

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

**AUDITED STATEMENTS OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2023**

	Note	Group		Company	
		31.03.2023 RM'000	31.03.2022 RM'000	31.03.2023 RM'000	31.03.2022 RM'000
<b>ASSETS</b>					
Cash and short-term funds	A8	8,521,940	13,221,099	208,565	717,660
Deposits and placements with banks and other financial institutions	A9	176,604	1,301,449	-	-
Derivative financial assets	A32	921,109	821,373	-	-
Financial assets at fair value through profit or loss	A10	12,770,907	7,216,560	1,158	1,128
Financial investments at fair value through other comprehensive income ("FVOCI")	A11	25,610,733	18,756,757	-	-
Financial investments at amortised cost	A12	13,469,703	9,037,766	-	-
Loans, advances and financing	A13	128,242,605	118,065,685	-	-
Statutory deposits with Bank Negara Malaysia		2,446,547	376,523	-	-
Deferred tax assets		220,655	218,551	-	-
Investments in subsidiaries and other investments		-	-	10,852,185	10,857,350
Investments in associates and joint ventures	A14	1,631,600	604,542	-	-
Other assets	A15	2,626,036	2,885,319	4,005	11,615
Reinsurance assets and other insurance receivables	A16	-	580,705	-	-
Property and equipment		161,778	180,968	20	-
Right-of-use assets		229,770	189,372	-	-
Intangible assets		510,644	1,399,912	-	-
Assets held for sale		-	2,324	-	-
<b>TOTAL ASSETS</b>		<b>197,540,631</b>	<b>174,858,905</b>	<b>11,065,933</b>	<b>11,587,753</b>
<b>LIABILITIES AND EQUITY</b>					
Deposits from customers	A17	130,315,080	122,592,850	-	-
Investment accounts of customers		16,474	377,861	-	-
Deposits and placements of banks and other financial institutions	A18	11,462,245	9,894,585	-	-
Securities sold under repurchase agreements		16,466,674	1,582,717	-	-
Recourse obligation on loans and financing sold to Cagamas Berhad		9,915,040	8,375,023	-	-
Derivative financial liabilities	A32	964,319	803,563	-	-
Term funding		2,172,333	1,880,097	-	-
Debt capital		4,395,000	4,395,000	-	-
Deferred tax liabilities		-	8,093	-	-
Other liabilities	A19	3,697,557	4,302,862	23,117	533,827
Insurance contract liabilities and other insurance payables	A20	-	2,687,361	-	-
<b>Total Liabilities</b>		<b>179,404,722</b>	<b>156,900,012</b>	<b>23,117</b>	<b>533,827</b>
Share capital		6,376,240	6,776,240	6,372,870	6,372,870
Treasury shares		(28,579)	(11,041)	(28,579)	(11,041)
Reserves		11,787,384	9,994,593	4,698,525	4,692,097
Equity attributable to equity holders of the Company		18,135,045	16,759,792	11,042,816	11,053,926
Non-controlling interests		864	1,199,101	-	-
<b>Total Equity</b>		<b>18,135,909</b>	<b>17,958,893</b>	<b>11,042,816</b>	<b>11,053,926</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>197,540,631</b>	<b>174,858,905</b>	<b>11,065,933</b>	<b>11,587,753</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	A31	<b>124,872,952</b>	<b>122,661,380</b>	<b>-</b>	<b>-</b>
<b>NET ASSETS PER SHARE (RM)</b>		<b>5.48</b>	<b>5.06</b>	<b>3.34</b>	<b>3.34</b>

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

**AUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**FOR THE FINANCIAL QUARTER AND YEAR ENDED 31 MARCH 2023**

Group	Note	Individual Quarter		Cumulative Quarter	
		31.03.2023 RM'000	31.03.2022 RM'000	31.03.2023 RM'000	31.03.2022 RM'000
<b>Continuing operations:</b>					
Interest income	A21	1,416,473	991,375	4,975,955	3,942,076
Interest expense	A22	(894,687)	(456,933)	(2,695,320)	(1,770,242)
Net interest income		521,786	534,442	2,280,635	2,171,834
Net income from Islamic banking		316,144	277,857	1,301,270	1,062,026
Other operating income	A23	287,082	164,486	956,404	822,371
Share in results of associates and joint ventures		35,144	9,229	69,862	44,091
Net income		1,160,156	986,014	4,608,171	4,100,322
Other operating expenses	A24	(555,609)	(478,258)	(1,999,092)	(1,788,981)
Operating profit before impairment losses		604,547	507,756	2,609,079	2,311,341
(Allowances for)/Writeback of impairment on loans, advances and financing	A25	(84,388)	243,831	(421,846)	(314,179)
Writeback of/(Allowances for) impairment on:					
Financial investments	A26	5,625	(166,528)	(9,508)	(270,240)
Other financial assets	A26	1,542	(1,952)	(665)	(1,878)
Provision for commitments and contingencies - writeback/(charge)		26,364	(128,771)	77,806	(176,988)
Other recoveries, net		53	141	575	217
Impairment of investment in associate		-	-	-	(4,625)
Profit before taxation and zakat from continuing operations		553,743	454,477	2,255,441	1,543,648
Taxation and zakat	B5	(125,736)	(96,034)	(513,063)	(177,277)
<b>Profit after taxation and zakat from continuing operations</b>		<b>428,007</b>	<b>358,443</b>	<b>1,742,378</b>	<b>1,366,371</b>
<b>Discontinued operation:</b>					
Profit from operations of discontinued general insurance (including estimated loss on disposal of RM53.9 million)		-	59,926	31,029	261,097
Impairment of Kurnia Brand, agent relationship and other assets		-	-	(115,981)	-
Profit/(Loss) before taxation from discontinued operation		-	59,926	(84,952)	261,097
Taxation	B5	-	(435)	18,879	(32,529)
<b>Profit/(Loss) after taxation from discontinued operation</b>		<b>-</b>	<b>59,491</b>	<b>(66,073)</b>	<b>228,568</b>
<b>Profit for the financial quarter/year</b>		<b>428,007</b>	<b>417,934</b>	<b>1,676,305</b>	<b>1,594,939</b>
Profit/(Loss) for the financial quarter/year attributable to:					
Equity holders of the Company		427,912	391,750	1,735,153	1,502,682
Non-controlling interests		95	26,184	(58,848)	92,257
<b>Profit for the financial quarter/year</b>		<b>428,007</b>	<b>417,934</b>	<b>1,676,305</b>	<b>1,594,939</b>
<b>EARNINGS/(LOSS) PER SHARE (SEN)</b>					
Basic/Diluted	B10				
Continuing operations		12.94	10.82	52.62	41.40
Discontinued operation		-	1.01	(0.21)	4.14
		<b>12.94</b>	<b>11.83</b>	<b>52.41</b>	<b>45.54</b>

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

**AUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL QUARTER AND YEAR ENDED 31 MARCH 2023**

Group	Individual Quarter		Cumulative Quarter	
	31.03.2023 RM'000	31.03.2022 RM'000	31.03.2023 RM'000	31.03.2022 RM'000
Profit for the financial quarter/year	428,007	417,934	1,676,305	1,594,939
<b>Other comprehensive income/(loss):</b>				
<b>Continuing operations:</b>				
<b>Items that will not be reclassified subsequently to statement of profit or loss</b>				
Financial investments at FVOCI				
- net unrealised gain on changes in fair value	-	-	7,769	3,148
Share of other comprehensive loss of equity accounted associates	(342)	-	(342)	-
	<u>(342)</u>	<u>-</u>	<u>7,427</u>	<u>3,148</u>
<b>Items that may be reclassified subsequently to statement of profit or loss</b>				
Currency translation gain on foreign operations	1,612	2,523	13,341	3,879
Cash flow hedge				
- gain arising during the financial quarter/year	-	59	-	1,654
- amortisation of fair value changes for terminated hedge	1,558	1,547	6,320	8,724
Financial investments at FVOCI				
- net unrealised gain/(loss) on changes in fair value	155,349	(116,678)	8,577	(260,663)
- net gain reclassified to profit or loss	(263)	(156)	(211)	(4,813)
- changes in expected credit losses ("ECL")	(11,995)	(16,929)	(7,041)	2,263
- foreign exchange differences	11	1	12	2
Tax effect relating to the components of other comprehensive (income)/loss				
- cash flow hedge	(373)	(386)	(1,516)	(2,491)
- financial investments at FVOCI	(37,302)	28,040	(2,048)	63,626
Share of reserve movements in equity accounted associates and joint ventures	4,214	(827)	5,024	(4,255)
	<u>112,811</u>	<u>(102,806)</u>	<u>22,458</u>	<u>(192,074)</u>
Other comprehensive income/(loss) for the financial quarter/year, net of tax from continuing operations	<u>112,469</u>	<u>(102,806)</u>	<u>29,885</u>	<u>(188,926)</u>
<b>Discontinued operation:</b>				
<b>Items that will not be reclassified subsequently to statement of profit or loss</b>				
Remeasurement of defined benefit liability	-	(247)	-	(1,133)
Tax effect relating to components of other comprehensive loss				
- defined benefit liability	-	59	-	272
Other comprehensive loss for the financial quarter/year, net of tax from discontinued operation	<u>-</u>	<u>(188)</u>	<u>-</u>	<u>(861)</u>
Total comprehensive income for the financial quarter/year	<u>540,476</u>	<u>314,940</u>	<u>1,706,190</u>	<u>1,405,152</u>
Total comprehensive income/(loss) for the financial quarter/year attributable to:				
Equity holders of the Company				
Continuing operations	540,381	255,562	1,772,053	1,177,043
Discontinued operation	-	33,287	(7,015)	136,274
Non-controlling interests				
Continuing operations	95	75	210	402
Discontinued operation	-	26,016	(59,058)	91,433
	<u>540,476</u>	<u>314,940</u>	<u>1,706,190</u>	<u>1,405,152</u>

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

AUDITED STATEMENT OF PROFIT OR LOSS  
FOR THE FINANCIAL QUARTER AND YEAR ENDED 31 MARCH 2023

Company	Note	Individual Quarter		Cumulative Quarter	
		31.03.2023 RM'000	31.03.2022 RM'000	31.03.2023 RM'000	31.03.2022 RM'000
Interest income	A21	808	2,754	6,418	19,327
Other operating income	A23	3,743	488	407,314	194,214
Net income		4,551	3,242	413,732	213,541
Other operating expenses	A24	(12,567)	(5,331)	(35,814)	(17,643)
Transaction cost from disposal of subsidiary		-	-	(15,725)	-
Operating (loss)/profit		(8,016)	(2,089)	362,193	195,898
Writeback of impairment on investment in subsidiary		18,000	-	18,000	-
Profit/(Loss) before taxation		9,984	(2,089)	380,193	195,898
Taxation		(180)	(589)	(1,518)	(4,399)
<b>Profit/(Loss) for the financial quarter/year representing total comprehensive income/(loss) for the financial quarter/year</b>		<b>9,804</b>	<b>(2,678)</b>	<b>378,675</b>	<b>191,499</b>

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

**AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

Group	Attributable to Equity Holders of the Company											
	Non-Distributable							Distributable				
	Share capital RM'000	Regulatory reserve RM'000	Fair value reserve RM'000	Cash flow hedging deficit RM'000	Foreign currency translation reserve RM'000	Executives' share scheme reserve RM'000	Treasury shares RM'000	Retained Earnings			Non-controlling interests RM'000	Total equity RM'000
Non-participating funds RM'000								RM'000	Total RM'000			
<b>At 01.04.2021</b>	5,951,557	-	708,790	(16,949)	94,992	67,778	(20,970)	45,715	7,809,864	14,640,777	949,582	15,590,359
Profit for the financial year	-	-	-	-	-	-	-	-	1,502,682	1,502,682	92,257	1,594,939
Other comprehensive (loss)/income, net	-	-	(200,692)	7,887	3,879	-	-	-	(439)	(189,365)	(422)	(189,787)
Total comprehensive (loss)/income for the financial year	-	-	(200,692)	7,887	3,879	-	-	-	1,502,243	1,313,317	91,835	1,405,152
Issue of ordinary share capital pursuant to:-												
- private placement	824,683	-	-	-	-	-	-	-	-	824,683	-	824,683
Buy-back of shares	-	-	-	-	-	-	(16,812)	-	-	(16,812)	-	(16,812)
Share-based payment under ESS, net	-	-	-	-	-	(2,173)	-	-	-	(2,173)	-	(2,173)
ESS shares vested to employees	-	-	-	-	-	(29,133)	26,741	-	2,392	-	-	-
Transfer to regulatory reserve	-	102,920	-	-	-	-	-	-	(102,920)	-	-	-
Subscription of shares arising from conversion of redeemable cumulative convertible preference shares by a subsidiary	-	-	-	-	-	-	-	-	-	-	256,164	256,164
Transfer of net gain upon disposal of financial investments at fair value through other comprehensive income to retained earnings	-	-	(8,871)	-	-	-	-	-	8,871	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	(98,480)	(98,480)
Transactions with owners and other equity movements	824,683	102,920	(8,871)	-	-	(31,306)	9,929	-	(91,657)	805,698	157,684	963,382
<b>At 31.03.2022</b>	<b>6,776,240</b>	<b>102,920</b>	<b>499,227</b>	<b>(9,062)</b>	<b>98,871</b>	<b>36,472</b>	<b>(11,041)</b>	<b>45,715</b>	<b>9,220,450</b>	<b>16,759,792</b>	<b>1,199,101</b>	<b>17,958,893</b>

