

AmlInvestment Bank Berhad

Registration No. 197501002220 (23742-V)

(Incorporated in Malaysia)

And Its Subsidiaries

Condensed Interim Financial Statements

For the Financial Period

1 April 2022 to

30 June 2022

(In Ringgit Malaysia)

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

UNAUDITED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Note	Group		Bank	
		30 June 2022 RM'000	31 March 2022 RM'000	30 June 2022 RM'000	31 March 2022 RM'000
ASSETS					
Cash and short-term funds	9	370,005	278,842	249,411	176,597
Deposits and placements with a bank	10	300,000	300,000	300,000	300,000
Financial assets at fair value through other comprehensive income	11	33,114	33,509	33,114	33,509
Financial investments at amortised cost	12	75,000	75,000	75,000	75,000
Loans and advances	13	623,690	599,556	623,690	599,556
Statutory deposit with Bank Negara Malaysia		9,067	9,523	9,067	9,523
Deferred tax assets		7,143	8,637	3,660	5,305
Investment in subsidiaries		-	-	51,441	51,441
Other assets	14	674,855	888,506	656,920	860,105
Property and equipment		15,671	16,112	15,287	15,710
Right-of-use assets		3,174	3,333	3,174	3,333
Intangible assets		40,184	39,512	2,173	2,063
TOTAL ASSETS		2,151,903	2,252,530	2,022,937	2,132,142
LIABILITIES AND EQUITY					
Deposits and placements of a bank	15	930,000	840,000	930,000	840,000
Derivative financial liabilities		3	1	3	1
Other liabilities	16	725,865	842,460	704,029	812,666
TOTAL LIABILITIES		1,655,868	1,682,461	1,634,032	1,652,667
Share capital		330,000	330,000	330,000	330,000
Reserves		166,035	240,069	58,905	149,475
Equity attributable to equity holder of the Bank		496,035	570,069	388,905	479,475
TOTAL LIABILITIES AND EQUITY		2,151,903	2,252,530	2,022,937	2,132,142
COMMITMENTS AND CONTINGENCIES	25	221,909	234,036	221,909	234,036
NET ASSETS PER ORDINARY SHARE (RM)		1.58	1.82	1.24	1.53

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

AmlInvestment Bank Berhad
Registration No. 197501002220 (23742-V)
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UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2022

Group	Note	Individual Quarter		Cumulative Quarter	
		30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
Interest income	17	14,884	10,615	14,884	10,615
Interest expense	18	(5,122)	(2,827)	(5,122)	(2,827)
Net interest income		9,762	7,788	9,762	7,788
Net income from operations of Islamic banking	28	-	2,148	-	2,148
Other operating income	19	77,254	108,186	77,254	108,186
Direct costs	20	(15,702)	(26,276)	(15,702)	(26,276)
Net income		71,314	91,846	71,314	91,846
Other operating expenses	21	(45,595)	(39,892)	(45,595)	(39,892)
Operating profit		25,719	51,954	25,719	51,954
Writeback of allowance for impairment on other financial assets	22	192	5	192	5
Profit before taxation		25,911	51,959	25,911	51,959
Taxation		(5,500)	(11,806)	(5,500)	(11,806)
Profit for the financial period		20,411	40,153	20,411	40,153
Basic/diluted earnings per share (sen)	23	6.5	12.8	6.5	12.8

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

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

Group	Individual Quarter		Cumulative Quarter	
	30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
Profit for the financial period	20,411	40,153	20,411	40,153
Other comprehensive (loss)/income:				
Item that will not be reclassified subsequently to profit or loss				
Equity instruments at fair value through other comprehensive income ("FVOCI")				
Net unrealised loss on changes in fair value	(166)	-	(166)	-
Item that may be reclassified subsequently to profit or loss				
Debt instruments at FVOCI				
Net unrealised loss on changes in fair value	(89)	-	(89)	-
Tax effect	21	-	21	-
	(68)	-	(68)	-
Other comprehensive loss for the financial period	(234)	-	(234)	-
Total comprehensive income for the period attributable to equity holder of the Bank	20,177	40,153	20,177	40,153

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

AmlInvestment Bank Berhad
Registration No. 197501002220 (23742-V)
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UNAUDITED STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2022

Bank	Note	Individual Quarter		Cumulative Quarter	
		30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
Interest income	17	14,463	10,210	14,463	10,210
Interest expense	18	(5,087)	(2,771)	(5,087)	(2,771)
Net interest income		9,376	7,439	9,376	7,439
Net income from operations of Islamic banking	28	-	2,148	-	2,148
Other operating income	19	34,064	54,512	34,064	54,512
Direct costs	20	(7,763)	(13,959)	(7,763)	(13,959)
Net income		35,677	50,140	35,677	50,140
Other operating expenses	21	(30,327)	(23,952)	(30,327)	(23,952)
Operating profit		5,350	26,188	5,350	26,188
Writeback of allowance for impairment on other financial assets	22	192	5	192	5
Profit before taxation		5,542	26,193	5,542	26,193
Taxation		(1,667)	(6,403)	(1,667)	(6,403)
Profit for the financial period		3,875	19,790	3,875	19,790

