

Registration No. 196901000166 (8515-D)

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

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

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

UNAUDITED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022

	Note	Group		Bank	
		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	A8	5,393,975	9,894,325	5,370,090	9,874,911
Deposits and placements with banks and other financial institutions	A9	1,382,805	2,184,788	1,382,805	2,184,788
Investment account placement	A10	1,550,265	1,708,484	1,550,265	1,708,484
Derivative financial assets		1,546,516	832,821	1,546,516	832,821
Financial assets at fair value through profit or loss	A11	6,773,651	2,675,904	6,773,616	2,675,869
Financial investments at fair value through other comprehensive income	A12	18,978,867	14,339,584	18,978,867	14,339,584
Financial investments at amortised cost	A13	7,975,622	5,929,515	7,975,622	5,929,515
Loans and advances	A14	78,852,823	78,817,487	78,822,415	78,784,319
Statutory deposit with Bank Negara Malaysia		254,325	200,000	254,325	200,000
Deferred tax assets		170,927	139,318	170,927	139,318
Investment in subsidiaries		-	-	22,487	30,964
Investment in associates		16,067	15,597	19,617	19,617
Other assets	A15	2,493,108	1,819,943	2,492,530	1,820,212
Property and equipment		137,105	151,787	119,220	133,683
Right-of-use assets		195,582	172,789	196,824	174,238
Intangible assets		201,993	221,538	201,993	221,538
TOTAL ASSETS		125,923,631	119,103,880	125,878,119	119,069,861
LIABILITIES AND EQUITY					
Deposits from customers	A16	81,384,567	85,856,896	81,388,882	85,870,989
Deposits and placements of banks and other financial institutions	A17	9,305,628	7,377,743	9,314,716	7,387,387
Securities sold under repurchase agreements		8,286,672	1,582,717	8,286,672	1,582,717
Recourse obligation on loans sold to Cagamas Berhad		7,800,030	6,875,023	7,800,030	6,875,023
Derivative financial liabilities		1,433,092	806,634	1,433,092	806,634
Term funding		1,200,795	1,045,260	1,200,795	1,045,260
Debt capital		3,095,000	3,095,000	3,095,000	3,095,000
Other liabilities	A18	2,904,082	2,382,585	2,891,838	2,371,270
TOTAL LIABILITIES		115,409,866	109,021,858	115,411,025	109,034,280
Share capital		3,040,465	3,040,465	3,040,465	3,040,465
Reserves		7,473,154	7,041,411	7,426,629	6,995,116
Equity attributable to equity holder of the Bank		10,513,619	10,081,876	10,467,094	10,035,581
Non-controlling interests		146	146	-	-
TOTAL EQUITY		10,513,765	10,082,022	10,467,094	10,035,581
TOTAL LIABILITIES AND EQUITY		125,923,631	119,103,880	125,878,119	119,069,861
COMMITMENTS AND CONTINGENCIES	A33	114,476,720	113,360,229	114,559,720	113,437,579
NET ASSETS PER SHARE (RM)		11.07	10.61	11.02	10.56

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

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

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

	Note	Individual Quarter		Cumulative Quarter	
		30 September 2022	30 September 2021 (Restated)	30 September 2022	30 September 2021 (Restated)
Group		RM'000	RM'000	RM'000	RM'000
Interest income	A19	1,204,724	964,983	2,253,673	1,940,280
Interest expense	A20	(592,568)	(437,175)	(1,074,507)	(873,417)
Net interest income		612,156	527,808	1,179,166	1,066,863
Other operating income	A21	156,304	124,344	297,312	281,186
Share in results of an associate		229	(159)	470	(677)
Net income		768,689	651,993	1,476,948	1,347,372
Other operating expenses	A22	(337,310)	(320,572)	(676,461)	(625,860)
Operating profit		431,379	331,421	800,487	721,512
Allowance for impairment on loans and advances	A23	(62,078)	(74,232)	(64,696)	(170,294)
Provision for commitments and contingencies		(11,930)	(5,913)	(16,977)	(9,453)
(Allowance)/writeback of allowance for impairment on:					
Financial investments	A24	(1,684)	(5,393)	816	(9,155)
Other financial assets	A25	(381)	(2,475)	214	(4,480)
Other recoveries		7	12	10	17
Profit before taxation		355,313	243,420	719,854	528,147
Taxation		(84,077)	(56,731)	(162,599)	(125,150)
Profit for the financial period		271,236	186,689	557,255	402,997
Attributable to:					
Equity holder of the Bank		271,236	186,689	557,255	402,997
Non-controlling interests		-	-	-	-
Profit for the financial period		271,236	186,689	557,255	402,997
Earnings per share (sen)					
Basic/Diluted	A26	28.55	19.65	58.66	43.12

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

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

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

	Individual Quarter		Cumulative Quarter	
	30 September 2022 RM'000	30 September 2021 RM'000	30 September 2022 RM'000	30 September 2021 RM'000
Group				
Profit for the financial period	271,236	186,689	557,255	402,997
Other comprehensive income/(loss)				
Items that will not be reclassified subsequently to statement of profit or loss				
<u>Equity Instruments</u>				
Financial investments at fair value through other comprehensive income				
- net unrealised gain/(loss) on changes in fair value	8,794	(4,186)	4,420	(2,502)
Tax effect	1,321	2,422	881	1,321
Items that may be reclassified subsequently to statement of profit or loss				
Currency translation on offshore operations	14,203	2,136	26,784	2,662
Cash flow hedge				
- gain arising during the financial period	-	596	-	1,160
- amortisation of fair value changes of terminated hedge	1,593	2,548	3,169	5,319
Tax effect	(382)	(755)	(760)	(1,555)
<u>Debt instruments</u>				
Financial investments at fair value through other comprehensive income				
- net loss on changes in fair value	(44,123)	(75,110)	(210,105)	(42,400)
- net loss/(gain) reclassified to profit or loss	123	(2,053)	40	(3,006)
- allowance/(writeback of allowance) for expected credit losses ("ECL")	1,479	4,239	(355)	10,876
- foreign exchange differences	(1)	-	(2)	-
Tax effect	10,560	17,126	50,416	10,898
Other comprehensive loss, net of tax	(6,433)	(53,037)	(125,512)	(17,227)
Total comprehensive income for the financial period, net of tax	264,803	133,652	431,743	385,770
Attributable to:				
Equity holder of the Bank	264,803	133,652	431,743	385,770
Non-controlling interests	-	-	-	-
	264,803	133,652	431,743	385,770

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

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

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

	Note	Individual Quarter		Cumulative Quarter	
		30 September 2022	30 September 2021 (Restated)	30 September 2022	30 September 2021 (Restated)
		RM'000	RM'000	RM'000	RM'000
Bank					
Interest income	A19	1,203,782	963,799	2,251,715	1,937,881
Interest expense	A20	(592,588)	(437,224)	(1,074,577)	(873,512)
Net interest income		611,194	526,575	1,177,138	1,064,369
Other operating income	A21	157,992	124,196	298,851	295,863
Net income		769,186	650,771	1,475,989	1,360,232
Other operating expenses	A22	(337,243)	(320,451)	(676,266)	(625,627)
Operating profit		431,943	330,320	799,723	734,605
Allowance for impairment on loans and advances	A23	(62,006)	(74,210)	(64,708)	(170,276)
Provision for commitments and contingencies		(11,932)	(5,928)	(16,976)	(9,479)
(Allowance)/writeback of allowance for impairment on:					
Financial investments	A24	(1,684)	(5,393)	816	(9,155)
Other financial assets	A25	(386)	(2,475)	209	(4,480)
Associate		-	-	-	(12,683)
Other recoveries		7	12	10	17
Profit before taxation		355,942	242,326	719,074	528,549
Taxation		(83,812)	(56,380)	(162,024)	(124,373)
Profit for the financial period		272,130	185,946	557,050	404,176
Earnings per share (sen)					
Basic/Diluted	A26	28.65	19.57	58.64	43.24

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

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

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

	Individual Quarter		Cumulative Quarter	
	30 September 2022 RM'000	30 September 2021 RM'000	30 September 2022 RM'000	30 September 2021 RM'000
Bank				
Profit for the financial period	272,130	185,946	557,050	404,176
Other comprehensive income/(loss)				
Items that will not be reclassified subsequently to statement of profit or loss				
<u>Equity Instruments</u>				
Financial investments at fair value through other comprehensive income				
- net unrealised gain/(loss) on changes in fair value	8,794	(4,186)	4,420	(2,502)
Tax effect	1,321	2,422	881	1,321
Items that may be reclassified subsequently to statement of profit or loss				
Currency translation on offshore operations	14,189	2,110	26,759	2,631
Cash flow hedge				
- gain arising during the financial period	-	596	-	1,160
- amortisation of fair value changes of terminated hedge	1,593	2,548	3,169	5,319
Tax effect	(382)	(755)	(760)	(1,555)
<u>Debt instruments</u>				
Financial investments at fair value through other comprehensive income				
- net loss on changes in fair value	(44,123)	(75,110)	(210,105)	(42,400)
- net loss/(gain) reclassified to profit or loss	123	(2,053)	40	(3,006)
- allowance/(writeback of allowance) for expected credit losses ("ECL")	1,479	4,239	(355)	10,876
- foreign exchange differences	(1)	-	(2)	-
Tax effect	10,560	17,126	50,416	10,898
Other comprehensive loss, net of tax	(6,447)	(53,063)	(125,537)	(17,258)
Total comprehensive income for the financial period, net of tax	265,683	132,883	431,513	386,918

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

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

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

Group	Attributable to equity holder of the Bank								
	Non-distributable					Distributable			
	Share capital RM'000	Merger reserve RM'000	Fair value reserve RM'000	Cash flow hedging deficit RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	Total attributable to equity holder RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 April 2021	2,590,465	104,149	457,552	(16,949)	84,588	5,541,997	8,761,802	146	8,761,948
Profit for the financial period	-	-	-	-	-	402,997	402,997	-	402,997
Other comprehensive income, net	-	-	(24,813)	4,924	2,662	-	(17,227)	-	(17,227)
Total comprehensive income for the financial period	-	-	(24,813)	4,924	2,662	402,997	385,770	-	385,770
Issuance of ordinary shares	450,000	-	-	-	-	-	450,000	-	450,000
Transaction with owner and other equity movements	450,000	-	-	-	-	-	450,000	-	450,000
At 30 September 2021	3,040,465	104,149	432,739	(12,025)	87,250	5,944,994	9,597,572	146	9,597,718