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

**AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

Group	Attributable to Equity Holders of the Company											Total equity RM'000
	Non-Distributable							Distributable				
	Share capital RM'000	Regulatory reserve RM'000	Fair value reserve RM'000	Cash flow hedging deficit RM'000	Foreign currency translation reserve RM'000	Executives' share reserve RM'000	Treasury shares RM'000	Retained Earnings		Total RM'000	Non-controlling interests RM'000	
							Non-participating funds RM'000	RM'000				
<b>At 01.04.2022</b>	6,776,240	102,920	499,227	(9,062)	98,871	36,472	(11,041)	45,715	9,220,450	16,759,792	1,199,101	17,958,893
Profit/(Loss) for the financial year	-	-	-	-	-	-	-	-	1,735,153	1,735,153	(58,848)	1,676,305
Other comprehensive income/(loss), net	-	-	12,082	4,804	13,341	-	-	-	(342)	29,885	-	29,885
Total comprehensive income/(loss) for the financial year	-	-	12,082	4,804	13,341	-	-	-	1,734,811	1,765,038	(58,848)	1,706,190
Buy-back of shares	-	-	-	-	-	-	(43,744)	-	-	(43,744)	-	(43,744)
Share-based payment under ESS, net	-	-	-	-	-	16,367	-	-	763	17,130	-	17,130
ESS shares vested to employees	-	-	-	-	-	(26,414)	26,206	-	208	-	-	-
Transfer to regulatory reserve	-	108,787	-	-	-	-	-	-	(108,787)	-	-	-
Transfer to retained earnings arising from redemption of preference shares by a subsidiary	(400,000)	-	-	-	-	-	-	-	400,000	-	-	-
Arising from disposal of a subsidiary	-	-	-	-	-	-	-	-	-	-	(61,415)	(61,415)
Reversal of dividend accrued - ESS shares	-	-	-	-	-	-	-	-	1,001	1,001	-	1,001
Capital reduction from a subsidiary	-	-	-	-	-	-	-	-	-	-	(1,075,993)	(1,075,993)
Dividends paid	-	-	-	-	-	-	-	-	(364,172)	(364,172)	(1,981)	(366,153)
Transactions with owners and other equity movements	(400,000)	108,787	-	-	-	(10,047)	(17,538)	-	(70,987)	(389,785)	(1,139,389)	(1,529,174)
<b>At 31.03.2023</b>	<b>6,376,240</b>	<b>211,707</b>	<b>511,309</b>	<b>(4,258)</b>	<b>112,212</b>	<b>26,425</b>	<b>(28,579)</b>	<b>45,715</b>	<b>10,884,274</b>	<b>18,135,045</b>	<b>864</b>	<b>18,135,909</b>

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

**AUDITED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

Company	Attributable to Equity Holders of the Company				
	Non-Distributable		Distributable		
	Ordinary share capital RM'000	Executives' share scheme reserve RM'000	Treasury shares RM'000	Retained earnings RM'000	Total equity RM'000
<b>At 01.04.2021</b>	5,550,250	67,778	(20,970)	4,461,734	10,058,792
Profit for the financial year	-	-	-	191,499	191,499
Total comprehensive income for the financial year	-	-	-	191,499	191,499
Issue of ordinary share capital pursuant to:-					
- private placement	822,620	-	-	-	822,620
Buy-back of shares	-	-	(16,812)	-	(16,812)
Share-based payment under ESS, net	-	(2,173)	-	-	(2,173)
ESS shares vested to employees	-	(29,133)	26,741	2,392	-
Transactions with owners and other equity movements	822,620	(31,306)	9,929	2,392	803,635
<b>At 31.03.2022</b>	<b>6,372,870</b>	<b>36,472</b>	<b>(11,041)</b>	<b>4,655,625</b>	<b>11,053,926</b>

Company	Attributable to Equity Holders of the Company				
	Non-Distributable		Distributable		
	Ordinary share capital RM'000	Executives' share scheme reserve RM'000	Treasury shares RM'000	Retained earnings RM'000	Total equity RM'000
<b>At 01.04.2022</b>	6,372,870	36,472	(11,041)	4,655,625	11,053,926
Profit for the financial year	-	-	-	378,675	378,675
Total comprehensive income for the financial year	-	-	-	378,675	378,675
Buy-back of shares	-	-	(43,744)	-	(43,744)
Share-based payment under ESS, net	-	16,367	-	763	17,130
ESS shares vested to employees	-	(26,414)	26,206	208	-
Reversal of dividend accrued - ESS shares	-	-	-	1,001	1,001
Dividends paid	-	-	-	(364,172)	(364,172)
Transactions with owners and other equity movements	-	(10,047)	(17,538)	(362,200)	(389,785)
<b>At 31.03.2023</b>	<b>6,372,870</b>	<b>26,425</b>	<b>(28,579)</b>	<b>4,672,100</b>	<b>11,042,816</b>

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

**AUDITED CONDENSED STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

	Group		Company	
	31.03.2023 RM'000	31.03.2022 RM'000	31.03.2023 RM'000	31.03.2022 RM'000
<i>Cash flows from operating activities</i>				
Profit/(Loss) before taxation and zakat				
Continuing operations	2,255,441	1,543,648	380,193	195,898
Discontinued operation	(84,952)	261,097	-	-
Profit before taxation and zakat including discontinued operation	<u>2,170,489</u>	<u>1,804,745</u>	<u>380,193</u>	<u>195,898</u>
Adjustments for:				
Net accretion of discount for securities	(175,209)	(43,673)	-	-
Allowance for ECL on loans, advances and financing, net	732,186	554,563	-	-
Dividend income	(3,139)	(4,206)	(396,947)	(193,058)
Net loss on revaluation of derivatives	61,019	5,225	-	-
Net loss on revaluation of financial assets				
at fair value through profit or loss	27,145	41,502	-	-
Net gain on sale of financial investments				
at fair value through other comprehensive income	(211)	(4,814)	-	-
Net (gain)/loss on sale of financial assets				
at fair value through profit or loss	(45,990)	442	-	-
Impairment loss on investment in associate	-	4,625	-	-
Impairment of Kurnia Brand, agent relationship and other assets	115,981	-	-	-
Estimated loss on disposal of subsidiary	53,893	-	-	-
Writeback of impairment on investment in subsidiary	-	-	(18,000)	-
Other non-operating and non-cash items	64,841	608,540	8	(64)
Operating profit/(loss) before working capital changes	<u>3,001,005</u>	<u>2,966,949</u>	<u>(34,746)</u>	<u>2,776</u>
<i>Decrease/(Increase) in operating assets:</i>				
Deposits and placements with banks and other financial institutions	9,254	(132)	-	-
Financial assets at fair value through profit or loss	(9,099,830)	2,349,902	(30)	(24)
Loans, advances and financing	(10,812,595)	(7,896,224)	-	-
Statutory deposits with Bank Negara Malaysia	(2,070,024)	48,754	-	-
Other assets	225,977	(393,088)	9,960	1,821,743
Reinsurance assets and other insurance receivables	15,939	(146,857)	-	-
<i>Increase/(Decrease) in operating liabilities:</i>				
Deposits from customers	7,722,230	2,049,664	-	-
Investment accounts of customers	(361,387)	283,026	-	-
Deposits and placements of banks and other financial institutions	1,532,458	(57,800)	-	-
Securities sold under repurchase agreements	14,883,956	772,546	-	-
Recourse obligation on loans and financing sold to Cagamas Berhad	1,540,018	1,100,005	-	-
Term funding	269,875	119,859	-	-
Other liabilities	(237,833)	(1,704,389)	(491,289)	(2,342,053)
Insurance contract liabilities and other insurance payables	(39,909)	208,354	-	-
Cash generated from/(used in) operations	<u>6,579,134</u>	<u>(299,431)</u>	<u>(516,105)</u>	<u>(517,558)</u>
Taxation and zakat paid, net	(610,349)	(234,201)	(5,158)	(3,114)
Net cash generated from/(used in) operating activities	<u>5,968,785</u>	<u>(533,632)</u>	<u>(521,263)</u>	<u>(520,672)</u>

**AUDITED CONDENSED STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D.)**

	Group		Company	
	31.03.2023 RM'000	31.03.2022 RM'000	31.03.2023 RM'000	31.03.2022 RM'000
<i>Cash flows from investing activities</i>				
Purchase of treasury shares	(43,744)	(16,812)	(43,744)	(16,812)
Dividend/Distribution income received	8,772	23,812	396,947	193,058
Subscription of shares in subsidiary	-	-	-	(450,000)
Net cash inflow from disposal of subsidiary	1,126,025	-	-	-
Proceeds from disposal of property and equipment	20,588	358	-	-
Purchase of financial investments	(11,249,815)	(4,502,185)	-	-
Purchase of property and equipment and intangible assets	(124,685)	(100,434)	(28)	-
Proceeds from capital reduction in subsidiaries	-	-	23,165	-
Capital return from subsidiaries liquidated during the year	-	-	-	140
Net cash (used in)/generated from investing activities	<u>(10,262,859)</u>	<u>(4,595,261)</u>	<u>376,340</u>	<u>(273,614)</u>
<i>Cash flows from financing activities</i>				
Dividends paid by the Company to its shareholders	(364,172)	-	(364,172)	-
Repayment of lease liabilities	(80,423)	(85,647)	-	-
Dividends paid to non-controlling interests by subsidiaries	(1,981)	(98,480)	-	-
Return of capital to non-controlling interest	(1,075,993)	-	-	-
Proceeds from issuance of Subordinated Notes/Sukuk, net	-	100,000	-	-
Proceeds from issuance of shares from private placement, net	-	824,683	-	822,620
Net cash (used in)/generated from financing activities	<u>(1,522,569)</u>	<u>740,556</u>	<u>(364,172)</u>	<u>822,620</u>
Net (decrease)/increase in cash and cash equivalents	(5,816,643)	(4,388,337)	(509,095)	28,334
Cash and cash equivalents at beginning of the financial year	14,516,864	18,905,756	717,660	689,326
Effect of exchange rate changes	146	(555)	-	-
Cash and cash equivalents at end of the financial year	<u>8,700,367</u>	<u>14,516,864</u>	<u>208,565</u>	<u>717,660</u>

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

	Group		Company	
	31.03.2023 RM'000	31.03.2022 RM'000	31.03.2023 RM'000	31.03.2022 RM'000
Cash and short-term funds	8,521,940	13,221,099	208,565	717,660
Deposits and placements with banks and other financial institutions (with original maturity of three months and less)	<u>176,604</u>	<u>1,301,449</u>	<u>-</u>	<u>-</u>
	8,698,544	14,522,548	208,565	717,660
Less: Deposits with original maturity of more than three months	-	(9,254)	-	-
	8,698,544	14,513,294	208,565	717,660
Add:				
Allowances for ECL for cash and cash equivalents	1,823	3,570	-	-
Cash and cash equivalents	<u>8,700,367</u>	<u>14,516,864</u>	<u>208,565</u>	<u>717,660</u>

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

## EXPLANATORY NOTES :

### A1. BASIS OF PREPARATION

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

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

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

#### A1.1 Significant Accounting Policies

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

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

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

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

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

The amendments clarify that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset, and prohibits 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 Company.

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

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

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

The amendments updated MFRS 3 *Business Combinations* to refer to the revised *Conceptual Framework for Financial Reporting* ("Conceptual Framework") in order to determine what constitutes an asset or a liability in a business combination. In addition, a new exception is added in MFRS 3 in connection with liabilities and contingent liabilities. The exception specifies that, for some types of liabilities and contingent liabilities, an entity applying MFRS 3 should instead refer to MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets* or IC Interpretation 21 *Levies*, rather than the Conceptual Framework. The adoption of these amendments did not result in any impact as there is no business combination or asset acquisition occurred during the financial year 31 March 2023.

## 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 Company 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 Company.

##### (ii) MFRS 9 *Financial Instruments*

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

##### (iii) MFRS 141 *Agriculture*

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

#### Standards issued but not yet effective

Description	Effective for annual periods beginning on or after
- MFRS 17 <i>Insurance Contracts</i>	1 January 2023
- Initial Application of MFRS 17 and MFRS 9 - Comparative Information (Amendment to MFRS 17 <i>Insurance Contracts</i> )	1 January 2023
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to MFRS 112 <i>Income Taxes</i> )	1 January 2023
- Lease Liability in a Sale and Leaseback (Amendments to MFRS 16 <i>Leases</i> )	1 January 2024
- Non-current Liabilities with Covenants (Amendments to MFRS 101 <i>Presentation of Financial Statements</i> )	1 January 2024
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 <i>Consolidated Financial Statements</i> and MFRS 128 <i>Investments in Associates and Joint Ventures</i> )	To be determined by MASB

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

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

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

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

## A1. BASIS OF PREPARATION (CONT'D.)

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

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

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

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

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

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

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

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

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

The adoption of MFRS 17 is expected to impact the value of investment in associates and joint ventures.

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

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. 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.

## A1. BASIS OF PREPARATION (CONT'D.)

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

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

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

#### (b) Amendments to published standards effective for financial year ending 31 March 2025

##### Lease Liability in a Sale and Leaseback (Amendments to MFRS 16 Leases)

The amendments clarified that, in subsequently measuring the lease liability, seller-lessee determines lease payments and revised leased payments in a way that does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments are applied from annual reporting period beginning on or after 1 January 2024. Early adoption is permitted.

##### Non-current Liabilities with Covenants (Amendments to MFRS 101 Presentation of Financial Statements)

The amendments clarified that covenants of loan arrangements which an entity must comply with only after the reporting date would not affect classification of a liability as current or non-current at the reporting date. However, those covenants that an entity is required to comply with on or before reporting date would affect classification as current or non-current, even if the covenant is only assessed after the entity's reporting date.

The amendments are applied from annual reporting period beginning on or after 1 January 2024. Early adoption is permitted.

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

##### Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures)

The amendments clarify that:

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

### A1.2 Significant Accounting Judgements, Estimates and Assumptions

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

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

#### (i) Income Taxes

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

## **A1. BASIS OF PREPARATION (CONT'D.)**

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

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

#### **(i) Income Taxes (Cont'd.)**

During the financial year, the Inland Revenue Board ("IRB") has formally communicated to both Banks with a differing view on the tax deductibility of the settlement sum. Management has seek legal advice arising from this latest update from IRB and concluded that the tax position taken by AmBank and AmInvestment Bank in prior year remains unchanged as the tax deduction on the settlement sum still hold merits. As such, the Group maintained the same tax position with the total of RM234.6 million as tax recoverable that is consistent with prior year tax treatment, resulting in nil tax impact to the Group's statement of profit or loss for the financial year ended 31 March 2023.

Management has also taken all the necessary steps and actions to ensure compliance with the tax regulations to maintain the Group's tax position in the current financial year. The Group will continuously reassess the tax recoverable recognised and the unutilised tax loss arose from the remaining tax deduction based on the developments of the discussion with IRB.

