period	16,073	33,536	36,484	73,690
Other comprehensive (loss)/income:				
Item that will not be reclassified subsequently to profit or loss				
Equity instruments at fair value through other comprehensive income ("FVOCI")				
Net unrealised gain/(loss) on changes in fair value	-	157	(166)	157
Tax effect	-	(38)	-	(38)
	-	119	(166)	119
Item that may be reclassified subsequently to profit or loss				
Debt instruments at FVOCI				
Net unrealised gain/(loss) on changes in fair value	45	(16)	(45)	(16)
Tax effect	(11)	4	11	4
	34	(12)	(34)	(12)
Other comprehensive income/(loss) for the financial period	34	107	(200)	107
Total comprehensive income for the period attributable to equity holder of the Bank	16,107	33,643	36,284	73,797

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

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

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

Bank	Note	Individual Quarter		Cumulative Quarter	
		30 September 2022 RM'000	30 September 2021 RM'000	30 September 2022 RM'000	30 September 2021 RM'000
Interest income	17	14,283	10,574	28,747	20,784
Interest expense	18	(5,547)	(2,837)	(10,634)	(5,609)
Net interest income		8,736	7,737	18,113	15,175
Net income from operations of Islamic banking	28	-	-	-	2,148
Other operating income	19	75,921	100,686	109,986	155,199
Direct costs	20	(8,357)	(12,084)	(16,122)	(26,043)
Net income		76,300	96,339	111,977	146,479
Other operating expenses	21	(34,453)	(28,732)	(64,779)	(52,683)
Operating profit		41,847	67,607	47,198	93,796
Allowance for impairment on other financial assets	22	(1,130)	(186)	(937)	(181)
Provision for commitments and contingencies		-	(173)	-	(173)
Profit before taxation		40,717	67,248	46,261	93,442
Taxation		-	(5,747)	(1,667)	(12,150)
Profit for the financial period		40,717	61,501	44,594	81,292

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

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

Bank	Individual Quarter		Cumulative Quarter	
	30 September 2022 RM'000	30 September 2021 RM'000	30 September 2022 RM'000	30 September 2021 RM'000
Profit for the financial period	40,717	61,501	44,594	81,292
Other comprehensive (loss)/income:				
Item that will not be reclassified subsequently to profit or loss				
Equity instruments at fair value through other comprehensive income ("FVOCI")				
Net unrealised gain/(loss) on changes in fair value	-	157	(166)	157
Tax effect	-	(38)	-	(38)
	-	119	(166)	119
Item that may be reclassified subsequently to profit or loss				
Debt instruments at FVOCI				
Net unrealised gain/(loss) on changes in fair value	45	(16)	(45)	(16)
Tax effect	(11)	4	11	4
	34	(12)	(34)	(12)
Other comprehensive loss for the financial period	34	107	(200)	107
Total comprehensive income for the period attributable to equity holder of the Bank	40,751	61,608	44,394	81,399

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

AmInvestment Bank Berhad
Registration No. 197501002220 (23742-V)
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UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2022

Group	<-----Attributable to equity holder of the Bank----->						
	Non-distributable					Distributable	
	Share capital RM'000	Capital reserve RM'000	Regulatory reserve RM'000	Merger reserve RM'000	Fair value reserve RM'000	Retained earnings RM'000	Total equity RM'000
At 1 April 2021	330,000	2,815	-	82,115	1,539	43,454	459,923
Profit for the financial period	-	-	-	-	-	73,690	73,690
Other comprehensive income	-	-	-	-	107	-	107
Total comprehensive income for the period	-	-	-	-	107	73,690	73,797
Transfer to regulatory reserve	-	-	7,839	-	-	(7,839)	-
Transactions with owner and other equity movements	-	-	7,839	-	-	(7,839)	-
At 30 September 2021	330,000	2,815	7,839	82,115	1,646	109,305	533,720
At 1 April 2022	330,000	2,815	8,457	82,115	1,703	144,979	570,069
Profit for the financial period	-	-	-	-	-	36,484	36,484
Other comprehensive loss	-	-	-	-	(200)	-	(200)
Total comprehensive (loss)/income for the period	-	-	-	-	(200)	36,484	36,284
Transfer to regulatory reserve	-	-	581	-	-	(581)	-
Dividends	-	-	-	-	-	(94,211)	(94,211)
Transactions with owner and other equity movements	-	-	581	-	-	(94,792)	(94,211)
At 30 September 2022	330,000	2,815	9,038	82,115	1,503	86,671	512,142