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

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

**UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONT'D.)
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2022**

Group	Attributable to equity holder of the Bank						Retained earnings RM'000	Total attributable to equity holder RM'000	Non- controlling interests RM'000	Total equity RM'000
	Non-distributable			Distributable						
	Share capital RM'000	Regulatory reserve RM'000	Merger reserve RM'000	Fair value reserve RM'000	Cash flow hedging deficit RM'000	Foreign currency translation reserve RM'000				
At 1 April 2022	3,040,465	94,463	104,149	293,346	(9,062)	88,488	6,470,027	10,081,876	146	10,082,022
Profit for the financial period	-	-	-	-	-	-	557,255	557,255	-	557,255
Other comprehensive (loss)/income, net	-	-	-	(154,705)	2,409	26,784	-	(125,512)	-	(125,512)
Total comprehensive (loss)/income for the financial period	-	-	-	(154,705)	2,409	26,784	557,255	431,743	-	431,743
Transfer to regulatory reserve	-	55,465	-	-	-	-	(55,465)	-	-	-
Transaction with owner and other equity movements	-	55,465	-	-	-	-	(55,465)	-	-	-
At 30 September 2022	3,040,465	149,928	104,149	138,641	(6,653)	115,272	6,971,817	10,513,619	146	10,513,765

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

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

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

	Attributable to equity holder of the Bank					Total equity RM'000
	Non-distributable			Distributable		
Bank	Share capital RM'000	Fair value reserve RM'000	Cash flow hedging deficit RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	
At 1 April 2021	2,590,465	457,552	(16,949)	88,443	5,591,998	8,711,509
Profit for the financial period	-	-	-	-	404,176	404,176
Other comprehensive income, net	-	(24,813)	4,924	2,631	-	(17,258)
Total comprehensive income for the financial period	-	(24,813)	4,924	2,631	404,176	386,918
Issuance of ordinary shares	450,000	-	-	-	-	450,000
Transaction with owner and other equity movements	450,000	-	-	-	-	450,000
At 30 September 2021	3,040,465	432,739	(12,025)	91,074	5,996,174	9,548,427

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

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

**UNAUDITED STATEMENT OF CHANGES IN EQUITY (CONT'D.)
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2022**

	Attributable to equity holder of the Bank						Total equity RM'000
	Non-distributable				Distributable		
Bank	Share capital RM'000	Regulatory reserve RM'000	Fair value reserve RM'000	Cash flow hedging deficit RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	
At 1 April 2022	3,040,465	94,463	293,346	(9,062)	92,301	6,524,068	10,035,581
Profit for the financial period	-	-	-	-	-	557,050	557,050
Other comprehensive (loss)/income, net	-	-	(154,705)	2,409	26,759	-	(125,537)
Total comprehensive (loss)/income for the financial period	-	-	(154,705)	2,409	26,759	557,050	431,513
Transfer to regulatory reserve	-	55,465	-	-	-	(55,465)	-
Transaction with owner and other equity movements	-	55,465	-	-	-	(55,465)	-
At 30 September 2022	3,040,465	149,928	138,641	(6,653)	119,060	7,025,653	10,467,094

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

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

UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL QUARTER ENDED 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	719,854	528,147	719,074	528,549
Adjustments for non-operating and non-cash items	209,870	293,444	208,880	290,417
Operating profit before working capital changes	929,724	821,591	927,954	818,966
Changes in working capital:				
Net change in operating assets	(4,737,241)	104,885	(4,739,392)	102,001
Net change in operating liabilities	5,689,398	(2,333,355)	5,677,576	(2,333,685)
Tax paid	(195,849)	(33,186)	(194,330)	(32,583)
Net cash generated from/(used in) operating activities	1,686,032	(1,440,065)	1,671,808	(1,445,301)
Net cash (used in)/generated from investing activities	(6,910,675)	(783,395)	(6,900,675)	(783,395)
Net cash used in financing activities	(40,791)	412,481	(41,037)	412,401
Net decrease in cash and cash equivalents	(5,265,434)	(1,810,979)	(5,269,904)	(1,816,295)
Cash and cash equivalents at beginning of the financial period	11,139,096	10,021,441	11,119,681	10,013,280
Effect of exchange rate changes	(180)	(1,473)	(180)	(1,473)
Cash and cash equivalents at end of financial period	5,873,482	8,208,989	5,849,597	8,195,512
Cash and cash equivalents comprise:				
Cash and short-term funds	5,393,975	7,819,810	5,370,090	7,806,333
Deposits and placements with banks and other financial institutions	1,382,805	584,939	1,382,805	584,939
	6,776,780	8,404,749	6,752,895	8,391,272
Less: Deposits and placements with original maturity of more than 3 months	(905,620)	(200,263)	(905,620)	(200,263)
	5,871,160	8,204,486	5,847,275	8,191,009
Allowances for expected credit loss ("ECL") for cash and cash equivalents at end of the financial period	2,322	4,503	2,322	4,503
	5,873,482	8,208,989	5,849,597	8,195,512

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

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

A1. BASIS OF PREPARATION

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

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

A1.1 Significant Accounting Policies

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

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

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

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

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

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

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

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

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

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

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

A1. BASIS OF PREPARATION (CONT'D.)

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

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

(d) Annual Improvements to MFRS Standards 2018-2020

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

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

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

(ii) MFRS 9 *Financial Instruments*

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

(iii) MFRS 141 *Agriculture*

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

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

A1. BASIS OF PREPARATION (CONT'D.)

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

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

(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 2023. Early adoption is permitted. 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.

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.

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

A1. BASIS OF PREPARATION (CONT'D.)

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

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

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

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

A1. BASIS OF PREPARATION (CONT'D.)

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

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 RM2.535 billion with Ministry of Finance Malaysia and its related expenses of RM19.0 million in its tax returns for the Year Assessment ("YA") 2021. Accordingly, the Bank recognised a portion of tax deduction amounting to RM220.5 million as tax recoverable.

On 7 September 2022, the Inland Revenue Board ("IRB") formally replied on their differing view on the tax deductibility of the settlement sum of RM2.535 billion and its related expenses of RM19.0 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.

A2. AUDIT QUALIFICATION

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

A3. SEASONALITY OR CYCLICALITY OF OPERATIONS

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

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

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

A5. CHANGES IN ESTIMATES

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

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

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

A7. DIVIDENDS

The Directors do not recommend the payment of any dividend in respect of the financial quarter ended 30 September 2022 and no dividends were paid in the current financial quarter and period.

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

A8. 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	1,994,128	1,354,847	1,992,443	1,353,622
Deposit placements maturing within one month:				
Licensed banks	3,211,949	3,139,771	3,189,749	3,121,582
Bank Negara Malaysia	190,000	5,401,800	190,000	5,401,800
	<u>3,401,949</u>	<u>8,541,571</u>	<u>3,379,749</u>	<u>8,523,382</u>
Total cash and bank balances and deposit placements	5,396,077	9,896,418	5,372,192	9,877,004
Less: Allowances for ECL	(2,102)	(2,093)	(2,102)	(2,093)
	<u>5,393,975</u>	<u>9,894,325</u>	<u>5,370,090</u>	<u>9,874,911</u>

Movements in allowances for ECL are as follows:

Group and Bank	Stage 1	Stage 2	Total
	12-Month ECL RM'000	Lifetime ECL not credit impaired RM'000	
30 September 2022			
Balance at beginning of the financial period	2,072	21	2,093
Net (writeback of)/allowance for ECL:	(340)	256	(84)
New financial assets originated	8,215	227	8,442
Financial assets derecognised	(12,794)	-	(12,794)
Transfer from deposits and placements with banks and other financial institution (Note A9)	4,290	-	4,290
Net remeasurement of allowances	(51)	29	(22)
Foreign exchange differences	94	(1)	93
Balance at end of the financial period	<u>1,826</u>	<u>276</u>	<u>2,102</u>

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

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

A9. DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group and Bank	
	30 September 2022 RM'000	31 March 2022 RM'000
Licensed banks	477,405	1,282,678
Licensed islamic bank (a related company)	105,620	103,435
Licensed investment bank (a related company)	800,000	800,000
	1,383,025	2,186,113
Less: Allowances for ECL	(220)	(1,325)
	1,382,805	2,184,788

Movements in allowances for ECL are as follows:

Group and Bank	Stage 1 12-Month ECL RM'000	Total RM'000
	30 September 2022	
Balance at beginning of the financial period	1,325	1,325
Net writeback of allowance for ECL:	(1,105)	(1,105)
New financial assets originated	3,169	3,169
Net remeasurement of allowances	16	16
Transfer to cash and short term funds (Note A8)	(4,290)	(4,290)
Balance at end of the financial period	220	220

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

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

A10. INVESTMENT ACCOUNT PLACEMENT

	Group and Bank	
	30 September 2022 RM'000	31 March 2022 RM'000
Licensed Islamic bank	1,552,092	1,710,663
Less: Allowances for ECL	(1,827)	(2,179)
	1,550,265	1,708,484

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

As at 30 September 2022, the gross exposure relating to the RA financing for the Group and the Bank amounted to RM1,555.5 million (31 March 2022: RM1,713.8 million). No stage 3 ECL is provided for the RA financing as at 30 September 2022 and 31 March 2022.