#### **(ii) Estimated loss on disposal of a subsidiary**

In arriving the estimated loss on disposal of AmGeneral Insurance Berhad ("AGIB") disclosed in Note A29, the Group estimated at the adjusted final disposal price based on the management accounts of AGIB and Liberty Insurance Bhd ("LIB") as of the date of disposal which includes an estimated actuarial loss of RM186 million based on the draft Independent Reserve Review ("IRR") report conducted by an independent actuary. The Group has engaged a separate independent reviewer to assess the value of the estimated actuarial loss. As at the end of the financial year, the Group's independent reviewer has completed its assessment. The adjusted disposal price will be finalised upon the completion of negotiation between the Group and LIB. Hence, the estimated loss on disposal of AGIB may be adjusted.

## **A2. AUDIT QUALIFICATION**

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

## **A3. SEASONALITY OR CYCLICALITY OF OPERATIONS**

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

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

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

## **A5. CHANGES IN ESTIMATES**

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

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

### (i) Share buy-back

During the current financial year, the Company bought back from the open market, a total of 10,949,250 ordinary shares listed on the Main Market of Bursa Malaysia Securities Berhad at an average buy-back price of RM4.00 per share. The total consideration paid for the share buy-back including transaction costs was approximately RM43,743,923 and was financed by internally generated funds. The shares bought back are held as treasury shares in accordance with Section 127(4)(b) of the Companies Act 2016.

### (ii) Issuance of debt securities

(1) AmBank (M) Berhad ("AmBank") issued the following tranches in nominal value under its RM4.0 billion Subordinated Notes programme:

- (i) Tranche 9 with nominal value of RM745.0 million on 12 October 2022. The interest rate of this tranche is at 5.20% per annum, payable semi-annually with a tenure of 10 years (callable in the 5th years); and
- (ii) Tranche 10 with nominal value of RM350.0 million on 28 March 2023. The interest rate of this tranche is at 4.58% per annum, payable semi-annually with a tenure of 10 years (callable in the 5th years).

(2) On 28 March 2023, AmBank Islamic Berhad ("AmBank Islamic") issued Tranche 10 with nominal value of RM150.0 million under its RM3.0 billion Subordinated Sukuk Murabahah ("Sukuk Murabahah") programme. The profit rate of this tranche is at 4.53% per annum, payable semi-annually with a tenure of 10 years (non-callable 5 years).

### (iii) Redemption of debt securities

(1) AmBank redeemed the following tranches of its Subordinated Notes Programme of RM4.0 billion in nominal value:

- (i) Tranche 3 with nominal value of RM570.0 million on its first call date of 17 October 2022;
- (ii) Tranche 4 with nominal value of RM175.0 million on its first call date of 23 February 2023; and
- (iii) Tranche 5 with nominal value of RM350.0 million on its first call date of 14 March 2023.

(2) On its first call date of 23 February 2023, AmBank Islamic redeemed Tranche 6 of the Sukuk Murabahah with nominal value of RM150.0 million.

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

## A7. DIVIDENDS PAID

- (a) The final single-tier dividend of 5.0 sen per share for the financial year ended 31 March 2022 which amounted to approximately RM165,606,270 was paid on 6 July 2022 to shareholders whose names appear in the record of Depositors as at 21 June 2022.
- (b) The interim single-tier dividend of 6.0 sen per share for the financial year ended 31 March 2023 which amounted to approximately RM198,565,437 was paid on 28 December 2022 to shareholders whose names appear in the record of Depositors as at 15 December 2022.

**A8. CASH AND SHORT-TERM FUNDS**

	Group		Company	
	31.03.2023 RM'000	31.03.2022 RM'000	31.03.2023 RM'000	31.03.2022 RM'000
Cash and balances with banks and other financial institutions	2,530,187	1,502,255	208,565	717,660
Deposit and placements maturing within one month:				
Licensed banks	2,518,377	3,234,599	-	-
Bank Negara Malaysia	3,460,000	8,191,800	-	-
Other financial institutions	15,133	294,690	-	-
	5,993,510	11,721,089	-	-
	8,523,697	13,223,344	208,565	717,660
Less: Allowances for ECL	(1,757)	(2,245)	-	-
	8,521,940	13,221,099	208,565	717,660

Movements in allowances for ECL are as follows:

Group	Stage 1	Stage 2	Total
	12-month ECL	Lifetime ECL not credit impaired	
31.03.2023	RM'000	RM'000	RM'000
Balance at beginning of the financial year	2,225	20	2,245
Net (writeback of)/allowances for ECL	(858)	341	(517)
Transfer to 12-month ECL (Stage 1)	5	(24)	(19)
Transfer from deposits and placements with banks and other financial institutions (Note A9)	6,204	35	6,239
New financial assets originated	16,914	685	17,599
Financial assets derecognised	(23,807)	(585)	(24,392)
Net remeasurement of allowances	(174)	230	56
Foreign exchange differences	89	(60)	29
Balance at end of the financial year	1,456	301	1,757

  

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

**A9. DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS**

	Group	
	31.03.2023 RM'000	31.03.2022 RM'000
Deposits and placements maturity more than one month:		
Licensed banks	176,670	1,302,774
Less: Allowances for ECL	(66)	(1,325)
	176,604	1,301,449
Of which deposits and placements with original maturity of:		
Three months or less	176,670	1,293,520
More than three months	-	9,254
	176,670	1,302,774

Movements in allowances for ECL are as follows:

Group	Stage 1	Stage 2	Total
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	
<b>31.03.2023</b>			<b>RM'000</b>
Balance at beginning of the financial year	1,325	-	1,325
Net (writeback of)/allowances for ECL	(1,259)	-	(1,259)
Transfer to cash and short-term funds (Note A8)	(6,204)	(35)	(6,239)
Net remeasurement of allowances	(97)	-	(97)
New financial assets originated	5,042	35	5,077
Balance at end of the financial year	66	-	66
<b>31.03.2022</b>			<b>RM'000</b>
Balance at beginning of the financial year			42
Net allowance for ECL			1,283
Transfer to cash and short-term funds (Note A8)			(3,325)
Net remeasurement of allowances			35
New financial assets originated			4,573
Balance at end of the financial year			1,325

**A10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

	Group		Company	
	31.03.2023 RM'000	31.03.2022 RM'000	31.03.2023 RM'000	31.03.2022 RM'000
<b>At Fair Value</b>				
<b>Money Market Instruments:</b>				
Malaysian Treasury Bills	2,766,826	100,625	-	-
Malaysian Islamic Treasury Bills	3,644,507	1,313,273	-	-
Malaysian Government Securities	582,357	258,277	-	-
Malaysian Government Investment Issues	287,727	401,406	-	-
Cagamas bonds	-	99,460	-	-
Bank Negara Monetary Notes	2,887,770	-	-	-
	<u>10,169,187</u>	<u>2,173,041</u>	<u>-</u>	<u>-</u>
<b>Quoted Securities:</b>				
In Malaysia:				
Shares	627,690	643,145	-	-
Unit trusts *	22,854	178,219	1,158	1,128
Corporate bonds and sukuk *	10,236	13,315	-	-
Outside Malaysia:				
Shares	446,560	481,104	-	-
	<u>1,107,340</u>	<u>1,315,783</u>	<u>1,158</u>	<u>1,128</u>
<b>Unquoted Securities:</b>				
In Malaysia:				
Shares	33	31	-	-
Corporate bonds and sukuk *	1,494,347	3,727,705	-	-
	<u>1,494,380</u>	<u>3,727,736</u>	<u>-</u>	<u>-</u>
Total	<u>12,770,907</u>	<u>7,216,560</u>	<u>1,158</u>	<u>1,128</u>

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

**A11. FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("FVOCI")**

	Group	
	31.03.2023 RM'000	31.03.2022 RM'000
<b>At Fair Value</b>		
<b>Money Market Instruments:</b>		
Malaysian Treasury Bills	466,728	-
Malaysian Government Securities	4,273,588	3,099,232
Malaysian Government Investment Issues	5,083,442	4,356,026
Bank Negara Monetary Notes	494,320	-
Negotiable Instruments of Deposit	-	450,001
Islamic Negotiable Instruments of Deposit	-	579,298
Malaysian Islamic Treasury Bills	2,218,495	-
Foreign Government Investment Issues	13,309	13,619
	<u>12,549,882</u>	<u>8,498,176</u>
<b>Unquoted Securities:</b>		
In Malaysia:		
Shares	682,097	674,457
Corporate bonds and sukuk	12,367,702	9,573,069
Outside Malaysia:		
Shares	761	632
Corporate bonds and sukuk	10,291	10,423
	<u>13,060,851</u>	<u>10,258,581</u>
<b>Total</b>	<b>25,610,733</b>	<b>18,756,757</b>

Movements in allowances for ECL are as follows:

Group	Stage 1	Stage 2	Total
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	
Balance at beginning of the financial year	10,494	9,842	20,336
Net writeback of ECL	(224)	(6,817)	(7,041)
Transfer to 12-month ECL (Stage 1)	596	(8,650)	(8,054)
Transfer to Lifetime ECL not credit impaired (Stage 2)	(1,595)	3,410	1,815
New financial assets originated	10,871	-	10,871
Financial assets derecognised	(7,209)	(2,996)	(10,205)
Net remeasurement of allowances	(2,887)	1,419	(1,468)
Foreign exchange differences	12	(1)	11
Balance at end of the financial year	<b>10,282</b>	<b>3,024</b>	<b>13,306</b>

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

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

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

**A12. FINANCIAL INVESTMENTS AT AMORTISED COST**

	Group	
	31.03.2023	31.03.2022
	RM'000	RM'000
<b>At Amortised Cost</b>		
<b>Money Market Instruments:</b>		
Malaysian Government Securities	1,346,712	907,429
Malaysian Government Investment Issues	4,107,989	2,261,515
	5,454,701	3,168,944
<b>Unquoted Securities:</b>		
In Malaysia:		
Corporate Bonds and sukuk	8,514,775	6,352,046
	13,969,476	9,520,990
Less: Allowances for ECL	(499,773)	(483,224)
Total	13,469,703	9,037,766

Movements in allowances for ECL are as follows:

	Stage 1	Stage 2	Stage 3	
	12-month	Lifetime	Lifetime	
	ECL	ECL	ECL	
	not credit	not credit	credit	
	impaired	impaired	impaired	
Group	RM'000	RM'000	RM'000	Total
31.03.2023				RM'000
Balance at beginning of the financial year	4,497	-	478,727	483,224
Net allowances for ECL	2,430	-	14,119	16,549
New financial assets originated	3,792	-	-	3,792
Net remeasurement of allowances	(457)	-	14,119	13,662
Financial assets derecognised	(905)	-	-	(905)
Balance at end of the financial year	6,927	-	492,846	499,773

	Stage 1	Stage 2	Stage 3	
	12-month	Lifetime	Lifetime	
	ECL	ECL	ECL	
	not credit	not credit	credit	
	impaired	impaired	impaired	
Group	RM'000	RM'000	RM'000	Total
31.03.2022				RM'000
Balance at beginning of the financial year	3,916	211,331	-	215,247
Net allowances for/(writeback of) ECL	581	(211,331)	478,727	267,977
Transfer to 12-month ECL (Stage 1)	591	(8,549)	-	(7,958)
Transfer to Lifetime ECL credit impaired (Stage 3)	-	(10,788)	478,727	467,939
New financial assets originated	385	-	-	385
Net remeasurement of allowances	(379)	-	-	(379)
Financial assets derecognised	(16)	-	-	(16)
Changes in model assumptions and methodologies	-	(191,994)	-	(191,994)
Balance at end of the financial year	4,497	-	478,727	483,224

**A13. LOANS, ADVANCES AND FINANCING**

	<b>Group</b>	
	<b>31.03.2023</b>	<b>31.03.2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>At Amortised Cost</b>		
Loans, advances and financing:		
Term loans/financing	43,398,222	38,801,821
Revolving credit	12,350,195	11,370,620
Housing loans/financing	41,736,571	39,031,362
Hire purchase receivables	14,483,326	13,854,097
Card receivables	2,099,858	1,903,171
Overdraft	3,285,631	3,222,656
Claims on customers under acceptance credits	7,121,490	6,485,259
Trust receipts	2,554,759	2,577,510
Bills receivables	2,947,175	2,473,103
Staff loans	102,547	106,105
Others	146,997	167,557
Gross loans, advances and financing	<u>130,226,771</u>	<u>119,993,261</u>
Less: Allowances for ECL		
- Stage 1 - 12-month ECL	(236,612)	(217,884)
- Stage 2 - Lifetime ECL not credit impaired	(1,160,966)	(1,159,616)
- Stage 3 - Lifetime ECL credit impaired	(586,588)	(550,076)
	<u>(1,984,166)</u>	<u>(1,927,576)</u>
Net loans, advances and financing	<u>128,242,605</u>	<u>118,065,685</u>

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

	<b>Group</b>	
	<b>31.03.2023</b>	<b>31.03.2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Domestic non-bank financial institutions	3,316,997	3,133,599
Domestic business enterprises:		
- Small and medium enterprises	26,680,264	24,919,016
- Others	27,188,177	25,613,034
Government and statutory bodies	2,638,909	163,603
Individuals	68,456,302	64,535,980
Other domestic entities	8,848	7,647
Foreign individuals and entities	1,937,274	1,620,382
	<u>130,226,771</u>	<u>119,993,261</u>

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

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

	Group	
	31.03.2023 RM'000	31.03.2022 RM'000
In Malaysia	129,943,758	119,099,088
Outside Malaysia	283,013	894,173
	130,226,771	119,993,261

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

	Group	
	31.03.2023 RM'000	31.03.2022 RM'000
Fixed rate:		
- Housing loans/financing	616,368	314,482
- Hire purchase receivables	14,085,713	13,355,884
- Other loans/financing	13,554,457	10,907,556
Variable rate:		
- Base rate and lending/financing rate plus	69,490,820	65,265,205
- Cost plus	31,331,647	28,898,958
- Other variable rates	1,147,766	1,251,176
	130,226,771	119,993,261