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

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

	<-----Attributable to equity holder of the Bank----->				
	Non-distributable			Distributable	
	Share capital RM'000	Regulatory reserve RM'000	Fair value reserve RM'000	Retained earnings RM'000	Total equity RM'000
Bank					
At 1 April 2021	330,000	-	1,539	35,695	367,234
Profit for the financial period	-	-	-	81,292	81,292
Other comprehensive income	-	-	107	-	107
Total comprehensive income for the period	-	-	107	81,292	81,399
Transfer to regulatory reserve	-	7,839	-	(7,839)	-
Transactions with owner and other equity movements	-	7,839	-	(7,839)	-
At 30 September 2021	330,000	7,839	1,646	109,148	448,633
At 1 April 2022	330,000	8,457	1,703	139,315	479,475
Profit for the financial period	-	-	-	44,594	44,594
Other comprehensive loss	-	-	(200)	-	(200)
Total comprehensive (loss)/income for the period	-	-	(200)	44,594	44,394
Transfer to regulatory reserve	-	581	-	(581)	-
Dividends	-	-	-	(94,211)	(94,211)
Transactions with owner and other equity movements	-	581	-	(94,792)	(94,211)
At 30 September 2022	330,000	9,038	1,503	89,117	429,658

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

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

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

	Group		Bank	
	30 September 2022 RM'000	30 September 2021 RM'000	30 September 2022 RM'000	30 September 2021 RM'000
Profit before taxation	46,448	95,195	46,261	93,442
Adjustments for non-operating and non cash items	1,744	(954)	(39,590)	(44,253)
Operating profit before working capital changes	48,192	94,241	6,671	49,189
Change in operating assets	178,135	67,431	177,718	70,216
Change in operating liabilities	(168,487)	(182,294)	(157,745)	(178,610)
Cash generated from/(used in) operations	57,840	(20,622)	26,644	(59,205)
Tax paid	(16,345)	(8,694)	(8,518)	(2,550)
Net cash generated from/(used in) operating activities	41,495	(29,316)	18,126	(61,755)
Net cash (used in)/generated from investing activities	(2,050)	(1,476)	40,065	42,207
Net cash used in financing activities	(94,552)	(334)	(94,552)	(334)
Net decrease in cash and cash equivalents	(55,107)	(31,126)	(36,361)	(19,882)
Cash and cash equivalents at beginning of the financial year	278,842	235,109	176,597	135,624
Cash and cash equivalents at end of the financial period (Note 1)	223,735	203,983	140,236	115,742
Note 1:				
Cash and short term funds	223,735	203,982	140,236	115,741
Add:				
Allowances for expected credit losses	-	1	-	1
Cash and cash equivalents at end of the financial period	223,735	203,983	140,236	115,742

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

EXPLANATORY NOTES :

1. BASIS OF PREPARATION

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

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

1.1 Significant Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of the following amendments to published standards which became effective for the first time for the Group and the Bank on 1 April 2022:

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

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

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

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

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

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

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

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

The amendments updated MFRS 3 *Business Combinations* to refer to the revised *Conceptual Framework for Financial Reporting* ("Conceptual Framework") in order to determine what constitutes an asset or a liability in a business combination. In addition, a new exception is added in MFRS 3 in connection with liabilities and contingent liabilities. The exception specifies that, for some types of liabilities and contingent liabilities, an entity applying MFRS 3 should instead refer to MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets* or IC Interpretation 21 *Levies*, rather than the Conceptual Framework. The adoption of these amendments did not result in any impact as there is no business combination or asset acquisition occurred during the financial quarter 30 September 2022.

1. BASIS OF PREPARATION (CONT'D.)

1.1 Significant Accounting Policies (Cont'd.)

(d) Annual Improvements to MFRS Standards 2018-2020

The Annual Improvements to MFRS Standards 2018-2020 include minor amendments affecting 4 MFRSs, as summarised below:

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

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

(ii) MFRS 9 *Financial Instruments*

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

(iii) MFRS 141 *Agriculture*

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

1.2 Standards issued but not yet effective

Description	Effective for annual periods beginning on or after
- MFRS 17 <i>Insurance Contracts</i>	1 January 2023
- Amendments 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 amendments to published standards that are issued but not yet effective are described below. The Group and the Bank are assessing the financial effects of their adoption.

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

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 2022. Early adoption is permitted. Nevertheless, the effective date may be deferred by a year to 1 January 2023, subject to the standard setter's consultations. The amendments are not expected to result in any impact as the Group and the Bank present all assets and liabilities in the statements of financial position in order of liquidity.

1. BASIS OF PREPARATION (CONT'D.)

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

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

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.

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 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.

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

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

The amendments clarify that:

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

1. BASIS OF PREPARATION (CONT'D.)

1.3 Significant Accounting judgements, Estimates and Assumptions

The preparation of the condensed interim financial statements in accordance with MFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of revenue, expenses, assets and liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Judgements, estimates and assumptions are continually evaluated and are based on past experience, reasonable expectations of future events and other factors. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets and liabilities affected in future periods.

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

Income taxes

In the previous financial year, based on legal opinion received, the Bank claimed tax deduction on the settlement of RM295.0 million with Ministry of Finance Malaysia and its related expenses of RM2.0 million in its tax returns for the Year Assessment ("YA") 2021. Accordingly, the Bank recognised a portion of tax deduction amounting to RM14.1 million as tax recoverable.