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

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

Bank	Individual Quarter		Cumulative Quarter	
	30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
Profit for the financial period	3,875	19,790	3,875	19,790
Other comprehensive (loss)/income:				
Item that will not be reclassified subsequently to profit or loss				
Equity instruments at fair value through other comprehensive income ("FVOCI")				
Net unrealised loss on changes in fair value	(166)	-	(166)	-
Tax effect	-	-	-	-
	(166)	-	(166)	-
Item that may be reclassified subsequently to profit or loss				
Debt instruments at FVOCI				
Net unrealised loss on changes in fair value	(89)	-	(89)	-
Tax effect	21	-	21	-
	(68)	-	(68)	-
Other comprehensive loss for the financial period	(234)	-	(234)	-
Total comprehensive income for the period attributable to equity holder of the Bank	3,641	19,790	3,641	19,790

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

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

	<-----Attributable to equity holder of the Bank----->						
	Non-distributable					Distributable	
Group	Share capital RM'000	Capital reserve RM'000	Regulatory reserve RM'000	Merger reserve RM'000	Fair value reserve RM'000	Retained earnings RM'000	Total equity RM'000
At 1 April 2021	330,000	2,815	-	82,115	1,539	43,454	459,923
Profit for the financial period representing total comprehensive income	-	-	-	-	-	40,153	40,153
At 30 June 2021	<u>330,000</u>	<u>2,815</u>	<u>-</u>	<u>82,115</u>	<u>1,539</u>	<u>83,607</u>	<u>500,076</u>
At 1 April 2022	330,000	2,815	8,457	82,115	1,703	144,979	570,069
Profit for the financial period	-	-	-	-	-	20,411	20,411
Other comprehensive loss	-	-	-	-	(234)	-	(234)
Total comprehensive (loss)/income for the period	-	-	-	-	(234)	20,411	20,177
Transfer to regulatory reserve	-	-	112	-	-	(112)	-
Dividends	-	-	-	-	-	(94,211)	(94,211)
Transactions with owner and other equity movements	-	-	112	-	-	(94,323)	(94,211)
At 30 June 2022	<u>330,000</u>	<u>2,815</u>	<u>8,569</u>	<u>82,115</u>	<u>1,469</u>	<u>71,067</u>	<u>496,035</u>

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

AmInvestment Bank Berhad
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**UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2022**

	<-----Attributable to equity holder of the Bank----->				
	<u>Non-distributable</u>			<u>Distributable</u>	
Bank	Share capital RM'000	Regulatory reserve RM'000	Fair value reserve RM'000	Retained earnings RM'000	Total equity RM'000
At 1 April 2021	330,000	-	1,539	35,695	367,234
Profit for the financial period representing total comprehensive income	-	-	-	19,790	19,790
At 30 June 2021	<u>330,000</u>	<u>-</u>	<u>1,539</u>	<u>55,485</u>	<u>387,024</u>
At 1 April 2022	330,000	8,457	1,703	139,315	479,475
Profit for the financial period	-	-	-	3,875	3,875
Other comprehensive loss	-	-	(234)	-	(234)
Total comprehensive (loss)/income for the period	<u>-</u>	<u>-</u>	<u>(234)</u>	<u>3,875</u>	<u>3,641</u>
Transfer to regulatory reserve	-	112	-	(112)	-
Dividends	<u>-</u>	<u>-</u>	<u>-</u>	<u>(94,211)</u>	<u>(94,211)</u>
Transactions with owner and other equity movements	<u>-</u>	<u>112</u>	<u>-</u>	<u>(94,323)</u>	<u>(94,211)</u>
At 30 June 2022	<u>330,000</u>	<u>8,569</u>	<u>1,469</u>	<u>48,867</u>	<u>388,905</u>

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

AmlInvestment Bank Berhad
Registration No. 197501002220 (23742-V)
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UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2022

	Group		Bank	
	30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
Profit before taxation	25,911	51,959	5,542	26,193
Adjustments for non-operating and non cash items	(47)	(288)	21	(428)
Operating profit before working capital changes	25,864	51,671	5,563	25,765
Change in operating assets	198,808	215,392	186,605	223,523
Change in operating liabilities	(120,661)	(215,479)	(112,703)	(223,504)
Cash generated from operations	104,011	51,584	79,465	25,784
Tax paid	(11,738)	(6,841)	(6,209)	(1,700)
Net cash generated from operating activities	92,273	44,743	73,256	24,084
Net cash used in investing activities	(938)	(465)	(270)	(429)
Net cash used in financing activities	(170)	(112)	(170)	(112)
Net increase in cash and cash equivalents	91,165	44,166	72,816	23,543
Cash and cash equivalents at beginning of the financial year	278,842	235,109	176,597	135,624
Cash and cash equivalents at end of the financial period (Note 1)	370,007	279,275	249,413	159,167
Note 1: Cash and short term funds	370,005	279,274	249,411	159,166
Add: Allowances for expected credit losses	2	1	2	1
Cash and cash equivalents at end of the financial period	370,007	279,275	249,413	159,167

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

EXPLANATORY NOTES :