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

	Group	
	31.03.2023 RM'000	31.03.2022 RM'000
Agriculture	3,056,513	2,374,086
Mining and quarrying	2,166,074	2,130,214
Manufacturing	15,768,934	15,902,661
Electricity, gas and water	1,522,997	1,182,630
Construction	4,471,263	4,352,593
Wholesale and retail trade and hotels and restaurants	12,165,060	10,534,493
Transport, storage and communication	5,183,071	4,842,904
Finance and insurance	5,119,567	3,266,845
Real estate	7,737,253	6,616,194
Business activities	2,457,545	2,258,944
Education and health	1,537,580	1,409,736
Household of which:	69,035,564	65,096,931
Purchase of residential properties	42,054,000	39,390,816
Purchase of transport vehicles	13,161,422	12,575,408
Others	13,820,142	13,130,707
Others	5,350	25,030
	130,226,771	119,993,261

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

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

	<b>Group</b>	
	<b>31.03.2023</b>	<b>31.03.2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Maturing within one year	33,676,035	30,390,452
Over one year to three years	6,892,129	6,830,043
Over three years to five years	12,039,646	11,611,293
Over five years	77,618,961	71,161,473
	<u>130,226,771</u>	<u>119,993,261</u>

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

	<b>Group</b>	
	<b>31.03.2023</b>	<b>31.03.2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Gross</b>		
Balance at beginning of the financial year	1,676,044	1,770,320
Additions during the financial year	1,961,165	1,357,323
Reclassified as non-impaired	(199,100)	(205,843)
Recoveries	(865,652)	(542,645)
Amount written off	(676,386)	(702,792)
Foreign exchange differences	376	(319)
Balance at end of the financial year	<u>1,896,447</u>	<u>1,676,044</u>
Gross impaired loans, advances and financing as % of gross loans, advances and financing	<u>1.46%</u>	<u>1.40%</u>
Loan/Financing loss coverage (including regulatory reserve)	<u>127.67%</u>	<u>139.24%</u>

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

	<b>Group</b>	
	<b>31.03.2023</b>	<b>31.03.2022</b>
	<b>RM'000</b>	<b>RM'000</b>
In Malaysia	1,896,447	1,666,873
Outside Malaysia	-	9,171
	<u>1,896,447</u>	<u>1,676,044</u>

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

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

	Group	
	31.03.2023 RM'000	31.03.2022 RM'000
Agriculture	7,152	8,834
Mining and quarrying	43,082	175,741
Manufacturing	214,954	226,687
Electricity, gas and water	47,366	4,639
Construction	172,476	112,676
Wholesale and retail trade and hotels and restaurants	213,270	170,049
Transport, storage and communication	23,594	18,518
Finance and insurance	11,201	1,494
Real estate	11,413	188,167
Business activities	44,095	37,595
Education and health	11,863	6,218
Household of which:	1,095,981	725,426
Purchase of residential properties	841,786	540,323
Purchase of transport vehicles	115,068	80,127
Others	139,127	104,976
	1,896,447	1,676,044

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

Group	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	
31.03.2023				RM'000
Balance at beginning of the financial year	217,884	1,159,616	550,076	1,927,576
Net allowances for ECL	18,382	1,378	712,426	732,186
Transfer to 12-month ECL (Stage 1)	14,137	(158,939)	(5,763)	(150,565)
Transfer to Lifetime ECL not credit impaired (Stage 2)	(15,556)	174,054	(22,465)	136,033
Transfer to Lifetime ECL credit impaired (Stage 3)	(1,463)	(35,213)	290,890	254,214
New financial assets originated	65,456	87,732	10,888	164,076
Net remeasurement of allowances	10,549	29,078	475,977	515,604
Modification of contractual cash flows of financial assets	(144)	2,213	2,027	4,096
Financial assets derecognised	(38,131)	(108,258)	(75,940)	(222,329)
Changes in model assumptions and methodologies	(16,466)	10,711	36,812	31,057
Foreign exchange differences	415	(28)	472	859
Amount written off	-	-	(676,386)	(676,386)
Derecognition - disposal of subsidiary	(69)	-	-	(69)
Balance at end of the financial year	236,612	1,160,966	586,588	1,984,166

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

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

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

**A14. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES**

	Group	
	31.03.2023 RM'000	31.03.2022 RM'000
<b>Unquoted shares:</b>		
At cost at the beginning of the financial year	669,169	669,169
Acquisition	958,147	-
At cost at the end of the financial year	1,627,316	669,169
Share of post acquisition reserves	156,728	87,817
	1,784,044	756,986
Less: Impairment loss	(152,444)	(152,444)
	1,631,600	604,542

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

#### A15. OTHER ASSETS

	Group		Company	
	31.03.2023 RM'000	31.03.2022 RM'000	31.03.2023 RM'000	31.03.2022 RM'000
Trade receivables	271,463	432,591	-	-
Other receivables, deposits and prepayments	1,021,772	944,628	134	11,410
Interest/Profit receivable	508,106	456,844	-	-
Fee receivable	23,177	18,229	-	-
Amount due from associates and joint ventures	17,915	9,884	1,521	205
Amount due from agents, brokers and reinsurers	102,061	412,153	-	-
Foreclosed properties	2,644	2,634	-	-
Tax recoverable	220,584	168,371	2,350	-
Collateral pledged for derivative and securities transactions	467,034	446,809	-	-
	<u>2,634,756</u>	<u>2,892,143</u>	<u>4,005</u>	<u>11,615</u>
Less: Accumulated impairment losses	(8,720)	(6,824)	-	-
	<u>2,626,036</u>	<u>2,885,319</u>	<u>4,005</u>	<u>11,615</u>

#### A16. REINSURANCE ASSETS AND OTHER INSURANCE RECEIVABLES

	Note	Group	
		31.03.2023 RM'000	31.03.2022 RM'000
Reinsurance assets from general insurance business	(i)	-	518,225
Other insurance receivables	(ii)	-	62,480
		<u>-</u>	<u>580,705</u>
(i) Movements in allowances for impairment are as follows:			
Balance at beginning of the financial year		926	2,075
Writeback for the financial year		-	(1,149)
Derecognition - disposal of subsidiary		(926)	-
Balance at end of the financial year		<u>-</u>	<u>926</u>
(ii) Other insurance receivables			
Due premiums including agents/brokers and co-insurers' balances		-	71,041
Amount owing by reinsurance and cedants		-	9,639
Accumulated impairment losses		-	(18,200)
		<u>-</u>	<u>62,480</u>
Movements in allowances for impairment are as follows:			
Balance at beginning of the financial year		18,200	18,732
Writeback for the financial year		(2,736)	(532)
Derecognition - disposal of subsidiary		(15,464)	-
Balance at end of the financial year		<u>-</u>	<u>18,200</u>

As at 31 March 2023, reinsurance assets and other insurance receivables is at RM Nil due to derecognition of the balance as a result of the disposal of a subsidiary.

#### A17. DEPOSITS FROM CUSTOMERS

	Group	
	31.03.2023	31.03.2022
	RM'000	RM'000
Demand deposits	38,135,787	33,709,677
Savings deposits	10,664,158	9,397,684
Term/Investment deposits	81,515,135	79,485,489
	<u>130,315,080</u>	<u>122,592,850</u>

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

	Group	
	31.03.2023	31.03.2022
	RM'000	RM'000
Due within six months	65,635,656	62,120,020
Six months to one year	13,133,341	15,645,790
Over one year to three years	2,660,643	1,540,070
Over three years to five years	85,495	179,609
	<u>81,515,135</u>	<u>79,485,489</u>

The deposits are sourced from the following types of customers:

	Group	
	31.03.2023	31.03.2022
	RM'000	RM'000
Government and statutory bodies	6,588,571	4,730,100
Business enterprises	63,994,960	61,314,620
Individuals	52,302,587	45,921,495
Others	7,428,962	10,626,635
	<u>130,315,080</u>	<u>122,592,850</u>

#### A18. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group	
	31.03.2023	31.03.2022
	RM'000	RM'000
Licensed banks	6,793,325	5,571,352
Licensed investment banks	939,128	651,726
Bank Negara Malaysia	1,390,807	1,270,123
Other financial institutions	2,338,985	2,401,384
	<u>11,462,245</u>	<u>9,894,585</u>

**A19. OTHER LIABILITIES**

	<b>Group</b>		<b>Company</b>	
	<b>31.03.2023</b>	<b>31.03.2022</b>	<b>31.03.2023</b>	<b>31.03.2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Trade payables	295,500	761,368	-	-
Other payables and accruals	1,366,483	1,543,486	18,625	17,537
Interest payable on deposits and borrowings	908,679	561,674	-	-
Lease deposits and advance rental	51,798	47,830	-	-
Provision for commitments and contingencies	3,677	3,546	-	-
Allowances for ECL on loan/financing commitments and financial guarantees	225,385	303,197	-	-
Lease liabilities	233,845	191,465	-	-
Provision for reinstatement of leased properties	6,908	9,706	-	-
Amount due to subsidiaries	-	-	4,492	-
Settlement payable	-	515,000	-	515,000
Provision for taxation	18,568	61,532	-	1,290
Collateral received for derivative and securities transactions	510,844	229,098	-	-
Deferred income	75,870	74,960	-	-
	<b>3,697,557</b>	<b>4,302,862</b>	<b>23,117</b>	<b>533,827</b>

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

<b>Group</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	<b>12-month ECL</b>	<b>Lifetime ECL not credit impaired</b>	<b>Lifetime ECL credit impaired</b>	
<b>31.03.2023</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Balance at beginning of the financial year	28,926	26,330	247,941	303,197
Net allowances for/(writeback of) ECL	13,579	7,475	(98,991)	(77,937)
Transfer to 12-month ECL (Stage 1)	1,166	(6,535)	-	(5,369)
Transfer to Lifetime ECL not credit impaired (Stage 2)	(1,371)	10,077	-	8,706
Transfer to Lifetime ECL credit impaired (Stage 3)	(42)	(485)	3,899	3,372
New exposures originated	19,523	16,470	7,943	43,936
Net remeasurement of allowances	3,043	(4,038)	(110,421)	(111,416)
Exposures derecognised	(8,740)	(8,014)	(412)	(17,166)
Foreign exchange differences	133	11	(19)	125
Balance at end of the financial year	<b>42,638</b>	<b>33,816</b>	<b>148,931</b>	<b>225,385</b>

#### A19. OTHER LIABILITIES (CONT'D.)

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

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

#### A20. INSURANCE CONTRACT LIABILITIES AND OTHER INSURANCE PAYABLES

Group	Note	31.03.2023	31.03.2022
		RM'000	RM'000
Insurance contract liabilities	(i)	-	2,625,284
Other insurance payables	(ii)	-	62,077
		-	2,687,361
(i) Insurance contract liabilities			
		31.03.2023	
		Gross contract liabilities RM'000	Net contract liabilities RM'000
General insurance business		-	-
		31.03.2022	
		Gross contract liabilities RM'000	Net contract liabilities RM'000
General insurance business		2,625,284	2,107,059
(ii) Other insurance payables			
		31.03.2023	31.03.2022
		RM'000	RM'000
Amount due to agents and intermediaries		-	19,136
Amount due to reinsurers and cedants		-	42,941
		-	62,077

As at 31 March 2023, insurance contract liabilities and other insurance payables is at RM Nil due to derecognition of the balance as a result of the disposal of a subsidiary.

## A21. INTEREST INCOME

Group	Individual Quarter		Cumulative Quarter	
	31.03.2023 RM'000	31.03.2022 RM'000	31.03.2023 RM'000	31.03.2022 RM'000
Short-term funds and deposits and placements				
with banks and other financial institutions	70,425	24,785	180,121	71,452
Financial assets at fair value through profit or loss	62,774	18,189	150,596	82,033
Financial investments at fair value through other comprehensive income	147,953	109,087	529,872	450,094
Financial investments at amortised cost	91,551	57,948	325,096	186,668
Loans and advances*	1,034,991	774,417	3,756,077	3,133,330
Impaired loans and advances	1,137	752	4,164	2,796
Others	7,642	6,197	30,029	15,703
	<u>1,416,473</u>	<u>991,375</u>	<u>4,975,955</u>	<u>3,942,076</u>
<b>Company</b>				
Short-term funds and deposits and placements with banks and other financial institutions	808	2,754	6,418	19,327

\* Included in the interest income of loans and advances of the Group is the net loss of RM4.85 million (31.03.2022: net gain of RM28.4 million) arising from government support measures implemented in response to COVID-19 pandemic.