On 7 September 2022, the Inland Revenue Board ("IRB") formally replied on their differing view on the tax deductibility of the settlement sum of RM295.0 million and its related expenses of RM2.0 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 AMMB 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 Bank will continuously reassess the tax recoverable recognised and the unutilised tax loss arose from the remaining tax deduction based on the developments of the discussion with IRB.

2. AUDIT QUALIFICATION

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

3. SEASONALITY OR CYCLICALITY OF OPERATIONS

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

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

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

5. CHANGES IN ESTIMATES

There was no material change in estimates of amounts reported in the prior financial years that have a material effect for the financial quarter and period ended 30 September 2022.

6. ISSUANCE AND REPAYMENT OF DEBT AND EQUITY SECURITIES

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

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

7. DIVIDENDS

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

The directors do not recommend the payment of any dividend in respect of the current financial quarter ended 30 September 2022.

9. CASH AND SHORT TERM FUNDS

	Group		Bank	
	30 September 2022 RM'000	31 March 2022 RM'000	30 September 2022 RM'000	31 March 2022 RM'000
Cash and bank balances	84,079	87,695	57,442	63,989
Deposit placements maturing within one month:				
Licensed banks	124,562	176,139	67,700	97,600
Other financial institutions	15,094	15,010	15,094	15,010
	<u>223,735</u>	<u>278,844</u>	<u>140,236</u>	<u>176,599</u>
Less: Allowances for ECL				
- Stage 1 -12-month ECL	-	(2)	-	(2)
	<u>223,735</u>	<u>278,842</u>	<u>140,236</u>	<u>176,597</u>

Movements in allowances for ECL are as follows:

Group and Bank	Stage 1 12-Month ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Total RM'000
At 30 September 2022			
Balance at beginning of the financial period	2	-	2
Net remeasurement of allowances	(2)	-	(2)
Balance at end of the financial period	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2022			
Balance at beginning of the financial year	-	-	-
Net remeasurement of allowances	2	-	2
Balance at end of the financial year	<u>2</u>	<u>-</u>	<u>2</u>

10. DEPOSITS AND PLACEMENTS WITH A BANK

Group and Bank	
30 September	31 March
2022	2022
RM'000	RM'000
Licensed bank, a related company	
<u>300,000</u>	<u>300,000</u>

Deposits and placements with a bank represent interbank placements with remaining maturity of more than one month but less than one year.

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Group and Bank	
30 September	31 March
2022	2022
RM'000	RM'000
At Fair value	
Money Market Instruments:	
Malaysian Government Investment Issues	
<u>30,034</u>	<u>30,357</u>
Unquoted Securities:	
In Malaysia:	
Shares	
<u>2,960</u>	<u>3,131</u>
Outside Malaysia:	
Shares	
<u>26</u>	<u>21</u>
<u>33,020</u>	<u>33,509</u>

12. FINANCIAL INVESTMENTS AT AMORTISED COST

Group and Bank	
30 September	31 March
2022	2022
RM'000	RM'000
At Amortised Cost:	
Unquoted Securities in Malaysia:	
Sukuk	
<u>75,000</u>	<u>75,000</u>
<u>75,000</u>	<u>75,000</u>

13. LOANS AND ADVANCES

	Group and Bank	
	30 September	31 March
	2022	2022
	RM'000	RM'000
At Amortised Cost		
Share margin financing	649,508	591,415
Revolving credits	7,646	7,637
Staff loans	472	505
Gross loans and advances	<u>657,626</u>	<u>599,557</u>
Less: Allowance for impairment on loans and advances		
Allowances for ECL		
Stage 1 - 12 months expected credit loss ("ECL")	(1)	(1)
Net loans and advances	<u>657,625</u>	<u>599,556</u>

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

	Group and Bank	
	30 September	31 March
	2022	2022
	RM'000	RM'000
Domestic business enterprises:		
Small medium enterprises	35,176	35,837
Others	7,125	10,888
Individuals	609,435	547,897
Foreign individuals and entities	5,728	4,783
Other domestic entities	162	152
	<u>657,626</u>	<u>599,557</u>

(b) All loans and advances reside in Malaysia.

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

	Group and Bank	
	30 September	31 March
	2022	2022
	RM'000	RM'000
Fixed rate		
Other fixed rate loans	649,508	591,415
	<u>649,508</u>	<u>591,415</u>
Variable rate:		
Base rate and base lending rate plus	472	505
Cost-plus	7,646	7,637
	<u>8,118</u>	<u>8,142</u>
	<u>657,626</u>	<u>599,557</u>

13. LOANS AND ADVANCES (CONT'D.)

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

	Group and Bank	
	30 September	31 March
	2022	2022
	RM'000	RM'000
Agriculture	367	691
Manufacturing	6,905	8,683
Construction	2,014	5,908
Wholesale and retail trade and hotels and restaurant	6,307	8,717
Transport, storage and communication	8,379	7,768
Finance and insurance	162	152
Real estate	1,610	403
Business activities	6,727	4,571
Education and health	9,993	9,984
Household, of which:		
Purchase of residential properties	472	505
Purchase of securities	614,690	552,175
	<u>657,626</u>	<u>599,557</u>