Movements in allowances for ECL are as follows:

Group and Bank	Stage 1 12-Month ECL RM'000	Total RM'000
30 September 2022		
Balance at beginning of the financial period	2,179	2,179
Net writeback of ECL:	(352)	(352)
Net remeasurement of allowances	(352)	(352)
Balance at end of the financial period	1,827	1,827
31 March 2022		
Balance at beginning of the financial year	1,943	1,943
Net allowances for ECL:	236	236
New financial assets originated	1,024	1,024
Net remeasurement of allowances	(788)	(788)
Balance at end of the financial year	2,179	2,179

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

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

	Group		Bank	
	30 September 2022 RM'000	31 March 2022 RM'000	30 September 2022 RM'000	31 March 2022 RM'000
At fair value				
Money market instruments:				
Bank Negara Monetary Notes	1,111,613	-	1,111,613	-
Malaysian Islamic Treasury Bills	2,197,772	676,964	2,197,772	676,964
Malaysian Government Investment Issues	420,292	60,920	420,292	60,920
Malaysian Government Securities	738,702	258,277	738,702	258,277
Malaysian Treasury Bills	394,998	100,625	394,998	100,625
	<u>4,863,377</u>	<u>1,096,786</u>	<u>4,863,377</u>	<u>1,096,786</u>
Quoted securities:				
<i>In Malaysia:</i>				
Shares	587,883	566,314	587,883	566,314
Unit trusts	13,497	12,466	13,497	12,466
Sukuk	12,631	13,315	12,631	13,315
	<u>614,011</u>	<u>592,095</u>	<u>614,011</u>	<u>592,095</u>
<i>Outside Malaysia:</i>				
Shares	<u>476,052</u>	<u>481,104</u>	<u>476,048</u>	<u>481,100</u>
Unquoted securities:				
<i>In Malaysia:</i>				
Shares	31	31	-	-
Corporate bonds and sukuk	820,180	505,888	820,180	505,888
	<u>820,211</u>	<u>505,919</u>	<u>820,180</u>	<u>505,888</u>
	<u>6,773,651</u>	<u>2,675,904</u>	<u>6,773,616</u>	<u>2,675,869</u>

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

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

	Group		Bank	
	30 September 2022 RM'000	31 March 2022 RM'000	30 September 2022 RM'000	31 March 2022 RM'000
At fair value				
Money market instruments:				
Malaysian Islamic Treasury Bills	1,436,714	-	1,436,714	-
Malaysian Treasury Bills	264,109	-	264,109	-
Malaysian Government Investment Issues	2,783,238	2,931,442	2,783,238	2,931,442
Malaysian Government Securities	3,709,575	3,099,232	3,709,575	3,099,232
Foreign Government Securities	13,317	13,619	13,317	13,619
Islamic Negotiable Instruments of Deposit	1,791,851	-	1,791,851	-
Bank Negara Monetary Notes	243,312	-	243,312	-
Negotiable Instruments of Deposit	-	450,001	-	450,001
	<u>10,242,116</u>	<u>6,494,294</u>	<u>10,242,116</u>	<u>6,494,294</u>
Quoted securities:				
<i>In Malaysia:</i>				
Unit trusts	66,056	69,726	66,056	69,726
	<u>66,056</u>	<u>69,726</u>	<u>66,056</u>	<u>69,726</u>
Unquoted securities:				
<i>In Malaysia:</i>				
Corporate bonds and sukuk	7,983,295	7,095,973	7,983,295	7,095,973
Shares	676,523	668,557	676,523	668,557
	<u>8,659,818</u>	<u>7,764,530</u>	<u>8,659,818</u>	<u>7,764,530</u>
<i>Outside Malaysia:</i>				
Sukuk	10,142	10,423	10,142	10,423
Shares	735	611	735	611
	<u>10,877</u>	<u>11,034</u>	<u>10,877</u>	<u>11,034</u>
	<u>18,978,867</u>	<u>14,339,584</u>	<u>18,978,867</u>	<u>14,339,584</u>

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

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

Movements in allowances for ECL are as follows:

Group and Bank	Stage 1 12-Month ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Total RM'000
30 September 2022			
Balance at beginning of the financial period	8,038	3,602	11,640
Net allowance/(writeback) of ECL:	695	(1,050)	(355)
- Transfer to Stage 1	4	(2,121)	(2,117)
New financial assets originated	2,612	-	2,612
Financial assets derecognised	(1,274)	-	(1,274)
Net remeasurement of allowances	(647)	1,071	424
Foreign exchange differences	2	-	2
Balance at end of the financial period	<u>8,735</u>	<u>2,552</u>	<u>11,287</u>

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

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

A13. FINANCIAL INVESTMENTS AT AMORTISED COST

	Group and Bank	
	30 September 2022 RM'000	31 March 2022 RM'000
At amortised cost		
Money market instruments:		
Malaysian Government Investment Issues	2,371,544	980,886
Malaysian Government Securities	1,346,166	907,429
	3,717,710	1,888,315
Unquoted securities:		
<i>In Malaysia:</i>		
Corporate bonds and sukuk	4,295,037	4,078,786
	8,012,747	5,967,101
Less: Allowances for ECL	(37,125)	(37,586)
	7,975,622	5,929,515

Movements in allowances for ECL are as follows:

	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	
Group and Bank				
30 September 2022				
Balance at beginning of the financial period	3,314	-	34,272	37,586
Net writeback of ECL:	(389)	-	(72)	(461)
New financial assets originated	284	-	-	284
Net remeasurement of allowances	12	-	(72)	(60)
Financial assets derecognised	(685)	-	-	(685)
Balance at end of the financial period	2,925	-	34,200	37,125
Group and Bank				
31 March 2022				
Balance at beginning of the financial year	2,939	22,690	-	25,629
Net allowance/(writeback) of ECL:	375	(22,690)	34,272	11,957
- Transfer to Stage 1	209	(8,124)	-	(7,915)
- Transfer to Stage 3	-	(772)	34,272	33,500
New financial assets originated	135	-	-	135
Net remeasurement of allowances	34	-	-	34
Financial assets derecognised	(3)	-	-	(3)
Changes in model assumptions and methodologies	-	(13,794)	-	(13,794)
Balance at end of the financial year	3,314	-	34,272	37,586

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

A14. LOANS AND ADVANCES

	Group		Bank	
	30 September 2022 RM'000	31 March 2022 RM'000	30 September 2022 RM'000	31 March 2022 RM'000
At amortised cost:				
Overdraft	2,021,080	2,029,703	2,021,080	2,029,703
Term loans	24,476,286	23,981,311	24,476,286	23,981,311
Housing loan receivables	28,171,483	27,857,289	28,073,490	27,750,900
Hire purchase receivables	9,263,140	9,598,644	9,263,140	9,598,644
Bills receivables	2,253,296	1,802,396	2,253,296	1,802,396
Trust receipts	2,022,720	2,196,281	2,022,720	2,196,281
Claims on customers under acceptance credits	3,975,147	4,346,521	3,975,147	4,346,521
Card receivables	1,529,381	1,455,413	1,529,381	1,455,413
Revolving credits	6,157,312	6,535,875	6,224,644	6,608,831
Staff loans	82,260	87,344	82,260	87,344
Others	127,704	158,454	127,704	158,454
	<u>80,079,809</u>	<u>80,049,231</u>	<u>80,049,148</u>	<u>80,015,798</u>
Gross loans and advances				
Allowances for ECL:				
- Stage 1 - 12 months ECL	(161,658)	(154,044)	(161,673)	(154,074)
- Stage 2 - Lifetime ECL not credit impaired	(714,537)	(758,197)	(714,514)	(758,182)
- Stage 3 - Lifetime ECL credit impaired	(350,791)	(319,503)	(350,546)	(319,223)
Net loans and advances	<u>78,852,823</u>	<u>78,817,487</u>	<u>78,822,415</u>	<u>78,784,319</u>

(a) Gross loans and advances analysed by type of customer 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
Domestic non-bank financial institutions	1,002,883	1,045,624	1,070,215	1,118,579
Domestic business enterprises				
- Small medium enterprises	18,345,777	17,804,425	18,345,777	17,804,425
- Others	17,202,913	17,768,448	17,202,913	17,768,448
Government and statutory bodies	52,513	60,790	52,513	60,790
Individuals	42,003,329	41,794,021	41,905,336	41,687,633
Other domestic entities	9,010	6,850	9,010	6,850
Foreign individuals and entities	1,463,384	1,569,073	1,463,384	1,569,073
	<u>80,079,809</u>	<u>80,049,231</u>	<u>80,049,148</u>	<u>80,015,798</u>

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

A14. LOANS AND ADVANCES (CONT'D.)

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

	Group		Bank	
	30 September 2022 RM'000	31 March 2022 RM'000	30 September 2022 RM'000	31 March 2022 RM'000
In Malaysia	79,764,224	79,155,058	79,733,563	79,121,625
Outside Malaysia	315,585	894,173	315,585	894,173
	<u>80,079,809</u>	<u>80,049,231</u>	<u>80,049,148</u>	<u>80,015,798</u>

(c) Gross loans and advances analysed by interest rate sensitivity 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
Fixed rate				
- Housing loans	153,887	154,240	55,893	47,851
- Hire purchase receivables	8,884,472	9,155,918	8,884,472	9,155,918
- Other fixed rate loans	6,554,982	6,799,568	6,554,982	6,799,568
Variable rate				
- Base rate and base lending rate plus	44,323,687	43,732,877	44,323,687	43,732,877
- Cost plus	19,400,405	19,095,010	19,467,738	19,167,966
- Other variable rates	762,376	1,111,618	762,376	1,111,618
	<u>80,079,809</u>	<u>80,049,231</u>	<u>80,049,148</u>	<u>80,015,798</u>

(d) Gross loans and advances analysed by sector 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
Agriculture	1,261,495	1,455,342	1,261,495	1,455,342
Mining and quarrying	1,624,948	1,772,651	1,624,948	1,772,651
Manufacturing	10,960,458	11,084,348	10,960,458	11,084,348
Electricity, gas and water	957,971	909,608	957,971	909,608
Construction	3,331,862	3,295,894	3,331,862	3,295,894
Wholesale and retail trade and hotel and restaurants	7,766,731	7,578,695	7,766,731	7,578,695
Transport, storage and communication	3,336,430	3,340,069	3,336,430	3,340,069
Finance and insurance	1,241,722	1,163,013	1,309,055	1,235,969
Real estate	4,304,970	4,431,674	4,304,970	4,431,674
Business activities	1,642,429	1,666,498	1,642,429	1,666,498
Education and health	1,131,319	1,022,743	1,131,319	1,022,743
Household of which:	42,507,298	42,303,665	42,409,304	42,197,276
- purchase of residential properties	28,440,437	28,148,654	28,342,443	28,042,265
- purchase of transport vehicles	8,345,156	8,659,412	8,345,156	8,659,412
- others	5,721,705	5,495,599	5,721,705	5,495,599
Others	12,176	25,031	12,176	25,031
	<u>80,079,809</u>	<u>80,049,231</u>	<u>80,049,148</u>	<u>80,015,798</u>

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

A14. LOANS AND ADVANCES (CONT'D.)