## A22. INTEREST EXPENSE

Group	Individual Quarter		Cumulative Quarter	
	31.03.2023 RM'000	31.03.2022 RM'000	31.03.2023 RM'000	31.03.2022 RM'000
Deposits from customers	582,555	336,069	1,820,650	1,295,569
Deposits and placements of banks and other financial institutions	74,685	19,297	201,688	82,632
Senior notes	3,023	3,023	12,260	3,090
Credit-Linked Notes	-	-	-	3,673
Securities sold under repurchase agreements	124,770	7,324	260,748	22,515
Recourse obligation on loans sold to Cagamas Berhad	52,947	53,448	200,244	203,717
Term loan	6,237	1,098	17,106	3,836
Debt Capital	37,432	36,956	151,500	148,393
Other structured products and others	13,038	(282)	31,124	6,817
	<u>894,687</u>	<u>456,933</u>	<u>2,695,320</u>	<u>1,770,242</u>

**A23. OTHER OPERATING INCOME**

Group	Individual Quarter		Cumulative Quarter	
	31.03.2023 RM'000	31.03.2022 RM'000	31.03.2023 RM'000	31.03.2022 RM'000
Fee and commission income:				
Fees on loans and securities	42,046	36,022	155,269	159,538
Corporate advisory	6,105	2,471	21,267	15,069
Guarantee fees	13,141	12,683	51,238	47,120
Underwriting commission	1,045	1,392	3,746	2,174
Portfolio management fees	8,184	13,610	40,050	49,577
Unit trust fees, commission and charges	38,502	32,063	151,393	169,962
Property trust management fees	1,653	1,765	6,671	6,821
Brokerage fees and commission	8,404	9,708	29,878	44,086
Bancassurance commission	9,867	3,563	28,724	12,339
Wealth management fees	3,082	3,841	15,251	20,476
Remittances	6,543	8,224	27,543	24,947
Fees, service and commission charges	6,927	6,384	32,277	24,878
Placement fees	3,270	857	6,248	7,227
Others	10,695	4,305	27,428	19,509
	<u>159,464</u>	<u>136,888</u>	<u>596,983</u>	<u>603,723</u>
Investment and trading income:				
Net gain from sale of financial assets at fair value through profit or loss	27,647	8,873	42,329	3,174
Net gain from sale of financial investments at fair value through other comprehensive income	263	157	286	4,218
Net gain/(loss) on revaluation of financial assets at fair value through profit or loss	15,795	(25,341)	(1,455)	554
Net gain on redemption of financial liabilities at fair value through profit or loss	-	88	-	401
Net loss on revaluation of financial liabilities at fair value through profit or loss	-	(59)	-	-
Net gain on foreign exchange	79,209	2,672	263,723	84,141
Net (loss)/gain on derivatives	(20,998)	19,178	(19,486)	63,328
Gain on liquidation of subsidiaries	-	5	-	5
Dividend income from:				
Financial assets at fair value through profit or loss	4,728	9,858	25,604	25,492
Financial investments at fair value through other comprehensive income	500	500	3,139	4,206
Others	1,203	(169)	1,416	5,383
	<u>108,347</u>	<u>15,762</u>	<u>315,556</u>	<u>190,902</u>
Other income:				
Net gain on non-trading foreign exchange	76	90	263	832
Net gain on disposal of property and equipment	9,005	75	9,047	75
Rental income	(183)	667	30	1,018
Profit from sale of goods and services	4,075	4,186	16,425	17,299
Others	6,298	6,818	18,100	8,522
	<u>19,271</u>	<u>11,836</u>	<u>43,865</u>	<u>27,746</u>
	<u>287,082</u>	<u>164,486</u>	<u>956,404</u>	<u>822,371</u>

**A23. OTHER OPERATING INCOME (CONT'D.)**

Company	Individual Quarter		Cumulative Quarter	
	31.03.2023 RM'000	31.03.2022 RM'000	31.03.2023 RM'000	31.03.2022 RM'000
Investment and trading income:				
Gain on liquidation of a subsidiary	-	65	-	65
Dividend income from:				
Subsidiaries	-	-	396,947	193,058
Financial assets at fair value through profit or loss	8	5	30	24
	<u>8</u>	<u>70</u>	<u>396,977</u>	<u>193,147</u>
Other income:				
Others	3,735	418	10,337	1,067
	<u>3,735</u>	<u>418</u>	<u>10,337</u>	<u>1,067</u>
	<u>3,743</u>	<u>488</u>	<u>407,314</u>	<u>194,214</u>

**A24. OTHER OPERATING EXPENSES**

Group	Individual Quarter		Cumulative Quarter	
	31.03.2023 RM'000	31.03.2022 RM'000	31.03.2023 RM'000	31.03.2022 RM'000
Personnel costs:				
Salaries, allowances and bonuses	281,692	264,475	997,856	907,248
Shares granted under ESS				
- charge/(writeback)	3,342	7,440	17,706	(1,809)
Contributions to Employees' Provident Fund ("EPF")/Private Retirement Schemes	45,557	42,523	159,228	147,457
Social security cost	2,119	1,753	7,860	7,086
Other staff related expenses	43,546	14,161	135,031	91,866
	<u>376,256</u>	<u>330,352</u>	<u>1,317,681</u>	<u>1,151,848</u>
Establishment costs:				
Depreciation of property and equipment	12,853	13,055	51,834	58,822
Depreciation of right-of-use assets	17,108	13,707	73,001	65,435
Amortisation of intangible assets	20,108	18,395	78,689	88,242
Computerisation costs	52,220	52,962	197,658	168,243
Cleaning, maintenance and security	7,560	8,268	31,166	28,088
Finance costs:				
- interest on lease liabilities	1,419	1,503	6,342	6,755
- provision for reinstatement of leased properties	18	24	82	107
Others	10,427	9,414	32,904	32,170
	<u>121,713</u>	<u>117,328</u>	<u>471,676</u>	<u>447,862</u>
Marketing and communication expenses:				
Sales commission	663	1,028	2,335	4,889
Advertising, promotional and other marketing activities	5,310	6,179	19,151	15,688
Telephone charges	3,924	3,876	18,570	18,374
Postage	4,642	1,681	12,371	9,865
Travelling and entertainment	1,935	843	5,839	2,631
Others	5,264	279	12,272	6,940
	<u>21,738</u>	<u>13,886</u>	<u>70,538</u>	<u>58,387</u>

**A24. OTHER OPERATING EXPENSES (CONT'D.)**

Group	Individual Quarter		Cumulative Quarter	
	31.03.2023 RM'000	31.03.2022 RM'000	31.03.2023 RM'000	31.03.2022 RM'000
Administration and general expenses:				
Professional services	24,758	15,988	68,663	65,789
Travelling	759	330	2,599	1,186
Insurance	2,025	1,732	9,391	6,398
Subscriptions and periodicals	3,207	2,174	9,414	9,082
Others	5,153	(3,532)	49,130	48,429
	<u>35,902</u>	<u>16,692</u>	<u>139,197</u>	<u>130,884</u>
Total	<u>555,609</u>	<u>478,258</u>	<u>1,999,092</u>	<u>1,788,981</u>

Company	Individual Quarter		Cumulative Quarter	
	31.03.2023 RM'000	31.03.2022 RM'000	31.03.2023 RM'000	31.03.2022 RM'000
Establishment costs:				
Depreciation of property and equipment	2	-	8	1
Computerisation costs	-	86	247	299
Others	381	-	425	-
	<u>383</u>	<u>86</u>	<u>680</u>	<u>300</u>
Marketing and communication expenses:				
Advertising, promotional and other marketing activities	-	-	84	1
Telephone charges	1	-	2	1
Travelling and entertainment	24	7	46	15
Others	(1)	-	-	-
	<u>24</u>	<u>7</u>	<u>132</u>	<u>17</u>
Administration and general expenses:				
Professional services	1,813	776	3,036	3,335
Travelling	2	-	9	19
Insurance	-	-	1	22
Subscriptions and periodicals	-	-	3	3
Others	987	1,294	3,980	700
	<u>2,802</u>	<u>2,070</u>	<u>7,029</u>	<u>4,079</u>
Service transfer pricing expense, net	9,358	3,168	27,973	13,247
Total	<u>12,567</u>	<u>5,331</u>	<u>35,814</u>	<u>17,643</u>

**A25. ALLOWANCES FOR/(WRITEBACK OF) IMPAIRMENT ON LOANS, ADVANCES AND FINANCING**

Group	Individual Quarter		Cumulative Quarter	
	31.03.2023 RM'000	31.03.2022 RM'000	31.03.2023 RM'000	31.03.2022 RM'000
Impairment on loans, advances and financing:				
Allowances for ECL	172,359	(169,677)	732,186	554,563
Impaired loans, advances and financing recovered, net	(87,971)	(74,154)	(310,340)	(240,384)
	<u>84,388</u>	<u>(243,831)</u>	<u>421,846</u>	<u>314,179</u>

**A26. (WRITEBACK OF)/ALLOWANCES FOR IMPAIRMENT ON FINANCIAL INVESTMENTS AND OTHER FINANCIAL ASSETS**

Group	Individual Quarter		Cumulative Quarter	
	31.03.2023 RM'000	31.03.2022 RM'000	31.03.2023 RM'000	31.03.2022 RM'000
<b>Financial investments</b>				
Financial investments at fair value through other comprehensive income	(11,995)	(16,929)	(7,041)	2,263
Financial investments at amortised cost	6,370	183,457	16,549	267,977
	<u>(5,625)</u>	<u>166,528</u>	<u>9,508</u>	<u>270,240</u>
<b>Other financial assets</b>				
Cash and short-term funds	(1,511)	469	(517)	(60)
Deposits and placements with banks and other financial institutions	(382)	1,270	(1,259)	1,283
Other assets	351	213	2,441	655
	<u>(1,542)</u>	<u>1,952</u>	<u>665</u>	<u>1,878</u>

## A27. BUSINESS SEGMENT ANALYSIS

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

- (a) **Retail Banking**  
Retail Banking continues to focus on building mass affluent, affluent and small business customers. Retail Banking offers products and financial solutions which includes auto finance, mortgages, personal loans, credit cards, small business loans, priority banking services, wealth management, remittance services and deposits.
- (b) **Business Banking**  
Business Banking ("BB") focuses on the small and medium sized enterprises segment, which comprises Enterprise Banking and Commercial Banking. Solutions offered to Enterprise Banking customers encompass Capital Expenditure ("CAPEX") financing, Working Capital financing and Cash Management and while Commercial Banking offers the same suite of products, it also provides more sophisticated structures such as Contract Financing, Development Loans and Project Financing.
- (c) **Wholesale Banking**  
Wholesale Banking comprises Corporate Banking and Group Treasury and Markets.
  - (i) Corporate Banking offers a full range of products and services of corporate lending, trade finance, offshore banking, and cash management solutions to wholesale banking clients;
  - (ii) Group Treasury and Markets includes proprietary trading as well as provides full range of products and services relating to treasury activities, including foreign exchange, derivatives, fixed income and structured warrants. It also offers customised investment solutions for customers.
- (d) **Investment Banking**  
Investment Banking provides a full range of integrated solutions and services, which include corporate finance M&A advisory, equity and debt capital markets, private banking and stockbroking services.
- (e) **Fund Management**  
Fund Management manages a broad range of investment mandates and unit trust funds across the risk-return spectrum for individuals, corporates and institutions, and provides fund distribution support services for institutional distributors. Fund Management also manages Private Retirement Schemes and Exchange Traded Funds.
- (f) **Insurance, from continuing operations**  
Insurance segment offers a broad range of general insurance products, namely motor, personal accident, property and household through our associates with effective August 2022. It also offers life insurance and takaful products namely wealth protection/savings, health and medical protection and family takaful solutions provided through our joint venture operations.
- (g) **Group Funding and Others**  
Group Funding and Others comprises activities to maintain the liquidity of the Group as well as support operations of its main business units and non-core operations of the Group.
- (h) **Insurance, from discontinued operation**  
Insurance segment offers a broad range of general insurance products, namely motor, personal accident, property and household.

### Measurement of segment performance

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

#### Notes:

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

A27. BUSINESS SEGMENT ANALYSIS (CONT'D.)

Group	Continuing Operations								Discontinued Operation		
	Retail banking	Business banking	Corporate banking	Wholesale banking Group Treasury and Markets	Investment banking	Fund management	Insurance	Group funding and others	Total	Insurance	Total
For the financial year ended 31.03.2023	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External net income	2,372,908	819,204	1,395,934	128,712	214,730	147,785	63,083	(534,185)	4,608,171	129,543	4,737,714
Intersegments net income	(494,942)	(138,032)	(578,971)	555,631	(40,600)	-	(6,284)	703,198	-	-	-
	<u>1,877,966</u>	<u>681,172</u>	<u>816,963</u>	<u>684,343</u>	<u>174,130</u>	<u>147,785</u>	<u>56,799</u>	<u>169,013</u>	<u>4,608,171</u>	<u>129,543</u>	<u>4,737,714</u>
Net interest and funding income	1,634,776	533,664	666,467	475,813	48,219	1,538	187	137,687	3,498,351	42,389	3,540,740
Insurance and other operating income	240,392	147,508	150,496	208,530	125,911	146,247	(6,264)	27,138	1,039,958	87,154	1,127,112
Share in results of associates and joint ventures	2,798	-	-	-	-	-	62,876	4,188	69,862	-	69,862
Net income	<u>1,877,966</u>	<u>681,172</u>	<u>816,963</u>	<u>684,343</u>	<u>174,130</u>	<u>147,785</u>	<u>56,799</u>	<u>169,013</u>	<u>4,608,171</u>	<u>129,543</u>	<u>4,737,714</u>
Other operating expenses	(914,302)	(209,475)	(189,109)	(80,055)	(126,487)	(67,658)	(5,131)	(406,875)	(1,999,092)	(101,256)	(2,100,348)
of which:											
Depreciation of property and equipment	(15,809)	(1,688)	(1,248)	(460)	(755)	(168)	-	(31,706)	(51,834)	(1,237)	(53,071)
Depreciation of right-of-use assets	-	-	-	-	-	-	-	(73,001)	(73,001)	(4,009)	(77,010)
Amortisation of intangible assets	(21,169)	(1,056)	(6,719)	(6,064)	(710)	(378)	-	(42,593)	(78,689)	(6,065)	(84,754)
Profit/(Loss) before impairment losses	<u>963,664</u>	<u>471,697</u>	<u>627,854</u>	<u>604,288</u>	<u>47,643</u>	<u>80,127</u>	<u>51,668</u>	<u>(237,862)</u>	<u>2,609,079</u>	<u>28,287</u>	<u>2,637,366</u>
(Allowances for)/Writeback of impairment on loans, advances and financing	(286,265)	(102,150)	(60,408)	-	167	-	-	26,810	(421,846)	-	(421,846)
Writeback of/(Allowances for) impairment on other assets	157	-	(18,303)	9,121	(893)	-	-	(255)	(10,173)	(113,245)	(123,418)
Provision for commitments and contingencies - (charge)/writeback	(16,081)	(20,729)	115,101	-	-	-	-	(485)	77,806	-	77,806
Other recoveries, net	-	-	-	508	48	-	-	19	575	6	581
Profit/(Loss) before taxation and zakat	<u>661,475</u>	<u>348,818</u>	<u>664,244</u>	<u>613,917</u>	<u>46,965</u>	<u>80,127</u>	<u>51,668</u>	<u>(211,773)</u>	<u>2,255,441</u>	<u>(84,952)</u>	<u>2,170,489</u>
Taxation and zakat	(158,089)	(84,233)	(155,798)	(134,542)	(10,152)	(15,633)	(10)	45,394	(513,063)	18,879	(494,184)
Profit/(Loss) for the financial year	<u>503,386</u>	<u>264,585</u>	<u>508,446</u>	<u>479,375</u>	<u>36,813</u>	<u>64,494</u>	<u>51,658</u>	<u>(166,379)</u>	<u>1,742,378</u>	<u>(66,073)</u>	<u>1,676,305</u>
Other information											
Total segment assets	72,436,815	20,928,109	37,543,594	63,253,361	2,813,938	130,248	1,541,736	(1,107,170)	197,540,631	-	197,540,631
Total segment liabilities	63,438,295	16,650,204	17,221,866	66,172,781	1,283,161	27,794	18,511	14,592,110	179,404,722	-	179,404,722
Cost-to-income ratio	48.7%	30.8%	23.1%	11.7%	72.6%	45.8%	9.0%	>100.0%	43.4%	78.2%	44.3%
Gross loans, advances and financing	72,351,165	21,196,038	34,661,475	-	2,382,195	-	-	(364,102)	130,226,771	-	130,226,771
Net loans, advances and financing	71,204,943	20,918,196	34,102,384	-	2,382,195	-	-	(365,113)	128,242,605	-	128,242,605
Impaired loans, advances and financing	1,341,771	332,571	222,105	-	-	-	-	-	1,896,447	-	1,896,447
Total deposits	62,519,310	16,425,636	16,890,812	47,130,427	955,428	-	-	(2,144,288)	141,777,325	-	141,777,325
Additions to:											
Property and equipment	13,308	774	362	97	693	125	-	41,921	57,280	230	57,510
Intangible assets	21,286	580	3,413	2,493	1,304	673	-	34,660	64,409	2,766	67,175

A27. BUSINESS SEGMENT ANALYSIS (CONT'D.)