1. BASIS OF PREPARATION

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

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

1.1 Significant Accounting Policies

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

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

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

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

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

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

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

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

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

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

1. BASIS OF PREPARATION (CONT'D.)

1.1 Significant Accounting Policies (Cont'd.)

(d) Annual Improvements to MFRS Standards 2018-2020

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

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

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

(ii) MFRS 9 *Financial Instruments*

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

(iii) MFRS 141 *Agriculture*

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

1.2 Standards issued but not yet effective

Description	Effective for annual periods beginning on or after
- MFRS 17 <i>Insurance Contracts</i>	1 January 2023
- Amendments to MFRS 17	1 January 2023
- Classification of Liabilities as Current or Non-Current (Amendments to MFRS 101)	1 January 2023
- Disclosure of Accounting Policies (Amendments to MFRS 101)	1 January 2023
- Definition of Accounting Estimates (Amendments to MFRS 108)	1 January 2023
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to MFRS 112)	1 January 2023
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 and MFRS 128)	To be determined by MASB

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

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

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

The amendments clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Liabilities are classified as non-current if the entity has a substantive right to defer settlement for at least 12 months at the end of the reporting period. Classification is unaffected by the expectations or intentions of the entity, as well as events after the reporting date. The amendments are applied retrospectively from annual reporting period beginning on or after 1 January 2022. Early adoption is permitted. Nevertheless, the effective date may be deferred by a year to 1 January 2023, subject to the standard setter's consultations. The amendments are not expected to result in any impact as the Group and the Bank present all assets and liabilities in the statements of financial position in order of liquidity.

1. BASIS OF PREPARATION (CONT'D.)

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

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

Disclosure of Accounting Policies (Amendments to MFRS 101)

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

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

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

Definition of Accounting Estimates (Amendments to MFRS 108)

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

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

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

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

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

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

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

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

The amendments clarify that:

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

1. BASIS OF PREPARATION (CONT'D.)

1.3 Significant Accounting Judgements, Estimates and Assumptions

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

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

2. AUDIT QUALIFICATION

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

3. SEASONALITY OR CYCLICALITY OF OPERATIONS

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

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

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

5. CHANGES IN ESTIMATES

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

6. ISSUANCE AND REPAYMENT OF DEBT AND EQUITY SECURITIES

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

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

7. DIVIDENDS

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

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

9. CASH AND SHORT TERM FUNDS

	Group		Bank	
	30 June 2022 RM'000	31 March 2022 RM'000	30 June 2022 RM'000	31 March 2022 RM'000
Cash and bank balances	99,960	87,695	73,493	63,989
Deposit placements maturing within one month:				
Licensed banks	253,927	176,139	159,800	97,600
Other financial institutions	16,120	15,010	16,120	15,010
	<u>370,007</u>	<u>278,844</u>	<u>249,413</u>	<u>176,599</u>
Less: Allowances for ECL				
- Stage 1 -12-month ECL	(2)	(2)	(2)	(2)
	<u>370,005</u>	<u>278,842</u>	<u>249,411</u>	<u>176,597</u>

Movements in allowances for ECL are as follows:

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

10. DEPOSITS AND PLACEMENTS WITH A BANK

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

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

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	Group and Bank	
	30 June	31 March
	2022	2022
	RM'000	RM'000
At Fair value		
Money Market Instruments:		
Malaysian Government Securities	30,128	30,357
Unquoted Securities:		
In Malaysia:		
Shares	2,960	3,131
Outside Malaysia:		
Shares	26	21
	<u>33,114</u>	<u>33,509</u>

12. FINANCIAL INVESTMENTS AT AMORTISED COST

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

13. LOANS AND ADVANCES

	Group and Bank	
	30 June	31 March
	2022	2022
	RM'000	RM'000
At Amortised Cost		
Share margin financing	615,870	591,415
Revolving credits	7,332	7,637
Staff loans	489	505
Gross loans and advances	<u>623,691</u>	<u>599,557</u>
Less: Allowance for impairment on loans and advances		
Allowances for ECL		
Stage 1 - 12 months expected credit loss ("ECL")	(1)	(1)
Net loans and advances	<u>623,690</u>	<u>599,556</u>

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

	Group and Bank	
	30 June	31 March
	2022	2022
	RM'000	RM'000
Domestic business enterprises:		
Small medium enterprises	30,622	35,837
Others	9,984	10,888
Individuals	577,125	547,897
Foreign individuals and entities	5,803	4,783
Other domestic entities	157	152
	<u>623,691</u>	<u>599,557</u>

(b) All loans and advances reside in Malaysia.

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

	Group and Bank	
	30 June	31 March
	2022	2022
	RM'000	RM'000
Fixed rate		
Other fixed rate loans	615,870	591,415
	<u>615,870</u>	<u>591,415</u>
Variable rate:		
Base rate and base lending rate plus	489	505
Cost-plus	7,332	7,637
	<u>7,821</u>	<u>8,142</u>
	<u>623,691</u>	<u>599,557</u>

13. LOANS AND ADVANCES (CONT'D.)

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

	Group and Bank	
	30 June	31 March
	2022	2022
	RM'000	RM'000
Agriculture	492	691
Manufacturing	7,003	8,683
Construction	2,907	5,908
Wholesale and retail trade and hotels and restaurant	7,034	8,717
Transport, storage and communication	7,168	7,768
Finance and insurance	157	152
Real estate	432	403
Business activities	4,090	4,571
Education and health	9,859	9,984
Household, of which:		
Purchase of residential properties	489	505
Purchase of securities	584,060	552,175
	<u>623,691</u>	<u>599,557</u>