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

	Group and Bank	
	30 September	31 March
	2022	2022
	RM'000	RM'000
Maturing within one year	657,213	599,118
Over one year to three years	81	22
Over three years to five years	102	121
Over five years	230	296
	<u>657,626</u>	<u>599,557</u>

13. LOANS AND ADVANCES (CONT'D.)

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

	Stage 1 12-Month ECL RM'000
Group and Bank	
At 30 September 2022	
Balance at the beginning/end of the financial period	<u>1</u>
At 31 March 2022	
Balance at beginning/end of the financial year	<u>1</u>

14. OTHER ASSETS

	Group		Bank	
	30 September 2022 RM'000	31 March 2022 RM'000	30 September 2022 RM'000	31 March 2022 RM'000
Trade receivables	310,850	426,775	295,086	414,394
Other receivables, deposits and prepayments	34,994	30,944	18,224	11,215
Interest receivable	5,546	2,449	5,546	2,449
Tax recoverable	36,122	26,920	35,428	26,909
Margin deposits	275,519	404,449	275,519	404,449
Amount due from:				
Subsidiaries	-	-	3,116	2,980
Other related companies	334	312	334	312
	<u>663,365</u>	<u>891,849</u>	<u>633,253</u>	<u>862,708</u>
Less:				
Allowances for impairment	(4,091)	(3,343)	(3,352)	(2,603)
	<u>659,274</u>	<u>888,506</u>	<u>629,901</u>	<u>860,105</u>

15. DEPOSITS AND PLACEMENTS OF A BANK

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

16. OTHER LIABILITIES

	Group		Bank	
	30 September 2022 RM'000	31 March 2022 RM'000	30 September 2022 RM'000	31 March 2022 RM'000
Trade payables	512,997	760,172	512,997	760,172
Other payables and accruals	40,761	55,734	23,448	31,784
Interest payable	13,505	4,680	13,505	4,680
Provision for commitments and contingencies	173	173	173	173
Lease liabilities	3,063	3,353	3,063	3,353
Provision for reinstatement of leased properties	303	301	303	301
Amount due to:				
Holding company	2,272	1,792	2,128	1,261
Related companies	10,613	16,255	9,017	10,942
	<u>583,687</u>	<u>842,460</u>	<u>564,634</u>	<u>812,666</u>

17. INTEREST INCOME

Group	Individual Quarter		Cumulative Quarter	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
	RM'000	RM'000	RM'000	RM'000
Cash and short-term funds	4,539	1,245	9,620	2,187
Financial investments at fair value through other comprehensive income	137	55	275	55
Financial investments at amortised cost	788	960	1,568	2,017
Loans and advances	9,032	8,453	17,633	16,690
Others	314	307	598	687
	14,810	11,020	29,694	21,636

Bank	Individual Quarter		Cumulative Quarter	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
	RM'000	RM'000	RM'000	RM'000
Cash and short-term funds	4,012	799	8,673	1,336
Financial investments at fair value through other comprehensive income	137	55	275	55
Financial investments at amortised cost	788	960	1,568	2,017
Loans and advances	9,032	8,453	17,633	16,690
Others	314	307	598	686
	14,283	10,574	28,747	20,784

18. INTEREST EXPENSE

Group	Individual Quarter		Cumulative Quarter	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of a bank	5,365	2,668	10,283	5,402
Others	219	217	422	309
	5,584	2,885	10,705	5,711

Bank	Individual Quarter		Cumulative Quarter	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of a bank	5,365	2,668	10,283	5,402
Others	182	169	351	207
	5,547	2,837	10,634	5,609

19. OTHER OPERATING INCOME

Group	Individual Quarter		Cumulative Quarter	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
	RM'000	RM'000	RM'000	RM'000
Fee and commission income:				
Brokerage fees and commission	12,636	21,597	26,638	47,790
Corporate advisory	3,400	6,547	7,000	11,308
Fees on loans and securities				
Arrangement and upfront fees	3,113	12,285	3,685	16,224
Other loans and securities related fees	1,849	1,712	3,690	2,962
Portfolio management fees	10,312	10,689	20,582	29,387
Underwriting commission	160	541	2,492	541
Unit trust management fees	34,628	32,572	68,578	62,915
Unit trust service charges	2,793	11,800	5,809	19,761
Wealth management fees	6,895	6,817	11,059	14,623
Placement fees	-	1,254	600	4,599
Other fee and commission income	703	1,657	2,013	4,175
	<u>76,489</u>	<u>107,471</u>	<u>152,146</u>	<u>214,285</u>
Investment and trading income:				
Dividend income from:				
Financial assets at fair value through other comprehensive income	146	293	146	293
Net foreign exchange gain	1,177	125	2,185	303
Net gain from sale of financial assets at fair value through profit or loss	2	-	2	-
	<u>1,325</u>	<u>418</u>	<u>2,333</u>	<u>596</u>
Other income:				
Net (loss)/gain on disposal of property and equipment	(2)	1	(32)	1
Non-trading foreign exchange loss	(1)	-	(8)	(1)
Rental income	585	620	1,172	1,251
Others	43	(196)	83	367
	<u>625</u>	<u>425</u>	<u>1,215</u>	<u>1,618</u>
	<u>78,439</u>	<u>108,314</u>	<u>155,694</u>	<u>216,499</u>