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

	Group		Bank	
	30 September 2022 RM'000	31 March 2022 RM'000	30 September 2022 RM'000	31 March 2022 RM'000
Maturing within one year	19,121,817	19,457,299	19,185,655	19,526,853
Over one year to three years	5,309,501	4,746,704	5,303,479	4,740,692
Over three years to five years	8,723,889	9,568,951	8,716,204	9,560,548
Over five years	46,924,602	46,276,277	46,843,810	46,187,705
	<u>80,079,809</u>	<u>80,049,231</u>	<u>80,049,148</u>	<u>80,015,798</u>

(f) Movements in impaired loans and advances 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
Balance at beginning of the financial period/year	1,047,502	1,157,246	1,046,185	1,156,027
Additions during the financial period/year	655,636	638,568	654,926	638,204
Reclassified as non-impaired	(134,067)	(128,657)	(133,560)	(128,512)
Recoveries	(134,825)	(205,367)	(134,813)	(205,246)
Amount written off	(157,126)	(413,969)	(157,126)	(413,969)
Foreign exchange differences	425	(319)	425	(319)
Balance at end of the financial period/year	<u>1,277,545</u>	<u>1,047,502</u>	<u>1,276,037</u>	<u>1,046,185</u>
Gross impaired loans and advances as % of gross loans and advances	<u>1.60%</u>	<u>1.31%</u>	<u>1.59%</u>	<u>1.31%</u>
Loan loss coverage (Including regulatory reserve)	<u>130.9%</u>	<u>153.2%</u>	<u>131.1%</u>	<u>153.4%</u>

(g) Impaired loans and advances analysed by geographical distribution 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
In Malaysia	1,277,545	1,038,331	1,276,037	1,037,014
Outside Malaysia	-	9,171	-	9,171
	<u>1,277,545</u>	<u>1,047,502</u>	<u>1,276,037</u>	<u>1,046,185</u>

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

A14. LOANS AND ADVANCES (CONT'D.)

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

	Group		Bank	
	30 September 2022 RM'000	31 March 2022 RM'000	30 September 2022 RM'000	31 March 2022 RM'000
Agriculture	9,253	8,832	9,253	8,832
Mining and quarrying	5,033	13,093	5,033	13,093
Manufacturing	142,275	174,821	142,275	174,821
Electricity, gas and water	6,082	4,639	6,082	4,639
Construction	127,722	96,951	127,722	96,951
Wholesale and retail trade and hotel and restaurants	121,161	106,915	121,161	106,915
Transport, storage and communication	16,788	14,852	16,788	14,852
Finance and insurance	9,332	1,493	9,332	1,493
Real estate	26,658	22,237	26,658	22,237
Business activities	46,454	37,207	46,454	37,207
Education and health	7,224	6,217	7,224	6,217
Household of which:	759,563	560,245	758,055	558,928
- purchase of residential properties	567,259	420,936	565,751	419,619
- purchase of transport vehicles	81,562	59,989	81,562	59,989
- others	110,742	79,320	110,742	79,320
	1,277,545	1,047,502	1,276,037	1,046,185

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

A14. LOANS AND ADVANCES (CONT'D.)

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

Group	Stage 1 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
30 September 2022				
Balance at beginning of the financial period	154,044	758,197	319,503	1,231,744
Net allowance/(writeback) for ECL:	6,895	(43,661)	187,846	151,080
- Transfer to Stage 1	9,101	(92,369)	(2,039)	(85,307)
- Transfer to Stage 2	(7,621)	82,376	(16,858)	57,897
- Transfer to Stage 3	(801)	(23,669)	105,789	81,319
New financial assets originated	29,638	37,370	2,055	69,063
Net remeasurement of allowances	269	(15,069)	129,781	114,981
Modification of contractual cash flows of financial assets	(272)	(1,498)	780	(990)
Financial assets derecognised	(23,419)	(43,841)	(31,662)	(98,922)
Changes to model assumptions and methodologies	-	13,039	-	13,039
Foreign exchange differences	719	1	568	1,288
Amount written-off	-	-	(157,126)	(157,126)
Balance at end of the financial period	<u>161,658</u>	<u>714,537</u>	<u>350,791</u>	<u>1,226,986</u>
31 March 2022				
Balance at beginning of the financial year	286,308	707,881	432,998	1,427,187
Net (writeback)/allowances for ECL:	(132,369)	50,301	300,577	218,509
- Transfer to Stage 1	8,013	(87,575)	(3,139)	(82,701)
- Transfer to Stage 2	(15,965)	128,595	(17,001)	95,629
- Transfer to Stage 3	(762)	(19,071)	76,875	57,042
New financial assets originated	35,000	54,786	4,428	94,214
Net remeasurement of allowances	(17,347)	(2,308)	314,749	295,094
Modification of contractual cash flows of financial assets	(1,376)	1,599	567	790
Financial assets derecognised	(25,092)	(50,295)	(75,902)	(151,289)
Changes to model assumptions and methodologies	(114,840)	24,570	-	(90,270)
Foreign exchange differences	105	15	(103)	17
Amount written-off	-	-	(413,969)	(413,969)
Balance at end of the financial year	<u>154,044</u>	<u>758,197</u>	<u>319,503</u>	<u>1,231,744</u>

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

A14. LOANS AND ADVANCES (CONT'D.)

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

Bank	Stage 1 12-Month ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Stage 3 Lifetime ECL credit impaired RM'000	Total RM'000
30 September 2022				
Balance at beginning of the financial period	154,074	758,182	319,223	1,231,479
Net allowance/(writeback) for ECL:	6,880	(43,669)	187,881	151,092
- Transfer to Stage 1	9,101	(92,368)	(2,039)	(85,306)
- Transfer to Stage 2	(7,621)	82,362	(16,735)	58,006
- Transfer to Stage 3	(801)	(23,665)	105,706	81,240
New financial assets originated	29,638	37,370	2,055	69,063
Net remeasurement of allowances	253	(15,071)	129,764	114,946
Modification of contractual cash flows of financial assets	(272)	(1,498)	780	(990)
Financial assets derecognised	(23,418)	(43,838)	(31,650)	(98,906)
Changes to model assumptions and methodologies	-	-	-	-
	-	13,039	-	13,039
Foreign exchange differences	719	1	568	1,288
Amount written-off	-	-	(157,126)	(157,126)
Balance at end of the financial period	<u>161,673</u>	<u>714,514</u>	<u>350,546</u>	<u>1,226,733</u>
31 March 2022				
Balance at beginning of the financial year	286,338	707,855	432,736	1,426,929
Net (writeback)/allowances for ECL:	(132,369)	50,312	300,559	218,502
- Transfer to Stage 1	8,012	(87,556)	(3,139)	(82,683)
- Transfer to Stage 2	(15,964)	128,583	(16,984)	95,635
- Transfer to Stage 3	(762)	(19,071)	76,822	56,989
New financial assets originated	35,000	54,786	4,428	94,214
Net remeasurement of allowances	(17,351)	(2,306)	314,748	295,091
Modification of contractual cash flows of financial assets	(1,376)	1,599	567	790
Financial assets derecognised	(25,088)	(50,293)	(75,883)	(151,264)
Changes to model assumptions and methodologies	(114,840)	24,570	-	(90,270)
Foreign exchange differences	105	15	(103)	17
Amount written-off	-	-	(413,969)	(413,969)
Balance at end of the financial year	<u>154,074</u>	<u>758,182</u>	<u>319,223</u>	<u>1,231,479</u>

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

A15. OTHER ASSETS

	Group		Bank	
	30 September 2022 RM'000	31 March 2022 RM'000	30 September 2022 RM'000	31 March 2022 RM'000
Other receivables, deposits and prepayments	763,996	585,561	762,448	583,880
Interest receivable	400,967	356,902	400,965	356,902
Amount due from related companies	45,327	211,743	46,515	213,715
Collateral pledged for derivative and securities transactions	1,012,955	446,809	1,012,955	446,809
Foreclosed properties	2,635	2,635	2,327	2,327
Deferred charges	106,649	106,545	106,649	106,545
Tax recoverable	163,879	111,722	163,504	111,534
	<u>2,496,408</u>	<u>1,821,917</u>	<u>2,495,363</u>	<u>1,821,712</u>
Less: Accumulated impairment losses	(3,300)	(1,974)	(2,833)	(1,500)
	<u>2,493,108</u>	<u>1,819,943</u>	<u>2,492,530</u>	<u>1,820,212</u>

A16. DEPOSITS FROM CUSTOMERS

	Group		Bank	
	30 September 2022 RM'000	31 March 2022 RM'000	30 September 2022 RM'000	31 March 2022 RM'000
Demand deposits	22,994,486	24,114,121	22,997,991	24,126,407
Savings deposits	4,746,566	5,400,230	4,746,566	5,400,230
Term/Investment deposits	53,593,515	56,342,545	53,594,325	56,344,352
Negotiable instrument of deposits	50,000	-	50,000	-
	<u>81,384,567</u>	<u>85,856,896</u>	<u>81,388,882</u>	<u>85,870,989</u>

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

	Group		Bank	
	30 September 2022 RM'000	31 March 2022 RM'000	30 September 2022 RM'000	31 March 2022 RM'000
Government and other statutory bodies	1,237,333	1,549,251	1,237,333	1,549,251
Business enterprises	37,736,863	39,347,970	37,741,178	39,362,063
Individuals	36,591,789	35,321,255	36,591,789	35,321,255
Others	5,818,582	9,638,420	5,818,582	9,638,420
	<u>81,384,567</u>	<u>85,856,896</u>	<u>81,388,882</u>	<u>85,870,989</u>

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

A16. DEPOSITS FROM CUSTOMERS (CONT'D.)