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

	Group and Bank	
	30 June	31 March
	2022	2022
	RM'000	RM'000
Maturing within one year	623,265	599,118
Over one year to three years	47	22
Over three years to five years	143	121
Over five years	236	296
	<u>623,691</u>	<u>599,557</u>

13. LOANS AND ADVANCES (CONT'D.)

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

	Stage 1 12-Month ECL RM'000	Stage 3 Lifetime ECL credit impaired RM'000	Total RM'000
Group and Bank			
At 30 June 2022			
Balance at the beginning/end of the financial period	1	-	1
At 31 March 2022			
Balance at beginning/end of the financial year	1	-	1

14. OTHER ASSETS

	Group		Bank	
	30 June 2022 RM'000	31 March 2022 RM'000	30 June 2022 RM'000	31 March 2022 RM'000
Trade receivables	296,449	426,775	284,203	414,394
Other receivables, deposits and prepayments	26,544	30,944	11,088	11,215
Interest receivable	4,540	2,449	4,540	2,449
Tax recoverable	33,821	26,920	33,118	26,909
Margin deposits	315,424	404,449	315,424	404,449
Amount due from:				
Subsidiaries	-	-	9,730	2,980
Other related companies	1,037	312	1,037	312
	<u>677,815</u>	<u>891,849</u>	<u>659,140</u>	<u>862,708</u>
Less:				
Allowances for impairment	(2,960)	(3,343)	(2,220)	(2,603)
	<u>674,855</u>	<u>888,506</u>	<u>656,920</u>	<u>860,105</u>

15. DEPOSITS AND PLACEMENTS OF A BANK

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

16. OTHER LIABILITIES

	Group		Bank	
	30 June 2022 RM'000	31 March 2022 RM'000	30 June 2022 RM'000	31 March 2022 RM'000
Trade payables	559,463	760,172	559,463	760,172
Other payables and accruals	44,661	55,734	28,514	31,784
Interest payable	8,959	4,680	8,959	4,680
Provision for commitments and contingencies	173	173	173	173
Lease liabilities	3,208	3,353	3,208	3,353
Provision for reinstatement of leased properties	302	301	302	301
Amount due to:				
Holding company	-	1,792	-	1,261
Related companies	14,888	16,255	9,199	10,942
Dividends payable to holding company	94,211	-	94,211	-
	<u>725,865</u>	<u>842,460</u>	<u>704,029</u>	<u>812,666</u>

17. INTEREST INCOME

Group	Individual Quarter		Cumulative Quarter	
	30 June	30 June	30 June	30 June
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Cash and short-term funds	5,082	942	5,082	942
Financial investments at fair value through other comprehensive income	137	-	137	-
Financial investments at amortised cost	780	1,057	780	1,057
Loans and advances	8,601	8,237	8,601	8,237
Others	284	379	284	379
	14,884	10,615	14,884	10,615

Bank	Individual Quarter		Cumulative Quarter	
	30 June	30 June	30 June	30 June
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Cash and short-term funds	4,661	537	4,661	537
Financial investments at fair value through other comprehensive income	137	-	137	-
Financial investments at amortised cost	780	1,057	780	1,057
Loans and advances	8,601	8,237	8,601	8,237
Others	284	379	284	379
	14,463	10,210	14,463	10,210

18. INTEREST EXPENSE

Group	Individual Quarter		Cumulative Quarter	
	30 June	30 June	30 June	30 June
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of a bank	4,918	2,733	4,918	2,733
Others	204	94	204	94
	5,122	2,827	5,122	2,827

Bank	Individual Quarter		Cumulative Quarter	
	30 June	30 June	30 June	30 June
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of a bank	4,918	2,733	4,918	2,733
Others	169	38	169	38
	5,087	2,771	5,087	2,771

19. OTHER OPERATING INCOME

Group	Individual Quarter		Cumulative Quarter	
	30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
Fee and commission income:				
Brokerage fees and commission	14,002	26,193	14,002	26,193
Corporate advisory	3,600	4,761	3,600	4,761
Fees on loans and securities				
Arrangement and upfront fees	572	3,939	572	3,939
Other loans and securities related fees	1,842	1,250	1,842	1,250
Portfolio management fees	10,269	18,698	10,269	18,698
Underwriting commission	2,332	-	2,332	-
Unit trust management fees	33,950	30,343	33,950	30,343
Unit trust service charges	3,016	7,962	3,016	7,962
Wealth management fees	4,164	7,806	4,164	7,806
Placement fees	600	3,346	600	3,346
Other fee and commission income	1,310	2,519	1,310	2,519
	<u>75,657</u>	<u>106,817</u>	<u>75,657</u>	<u>106,817</u>
Investment and trading income:				
Net foreign exchange gain	1,008	178	1,008	178
	<u>1,008</u>	<u>178</u>	<u>1,008</u>	<u>178</u>
Other income:				
Net loss on disposal of property and equipment	(30)	-	(30)	-
Non-trading foreign exchange loss	(8)	(1)	(8)	(1)
Rental income	587	631	587	631
Others	40	561	40	561
	<u>589</u>	<u>1,191</u>	<u>589</u>	<u>1,191</u>
	<u>77,254</u>	<u>108,186</u>	<u>77,254</u>	<u>108,186</u>