Group	Continuing Operations								Discontinued Operation		
	Retail banking	Business banking	Corporate banking	Treasury and Markets	Investment banking	Fund management	Insurance	Group funding and others	Total	Insurance	Total
For the financial year ended 31.03.2022 (Restated)	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External net income	2,142,617	660,255	1,055,301	311,601	224,692	150,859	23,179	(468,182)	4,100,322	564,693	4,665,015
Intersegments net income	(469,608)	(101,827)	(371,242)	290,816	(28,201)	-	(16,649)	696,711	-	-	-
	<u>1,673,009</u>	<u>558,428</u>	<u>684,059</u>	<u>602,417</u>	<u>196,491</u>	<u>150,859</u>	<u>6,530</u>	<u>228,529</u>	<u>4,100,322</u>	<u>564,693</u>	<u>4,665,015</u>
Net interest and funding income	1,416,825	442,604	552,099	495,379	43,351	1,325	(16,557)	215,683	3,150,709	124,537	3,275,246
Insurance and other operating income	256,892	115,824	131,960	107,038	153,140	149,534	(16,575)	7,709	905,522	440,156	1,345,678
Share in results of associates and joint ventures	(708)	-	-	-	-	-	39,662	5,137	44,091	-	44,091
Net income	<u>1,673,009</u>	<u>558,428</u>	<u>684,059</u>	<u>602,417</u>	<u>196,491</u>	<u>150,859</u>	<u>6,530</u>	<u>228,529</u>	<u>4,100,322</u>	<u>564,693</u>	<u>4,665,015</u>
Other operating expenses	(839,747)	(153,041)	(174,460)	(79,638)	(107,662)	(68,439)	(14,172)	(351,822)	(1,788,981)	(305,246)	(2,094,227)
of which:											
Depreciation of property and equipment	(17,298)	(1,840)	(1,373)	(321)	(825)	(206)	-	(36,959)	(58,822)	(4,079)	(62,901)
Depreciation of right-of-use assets	-	-	-	-	-	-	-	(65,435)	(65,435)	(12,449)	(77,884)
Amortisation of intangible assets	(21,902)	(847)	(5,545)	(2,878)	(635)	(176)	-	(56,259)	(88,242)	(18,953)	(107,195)
Profit/(Loss) before impairment losses	<u>833,262</u>	<u>405,387</u>	<u>509,599</u>	<u>522,779</u>	<u>88,829</u>	<u>82,420</u>	<u>(7,642)</u>	<u>(123,293)</u>	<u>2,311,341</u>	<u>259,447</u>	<u>2,570,788</u>
(Allowances for)/Writeback of impairment on loans, advances and financing	(167,430)	(43,369)	(364,092)	-	12,201	-	-	248,511	(314,179)	-	(314,179)
(Allowances for)/Writeback of impairment on other assets	(249)	-	(468,111)	4,780	(458)	(306)	-	192,226	(272,118)	1,681	(270,437)
Provision for commitments and contingencies - writeback/(charge)	9,877	(935)	(185,596)	-	-	-	-	(334)	(176,988)	-	(176,988)
Other recoveries/(write-offs), net	140	-	-	-	47	-	-	30	217	(31)	186
Impairment of investment in associate	-	-	-	-	-	-	-	(4,625)	(4,625)	-	(4,625)
Profit/(Loss) before taxation and zakat	<u>675,600</u>	<u>361,083</u>	<u>(508,200)</u>	<u>527,559</u>	<u>100,619</u>	<u>82,114</u>	<u>(7,642)</u>	<u>312,515</u>	<u>1,543,648</u>	<u>261,097</u>	<u>1,804,745</u>
Taxation and zakat	(160,782)	(82,983)	128,060	(110,427)	(22,584)	(16,687)	6,195	81,931	(177,277)	(32,529)	(209,806)
Profit/(Loss) for the financial year	<u>514,818</u>	<u>278,100</u>	<u>(380,140)</u>	<u>417,132</u>	<u>78,035</u>	<u>65,427</u>	<u>(1,447)</u>	<u>394,446</u>	<u>1,366,371</u>	<u>228,568</u>	<u>1,594,939</u>
Other information											
Total segment assets	68,443,901	18,553,355	31,974,239	46,583,841	2,780,261	140,188	543,230	353,427	169,372,442	5,486,463	174,858,905
Total segment liabilities	54,844,327	15,430,869	15,941,681	51,589,535	1,653,096	36,228	3,008	14,331,427	153,830,171	3,069,841	156,900,012
Cost-to-income ratio	50.2%	27.4%	25.5%	13.2%	54.8%	45.4%	>100.0%	>100.0%	43.6%	54.1%	44.9%
Gross loans, advances and financing	68,396,170	18,735,657	31,063,397	-	1,883,974	-	-	(86,330)	119,992,868	393	119,993,261
Net loans, advances and financing	67,289,770	18,541,363	30,464,461	-	1,883,919	-	-	(114,151)	118,065,362	323	118,065,685
Impaired loans, advances and financing	893,471	265,966	516,552	-	55	-	-	-	1,676,044	-	1,676,044
Total deposits	54,140,217	15,268,001	15,553,315	47,994,239	854,837	-	-	(1,323,174)	132,487,435	-	132,487,435
Additions to:											
Property and equipment	7,043	292	544	363	800	254	-	13,086	22,382	3,043	25,425
Intangible assets	16,567	450	10,056	12,988	852	711	-	26,358	67,982	7,027	75,009

## A28. VALUATION OF PROPERTY AND EQUIPMENT

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

## A29. SIGNIFICANT EVENT DURING THE REPORTING YEAR

### Disposal of AmGeneral Insurance Berhad to Liberty Insurance Berhad

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

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

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

	Group	
	RM'000	RM'000
Cash and short-term funds		187,774
Deposits and placements with banks and other financial institutions		21,486
Financial assets at fair value through profit or loss		3,695,277
Loans, advances and financing		292
Deferred tax assets		46,427
Other assets		81,628
Reinsurance assets and other insurance receivables		567,502
Property and equipment		11,582
Right-of-use assets		8,003
Intangible assets (excluding goodwill)		35,657
Assets held for sale		1,562
Other liabilities		(333,765)
Insurance contract liabilities and other insurance payables		(2,647,451)
<b>Net assets disposed</b>		<b>1,675,974</b>
Attributable goodwill recognised in income statement		717,070
Disposal cost incurred		15,715
Agreed ceded amount from IAG International Pty Limited ("IAG")		(58,100)
<b>Total estimated sales considerations:</b>		
Agreed proceeds settled by cash	(1,351,000)	
Agreed proceeds settled by shares in LIB	(939,000)	
Estimated adjustment to disposal proceeds settled by cash	12,381	
Estimated adjustment - settled by shares in LIB	(19,147)	(2,296,766)
<b>Estimated net loss on disposal to the Group</b>		<b>53,893</b>
Estimated net loss on the disposal of AGIB, attributable to equity holders of the Company		6,621
Estimated net loss on the disposal of AGIB, attributable to IAG		47,272
<b>Estimated net loss on disposal to the Group</b>		<b>53,893</b>

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

### (a) Dissolution of subsidiary

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

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

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

### A31. COMMITMENTS AND CONTINGENCIES

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

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

	Group	
	31.03.2023	31.03.2022
	Principal/ Notional Amount RM'000	Principal/ Notional Amount RM'000
<b>Commitments</b>		
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:		
up to one year	17,852,995	17,485,076
over one year	3,654,631	2,516,528
Unutilised credit card lines	5,682,369	5,126,496
Forward asset purchases	174,223	60,257
	<u>27,364,218</u>	<u>25,188,357</u>
<b>Contingent Liabilities</b>		
Direct credit substitutes	3,190,357	2,972,783
Transaction-related contingent items	4,472,380	4,295,291
Obligations under on-going underwriting agreements	210,000	130,000
Short-term self-liquidating trade-related contingencies	750,231	604,427
	<u>8,622,968</u>	<u>8,002,501</u>
<b>Derivative Financial Instruments</b>		
Interest/Profit rate related contracts:	34,897,432	39,195,917
One year or less	12,307,294	12,051,408
Over one year to five years	18,662,670	20,836,522
Over five years	3,927,468	6,307,987
Foreign exchange related contracts:	52,555,959	48,628,852
One year or less	45,087,669	40,258,048
Over one year to five years	5,828,508	6,154,545
Over five years	1,639,782	2,216,259
Equity and commodity related contracts:	1,432,375	1,645,753
One year or less	1,352,573	1,570,386
Over one year to five years	79,802	75,367
	<u>88,885,766</u>	<u>89,470,522</u>
	<u>124,872,952</u>	<u>122,661,380</u>

### A31. COMMITMENTS AND CONTINGENCIES (CONT'D.)

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

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

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

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

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

AGIB has submitted:

- (a) Notice of Appeal to MyCC pursuant to Section 51 of the CA 2010 on 13 October 2020;
- (b) Application for Stay to the Competition Appeal Tribunal ("COMPAT") pursuant to Section 53 of the CA 2010 on 23 October 2020; and
- (c) Application for a Judicial Review at the Malaysian High Court on 24 December 2020.

On 23 March 2021, the COMPAT panel unanimously decided to grant a stay of the financial penalties pending the disposal of the appeal.

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

Judicial Review was heard on 20 October 2021 and the High Court allowed MyCC's application to set aside the leave and stay order granted by the High Court. Subsequently, AGIB lodged an appeal to the Court of Appeal on 18 November 2021 to preserve its rights.

On 2 September 2022, the COMPAT had unanimously allowed the PIAM's appeal and MyCC's decision was being set aside. As such, AGIB withdrew its appeal on the Judicial Review to the Court of Appeal after decision by COMPAT.

The affidavit was filed with the High Court of Kuala Lumpur on 3 January 2023 and on the case management dated 16 May 2023, the High Court fixed the hearing date of the Insurers' Objections on 30 November 2023.

AGIB has also filed an application to bring intervener proceedings against MyCC's judicial review application in the case between Malaysia Airlines ("MAS") and AirAsia. This application is now fixed for hearing on the 27 June 2023 wherein the Court will decide as to whether to allow AGIB's application to intervene in the said case.

### A32. DERIVATIVE FINANCIAL INSTRUMENTS

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

Group	31.03.2023			31.03.2022		
	Contract/ Notional Amount RM'000	Fair Value		Contract/ Notional Amount RM'000	Fair Value	
		Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000
<b>Trading derivatives</b>						
Interest/Profit rate related contracts:	34,547,432	398,874	213,434	38,845,917	424,297	345,542
- One year or less	12,307,294	24,561	18,527	12,051,408	54,274	49,463
- Over one year to three years	9,901,808	123,928	59,679	15,851,862	125,730	119,451
- Over three years	12,338,330	250,385	135,228	10,942,647	244,293	176,628
Foreign exchange related contracts:	52,555,959	503,261	723,723	48,628,852	341,606	372,353
- One year or less	45,087,669	293,947	368,421	40,258,048	124,735	105,866
- Over one year to three years	4,074,334	120,828	156,028	5,031,525	142,909	144,524
- Over three years	3,393,956	88,486	199,274	3,339,279	73,962	121,963
Equity and commodity related contracts:	1,432,375	18,974	23,897	1,645,753	55,470	74,386
- One year or less	1,352,573	12,452	17,353	1,570,386	47,256	66,123
- Over one year to three years	79,802	6,522	6,544	75,367	8,214	8,263
	88,535,766	921,109	961,054	89,120,522	821,373	792,281
<b>Hedging derivatives</b>						
Interest/Profit rate related contracts:						
Interest/Profit rate swaps:						
Fair value hedge	350,000	-	3,265	350,000	-	11,282
- Over one year to three years	350,000	-	3,265	350,000	-	11,282
Total	88,885,766	921,109	964,319	89,470,522	821,373	803,563

### A33. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

#### Determination of fair value and fair value hierarchy

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

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

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

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

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

About 1.7% (31 March 2022: 2.5%) of the Group's total financial assets recorded at fair value, are based on estimates and recorded as Level 3 investments. Where estimates are used, these are based on a combination of independent third-party evidence and internally developed models, calibrated to market observable data where possible. While such valuations are sensitive to estimates, it is believed that changing one or more of the assumptions to reasonably possible alternative assumptions would not change the fair value significantly.