19. OTHER OPERATING INCOME (CONT'D.)

Bank	Individual Quarter		Cumulative Quarter	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
	RM'000	RM'000	RM'000	RM'000
Fee and commission income:				
Brokerage fees and commission	12,636	21,597	26,638	47,790
Corporate advisory	3,400	6,547	7,000	11,308
Fees on loans and securities				
Arrangement and upfront fees	3,113	12,285	3,685	16,224
Other loans and securities related fees	1,849	1,712	3,690	2,962
Portfolio management fees	269	348	575	713
Underwriting commission	160	541	2,492	541
Wealth management fees	10,767	10,223	18,678	21,200
Placement fees	-	1,254	600	4,599
Other fee and commission income	773	1,663	2,262	4,207
	<u>32,967</u>	<u>56,170</u>	<u>65,620</u>	<u>109,544</u>
Investment and trading income:				
Dividend income from :				
Subsidiaries	41,400	43,400	41,400	43,400
Financial assets at fair value through other comprehensive income	146	293	146	293
Net foreign exchange gain	785	156	1,606	315
Net gain from sale of financial assets at fair value through profit or loss	2	-	2	-
	<u>42,333</u>	<u>43,849</u>	<u>43,154</u>	<u>44,008</u>
Other income:				
Net (loss)/gain on disposal of property and equipment	(2)	1	(32)	1
Rental income	586	621	1,175	1,253
Others	37	45	69	393
	<u>621</u>	<u>667</u>	<u>1,212</u>	<u>1,647</u>
	<u>75,921</u>	<u>100,686</u>	<u>109,986</u>	<u>155,199</u>

20. DIRECT COSTS

Group	Individual Quarter		Cumulative Quarter	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
	RM'000	RM'000	RM'000	RM'000
Brokerage commission	4,375	8,614	8,911	18,807
Unit trust commission	7,580	16,301	15,518	28,618
Others	3,982	3,470	7,211	7,236
	<u>15,937</u>	<u>28,385</u>	<u>31,640</u>	<u>54,661</u>
Bank				
Brokerage commission	4,375	8,614	8,911	18,807
Others	3,982	3,470	7,211	7,236
	<u>8,357</u>	<u>12,084</u>	<u>16,122</u>	<u>26,043</u>

21. OTHER OPERATING EXPENSES

Group	Individual Quarter		Cumulative Quarter	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
- Contributions to Employees' Provident Fund ("EPF")/Private Retirement Schemes	3,651	3,731	7,059	6,699
- Salaries, allowances and bonuses	22,851	23,179	44,461	41,938
- Share granted under AMMB Executives' Share Scheme ("ESS") - charge/(writeback)	967	(1,526)	1,091	(2,534)
- Social security costs	135	127	260	255
- Others	1,795	1,827	4,052	3,103
	<u>29,399</u>	<u>27,338</u>	<u>56,923</u>	<u>49,461</u>
Establishment costs				
- Amortisation of intangible assets	251	215	469	434
- Cleaning, maintenance and security	300	347	760	748
- Computerisation costs	3,567	2,951	5,564	4,771
- Depreciation of property and equipment	441	517	890	1,007
- Depreciation of right-of-use asset	159	156	317	311
- Finance costs:				
- interest on lease liability	25	30	51	61
- provision for reinstatement of leased properties	1	-	2	-
- Rental of premises	1,715	1,714	3,440	3,444
- Others	274	148	454	190
	<u>6,733</u>	<u>6,078</u>	<u>11,947</u>	<u>10,966</u>
Marketing and communication expenses				
- Advertising, promotional and other marketing activities	99	85	203	163
- Sales commission	9	5	14	7
- Travelling and entertainment	200	51	355	183
- Communication expenses	388	493	719	1,028
- Others	285	147	420	257
	<u>981</u>	<u>781</u>	<u>1,711</u>	<u>1,638</u>
Administration and general expenses				
- Professional fees	3,405	3,143	6,463	6,628
- Travelling	79	39	186	114
- Others	3,117	2,614	6,298	6,664
	<u>6,601</u>	<u>5,796</u>	<u>12,947</u>	<u>13,406</u>
Service transfer pricing - expense, net	6,348	4,477	12,130	8,891
	<u>50,062</u>	<u>44,470</u>	<u>95,658</u>	<u>84,362</u>