19. OTHER OPERATING INCOME (CONT'D.)

Bank	Individual Quarter		Cumulative Quarter	
	30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
Fee and commission income:				
Brokerage fees and commission	14,002	26,193	14,002	26,193
Corporate advisory	3,600	4,761	3,600	4,761
Fees on loans and securities				
Arrangement and upfront fees	572	3,939	572	3,939
Other loans and securities related fees	1,842	1,250	1,842	1,250
Portfolio management fees	306	365	306	365
Underwriting commission	2,332	-	2,332	-
Wealth management fees	7,911	10,977	7,911	10,977
Placement fees	600	3,346	600	3,346
Other fee and commission income	1,488	2,544	1,488	2,544
	<u>32,653</u>	<u>53,375</u>	<u>32,653</u>	<u>53,375</u>
Investment and trading income:				
Net foreign exchange gain	821	159	821	159
	<u>821</u>	<u>159</u>	<u>821</u>	<u>159</u>
Other income:				
Net loss on disposal of property and equipment	(30)	-	(30)	-
Rental income	589	632	589	632
Others	31	346	31	346
	<u>590</u>	<u>978</u>	<u>590</u>	<u>978</u>
	<u>34,064</u>	<u>54,512</u>	<u>34,064</u>	<u>54,512</u>

20. DIRECT COSTS

Group	Individual Quarter		Cumulative Quarter	
	30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
Brokerage commission	4,536	10,193	4,536	10,193
Unit trust commission	7,939	12,317	7,939	12,317
Others	3,227	3,766	3,227	3,766
	<u>15,702</u>	<u>26,276</u>	<u>15,702</u>	<u>26,276</u>
Bank				
Brokerage commission	4,536	10,193	4,536	10,193
Others	3,227	3,766	3,227	3,766
	<u>7,763</u>	<u>13,959</u>	<u>7,763</u>	<u>13,959</u>

21. OTHER OPERATING EXPENSES

Group	Individual Quarter		Cumulative Quarter	
	30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
Personnel costs				
- Contributions to Employees' Provident Fund ("EPF")/Private Retirement Schemes	3,408	2,969	3,408	2,969
- Salaries, allowances and bonuses	21,612	18,759	21,612	18,759
- Share granted under AMMB Executives' Share Scheme ("ESS") - charge/(writeback)	124	(1,008)	124	(1,008)
- Social security costs	125	128	125	128
- Others	2,255	1,275	2,255	1,275
	<u>27,524</u>	<u>22,123</u>	<u>27,524</u>	<u>22,123</u>
Establishment costs				
- Amortisation of intangible assets	218	220	218	220
- Cleaning, maintenance and security	460	401	460	401
- Computerisation costs	1,996	1,820	1,996	1,820
- Depreciation of property and equipment	448	490	448	490
- Depreciation of right-of-use asset	159	156	159	156
- Finance costs:				
- interest on lease liability	26	30	26	30
- provision for reinstatement of leased properties	1	1	1	1
- Rental of premises	1,725	1,730	1,725	1,730
- Others	182	40	182	40
	<u>5,215</u>	<u>4,888</u>	<u>5,215</u>	<u>4,888</u>
Marketing and communication expenses				
- Advertising, promotional and other marketing activities	104	77	104	77
- Sales commission	5	21	5	21
- Travelling and entertainment	155	132	155	132
- Communication expenses	331	535	331	535
- Others	135	92	135	92
	<u>730</u>	<u>857</u>	<u>730</u>	<u>857</u>
Administration and general expenses				
- Professional fees	3,059	3,485	3,059	3,485
- Travelling	106	75	106	75
- Others	3,179	4,051	3,179	4,051
	<u>6,344</u>	<u>7,611</u>	<u>6,344</u>	<u>7,611</u>
Service transfer pricing - expense, net	5,782	4,413	5,782	4,413
	<u>45,595</u>	<u>39,892</u>	<u>45,595</u>	<u>39,892</u>

21. OTHER OPERATING EXPENSES (CONTD.)

Bank	Individual Quarter		Cumulative Quarter	
	30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
Personnel costs				
- Contributions to EPF/Private Retirement Schemes	2,276	1,872	2,276	1,872
- Salaries, allowances and bonuses	14,495	11,735	14,495	11,735
- Share granted under AMMB ESS - charge/(writeback)	136	(1,066)	136	(1,066)
- Social security costs	82	85	82	85
- Others	1,813	913	1,813	913
	<u>18,802</u>	<u>13,539</u>	<u>18,802</u>	<u>13,539</u>
Establishment costs				
- Amortisation of intangible assets	144	172	144	172
- Cleaning, maintenance and security	439	397	439	397
- Computerisation costs	1,970	1,820	1,970	1,820
- Depreciation of property and equipment	398	438	398	438
- Depreciation of right-of-use asset	159	156	159	156
- Finance costs:				
- interest on lease liability	26	30	26	30
- provision for reinstatement of leased properties	1	1	1	1
- Rental of premises	1,303	1,312	1,303	1,312
- Others	164	26	164	26
	<u>4,604</u>	<u>4,352</u>	<u>4,604</u>	<u>4,352</u>
Marketing and communication expenses				
- Advertising, promotional and other marketing activities	37	47	37	47
- Sales commission	5	3	5	3
- Travelling and entertainment	147	127	147	127
- Communication expenses	243	399	243	399
- Others	83	23	83	23
	<u>515</u>	<u>599</u>	<u>515</u>	<u>599</u>
Administration and general expenses				
- Professional fees	349	381	349	381
- Travelling	102	60	102	60
- Others	1,450	1,775	1,450	1,775
	<u>1,901</u>	<u>2,216</u>	<u>1,901</u>	<u>2,216</u>
Service transfer pricing - expense, net	<u>4,505</u>	<u>3,246</u>	<u>4,505</u>	<u>3,246</u>
	<u>30,327</u>	<u>23,952</u>	<u>30,327</u>	<u>23,952</u>