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

Group	Level 1	Level 2	Level 3	Total
31.03.2023	RM'000	RM'000	RM'000	RM'000
<b>Financial assets measured at fair value</b>				
Derivative financial assets	60	921,049	-	921,109
Financial assets at fair value through profit or loss				
- Money market securities	-	10,169,187	-	10,169,187
- Shares	1,074,250	-	33	1,074,283
- Unit trusts	21,696	1,158	-	22,854
- Quoted corporate bonds and sukuk	-	10,236	-	10,236
- Unquoted corporate bonds and sukuk	-	1,494,347	-	1,494,347
Financial investments at fair value through other comprehensive income				
- Money market securities	-	12,549,882	-	12,549,882
- Shares	-	-	682,858	682,858
- Unquoted corporate bonds and sukuk	-	12,377,993	-	12,377,993
	<u>1,096,006</u>	<u>37,523,852</u>	<u>682,891</u>	<u>39,302,749</u>
<b>Financial liabilities measured at fair value</b>				
Derivative financial liabilities	10,290	954,029	-	964,319

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

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

<b>Company</b> <b>31.03.2023</b>	<b>Level 1</b> <b>RM'000</b>	<b>Level 2</b> <b>RM'000</b>	<b>Level 3</b> <b>RM'000</b>	<b>Total</b> <b>RM'000</b>
<b>Financial assets measured at fair value</b>				
Financial assets at fair value through profit or loss				
- Unit trusts	-	1,158	-	1,158
<b>Group</b> <b>31.03.2022</b>	<b>Level 1</b> <b>RM'000</b>	<b>Level 2</b> <b>RM'000</b>	<b>Level 3</b> <b>RM'000</b>	<b>Total</b> <b>RM'000</b>
<b>Financial assets measured at fair value</b>				
Derivative financial assets				
	2,090	819,283	-	821,373
Financial assets at fair value through profit or loss				
- Money market securities	-	2,173,041	-	2,173,041
- Shares	1,124,249	-	31	1,124,280
- Unit trusts	177,091	1,128	-	178,219
- Quoted corporate bonds and sukuk	-	13,315	-	13,315
- Unquoted corporate bonds and sukuk	-	3,727,705	-	3,727,705
Financial investments at fair value through other comprehensive income				
- Money market securities	-	8,498,176	-	8,498,176
- Shares	-	-	675,089	675,089
- Unquoted corporate bonds and sukuk	-	9,583,492	-	9,583,492
	<u>1,303,430</u>	<u>24,816,140</u>	<u>675,120</u>	<u>26,794,690</u>
<b>Financial liabilities measured at fair value</b>				
Derivative financial liabilities				
	<u>26,965</u>	<u>776,598</u>	<u>-</u>	<u>803,563</u>
<b>Company</b> <b>31.03.2022</b>				
<b>Financial assets measured at fair value</b>				
Financial assets at fair value through profit or loss				
- Unit trusts	-	1,128	-	1,128

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

#### Movements in Level 3 financial instruments measured at fair value

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

Group	Financial assets at FVTPL RM'000	Financial investments at FVOCI RM'000	Total RM'000
<b>31.03.2023</b>			
Balance at beginning of the financial year	31	675,089	675,120
Gain on revaluation of financial assets at FVTPL taken up in statement of profit or loss	2	-	2
Total gains recognised in other comprehensive income under fair value reserve	-	7,769	7,769
Balance at end of the financial year	<u>33</u>	<u>682,858</u>	<u>682,891</u>
<b>31.03.2022</b>			
Balance at beginning of the financial year	34	686,792	686,826
Loss on revaluation of financial assets at FVTPL taken up in statement of profit or loss	(3)	-	(3)
Total gains recognised in other comprehensive income under fair value reserve	-	3,148	3,148
Additions	-	6	6
Disposals	-	(14,857)	(14,857)
Balance at end of the financial year	<u>31</u>	<u>675,089</u>	<u>675,120</u>

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

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

Group	31.03.2023 RM'000	31.03.2022 RM'000
<b>Financial assets at FVTPL:</b>		
Total gain/(loss) included in:		
- investment and trading income in statement of profit or loss	<u>2</u>	<u>(3)</u>
<b>Financial investments at FVOCI:</b>		
Total gains included in:		
- fair value reserve in statement of comprehensive income	<u>7,769</u>	<u>3,148</u>

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

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



**A34. CAPITAL ADEQUACY (CONT'D.)**

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

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

- (3) Pursuant to BNM's Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework for Islamic Banks (Capital Components), financial institution is required to maintain minimum CET1 Capital Ratio of 4.5%, Tier 1 Capital Ratio of 6.0% and Total Capital Ratio of 8.0% at all times. In addition, a financial institution is also required to maintain capital buffers which comprise the sum of the following:

- (a) a Capital Conservation Buffer ("CCB") of 2.5%;
- (b) a Countercyclical Capital Buffer ("CCyB") determined as the weighted-average of the prevailing CCyB rates applied in the jurisdictions in which the financial 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; and
- (c) a Higher Loss Absorbency ("HLA") requirement for a financial institution that is designated as a domestic systemically important bank ("D-SIB").

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

	<b>31.03.2023</b>			
	<b>AmBank</b>	<b>AmBank</b>	<b>AmInvestment</b>	<b>Group</b>
	<b>RM'000</b>	<b>Islamic</b>	<b>Bank</b>	<b>RM'000</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>CET1 Capital</b>				
Ordinary share capital	3,040,465	1,387,107	330,000	6,376,240
Retained earnings	7,508,139	3,022,623	126,419	10,757,582
Fair value reserve	299,138	(9,188)	2,259	492,817
Foreign exchange translation reserve	105,630	-	-	112,212
Treasury shares	-	-	-	(28,579)
Regulatory reserve	201,229	-	10,478	211,707
Cash flow hedging deficit	(4,259)	-	-	(4,258)
Other remaining disclosed reserves	-	-	-	26,425
Less: Regulatory adjustments applied on CET1 Capital				
Goodwill	-	-	-	(303,492)
Other intangible assets	(202,069)	(298)	(3,462)	(207,152)
Deferred tax assets	(182,451)	(62,097)	(5,664)	(238,931)
55% of cumulative gains in fair value reserve	(164,526)	-	(1,243)	(271,049)
Cash flow hedging deficit	4,259	-	-	4,258
Regulatory reserve	(201,229)	-	(10,478)	(211,707)
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	(11)	-	(49,809)	(1,334,000)
Unrealised fair value gains on financial liabilities due to changes in own credit risk	(2,756)	(75)	-	(2,727)
Other CET1 regulatory adjustments specified by BNM	300,721	212,690	1	513,022
<b>CET1 Capital</b>	<b>10,702,280</b>	<b>4,550,762</b>	<b>398,501</b>	<b>15,892,368</b>

**A34. CAPITAL ADEQUACY (CONT'D.)**

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

	31.03.2023			Group RM'000
	AmBank RM'000	AmBank Islamic RM'000	AmInvestment Bank RM'000	
<b><u>Additional Tier 1 Capital</u></b>				
Qualifying CET1, Additional Tier 1 Capital instruments held by third parties	-	-	-	455
<b>Tier 1 Capital</b>	<b>10,702,280</b>	<b>4,550,762</b>	<b>398,501</b>	<b>15,892,823</b>
<b><u>Tier 2 Capital</u></b>				
Tier 2 Capital instruments meeting all relevant criteria for inclusion	3,095,000	1,300,000	-	-
Qualifying CET1, Additional Tier 1 and Tier 2 Capital instruments held by third parties	-	-	-	2,688,226
General provisions*	857,088	327,419	7,276	1,194,774
<b>Tier 2 Capital</b>	<b>3,952,088</b>	<b>1,627,419</b>	<b>7,276</b>	<b>3,883,000</b>
<b>Total Capital</b>	<b>14,654,368</b>	<b>6,178,181</b>	<b>405,777</b>	<b>19,775,823</b>

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

Credit RWA	79,287,050	35,344,046	582,070	112,344,226
Less: Credit RWA absorbed by Profit Sharing Investment Account	-	(1,545,037)	-	(2,740)
Total Credit RWA	79,287,050	33,799,009	582,070	112,341,486
Market RWA	1,624,350	304,677	6,231	2,841,539
Operational RWA	5,186,909	1,969,050	334,056	7,762,466
Large exposure risk RWA for equity holdings	785,485	-	-	785,485
<b>Total RWA</b>	<b>86,883,794</b>	<b>36,072,736</b>	<b>922,357</b>	<b>123,730,976</b>

**A34. CAPITAL ADEQUACY (CONT'D.)**

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

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

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

**A35. CREDIT TRANSACTIONS AND EXPOSURES WITH CONNECTED PARTIES**

	<b>Group</b>	
	<b>31.03.2023</b>	<b>31.03.2022</b>
Outstanding credit exposures with connected parties (RM'000)	<u>4,336,663</u>	<u>5,297,585</u>
Percentage of outstanding credit exposures to connected parties (%)		
- as a proportion of total credit exposures	<u>2.98</u>	<u>3.96</u>

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

### A36. DISCONTINUED OPERATION

As disclosed in Note A29, the results of AGIB for the period up to disposal date have been presented separately in the income statements as "Profit after taxation from discontinued operation".

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

#### STATEMENT OF PROFIT OR LOSS FOR THE FINANCIAL PERIOD ENDED 28 JULY 2022

Note	Group			
	1.01.2023	1.01.2022	1.04.2022	1.04.2021
	to	to	to	to
	31.03.2023	31.03.2022	28.07.2022	31.03.2022
	RM'000	RM'000	RM'000	RM'000
Interest income	-	30,945	42,389	124,537
Income from insurance business	-	325,666	457,976	1,334,847
Insurance claims and commissions	-	(202,972)	(290,902)	(858,280)
Net income from insurance business	-	122,694	167,074	476,567
Other operating loss (i)	-	(16,480)	(26,027)	(36,411)
Estimated loss on disposal of subsidiary	-	-	(53,893)	-
Net income	-	137,159	129,543	564,693
Other operating expenses (ii)	-	(79,064)	(101,256)	(305,246)
Operating profit	-	58,095	28,287	259,447
Writeback of impairment on insurance receivables	-	1,792	2,736	1,681
Other recoveries/(write-offs), net	-	39	6	(31)
Impairment of Kurnia Brand, agent relationship and other assets	-	-	(115,981)	-
Profit/(Loss) before taxation from discontinued operation	-	59,926	(84,952)	261,097
Taxation	-	(435)	18,879	(32,529)
<b>Profit/(Loss) for the period/year from discontinued operation</b>	-	<b>59,491</b>	<b>(66,073)</b>	<b>228,568</b>
Attributable to:				
Equity holders of the Company	-	33,383	(7,015)	136,713
Non-controlling interests	-	26,108	(59,058)	91,855
	-	59,491	(66,073)	228,568

#### (i) Other operating loss

	Group			
	1.01.2023	1.01.2022	1.04.2022	1.04.2021
	to	to	to	to
	31.03.2023	31.03.2022	28.07.2022	31.03.2022
	RM'000	RM'000	RM'000	RM'000
Investment and trading income:				
Net (loss)/gain from sale of financial assets at fair value through profit or loss	-	(1,725)	405	537
Net loss on revaluation of financial assets at fair value through profit or loss	-	(16,349)	(27,798)	(41,604)
Gain on foreign exchange	-	2	27	3
Dividend income from financial assets at fair value through profit or loss	-	1,700	1,138	5,425
	-	(16,372)	(26,228)	(35,639)
Other income:				
Net gain on disposal of property and equipment	-	1	9	-
Rental income	-	4	9	80
Others	-	(113)	183	(852)
	-	(108)	201	(772)
	-	(16,480)	(26,027)	(36,411)

**A36. DISCONTINUED OPERATIONS (CONT'D.)**

**(ii) Other Operating Expenses**

	Group			
	1.01.2023 to 31.03.2023 RM'000	1.01.2022 to 31.03.2022 RM'000	1.04.2022 to 28.07.2022 RM'000	1.04.2021 to 31.03.2022 RM'000
Personnel costs:				
Salaries, allowances and bonuses	-	31,815	41,033	127,479
Shares granted under ESS - charge/(writeback)	-	256	109	(447)
Contributions to Employees' Provident Fund ("EPF")/ private retirement schemes	-	4,935	6,343	19,905
Social security cost	-	280	377	1,141
Other staff related expenses	-	1,782	6,153	10,619
	<u>-</u>	<u>39,068</u>	<u>54,015</u>	<u>158,697</u>
Establishment costs:				
Depreciation of property and equipment	-	991	1,237	4,079
Depreciation of right-of-use assets	-	3,042	4,009	12,449
Amortisation of intangible assets	-	4,712	6,065	18,953
Computerisation costs	-	3,707	7,731	23,347
Cleaning, maintenance and security	-	869	1,638	4,154
Finance costs:				
- interest on lease liabilities	-	155	144	1,060
Others	-	412	521	1,797
	<u>-</u>	<u>13,888</u>	<u>21,345</u>	<u>65,839</u>
Marketing and communication expenses:				
Advertising, promotional and other marketing activities	-	15,081	13,005	42,233
Telephone charges	-	657	650	2,254
Postage	-	83	93	292
Travelling and entertainment	-	946	1,361	2,782
Others	-	93	153	1,058
	<u>-</u>	<u>16,860</u>	<u>15,262</u>	<u>48,619</u>
Administration and general expenses:				
Professional services	-	1,737	2,887	6,254
Travelling	-	113	173	390
Insurance	-	48	60	193
Subscriptions and periodicals	-	15	26	131
Others	-	7,335	7,488	25,123
	<u>-</u>	<u>9,248</u>	<u>10,634</u>	<u>32,091</u>
Total	<u>-</u>	<u>79,064</u>	<u>101,256</u>	<u>305,246</u>

**Statement of cash flows disclosures**

Net cash flows incurred by AGIB are as follows:

	Group	
	1.04.2022 to 28.07.2022 RM'000	1.04.2021 to 31.03.2022 RM'000
Operating activities	97,806	69,050
Investing activities	(2,968)	(10,066)
Financing activities	(4,140)	(12,944)
Net increase in cash and cash equivalents	<u>90,698</u>	<u>46,040</u>