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

	Group		Bank	
	30 September 2022 RM'000	31 March 2022 RM'000	30 September 2022 RM'000	31 March 2022 RM'000
Due within six months	41,652,987	44,037,037	41,653,797	44,038,844
Over six months to one year	10,893,788	10,871,790	10,893,788	10,871,790
Over one year to three years	1,011,389	1,325,160	1,011,389	1,325,160
Over three years to five years	85,351	108,558	85,351	108,558
	<u>53,643,515</u>	<u>56,342,545</u>	<u>53,644,325</u>	<u>56,344,352</u>

A17. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group		Bank	
	30 September 2022 RM'000	31 March 2022 RM'000	30 September 2022 RM'000	31 March 2022 RM'000
Licensed banks	5,848,216	4,146,076	5,848,216	4,146,076
Licensed investment banks	815,008	845,298	815,008	845,298
Other financial institutions	1,377,128	1,164,875	1,386,216	1,174,519
Bank Negara Malaysia	1,265,276	1,221,494	1,265,276	1,221,494
	<u>9,305,628</u>	<u>7,377,743</u>	<u>9,314,716</u>	<u>7,387,387</u>

A18. OTHER LIABILITIES

	Group		Bank	
	30 September 2022 RM'000	31 March 2022 RM'000	30 September 2022 RM'000	31 March 2022 RM'000
Other payables and accruals	1,127,383	1,161,187	1,113,780	1,149,050
Lease liabilities	198,154	174,133	199,473	175,639
Provision for reinstatement for leased properties	6,172	6,130	6,172	6,130
Interest payable	507,898	429,512	507,898	429,512
Amount due to holding company and other related companies	302,590	8,291	302,591	8,291
Collateral received for derivative and securities transactions	368,588	229,098	368,588	229,098
Lease deposits and advance rentals	36,991	36,476	36,991	36,476
Provision for commitments and contingencies	3,360	3,372	3,360	3,372
Allowances for ECL on loan commitments and financial guarantees (Note (a))	295,567	278,389	295,612	278,435
Provision for taxation	2,633	2,489	2,627	1,759
Deferred income	54,746	53,508	54,746	53,508
	<u>2,904,082</u>	<u>2,382,585</u>	<u>2,891,838</u>	<u>2,371,270</u>

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

A18. OTHER LIABILITIES (CONT'D.)

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

Group	Stage 1	Stage 2	Stage 3	Total
	12-Month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
	RM'000	RM'000	RM'000	RM'000
30 September 2022				
Balance at beginning of the financial period	20,472	15,763	242,154	278,389
Net allowance for ECL:	3,537	6,455	6,997	16,989
- Transfer to Stage 1	627	(3,966)	-	(3,339)
- Transfer to Stage 2	(778)	6,800	-	6,022
- Transfer to Stage 3	(13)	(226)	-	(239)
New exposure originated	7,639	7,017	-	14,656
Net remeasurement of allowances	760	590	6,997	8,347
Exposure derecognised/withdrawn	(4,698)	(3,760)	-	(8,458)
Foreign exchange differences	180	24	(15)	189
Balance at end of the financial period	24,189	22,242	249,136	295,567
Group	Stage 1	Stage 2	Stage 3	Total
	12-Month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	RM'000
	RM'000	RM'000	RM'000	RM'000
31 March 2022				
Balance at beginning of the financial year	21,416	30,544	52,718	104,678
Net (writeback of)/allowances for ECL:	(957)	(14,772)	189,436	173,707
- Transfer to Stage 1	593	(6,341)	-	(5,748)
- Transfer to Stage 2	(1,391)	5,622	-	4,231
- Transfer to Stage 3	(49)	(401)	190,368	189,918
New exposure originated	8,765	5,356	-	14,121
Net remeasurement of allowances	(2,023)	(6,263)	(932)	(9,218)
Exposure derecognised/withdrawn	(6,852)	(12,745)	-	(19,597)
Foreign exchange differences	13	(9)	-	4
Balance at end of the financial year	20,472	15,763	242,154	278,389

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

A18. OTHER LIABILITIES (CONT'D.)

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

Bank	Stage 1	Stage 2	Stage 3	Total
	12-Month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
30 September 2022				
Balance at beginning of the financial period	20,518	15,763	242,154	278,435
Net allowance for ECL:	3,536	6,455	6,997	16,988
- Transfer to Stage 1	627	(3,966)	-	(3,339)
- Transfer to Stage 2	(778)	6,800	-	6,022
- Transfer to Stage 3	(13)	(226)	-	(239)
New financial instruments originated	7,639	7,017	-	14,656
Net remeasurement of allowances	759	590	6,997	8,346
Exposure derecognised/withdrawn	(4,698)	(3,760)	-	(8,458)
Foreign exchange differences	180	24	(15)	189
Balance at end of the financial period	24,234	22,242	249,136	295,612
31 March 2022				
Balance at beginning of the financial year	21,453	30,544	52,718	104,715
Net (writeback of)/allowance for ECL:	(948)	(14,772)	189,436	173,716
- Transfer to Stage 1	593	(6,341)	-	(5,748)
- Transfer to Stage 2	(1,391)	5,622	-	4,231
- Transfer to Stage 3	(49)	(401)	190,368	189,918
New financial instruments originated	8,765	5,356	-	14,121
Net remeasurement of allowances	(2,014)	(6,263)	(932)	(9,209)
Exposure derecognised/withdrawn	(6,852)	(12,745)	-	(19,597)
Foreign exchange differences	13	(9)	-	4
Balance at end of the financial year	20,518	15,763	242,154	278,435

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

A19. INTEREST INCOME

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
Short-term funds and deposits and placements with financial institutions	40,453	6,234	67,086	23,300
Financial assets at fair value through profit or loss	33,956	20,658	51,507	42,989
Financial investments at fair value through other comprehensive income	134,020	114,262	245,135	227,555
Financial investments at amortised cost	77,450	39,747	143,818	79,144
Loans and advances*	899,808	769,008	1,709,416	1,540,308
Investment account placement	12,619	11,851	23,963	20,734
Impaired loans and advances	864	776	1,747	1,401
Others	5,554	2,447	11,001	4,849
	<u>1,204,724</u>	<u>964,983</u>	<u>2,253,673</u>	<u>1,940,280</u>
Bank				
Short-term funds and deposits and placements with financial institutions	40,345	6,200	66,904	23,235
Financial assets at fair value through profit or loss	33,956	20,658	51,507	42,989
Financial investments at fair value through other comprehensive income	134,020	114,262	245,135	227,555
Financial investments at amortised cost	77,450	39,747	143,818	79,144
Loans and advances*	898,974	767,858	1,707,640	1,537,974
Investment account placement	12,619	11,851	23,963	20,734
Impaired loans and advances	864	776	1,747	1,401
Others	5,554	2,447	11,001	4,849
	<u>1,203,782</u>	<u>963,799</u>	<u>2,251,715</u>	<u>1,937,881</u>

* Interest income on short-term funds and deposits and placements with financial institutions and loans and advances of the Group and the Bank had included the fair value loss of RM NIL (September 2021: net loss of RM9,351,000) and net modification and fair value loss of RM3,140,000 (September 2021: net gain of RM9,694,000) respectively from measures implemented in response to COVID-19 pandemic.

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

A20. INTEREST EXPENSE

	Individual Quarter		Cumulative Quarter	
	30 September 2022 RM'000	30 September 2021 RM'000	30 September 2022 RM'000	30 September 2021 RM'000
Group				
Deposits from customers	409,296	321,633	758,227	641,460
Deposits and placements of banks and other financial institutions	47,373	22,068	75,319	44,331
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 funding	11,416	4,065	21,930	8,559
Debt capital	37,230	37,280	74,056	74,156
Others	996	(132)	1,515	540
	<u>592,568</u>	<u>437,175</u>	<u>1,074,507</u>	<u>873,417</u>
Bank				
Deposits from customers	409,316	321,682	758,297	641,555
Deposits and placements of banks and other financial institutions	47,373	22,068	75,319	44,331
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 funding	11,416	4,065	21,930	8,559
Debt capital	37,230	37,280	74,056	74,156
Others	996	(132)	1,515	540
	<u>592,588</u>	<u>437,224</u>	<u>1,074,577</u>	<u>873,512</u>

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

A21. OTHER OPERATING INCOME

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
Fee and commission income:				
Bancassurance commission	8,424	6,891	15,610	12,626
Brokerage fees, commission and rebates	386	723	772	2,154
Fees on loans, advances and securities	28,643	23,874	63,416	52,796
Fees, service and commission charges	7,977	5,547	17,174	11,569
Unit trust fees, commission and charges	8,323	15,966	15,767	34,172
Guarantee fees	10,703	11,385	24,579	22,950
Remittances	6,408	5,191	14,113	10,953
Other fee and commission	4,180	3,066	7,322	5,999
	<u>75,044</u>	<u>72,643</u>	<u>158,753</u>	<u>153,219</u>
Investment and trading income:				
Foreign exchange gain	105,697	32,889	266,502	61,200
Gross dividend income/distribution from:				
Financial assets at fair value through profit or loss	1,315	1,620	3,930	3,385
Financial investments at fair value through other comprehensive income	-	603	1,810	3,253
Net (loss)/gain on sale of:				
Financial assets at fair value through profit or loss	(11,312)	(4,216)	(13,774)	(4,526)
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	13,272	33,177	(24,054)	10,563
Net (loss)/gain on derivatives	(35,429)	(21,623)	(115,438)	29,691
Others	641	482	4,189	7,869
	<u>74,061</u>	<u>44,985</u>	<u>123,125</u>	<u>114,441</u>
Other income:				
Net gain/(loss) on disposal of property and equipment	6	(9)	51	8
Net (loss)/gain on non trading foreign exchange	(291)	142	(112)	335
Profit from sale of goods and services	4,127	4,347	8,189	8,830
Rental income	1,970	2,093	3,925	4,052
Others	1,387	143	3,381	301
	<u>7,199</u>	<u>6,716</u>	<u>15,434</u>	<u>13,526</u>
	<u>156,304</u>	<u>124,344</u>	<u>297,312</u>	<u>281,186</u>

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

A21. OTHER OPERATING INCOME (CONT'D.)