22. WRITEBACK OF ALLOWANCE FOR IMPAIRMENT ON OTHER FINANCIAL ASSETS

	Individual Quarter		Cumulative Quarter	
	30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
Group				
Other assets	192	5	192	5
Bank				
Other assets	192	5	192	5

23. BASIC/DILUTED EARNINGS PER SHARE

Group	Individual Quarter		Cumulative Quarter	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
Net profit attributable to shareholder of the Group (RM'000)	20,411	40,153	20,411	40,153
Weighted average number of ordinary shares in issue ('000)	314,035	314,035	314,035	314,035
Basic/diluted earnings per share (sen)	6.5	12.8	6.5	12.8

24. BUSINESS SEGMENT ANALYSIS

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

i. The Group comprises the following main business segments:

(a) Investment banking

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

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

(b) Group Funding and Others

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

ii. Measurement of Segment Performance

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

Note:

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

24. BUSINESS SEGMENT ANALYSIS (CONT'D.)

For the financial period ended 30 June 2022 Group	Investment Banking						Group Funding and Others RM'000	Total RM'000
	Equity Markets RM'000	Fund Management RM'000	Private Banking RM'000	Corporate Finance RM'000	Capital Markets RM'000	Others RM'000		
External net income	21,198	36,348	7,640	5,351	1,640	5	(868)	71,314
Intersegments net income	(3,928)	-	(39)	5	(27)	7	3,982	-
Net income	17,270	36,348	7,601	5,356	1,613	12	3,114	71,314
Net interest income/(expense)	6,922	381	23	4	(27)	8	2,451	9,762
Other operating income, net of direct costs	10,348	35,967	7,578	5,352	1,640	4	663	61,552
Net income	17,270	36,348	7,601	5,356	1,613	12	3,114	71,314
Other operating expenses	(11,919)	(16,020)	(5,620)	(3,192)	(2,653)	(2,445)	(3,746)	(45,595)
of which:								
<i>Depreciation of property and equipment</i>	(126)	(50)	(25)	(13)	(9)	(12)	(213)	(448)
<i>Depreciation of right-of-use assets</i>	-	-	-	-	-	-	(159)	(159)
<i>Amortisation of intangible assets</i>	(104)	(74)	(22)	(2)	(1)	(12)	(3)	(218)
Operating profit/(loss)	5,351	20,328	1,981	2,164	(1,040)	(2,433)	(632)	25,719
Net impairment writeback for Other financial assets	64	-	-	128	-	-	-	192
Profit/(loss) before taxation	5,415	20,328	1,981	2,292	(1,040)	(2,433)	(632)	25,911
Taxation	(1,299)	(3,831)	(475)	(550)	250	583	(178)	(5,500)
Profit/(loss) for the period	4,116	16,497	1,506	1,742	(790)	(1,850)	(810)	20,411
Other information:								
Total segment assets	1,271,281	151,276	9,638	3,090	1,126	786	714,706	2,151,903
Total segment liabilities	563,407	30,886	1,903	(341)	2,628	508	1,056,877	1,655,868
Cost to income ratio	69.0%	44.1%	73.9%	59.6%	>100%	>100%	>100%	63.9%
Gross loans and advances	615,870	-	7,332	-	-	-	489	623,691
Net loans and advances	615,870	-	7,332	-	-	-	488	623,690
Total deposits and placements	-	-	-	-	-	-	930,000	930,000
Additions to:								
Property and equipment	50	667	2	5	-	8	10	742
Intangible assets	90	-	-	-	-	8	156	254