21. OTHER OPERATING EXPENSES (CONTD.)

Bank	Individual Quarter		Cumulative Quarter	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
- Contributions to EPF/Private Retirement Schemes	2,570	2,483	4,846	4,355
- Salaries, allowances and bonuses	16,094	15,404	30,589	27,138
- Share granted under AMMB ESS - charge/(writeback)	728	(1,153)	864	(2,219)
- Social security costs	88	83	170	168
- Others	1,234	949	3,047	1,863
	<u>20,714</u>	<u>17,766</u>	<u>39,516</u>	<u>31,305</u>
Establishment costs				
- Amortisation of intangible assets	141	169	285	341
- Cleaning, maintenance and security	282	345	721	743
- Computerisation costs	3,545	2,937	5,516	4,757
- Depreciation of property and equipment	399	465	797	902
- Depreciation of right-of-use asset	159	156	317	311
- Finance costs:				
- interest on lease liability	25	30	51	61
- provision for reinstatement of leased properties	1	-	2	-
- Rental of premises	1,291	1,295	2,594	2,607
- Others	254	136	418	162
	<u>6,097</u>	<u>5,533</u>	<u>10,701</u>	<u>9,884</u>
Marketing and communication expenses				
- Advertising, promotional and other marketing activities	49	44	85	90
- Sales commission	9	5	14	7
- Travelling and entertainment	170	50	318	177
- Communication expenses	304	354	548	753
- Others	139	109	222	134
	<u>671</u>	<u>562</u>	<u>1,187</u>	<u>1,161</u>
Administration and general expenses				
- Professional fees	431	499	780	880
- Travelling	77	36	179	96
- Others	1,339	1,030	2,788	2,805
	<u>1,847</u>	<u>1,565</u>	<u>3,747</u>	<u>3,781</u>
Service transfer pricing - expense, net				
	<u>5,124</u>	<u>3,306</u>	<u>9,628</u>	<u>6,552</u>
	<u>34,453</u>	<u>28,732</u>	<u>64,779</u>	<u>52,683</u>

22. WRITEBACK OF ALLOWANCE FOR IMPAIRMENT ON OTHER FINANCIAL ASSETS

	Individual Quarter		Cumulative Quarter	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
	RM'000	RM'000	RM'000	RM'000
Group				
Cash and short term funds	1	(1)	2	(1)
Other assets	(1,131)	(185)	(939)	(180)
	<u>(1,130)</u>	<u>(186)</u>	<u>(937)</u>	<u>(181)</u>
Bank				
Cash and short term funds	1	(1)	2	(1)
Other assets	(1,131)	(185)	(939)	(180)
	<u>(1,130)</u>	<u>(186)</u>	<u>(937)</u>	<u>(181)</u>

23. BASIC/DILUTED EARNINGS PER SHARE

	Individual Quarter		Cumulative Quarter	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
Net profit attributable to shareholder of the Group (RM'000)	<u>16,073</u>	<u>33,536</u>	<u>36,484</u>	<u>73,690</u>
Weighted average number of ordinary shares in issue ('000)	<u>314,035</u>	<u>314,035</u>	<u>314,035</u>	<u>314,035</u>
Basic/diluted earnings per share (sen)	<u>5.1</u>	<u>10.7</u>	<u>11.6</u>	<u>23.5</u>

24. BUSINESS SEGMENT ANALYSIS

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

i. The Group comprises the following main business segments:

(a) Investment banking

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

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

(b) Group Funding and Others

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

ii. Measurement of Segment Performance

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

Note:

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

24. BUSINESS SEGMENT ANALYSIS (CONT'D.)

For the financial period ended 30 September 2022 Group	Investment Banking						Group Funding and Others RM'000	Total RM'000
	Equity Markets RM'000	Fund Management RM'000	Private Banking RM'000	Corporate Finance RM'000	Capital Markets RM'000	Others RM'000		
External net income	39,960	73,828	16,969	8,729	5,119	20	(1,582)	143,043
Intersegments net income	(8,932)	-	(90)	(6)	5	5	9,018	-
Net income	31,028	73,828	16,879	8,723	5,124	25	7,436	143,043
Net interest income/(expense)	12,813	865	36	(5)	4	6	5,270	18,989
Other operating income, net of direct costs	18,215	72,963	16,843	8,728	5,120	19	2,166	124,054
Net income	31,028	73,828	16,879	8,723	5,124	25	7,436	143,043
Other operating expenses	(23,592)	(32,319)	(11,216)	(8,242)	(5,652)	(5,980)	(8,657)	(95,658)
of which:								
<i>Depreciation of property and equipment</i>	(253)	(92)	(50)	(26)	(16)	(24)	(429)	(890)
<i>Depreciation of right-of-use assets</i>	-	-	-	-	-	-	(317)	(317)
<i>Amortisation of intangible assets</i>	(206)	(185)	(44)	(5)	(1)	(24)	(4)	(469)
Operating profit/(loss)	7,436	41,509	5,663	481	(528)	(5,955)	(1,221)	47,385
Net writeback of allowance/(allowance) for other financial assets	34	-	-	186	(1,159)	-	2	(937)
Profit/(loss) before taxation	7,470	41,509	5,663	667	(1,687)	(5,955)	(1,219)	46,448
Taxation	(1,793)	(8,286)	(1,359)	(160)	405	1,429	(200)	(9,964)
Profit/(loss) for the period	5,677	33,223	4,304	507	(1,282)	(4,526)	(1,419)	36,484
Other information:								
Total segment assets	1,273,678	117,897	10,208	1,800	2,365	1,257	618,624	2,025,829
Total segment liabilities	517,779	22,181	2,616	1,617	2,556	2,000	964,938	1,513,687
Cost to income ratio	76.0%	43.8%	66.4%	94.5%	>100%	>100%	>100%	66.9%
Gross loans and advances	649,508	-	7,646	-	-	-	472	657,626
Net loans and advances	649,508	-	7,646	-	-	-	471	657,625
Total deposits and placements	-	-	-	-	-	-	930,000	930,000
Additions to:								
Property and equipment	150	48	5	10	-	13	222	448
Intangible assets	91	668	-	-	-	631	418	1,808