	Individual Quarter		Cumulative Quarter	
	30 September 2022 RM'000	30 September 2021 RM'000	30 September 2022 RM'000	30 September 2021 RM'000
Bank				
Fee and commission income:				
Bancassurance commission	8,424	6,891	15,610	12,626
Brokerage fees, commission and rebates	386	723	772	2,154
Fees on loans, advances and securities	28,643	23,874	63,416	52,796
Fees, service and commission charges	7,822	5,411	16,871	11,300
Unit trust fees, commission and charges	8,323	15,966	15,767	34,172
Guarantee fees	10,703	11,385	24,579	22,950
Remittances	6,408	5,191	14,113	10,953
Other fee and commission	4,180	3,066	7,322	5,999
	<u>74,889</u>	<u>72,507</u>	<u>158,450</u>	<u>152,950</u>
Investment and trading income:				
Foreign exchange gain	105,699	32,889	266,476	61,200
Gross dividend income/distribution from:				
Financial assets at fair value through profit or loss	1,315	1,620	3,930	3,385
Financial investments at fair value through other comprehensive income	-	603	1,810	3,253
Associate	-	-	-	15,000
Net (loss)/gain on sale of:				
Financial assets at fair value through profit or loss	(11,312)	(4,216)	(13,774)	(4,526)
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	13,272	33,177	(24,054)	10,563
Net (loss)/gain on derivatives	(35,429)	(21,623)	(115,438)	29,691
Others	2,216	482	5,764	7,869
	<u>75,638</u>	<u>44,985</u>	<u>124,674</u>	<u>129,441</u>
Other income:				
Net gain/(loss) on disposal of property and equipment	6	(9)	51	8
Net (loss)/gain on non trading foreign exchange	(292)	146	(113)	339
Profit from sale of goods and services	4,127	4,347	8,189	8,830
Rental income	2,134	2,074	4,153	3,991
Others	1,490	146	3,447	304
	<u>7,465</u>	<u>6,704</u>	<u>15,727</u>	<u>13,472</u>
	<u>157,992</u>	<u>124,196</u>	<u>298,851</u>	<u>295,863</u>

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

A22. OTHER OPERATING EXPENSES

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
Personnel costs:				
Medical	5,443	6,566	9,551	9,726
Insurance	7,101	7,136	13,776	13,392
Contributions to Employees' Provident Fund/ Private Retirement Schemes ("PRS")	31,672	31,526	65,648	61,426
Salaries, bonuses, allowances and incentives	205,205	197,163	426,709	388,871
Share granted under AMMB Executives' Share Scheme ("ESS") - charge/(writeback)	7,885	(6,812)	9,457	(8,283)
Social security costs	1,713	1,625	3,329	3,264
Recruitment costs	5,264	2,483	8,552	3,865
Training	2,559	1,363	6,047	2,938
Others	2,220	(2,771)	4,012	(1,337)
	<u>269,062</u>	<u>238,279</u>	<u>547,081</u>	<u>473,862</u>
Establishment costs:				
Amortisation of intangible assets	18,720	18,798	37,024	50,368
Cleaning, maintenance and security	7,460	5,813	13,558	11,769
Computerisation cost	51,245	42,115	93,780	60,463
Depreciation of property and equipment	12,095	14,300	23,755	30,103
Depreciation of right-of-use assets	15,835	17,973	38,910	35,241
Rental of premises	1,983	284	(3,435)	1,052
Finance cost:				
- Lease liabilities	1,382	1,825	3,110	3,638
- Provision for reinstatement for leased properties	20	26	42	54
Others	8,226	6,470	16,262	13,788
	<u>116,966</u>	<u>107,604</u>	<u>223,006</u>	<u>206,476</u>
Marketing and communication expenses:				
Advertising, marketing and communication	13,208	11,394	24,150	19,473
Commission	639	1,052	1,438	2,434
Others	1,094	286	1,946	964
	<u>14,941</u>	<u>12,732</u>	<u>27,534</u>	<u>22,871</u>
Administration and general expenses:				
Bank charges	2,564	2,293	4,911	4,651
Insurance	1,965	1,900	5,375	3,353
Professional services	10,842	9,304	20,727	22,668
Travelling	533	140	948	357
Subscriptions and periodicals	265	512	280	816
Others	5,150	20,896	11,551	36,478
	<u>21,319</u>	<u>35,045</u>	<u>43,792</u>	<u>68,323</u>
Service transfer pricing recovery - net	(84,978)	(73,088)	(164,952)	(145,672)
	<u>337,310</u>	<u>320,572</u>	<u>676,461</u>	<u>625,860</u>

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

A22. OTHER OPERATING EXPENSES (CONT'D.)

	Individual Quarter		Cumulative Quarter	
	30 September 2022 RM'000	30 September 2021 RM'000	30 September 2022 RM'000	30 September 2021 RM'000
Bank				
Personnel costs:				
Medical	5,443	6,566	9,551	9,726
Insurance	7,101	7,136	13,776	13,392
Contributions to Employees' Provident Fund/ PRS	31,672	31,526	65,648	61,426
Salaries, bonuses, allowances and incentives	205,205	197,163	426,709	388,871
Share granted under AMMB ESS				
- charge/(writeback)	7,885	(6,812)	9,457	(8,283)
Social security costs	1,713	1,625	3,329	3,264
Recruitment costs	5,264	2,483	8,552	3,865
Training	2,559	1,363	6,047	2,938
Others	2,220	(2,771)	4,012	(1,337)
	<u>269,062</u>	<u>238,279</u>	<u>547,081</u>	<u>473,862</u>
Establishment costs:				
Amortisation of intangible assets	18,720	18,798	37,024	50,368
Cleaning, maintenance and security	7,314	5,698	13,297	11,540
Computerisation cost	51,245	42,115	93,780	60,463
Depreciation of property and equipment	11,992	14,167	23,536	29,839
Depreciation of right-of-use assets	15,939	18,008	39,117	35,311
Rental of premises	2,105	407	(3,191)	1,298
Finance cost:				
- Lease liabilities	1,412	1,832	3,169	3,652
- Provision for reinstatement for leased properties	20	26	42	54
Others	8,171	6,454	16,182	13,756
	<u>116,918</u>	<u>107,505</u>	<u>222,956</u>	<u>206,281</u>
Marketing and communication expenses:				
Advertising, marketing and communication	13,207	11,394	24,149	19,472
Commission	639	1,052	1,438	2,434
Others	1,094	286	1,946	964
	<u>14,940</u>	<u>12,732</u>	<u>27,533</u>	<u>22,870</u>
Administration and general expenses:				
Bank charges	2,564	2,294	4,911	4,651
Insurance	1,990	1,900	5,292	3,353
Professional services	10,821	9,282	20,689	22,633
Travelling	533	140	948	357
Subscriptions and periodicals	264	512	279	816
Others	5,129	20,895	11,529	36,476
	<u>21,301</u>	<u>35,023</u>	<u>43,648</u>	<u>68,286</u>
Service transfer pricing recovery - net	(84,978)	(73,088)	(164,952)	(145,672)
	<u>337,243</u>	<u>320,451</u>	<u>676,266</u>	<u>625,627</u>

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

A23. ALLOWANCE FOR IMPAIRMENT ON LOANS AND ADVANCES

	Individual Quarter		Cumulative Quarter	
	30 September 2022	30 September 2021 (Restated)	30 September 2022	30 September 2021 (Restated)
	RM'000	RM'000	RM'000	RM'000
Group				
Allowance for impairment on loans and advances	103,461	115,055	151,080	249,247
Impaired loans and advances recovered, net	(41,383)	(40,823)	(86,384)	(78,953)
	<u>62,078</u>	<u>74,232</u>	<u>64,696</u>	<u>170,294</u>
Bank				
Allowance for impairment on loans and advances	103,389	115,001	151,092	249,229
Impaired loans and advances recovered, net	(41,383)	(40,791)	(86,384)	(78,953)
	<u>62,006</u>	<u>74,210</u>	<u>64,708</u>	<u>170,276</u>

A24. ALLOWANCE /(WRITEBACK OF ALLOWANCE) FOR IMPAIRMENT ON FINANCIAL INVESTMENTS

	Individual Quarter		Cumulative Quarter	
	30 September 2022	30 September 2021 (Restated)	30 September 2022	30 September 2021 (Restated)
	RM'000	RM'000	RM'000	RM'000
Group and Bank				
Financial investments at fair value through other comprehensive income	1,479	4,239	(355)	10,876
Financial investments at amortised cost	205	1,154	(461)	(1,721)
	<u>1,684</u>	<u>5,393</u>	<u>(816)</u>	<u>9,155</u>

A25. ALLOWANCE /(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	185	524	(84)	1,213
Deposits and placements with banks and other financial institutions	(1,057)	1,056	(1,105)	1,014
Investment account placement	(18)	881	(352)	2,292
Other assets	1,271	14	1,327	(39)
	<u>381</u>	<u>2,475</u>	<u>(214)</u>	<u>4,480</u>
Bank				
Cash and short-term funds	185	524	(84)	1,213
Deposits and placements with banks and other financial institutions	(1,057)	1,056	(1,105)	1,014
Investment account placement	(18)	881	(352)	2,292
Other assets	1,276	14	1,332	(39)
	<u>386</u>	<u>2,475</u>	<u>(209)</u>	<u>4,480</u>

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

A26. EARNINGS PER SHARE ("EPS")

Basic/Diluted

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

	Individual Quarter		Cumulative Quarter	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
Group				
Net profit attributable to equity holder of the Bank (RM'000)	271,236	186,689	557,255	402,997
Number of ordinary shares at beginning of the financial period	949,927	903,247	949,927	903,247
Effect of issuance of new ordinary shares ('000)	-	46,680	-	31,375
Weighted average number of ordinary shares in issue at the end of the financial period ('000)	949,927	949,927	949,927	934,622
Basic/diluted earnings per share (sen)	28.55	19.65	58.66	43.12
Bank				
Net profit attributable to equity holder of the Bank (RM'000)	272,130	185,946	557,050	404,176
Number of ordinary shares at beginning of the financial period	949,927	903,247	949,927	903,247
Effect of issuance of new ordinary shares ('000)	-	46,680	-	31,375
Weighted average number of ordinary shares in issue at the end of the financial period ('000)	949,927	949,927	949,927	934,622
Basic/diluted earnings per share (sen)	28.65	19.57	58.64	43.24

A27. BUSINESS SEGMENT ANALYSIS

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

The Group comprises the following main business segments:

(a) Retail Banking

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

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

A27. BUSINESS SEGMENT ANALYSIS (CONT'D.)