24. BUSINESS SEGMENT ANALYSIS (CONT'D.)

For the financial period ended 30 June 2021 Group (Restated)	Investment Banking						Group Funding and Others RM'000	Total RM'000
	Equity Markets RM'000	Fund Management RM'000	Private Banking RM'000	Corporate Finance RM'000	Capital Markets RM'000	Others RM'000		
External net income	26,204	42,592	11,469	6,806	4,911	1	(137)	91,846
Intersegments net income	(3,075)	-	(20)	(9)	57	4	3,043	-
Net income	23,129	42,592	11,449	6,797	4,968	5	2,906	91,846
Net interest income	5,783	344	40	(8)	56	6	1,756	7,977
Other operating income, net of direct costs	17,346	42,248	11,409	6,805	4,912	(1)	1,150	83,869
Net income	23,129	42,592	11,449	6,797	4,968	5	2,906	91,846
Other operating expenses	(11,711)	(17,076)	(4,542)	(2,712)	(1,705)	(1,052)	(1,094)	(39,892)
<i>of which:</i>								
<i>Depreciation of property and equipment</i>	(124)	(52)	(25)	(11)	(8)	(21)	(249)	(490)
<i>Depreciation of right-of-use assets</i>	-	-	-	-	-	-	(156)	(156)
<i>Amortisation of intangible assets</i>	(98)	(47)	(48)	(2)	(3)	(14)	(8)	(220)
Operating profit/(loss)	11,418	25,516	6,907	4,085	3,263	(1,047)	1,812	51,954
Net impairment (charge)/writeback for other financial assets	(18)	-	-	24	-	(1)	-	5
Profit/(loss) before taxation	11,400	25,516	6,907	4,109	3,263	(1,048)	1,812	51,959
Taxation	(2,735)	(5,341)	(1,658)	(986)	(783)	251	(554)	(11,806)
Profit/(loss) for the period	8,665	20,175	5,249	3,123	2,480	(797)	1,258	40,153
Other information:								
Total segment assets	903,407	162,360	21,856	5,476	540	246	286,314	1,380,199
Total segment liabilities	223,649	36,298	15,568	965	2,366	657	600,620	880,123
Cost to income ratio	50.6%	40.1%	39.7%	39.9%	34.3%	>100%	37.6%	43.4%
Gross loans and advances	528,570	-	7,371	-	-	-	576	536,517
Net loans and advances	528,570	-	7,371	-	-	-	575	536,516
Impaired loans and advances	-	-	-	-	-	-	-	-
Total deposits and placements	-	-	-	-	-	-	575,000	575,000
Additions to:								
Property and equipment	186	33	31	10	3	11	66	340
Intangible assets	118	2	-	-	-	-	4	124

25. COMMITMENTS AND CONTINGENCIES

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

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

	Group and Bank	
	30 June	31 March
	2022	2022
	RM'000	RM'000
Commitments		
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	219,587	233,359
Derivative Financial Instruments		
Foreign exchange related contracts:		
- One year or less	2,322	677
	221,909	234,036

26. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Determination of fair value and fair value hierarchy

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

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

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

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

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

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

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

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

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

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

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

30 June 2022	< ----- Group and Bank ----- >			
	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
Assets measured at fair value				
Financial investments at fair value through other comprehensive income				
- Money market securities	-	30,128	-	30,128
- Unquoted shares	-	-	2,986	2,986
	-	30,128	2,986	33,114
Liability measured at fair value				
Derivative financial liabilities				
	3	-	-	3

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

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

Movements In Level 3 financial instruments measured at fair value

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

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

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

30 June	31 March
2022	2022
RM'000	RM'000

Financial investments at fair value through other comprehensive income

Unrealised (loss)/gain in fair value reserve	<u>(166)</u>	<u>157</u>
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There were no transfers between Level 2 and Level 3 financial instruments during the current financial period and previous financial year for the Group and the Bank.

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

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

27. CAPITAL ADEQUACY

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

	Group	Bank
As at 30 June 2022		
Common Equity Tier 1 ("CET1") Capital Ratio	29.976%	28.652%
Tier 1 Capital Ratio	29.976%	28.652%
Total Capital Ratio	30.590%	29.420%
As at 31 March 2022		
Before deducting proposed dividends:		
CET1 Capital Ratio	33.757%	33.393%
Tier 1 Capital Ratio	33.757%	33.393%
Total Capital Ratio	34.314%	34.077%
After deducting proposed dividends:		
CET1 Capital Ratio	27.550%	25.771%
Tier 1 Capital Ratio	27.550%	25.771%
Total Capital Ratio	28.108%	26.456%

Notes:

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

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

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

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

27. CAPITAL ADEQUACY (CONT'D.)

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

	Group		Bank	
	30 June 2022 RM'000	31 March 2022 RM'000	30 June 2022 RM'000	31 March 2022 RM'000
CET1 Capital				
Share capital	330,000	330,000	330,000	330,000
Retained earnings	50,656	144,979	44,992	139,315
Fair value reserve	1,469	1,703	1,469	1,703
Regulatory reserve	8,569	8,457	8,569	8,457
Capital reserve	2,815	2,815	-	-
Merger reserve	82,115	82,115	-	-
Less : Regulatory adjustments applied on CET 1 capital:				
Goodwill	(36,442)	(36,442)	-	-
Other intangible assets	(3,741)	(3,070)	(2,173)	(2,063)
Deferred tax assets	(7,454)	(8,777)	(3,971)	(5,446)
55% of Fair value reserve	(808)	(937)	(808)	(937)
Regulatory reserve	(8,569)	(8,457)	(8,569)	(8,457)
Investments in capital instruments of unconsolidated financial entities	-	-	(49,809)	(49,809)
Other CET1 regulatory adjustments specified by the BNM	5	1	5	1
CET1 Capital/Tier 1 Capital	418,615	512,387	319,705	412,764
Tier 2 Capital				
General provisions*	8,574	8,460	8,574	8,460
Tier 2 Capital	8,574	8,460	8,574	8,460
Total Capital	427,189	520,847	328,279	421,224

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

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

	Group		Bank	
	30 June 2022 RM'000	31 March 2022 RM'000	30 June 2022 RM'000	31 March 2022 RM'000
Credit RWA	777,565	920,942	756,222	891,418
Market RWA	28,681	24,467	21,042	17,652
Operational RWA	590,242	572,462	338,575	327,009
Total RWA	1,396,488	1,517,871	1,115,839	1,236,079

28. OPERATIONS OF ISLAMIC BANKING

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

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

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

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

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

29. PERFORMANCE REVIEW FOR THE PERIOD ENDED 30 JUNE 2022

The Group's profit before taxation for the three months ended 30 June 2022 of RM25.9 million was lower mainly due to lower income from lower brokerage fees and commission, portfolio management fees, wealth management fees, fees on loans and securities, unit trust service charges and other fees and commission income offset by higher unit trust management fees.