24. BUSINESS SEGMENT ANALYSIS (CONT'D.)

For the financial period ended 30 September 2021 Group (Restated)	Investment Banking						Group Funding and Others RM'000	Total RM'000
	Equity Markets RM'000	Fund Management RM'000	Private Banking RM'000	Corporate Finance RM'000	Capital Markets RM'000	Others RM'000		
External net income	48,267	78,784	21,386	14,515	14,254	15	2,690	179,911
Intersegments net income	(6,794)	-	(62)	(26)	71	7	6,804	-
Net income	41,473	78,784	21,324	14,489	14,325	22	9,494	179,911
Net interest income	10,965	737	66	(26)	71	7	4,291	16,111
Other operating income, net of direct costs	30,508	78,047	21,258	14,515	14,254	15	5,203	163,800
Net income	41,473	78,784	21,324	14,489	14,325	22	9,494	179,911
Other operating expenses	(23,367)	(33,911)	(10,922)	(6,361)	(4,131)	(2,957)	(2,713)	(84,362)
<i>of which:</i>								
<i>Depreciation of property and equipment</i>	(282)	(105)	(54)	(25)	(18)	(40)	(483)	(1,007)
<i>Depreciation of right-of-use assets</i>	-	-	-	-	-	-	(311)	(311)
<i>Amortisation of intangible assets</i>	(194)	(94)	(96)	(5)	(6)	(26)	(13)	(434)
Operating profit/(loss)	18,106	44,873	10,402	8,128	10,194	(2,935)	6,781	95,549
Net writeback of allowance/(allowance) for other financial assets	3	-	-	(182)	-	(1)	(1)	(181)
Provisions for commitments and contingencies	-	-	-	-	-	-	(173)	(173)
Profit/(loss) before taxation	18,109	44,873	10,402	7,946	10,194	(2,936)	6,607	95,195
Taxation	(4,346)	(9,286)	(2,496)	(1,907)	(2,447)	704	(1,727)	(21,505)
Profit/(loss) for the period	13,763	35,587	7,906	6,039	7,747	(2,232)	4,880	73,690
Other information:								
Total segment assets	1,051,856	120,863	10,222	3,071	385	235	260,377	1,447,009
Total segment liabilities	352,646	22,788	3,472	1,676	2,429	1,065	529,213	913,289
Cost to income ratio	56.3%	43.0%	51.2%	43.9%	28.8%	>100%	28.6%	46.9%
Gross loans and advances	571,667	-	8,236	-	-	-	539	580,442
Net loans and advances	571,667	-	8,236	-	-	-	538	580,441
Total deposits and placements	-	-	-	-	-	-	500,000	500,000
Additions to:								
Property and equipment	432	267	77	44	3	26	123	972
Intangible assets	154	15	-	-	-	-	-	169

25. COMMITMENTS AND CONTINGENCIES

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

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

	Group and Bank	
	30 September	31 March
	2022	2022
	RM'000	RM'000
Commitments		
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	245,716	233,359
Derivative Financial Instruments		
Foreign exchange related contracts:		
- One year or less	197	677
	245,913	234,036

26. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Determination of fair value and fair value hierarchy

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

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

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

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

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

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

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

9.0% (31 March 2022 : 9.4%) of the Group's and the Bank's total financial assets recorded at fair value, are based on estimates and recorded as Level 3 investments. Where estimates are used, these are based on a combination of independent third-party evidence and internally developed models, calibrated to market observable data where possible. While such valuations are sensitive to estimates, it is believed that changing one or more of the assumptions to reasonably possible alternative assumptions would not change the fair value significantly.