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

(b) Business Banking

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

(c) Wholesale Banking

Wholesale Banking comprises Corporate Banking and Group Treasury and Markets.

(i) Corporate Banking

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

(ii) Group Treasury and Markets

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

(d) Investment Banking

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

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

(e) Group Funding and Others

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

Measurement of Segment Performance

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

Note:

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

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

A27. BUSINESS SEGMENT ANALYSIS (CONT'D.)

Group For the financial period ended 30 September 2022	Wholesale Banking						Total RM'000
	Retail Banking RM'000	Business Banking RM'000	Corporate Banking RM'000	Group Treasury and Markets RM'000	Investment Banking RM'000	Group Funding and Others RM'000	
External net income	751,305	256,120	379,700	230,776	19,926	(160,879)	1,476,948
Intersegments net income	(97,733)	(12,077)	(120,637)	35,967	(6,480)	200,960	-
Net income	653,572	244,043	259,063	266,743	13,446	40,081	1,476,948
Net interest income	551,883	188,257	208,096	188,517	12,311	30,102	1,179,166
Other operating income	101,219	55,787	50,966	78,227	1,134	9,979	297,312
Share in results of an associate	470	-	-	-	-	-	470
Net income	653,572	244,044	259,062	266,744	13,445	40,081	1,476,948
Other operating expenses	(347,270)	(89,839)	(62,910)	(31,179)	(4,274)	(140,989)	(676,461)
<i>of which:</i>							
<i>Depreciation of property and equipment</i>	(7,976)	(866)	(620)	(229)	(3)	(14,061)	(23,755)
<i>Depreciation of right-of-use assets</i>	-	-	-	-	-	(38,910)	(38,910)
<i>Amortisation of intangible assets</i>	(11,016)	(517)	(2,836)	(3,027)	-	(19,628)	(37,024)
Profit/(loss) before impairment losses	306,302	154,205	196,152	235,565	9,171	(100,908)	800,487
(Allowance)/writeback of allowance for impairment on loans and advances	(89,901)	(4,767)	42,179	-	152	(12,359)	(64,696)
(Provision)/writeback of provision for commitments and contingencies	(6,373)	(5,613)	(5,003)	-	-	12	(16,977)
(Allowance)/writeback of allowance for impairment on financial investment and other financial assets	(81)	-	(1,030)	2,137	-	4	1,030
Other recoveries	-	-	-	-	-	10	10
Profit/(loss) before taxation	209,947	143,825	232,298	237,702	9,323	(113,241)	719,854
Taxation	(50,274)	(33,881)	(53,182)	(55,257)	(1,656)	31,651	(162,599)
Profit/(loss) for the financial period	159,673	109,944	179,116	182,445	7,667	(81,590)	557,255
Other information							
Total segment assets	46,283,136	12,652,180	20,988,695	41,287,377	1,371,400	3,340,843	125,923,631
Total segment liabilities	42,914,081	11,044,086	11,635,864	35,327,154	857,512	13,631,169	115,409,866
Cost to income ratio	53.1%	36.8%	24.3%	11.7%	31.8%	>100.0%	45.8%
Gross loans and advances	46,165,674	12,765,015	19,856,778	-	1,365,664	(73,322)	80,079,809
Net loans and advances	45,299,285	12,644,535	19,632,941	-	1,365,664	(89,602)	78,852,823
Impaired loans and advances	979,132	152,184	146,229	-	-	-	1,277,545
Total deposits	42,191,517	10,906,446	11,243,662	24,610,070	840,575	897,925	90,690,195
Additions to:							
Property and equipment	4,242	111	132	41	-	4,608	9,134
Intangible assets	8,769	221	2,478	55	-	8,715	20,238

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

A27. BUSINESS SEGMENT ANALYSIS (CONT'D.)

Group For the financial period ended 30 September 2021 (Restated)	Wholesale Banking						Total RM'000
	Retail Banking RM'000	Business Banking RM'000	Corporate Banking RM'000	Group Treasury and Markets RM'000	Investment Banking RM'000	Group Funding and Others RM'000	
External net income	763,983	222,966	309,401	186,985	21,346	(157,309)	1,347,372
Intersegments net income	(148,664)	(24,784)	(94,511)	48,085	(7,127)	227,001	-
Net income	615,319	198,182	214,890	235,070	14,219	69,692	1,347,372
Net interest income	508,372	151,303	173,308	164,080	10,748	59,052	1,066,863
Other operating income	107,625	46,879	41,581	70,990	3,471	10,640	281,186
Share in results of an associate	(677)	-	-	-	-	-	(677)
Net income	615,320	198,182	214,889	235,070	14,219	69,692	1,347,372
Other operating expenses	(320,833)	(63,087)	(64,663)	(34,278)	(3,438)	(139,561)	(625,860)
<i>of which:</i>							
<i>Depreciation of property and equipment</i>	(9,115)	(918)	(705)	(98)	(2)	(19,265)	(30,103)
<i>Depreciation of right-of-use</i>	-	-	-	-	-	(35,241)	(35,241)
<i>Amortisation of intangible assets</i>	(11,030)	(419)	(2,801)	(671)	-	(35,447)	(50,368)
Profit/(loss) before impairment losses	294,487	135,095	150,226	200,792	10,781	(69,869)	721,512
(Allowance)/writeback of allowance for impairment on loans and advances	(67,138)	(49,596)	(75,994)	-	9,486	12,948	(170,294)
Writeback of provision/(provision) for commitments and contingencies	2,151	(6,460)	(5,380)	-	-	236	(9,453)
Writeback of allowance/(allowance) for impairment on financial investment and other financial assets	8	-	(3,339)	(7,657)	-	(2,647)	(13,635)
Other recoveries	-	-	-	-	-	17	17
Profit/(loss) before taxation	229,508	79,039	65,513	193,135	20,267	(59,315)	528,147
Taxation	(55,245)	(16,594)	(14,531)	(43,314)	(4,012)	8,546	(125,150)
Profit/(loss) for the financial period	174,263	62,445	50,982	149,821	16,255	(50,769)	402,997
Other information							
Total segment assets	45,553,177	11,417,630	18,604,234	29,526,101	1,325,556	3,302,922	109,729,620
Total segment liabilities	39,017,560	9,222,579	9,687,603	29,337,225	711,051	12,155,884	100,131,902
Cost to income ratio	52.1%	31.8%	30.1%	14.6%	24.2%	>100.0%	46.5%
Gross loans and advances	45,452,301	11,574,700	17,828,007	-	1,242,482	(87,773)	76,009,717
Net loans and advances	44,639,343	11,408,322	17,460,819	-	1,242,261	(251,092)	74,499,653
Impaired loans and advances	677,300	195,366	251,473	-	221	-	1,124,360
Total deposits	38,506,083	9,098,913	9,493,703	27,800,080	696,740	812,502	86,408,021
Additions to:							
Property and equipment	2,361	77	227	327	-	6,880	9,872
Intangible assets	7,776	234	2,360	8,547	-	10,907	29,824

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

A28. PERFORMANCE REVIEW FOR THE PERIOD ENDED 30 SEPTEMBER 2022

The Group registered a profit before taxation ("pre-tax profit") of RM719.9 million for the financial period ended 30 September 2022, representing an increase of RM191.7 million or 36.3% compared to the pre-tax profit for the corresponding period last year.

The increase in Group's profit before taxation for the period is attributable to lower net impairment allowance for loans and advances, financial investments and other financial assets of RM120.3 million compared to the corresponding period last year. Net interest income increased by RM112.3 million mainly from loans and advances and higher other operating income mainly from investment and trading income.

The increase was partly offset by higher other operating expenses.

The Group's impaired loans and advances ratio stood at 1.60% end September 2022. Loan loss coverage ratio including regulatory reserve is well above 100% at 130.9%.

The Group and the Bank remained well capitalised with risk weighted capital adequacy ratios of 16.85% and 16.73% respectively.

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

A29. PROSPECTS FOR FINANCIAL YEAR ENDING 31 MARCH 2023

The economy has shown a strong post-COVID recovery in 2022 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%. Bank Negara Malaysia ("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).

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

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 25 basis points ("bps") 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 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 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 financial year ("FY") 2023 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 FY2023 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.

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

A30. VALUATION OF PROPERTY AND EQUIPMENT

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

A31. SIGNIFICANT EVENT DURING THE FINANCIAL PERIOD

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

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

(i) Dissolution of a subsidiary

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

(ii) Capital reduction of a subsidiary

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

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

A33. COMMITMENTS AND CONTINGENCIES

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

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

	Group		Bank	
	30 September 2022 RM'000	31 March 2022 RM'000	30 September 2022 RM'000	31 March 2022 RM'000
Commitments				
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	10,918,426	11,640,100	11,001,376	11,717,400
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	2,114,121	1,619,911	2,114,121	1,619,911
Unutilised credit card lines	3,793,536	3,696,035	3,793,536	3,696,035
Forward asset purchase	319,557	50,143	319,557	50,143
Others	-	-	50	50
	<u>17,145,640</u>	<u>17,006,189</u>	<u>17,228,640</u>	<u>17,083,539</u>
Contingencies				
Direct credit substitutes	2,365,737	2,500,325	2,365,737	2,500,325
Transaction related contingent items	3,463,175	3,411,078	3,463,175	3,411,078
Short term self liquidating trade related contingencies	970,356	523,110	970,356	523,110
	<u>6,799,268</u>	<u>6,434,513</u>	<u>6,799,268</u>	<u>6,434,513</u>
Derivative Financial Instruments				
Foreign exchange related contracts				
- One year or less	42,649,000	41,939,583	42,649,000	41,939,583
- Over one year to five years	5,155,944	4,572,015	5,155,944	4,572,015
- Over five years	2,136,516	2,216,259	2,136,516	2,216,259
Interest rate related contracts				
- One year or less	11,065,586	12,051,407	11,065,586	12,051,407
- Over one year to five years	23,023,186	21,186,522	23,023,186	21,186,522
- Over five years	4,904,032	6,307,988	4,904,032	6,307,988
Equity and commodity related contracts				
- One year or less	1,515,592	1,570,386	1,515,592	1,570,386
- Over one year to five years	81,956	75,367	81,956	75,367
	<u>90,531,812</u>	<u>89,919,527</u>	<u>90,531,812</u>	<u>89,919,527</u>
Total	<u>114,476,720</u>	<u>113,360,229</u>	<u>114,559,720</u>	<u>113,437,579</u>

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

A34. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Determination of fair value and fair value hierarchy

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

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

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

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

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

About 2.5% of the Group's and the Bank's (31 March 2022: 3.7% of the Group's and the Bank's) total financial assets recorded at fair value, are based on estimates and recorded as Level 3 investments. Where estimates are used, these are based on a combination of independent third-party evidence and internally developed models, calibrated to market observable data where possible. While such valuations are sensitive to estimates, it is believed that changing one or more of the assumptions to reasonably possible alternative assumptions would not change the fair value significantly.