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

30. PROSPECTS FOR FINANCIAL YEAR ENDING 31 MARCH 2023

Malaysia's gross domestic product ("GDP") improved further in the second quarter of 2022. While the market was expecting a 6.7% year-on-year ("YoY") growth, the actual GDP grew by 8.9% YoY after expanding 5.0% YoY in the previous quarter. This brings the average 1H22 GDP to 6.9% YoY. Looking at the monthly economic performance, the economy expanded by 5.6% YoY in April 2022, 5.0% YoY in May 2022 and 16.5% YoY in June 2022, signalling robust improvement. The better performance in the second quarter of 2022 was due to the full reopening across all sectors in the economy, the high vaccination and booster rates, and also the opening of international borders in April 2022.

Following the strong first half 2022 performance, we now expect second half 2022 GDP to also perform well. Besides the low base, we foresee the economy to continue benefiting from strong export earnings backed by firm commodity prices, a still healthy global semiconductor environment, resource-based exports, and FDI inflows. Also, domestic activities, primarily private expenditure, a pick-up in tourism activities, and improving employment will continue to lend support to the overall economic performance.

However, the upside to the economy is being contained by shortages of entry-level foreign workers and talents, on top of supply chain disruptions and high input costs. Besides domestic challenges, the Malaysian economy is still vulnerable to external shocks such as slower-than-expected economic growth, and some knock-on impact from the ongoing geopolitical risk. On that note, we have revised upwards our projection. Our base case GDP growth target for 2022 is now 6.4% (previously: 5.6%) with the upside at 6.7% (previous: 6.0%) and downside of 5.9% (previous: 4.8%).

Malaysia's inflation is starting to gain some steam, accelerating from 2.3% in January 2022, to 3.4% in June 2022. This brings the average of inflation for the first half of 2022 to 2.5% (2.3% January to June 2021). Upwards pressure remains from cost-push dynamics induced by higher commodity prices and a weaker ringgit, which had fed into the inflation reading. Also, we may see low base effects in July, August, and September of 2022 readings as the local economy suffered the reintroduction of MCO 3.0 in 2021.

In addition, the notion of demand-pull inflation is starting to pick up. Unemployment has dipped to 3.8% in June 2022, the lowest level since the pandemic started, while core inflation has reached 3.0% YoY, the highest since 2016. This is further bolstered by other spending indicators such as credit card spending (jumped 49.9%) and debit card spending (surged 105%), and double-digit growth in retail spending at 31.3%. For the year 2022, we expect the annual inflation rate to hover around 2.8% - 3.0% with an upside surprise of 3.3%.

Meanwhile, the overall banking system loans grew 5.6% YoY in June 2022 and marking the new 3-year high. Household loans increase faster by 5.9% YoY (May 2022: 5.0% YoY), while non-household loans climbed 5.3% YoY (May 2022: 4.9% YoY) supported by working capital loans. Overall, we envisaged the industry's loan growth to reach 5.0% to 6.0% for the full year of 2022.

The overall banking system remains healthy in 2022 underpinned by strong liquidity. Despite some dips, the liquidity coverage ratio stayed above the 100% regulatory requirement in June 2022 at 148% (May 2022 was at 149.3%). Correspondingly, the sector's funding profile was well-diversified with June 2022's loan-to-fund ratio and loan-to-fund-and-equity ratio at 81.8% and 71% respectively (May 2022 was at 81.7% and 71% respectively).

Meanwhile, BNM has made its first rate hike move this year in May 2022, beating the market's expectation, on the back of a firming labour market and recovering domestic economy. In the subsequent Monetary Policy Committee meeting in July, BNM raised the overnight policy rate ("OPR") by another 25 basis points ("bps") to 2.25%. The hike was due to Malaysia's positive growth outlook coming from firm domestic demand, improving labour market, and transition into endemicity. Expectations are that the OPR will continue trending upwards and likely to stabilise at 2.50%—2.75% in 2022 and settle at 3.25% in 2023.

On that note, we have baked in another 25bps OPR rate hike in September with a probability of 40% for another 25bps in November supported by healthy potential incoming data that reflects a pick-up in demand pressures.

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

AMMB Holdings ("AMMB") Group started its FY23 stronger on the back of positive economic momentum across all sectors. 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, the AMMB Group continues to extend financial assistance to customers who are still in need. The AMMB Group's ongoing efforts remain focused on creating sustainable long-term value for all its stakeholders.

While there remain uncertainties and near-term volatilities amid growing concerns of global recession as well as the conflict in Ukraine, AMMB Group continues to forge ahead with the execution of its Focus 8 strategy. The Group's key focus in FY23 include accelerating its digital transformation, forming strategic partnerships and embedding Environmental, Social and Governance (ESG) considerations into its strategies, business and operations. These areas, once enhanced, will allow the Group to deliver more competitive integrated value propositions to its customers.

31. VALUATION OF PROPERTY AND EQUIPMENT

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

32. EVENTS SUBSEQUENT TO REPORTING DATE

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