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

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

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

	< ----- Group and Bank ----- >			
30 September 2022	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
Assets measured at fair value				
Financial investments at fair value through other comprehensive income				
- Money market securities	-	30,034	-	30,034
- Unquoted shares	-	-	2,986	2,986
	-	30,034	2,986	33,020

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

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

Movements In Level 3 financial instruments measured at fair value

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

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

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

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

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

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

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

27. CAPITAL ADEQUACY

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

	Group	Bank
As at 30 September 2022		
Common Equity Tier 1 ("CET1") Capital Ratio	29.652%	32.082%
Tier 1 Capital Ratio	29.652%	32.082%
Total Capital Ratio	30.287%	32.880%
As at 31 March 2022		
Before deducting proposed dividends:		
CET1 Capital Ratio	33.757%	33.393%
Tier 1 Capital Ratio	33.757%	33.393%
Total Capital Ratio	34.314%	34.077%
After deducting proposed dividends:		
CET1 Capital Ratio	27.550%	25.771%
Tier 1 Capital Ratio	27.550%	25.771%
Total Capital Ratio	28.108%	26.456%

Notes:

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

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

(ii) Pursuant to the BNM's guidelines on Capital Adequacy Framework (Capital Components) issued, a financial institution is required to hold and maintain, at all times, minimum capital adequacy ratios at 4.5% for CET1 Capital, 6.0% for Tier 1 Capital and 8.0% for Total Capital Ratio. In addition, a financial institution is also required to hold and maintain capital buffers in the form of CET1 Capital above the minimum CET1 Capital, Tier 1 Capital and Total Capital adequacy levels. The capital buffers shall comprise the sum of the following:

- (a) a Capital Conservation Buffer ("CCB") of 2.5%;
- (b) a Countercyclical Capital Buffer ("CCyB") determined as the weighted-average of the prevailing CCyB rates applied in the jurisdictions in which the banking institution has credit exposures. BNM will communicate any decision on the CCyB rate by up to 12 months before the date from which the rate applies for exposures in Malaysia; and
- (c) a Higher Loss Absorbency ("HLA") requirement for a financial institution that is designated as a domestic systemically important bank ("DSIB").

27. CAPITAL ADEQUACY (CONT'D.)

(b) The components of CET1, Tier 2 Capital and Total Capital of the Group and the Bank are as follows:

	Group		Bank	
	30 September 2022 RM'000	31 March 2022 RM'000	30 September 2022 RM'000	31 March 2022 RM'000
CET1 Capital				
Share capital	330,000	330,000	330,000	330,000
Retained earnings	53,381	144,979	89,117	139,315
Fair value reserve	1,503	1,703	1,503	1,703
Regulatory reserve	9,038	8,457	9,038	8,457
Capital reserve	2,815	2,815	-	-
Merger reserve	82,115	82,115	-	-
Less : Regulatory adjustments applied on CET 1 capital:				
Goodwill	(36,442)	(36,442)	-	-
Other intangible assets	(4,409)	(3,070)	(2,918)	(2,063)
Deferred tax assets	(5,652)	(8,777)	(3,837)	(5,446)
55% of Fair value reserve	(827)	(937)	(827)	(937)
Regulatory reserve	(9,038)	(8,457)	(9,038)	(8,457)
Investments in capital instruments of unconsolidated financial entities	-	-	(49,809)	(49,809)
Other CET1 regulatory adjustments specified by the BNM	1	1	1	1
CET1 Capital/Tier 1 Capital	422,485	512,387	363,230	412,764
Tier 2 Capital				
General provisions*	9,042	8,460	9,042	8,460
Tier 2 Capital	9,042	8,460	9,042	8,460
Total Capital	431,527	520,847	372,272	421,224

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

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

	Group		Bank	
	30 September 2022 RM'000	31 March 2022 RM'000	30 September 2022 RM'000	31 March 2022 RM'000
Credit RWA	813,208	920,942	787,863	891,418
Market RWA	13,969	24,467	3,234	17,652
Operational RWA	597,612	572,462	341,110	327,009
Total RWA	1,424,789	1,517,871	1,132,207	1,236,079

28. OPERATIONS OF ISLAMIC BANKING

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

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

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

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

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

29. CREDIT TRANSACTIONS AND EXPOSURES WITH CONNECTED PARTIES

The disclosure on credit transactions and exposures with connected parties is required in accordance with Para 9.1 of Bank Negara Malaysia's revised Guidelines on Credit Transactions and Exposures with Connected Parties.

There are no outstanding credit transactions and exposures with connected parties as at 30 September 2022 and 31 March 2022.

30. PERFORMANCE REVIEW FOR THE PERIOD ENDED 30 SEPTEMBER 2022

The Group's profit before taxation for the six months ended 30 September 2022 of RM46.4 million was lower mainly due to lower income from lower brokerage fees and commission, arrangement and upfront fees, portfolio management fees, corporate advisory fees, placement fees, wealth management fees, unit trust service charges and other fees and commission income offset by higher unit trust management fees.

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

31. PROSPECTS FOR FINANCIAL YEAR ENDING 31 MARCH 2023

The economy has shown a strong post-COVID recovery in 2022 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 the 15th General Election 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, 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.

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

AMMB Holdings ("AMMB") 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 AMMB Group continues to extend financial assistance to those who qualify.

Despite near term challenges, AMMB 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, AMMB 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. AMMB Group's key focus areas in FY23 include accelerating its digital transformation, forming more strategic partnerships as well as embedding Environmental, Social and Governance ("ESG") considerations into all its strategies, businesses and operations.

32. VALUATION OF PROPERTY AND EQUIPMENT

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

33. EVENTS SUBSEQUENT TO REPORTING DATE

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