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

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

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

	Group				Bank			
	Valuation technique			Total RM'000	Valuation technique			Total RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
30 September 2022								
Financial assets measured at fair value								
Derivative financial assets	-	1,546,516	-	1,546,516	-	1,546,516	-	1,546,516
Financial assets at fair value through profit or loss								
- Money market securities	-	4,863,377	-	4,863,377	-	4,863,377	-	4,863,377
- Quoted shares	1,063,935	-	-	1,063,935	1,063,931	-	-	1,063,931
- Unquoted shares	-	-	31	31	-	-	-	-
- Quoted unit trust	13,497	-	-	13,497	13,497	-	-	13,497
- Quoted sukuk	-	12,631	-	12,631	-	12,631	-	12,631
- Unquoted corporate bonds and sukuk	-	820,180	-	820,180	-	820,180	-	820,180
Financial investments at fair value through other comprehensive income								
- Money market securities	-	10,242,116	-	10,242,116	-	10,242,116	-	10,242,116
- Unquoted shares	-	-	677,258	677,258	-	-	677,258	677,258
- Quoted unit trust	66,056	-	-	66,056	66,056	-	-	66,056
- Unquoted corporate bonds and sukuk	-	7,993,437	-	7,993,437	-	7,993,437	-	7,993,437
	<u>1,143,488</u>	<u>25,478,257</u>	<u>677,289</u>	<u>27,299,034</u>	<u>1,143,484</u>	<u>25,478,257</u>	<u>677,258</u>	<u>27,298,999</u>
Financial liabilities measured at fair value								
Derivative financial liabilities	11,681	1,421,411	-	1,433,092	11,681	1,421,411	-	1,433,092

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

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

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

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

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

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

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

Movements In Level 3 financial instruments measured at fair value

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

	Equity instruments at FVTPL RM'000	Equity instruments at FVOCI RM'000	Total RM'000
Group			
At 1 April 2022	31	669,168	669,199
Gain on revaluation of financial investments at FVOCI taken up in statement of comprehensive income	-	8,090	8,090
At 30 September 2022	<u>31</u>	<u>677,258</u>	<u>677,289</u>
	Equity instruments at FVTPL RM'000	Equity instruments at FVOCI RM'000	Total RM'000
At 1 April 2021	34	681,353	681,387
Loss on revaluation of financial assets at FVTPL taken up in statement of profit or loss	(3)	-	(3)
Gain on revaluation of financial investments at FVOCI taken up in statement of comprehensive income	-	2,666	2,666
Disposal	-	(14,857)	(14,857)
Addition	-	6	6
At 31 March 2022	<u>31</u>	<u>669,168</u>	<u>669,199</u>
		Equity instruments at FVOCI RM'000	Total RM'000
At 1 April 2022		669,168	669,168
Gain on revaluation of financial investments at FVOCI taken up in statement of comprehensive income		8,090	8,090
At 30 September 2022		<u>677,258</u>	<u>677,258</u>
		Equity instruments at FVOCI RM'000	Total RM'000
At 1 April 2021		681,353	681,353
Gain on revaluation of financial investments at FVOCI taken up in statement of comprehensive income		2,666	2,666
Disposal		(14,857)	(14,857)
Addition		6	6
At 31 March 2022		<u>669,168</u>	<u>669,168</u>

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

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

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

	Group		Bank	
	30 September	31 March	30 September	31 March
	2022	2022	2022	2022
	RM'000	RM'000	RM'000	RM'000
Financial assets at FVTPL				
Total loss included in:				
- profit or loss	-	(3)	-	-
Financial investments at FVOCI				
Total gain included in:				
- other comprehensive income	8,090	2,666	8,090	2,666

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

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

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

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

A35. CAPITAL ADEQUACY

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

	Group	Bank
Under transitional arrangement (Note (i))		
30 September 2022		
CET 1 Capital Ratio	12.184%	12.087%
Tier 1 Capital Ratio	12.184%	12.087%
Total Capital Ratio	16.847%	16.732%
31 March 2022		
CET 1 Capital Ratio	11.767%	11.659%
Tier 1 Capital Ratio	11.767%	11.659%
Total Capital Ratio	16.233%	16.109%

Notes:

- (i) Pursuant to the revised BNM policy document, Capital Adequacy Framework (Capital Component) issued on 9 December 2020, capital ratios of the Group and the Bank had been computed applying transitional arrangement on provision for ECL. Under the transitional arrangement, the Bank is allowed to add back the amount of loss allowance for non credit impaired exposure (ie. stage 1 and stage 2 provisions) to CET1 Capital. Had the transitional arrangement not been applied, the capital ratios of the Group and the Bank as at 30 September 2022 and 31 March 2022 are as follow:

	30 September 2022		31 March 2022	
	Group	Bank	Group	Bank
CET 1	11.839%	11.742%	11.274%	11.168%
Tier 1 Capital Ratio	11.839%	11.742%	11.274%	11.168%
Total Capital Ratio	16.680%	16.570%	16.086%	15.967%

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

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

A35. CAPITAL ADEQUACY (CONT'D.)

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

	Group		Bank	
	30 September 2022 RM'000	31 March 2022 RM'000	30 September 2022 RM'000	31 March 2022 RM'000
CET 1 Capital				
Share Capital	3,040,465	3,040,465	3,040,465	3,040,465
Retained earnings	6,970,044	6,470,027	7,025,653	6,524,068
Fair value reserve	138,641	293,346	138,641	293,346
Foreign currency translation reserve	115,272	88,488	119,060	92,301
Regulatory reserve	149,928	94,463	149,928	94,463
Merger reserve	104,149	104,149	-	-
Cash flow hedging deficit	(6,653)	(9,062)	(6,653)	(9,062)
Less: Regulatory adjustments applied on CET 1 Capital				
- Intangible assets	(201,993)	(221,538)	(201,993)	(221,538)
- Deferred tax assets	(194,183)	(158,227)	(194,183)	(158,227)
- 55% of cumulative fair value gains in fair value reserve	(76,253)	(161,340)	(76,253)	(161,340)
- Cash flow hedging deficit	6,653	9,062	6,653	9,062
- Regulatory reserve	(149,928)	(94,463)	(149,928)	(94,463)
- Investment in ordinary shares of unconsolidated financial entities	-	-	(11)	(8,488)
- Unrealised fair value gains on financial liabilities due to changes in own credit risk	(1,498)	(648)	(1,498)	(648)
- Other CET1 regulatory adjustments specified by the BNM	289,060	413,454	289,055	413,471
Total CET 1 Capital	10,183,704	9,868,176	10,138,936	9,813,410
Additional Tier 1 Capital				
Qualifying CET 1, Additional Tier 1 capital instruments held by third parties	2	2	-	-
Total Tier 1 Capital	10,183,706	9,868,178	10,138,936	9,813,410
Tier 2 Capital				
Tier 2 Capital instruments meeting all relevant criteria for inclusion	3,095,000	3,095,000	3,095,000	3,095,000
Qualifying CET 1, Additional Tier 1 and Tier 2 capital instruments held by third parties	1	1	-	-
General provisions*	801,856	650,038	801,898	650,081
Total Tier 2 capital	3,896,857	3,745,039	3,896,898	3,745,081
Total Capital	14,080,563	13,613,217	14,035,834	13,558,491

The breakdown of the risk-weighted assets ("RWA") in various categories of risk is 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	76,100,101	75,218,030	76,415,550	75,535,958
Market RWA	1,468,104	2,859,494	1,468,063	2,859,665
Operational RWA	4,997,467	4,802,415	4,987,424	4,792,198
Large exposure risk RWA for equity holdings	1,013,810	980,771	1,013,810	980,771
Total RWA	83,579,482	83,860,710	83,884,847	84,168,592

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

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

A36. CREDIT EXPOSURE ARISING FROM CREDIT TRANSACTIONS WITH CONNECTED PARTIES

	Group		Bank	
	30 September 2022 RM'000	31 March 2022 RM'000	30 September 2022 RM'000	31 March 2022 RM'000
Outstanding credit exposures with connected parties (RM'000)	4,524,560	4,054,181	4,608,483	4,142,596
Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures (%)	4.54	4.42	4.63	4.52
Percentage of outstanding credit exposures with connected parties which is non-performing or in default (%)	0.06	0.06	0.05	0.06

The credit exposures above are based on Bank Negara Malaysia's revised Guidelines on Credit Transactions and Exposures with Connected Parties.

A37. RESTATEMENT OF COMPARATIVE INFORMATION

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

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

	As previously reported RM'000	Reclassification RM'000	As restated RM'000
Reconciliation of statements of profit or loss			
Individual quarter			
Group			
Allowance for impairment on loans and advances	(77,994)	3,762	(74,232)
Impairment loss on financial investments	(1,631)	(3,762)	(5,393)
Bank			
Allowance for impairment on loans and advances	(77,972)	3,762	(74,210)
Impairment loss on financial investments	(1,631)	(3,762)	(5,393)
Cumulative period			
Group			
Allowance for impairment on loans and advances	(174,056)	3,762	(170,294)
Impairment loss on financial investments	(5,393)	(3,762)	(9,155)
Bank			
Allowance for impairment on loans and advances	(174,038)	3,762	(170,276)
Impairment loss on financial investments	(5,393)	(3,762)	(9,155)