**A37. OPERATIONS OF ISLAMIC BANKING**

**AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2023**

	Note	Group	
		31.03.2023 RM'000	31.03.2022 RM'000
<b>ASSETS</b>			
Cash and short-term funds		2,113,367	3,599,095
Derivative financial assets		36,363	51,661
Financial assets at fair value through profit or loss		2,576,789	986,968
Financial investments at fair value through other comprehensive income		6,522,124	4,450,620
Financial investments at amortised cost		4,179,986	3,033,252
Financing and advances	(a)	44,961,875	38,653,868
Statutory deposit with Bank Negara Malaysia		880,000	167,000
Deferred tax assets		62,072	61,176
Other assets		497,799	286,825
Property and equipment		324	363
Right-of-use assets		2,284	2,066
Intangible assets		298	495
<b>TOTAL ASSETS</b>		<b>61,833,281</b>	<b>51,293,389</b>
<b>LIABILITIES AND ISLAMIC BANKING FUNDS</b>			
Deposits from customers	(b)	45,252,510	37,590,250
Investment accounts of customers	(c)	16,474	377,861
Deposits and placements of banks and other financial institutions		4,763,220	3,634,435
Investment account due to a licensed bank	(d)	1,538,521	1,710,663
Recourse obligation on financing sold to Cagamas Berhad		3,315,004	1,500,000
Derivative financial liabilities		36,814	60,038
Term funding		834,907	834,836
Subordinated Sukuk		1,300,000	1,300,000
Other liabilities	(e)	375,289	411,400
<b>TOTAL LIABILITIES</b>		<b>57,432,739</b>	<b>47,419,483</b>
Share capital/Capital funds		1,387,107	1,387,107
Reserves		3,013,435	2,486,799
<b>TOTAL ISLAMIC BANKING FUNDS</b>		<b>4,400,542</b>	<b>3,873,906</b>
<b>TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS</b>		<b>61,833,281</b>	<b>51,293,389</b>
<b>COMMITMENTS AND CONTINGENCIES</b>		<b>14,038,732</b>	<b>14,702,448</b>

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

**AUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
FOR THE FINANCIAL QUARTER AND YEAR ENDED 31 MARCH 2023**

Group	Note	Individual Quarter		Cumulative Quarter	
		31.03.2023 RM'000	31.03.2022 RM'000	31.03.2023 RM'000	31.03.2022 RM'000
Income derived from investment of depositors' funds	1	609,892	426,290	2,173,852	1,702,082
Income derived from investment of investment account funds		15,880	15,411	61,106	56,219
Income derived from Islamic Banking Funds (Allowances for)/Writeback of impairment on financing and advances - net	1	54,902	43,137	202,441	169,510
Writeback of/(Allowances for) impairment on:					
- Financial investments		2,623	(168,276)	(8,808)	(255,960)
- Other financial assets		10	(139)	143	(75)
Provision for commitments and contingencies - writeback/(charge)		275	(2,439)	(7,474)	(8,975)
Total distributable income		641,836	396,911	2,257,502	1,420,930
Income attributable to the depositors and others	2	(355,847)	(193,323)	(1,089,037)	(750,266)
Income attributable to the investment account holders		(14,186)	(12,942)	(53,736)	(47,845)
Total net income		271,803	190,646	1,114,729	622,819
Other operating expenses		(94,640)	(72,576)	(335,200)	(285,294)
Finance costs		(21,025)	(23,934)	(87,469)	(97,455)
Profit before taxation and zakat		156,138	94,136	692,060	240,070
Taxation and zakat		(36,151)	(18,201)	(160,129)	(51,676)
Profit for the financial quarter/year		119,987	75,935	531,931	188,394

Note:

1 Included the net gain of RM85,000 (31 March 2022: net loss of RM18,555,000) from measures implemented in response to COVID-19 pandemic.

2 Included a fair value gain of RM18,872,000 recognised by AmBank Islamic Berhad in financial year ended 31 March 2022 from funding obtained from a related company. The funding was obtained for the purposes of providing Special Relief Facility ("SRF") financing at concessionary rate to assist SME businesses adversely impacted by the COVID-19 pandemic.

**AUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL QUARTER AND YEAR ENDED 31 MARCH 2023**

Group	Individual Quarter		Cumulative Quarter	
	31.03.2023 RM'000	31.03.2022 RM'000	31.03.2023 RM'000	31.03.2022 RM'000
Profit for the financial quarter/year	119,987	75,935	531,931	188,394
Other comprehensive income/(loss):				
<b>Items that may be reclassified subsequently to statement of profit or loss</b>				
Financial investments at FVOCI:				
- net unrealised gain/(loss) for changes in fair value	61,660	(22,733)	(86)	(62,083)
- changes in ECL	(9,986)	(5,164)	(5,287)	(59)
- net loss/(gain) reclassified to profit or loss	-	-	75	(596)
- tax effect	(14,430)	5,456	3	14,873
Other comprehensive gain/(loss) for the financial quarter/year net of tax	37,244	(22,441)	(5,295)	(47,865)
Total comprehensive income/(loss) for the financial quarter/year	157,231	53,494	526,636	140,529

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

**AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

Group	Share capital/ capital funds RM'000	Non- Distributable		Total Equity RM'000
		Fair value reserve RM'000	Retained earnings RM'000	
<b>At 1 April 2021</b>	1,417,107	43,972	2,434,800	3,895,879
Profit for the financial year	-	-	188,394	188,394
Other comprehensive loss, net	-	(47,865)	-	(47,865)
Total comprehensive (loss)/income for the financial year	-	(47,865)	188,394	140,529
Transfer to conventional fund*	(30,000)	-	(95,424)	(125,424)
Dividend on ordinary shares: - final, financial year ended 31 March 2021	-	-	(37,078)	(37,078)
	(30,000)	-	(132,502)	(162,502)
<b>At 31 March 2022</b>	<b>1,387,107</b>	<b>(3,893)</b>	<b>2,490,692</b>	<b>3,873,906</b>
<b>At 1 April 2022</b>	1,387,107	(3,893)	2,490,692	3,873,906
Profit for the financial year	-	-	531,931	531,931
Other comprehensive loss, net	-	(5,295)	-	(5,295)
Total comprehensive (loss)/income for the financial year	-	(5,295)	531,931	526,636
<b>At 31 March 2023</b>	<b>1,387,107</b>	<b>(9,188)</b>	<b>3,022,623</b>	<b>4,400,542</b>

\* Relates to Islamic Banking of AmInvestment Bank.

In the previous financial year, AmInvestment Bank had ceased to carry out Islamic Banking business.

The existing operations of Islamic investment banking of AmInvestment Bank relating to stockbroking and capital market activities undertaken in compliance with Shariah principles are regulated by the Securities Commission and Bursa Malaysia Berhad and not within the definition of Islamic Banking as per Islamic Financial Services Act 2013. Hence, no disclosure required.

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

**(a) Financing and Advances**

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

Group 31.03.2023	Bai' Bithaman Ajil RM'000	Murabahah RM'000	Musharakah Mutanaqisah RM'000	Al-Ijarah Thummah Al-Bai' (AITAB) RM'000	Bai' Inah RM'000	Others RM'000	Total RM'000
<b>At amortised cost</b>							
Cash lines	-	594,352	-	-	534,646	-	1,128,998
Term financing	347,700	15,538,398	7,327	-	650,409	-	16,543,834
Revolving credit	22,037	4,943,902	-	-	1,049,641	-	6,015,580
Housing financing	2,418,525	10,293,397	38,815	-	-	-	12,750,737
Hire purchase receivables	3	-	-	4,947,850	-	-	4,947,853
Bills receivables	-	620,200	-	-	-	103,537	723,737
Credit card receivables	-	-	-	-	-	498,872	498,872
Trust receipts	-	480,747	-	-	-	-	480,747
Claims on customers under acceptance credits	-	2,235,072	-	-	-	281,933	2,517,005
Staff financing	-	20,731	-	-	-	-	20,731
Others	-	-	-	-	-	12,770	12,770
Gross financing and advances*	<u>2,788,265</u>	<u>34,726,799</u>	<u>46,142</u>	<u>4,947,850</u>	<u>2,234,696</u>	<u>897,112</u>	<u>45,640,864</u>
Allowances for impairment on financing and advances							
- Stage 1 - 12-months ECL							(74,502)
- Stage 2 - Lifetime ECL not credit impaired							(441,391)
- Stage 3 - Lifetime ECL credit impaired							<u>(163,096)</u>
Net financing and advances							<u>44,961,875</u>

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

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

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

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

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

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

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

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

	Group	
	31.03.2023 RM'000	31.03.2022 RM'000
Balance at beginning of the financial year	628,542	613,074
Additions during the financial year	819,460	718,754
Reclassified to non-impaired financing	(37,363)	(77,186)
Recoveries	(580,374)	(337,277)
Amount written off	(309,110)	(288,823)
Balance at end of the financial year	<u>521,155</u>	<u>628,542</u>
Gross impaired financing and advances as % of total gross financing and advances	<u>1.14%</u>	<u>1.60%</u>
Financing loss coverage	<u>136.5%</u>	<u>114.3%</u>

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

Group	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
31.03.2023	RM'000	RM'000	RM'000	RM'000
Balance at beginning of the financial year	61,592	401,419	230,573	693,584
Net allowances for ECL	12,876	39,964	241,633	294,473
Transfer to 12-month ECL (Stage 1)	3,671	(34,652)	(910)	(31,891)
Transfer to Lifetime ECL not credit impaired (Stage 2)	(5,140)	57,705	(5,615)	46,950
Transfer to Lifetime ECL credit impaired (Stage 3)	(443)	(10,078)	116,879	106,358
New financial assets originated	22,474	33,838	3,907	60,219
Net remeasurement of allowances	10,566	(13,883)	143,104	139,787
Changes in model assumptions and methodologies	(8,061)	31,122	(5)	23,056
Modification of contractual cash flows of financial assets	(144)	2,279	376	2,511
Financial assets derecognised	(10,047)	(26,367)	(16,103)	(52,517)
Foreign exchange differences	34	8	-	42
Amount written off	-	-	(309,110)	(309,110)
Balance at end of the financial year	<u>74,502</u>	<u>441,391</u>	<u>163,096</u>	<u>678,989</u>

Note:

1 As at 31 March 2023, the gross exposure (including profit receivable) relating to RA financing amounted to RM1,542.3 million (31 March 2022: RM1,713.8 million). ECL allowance for the RA financing which amounted to RM1.3 million (31 March 2022: RM2.2 million) is taken up by AmBank.

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

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

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

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

**(b) Deposits From Customers**

	Group	
	31.03.2023 RM'000	31.03.2022 RM'000
By type of deposit:		
Savings deposits		
Commodity Murabahah	4,664,808	3,850,631
Qard	159,012	146,823
Demand deposits		
Commodity Murabahah	11,178,667	9,587,153
Qard	1,782,776	861,168
Term deposits		
Commodity Murabahah	27,373,974	22,994,199
Qard	93,273	150,276
	<u>45,252,510</u>	<u>37,590,250</u>

The deposits are sourced from the following types of customers:

	Group	
	31.03.2023 RM'000	31.03.2022 RM'000
Business enterprises	25,081,487	22,820,946
Government and statutory bodies	5,719,815	3,180,849
Individuals	13,361,210	10,600,240
Others	1,089,998	988,215
	<u>45,252,510</u>	<u>37,590,250</u>

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

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

The maturity structure of term deposits are as follows:

	Group	
	31.03.2023 RM'000	31.03.2022 RM'000
Due within six months	23,623,778	18,084,514
Over six months to one year	3,148,741	4,774,000
Over one year to three years	662,291	214,910
Over three years to five years	32,437	71,051
	<u>27,467,247</u>	<u>23,144,475</u>

**(c) Investment Accounts Of Customers**

	Group	
	31.03.2023 RM'000	31.03.2022 RM'000
Unrestricted investment accounts:		
Without maturity		
- Wakalah	13,734	16,573
With maturity		
- Mudarabah	2,740	361,288
	<u>16,474</u>	<u>377,861</u>

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

	Group	
	31.03.2023 RM'000	31.03.2022 RM'000
Business enterprises	34	354,618
Individuals	16,440	23,243
	<u>16,474</u>	<u>377,861</u>

	Group	
	31.03.2023 RM'000	31.03.2022 RM'000
Investment asset:		
Interbank placement (Wakalah)	13,734	16,573
Housing financing (Mudarabah)	2,740	361,288
Total investment	<u>16,474</u>	<u>377,861</u>

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

	Investment account holder		
	Average profit sharing ratio (%)	Average rate of return (%)	Average performance incentive fee (%)
<b>31.03.2023</b>			
Maturity			
less than 3 months	55.13	1.71	2.37
over 3 months to 1 year	54.62	2.24	-
<b>31.03.2022</b>			
Maturity			
less than 3 months	53.12	1.92	1.75
over 3 months to 1 year	54.01	2.16	-

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

**(d) Investment Account Due to A Licensed Bank**

	Group	
	31.03.2023 RM'000	31.03.2022 RM'000
<u>Restricted investment account ("RA")</u>		
- Mudarabah Muqayyadah	1,538,521	1,710,663
Investment asset:		
Financing	1,538,521	1,710,663
<b>Total investment</b>	<b>1,538,521</b>	<b>1,710,663</b>

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

As at 31 March 2023, the remaining tenure of the RA contracts is for a period of 4 to 7 years (31 March 2022: 8 months to 8 years).

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

	Investment account holder			
	31.03.2023		31.03.2022	
	Average profit sharing ratio (%)	Average rate of return (%)	Average profit sharing ratio (%)	Average rate of return (%)
Maturity:				
over 2 years to 5 years	90	3.19	90	2.64
more than 5 years	90	3.39	90	2.80

**(e) Other Liabilities**

	Group	
	31.03.2023 RM'000	31.03.2022 RM'000
Other payables and accruals	308,803	354,912
Deferred income	15,502	16,022
Lease liabilities	2,347	2,092
Provision for reinstatement of leased properties	84	82
Provision for zakat	4,172	2,130
Allowances for ECL on financing commitments and financial guarantees	32,300	24,808
Advance rentals	12,081	11,354
	<b>375,289</b>	<b>411,400</b>

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

**B1. PERFORMANCE REVIEW ON THE RESULTS OF THE GROUP**

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

	Group				Group			
	Individual Quarter		Changes		Cumulative Quarter		Changes	
	31.03.2023 RM'000	31.03.2022 RM'000	Amount RM'000	%	31.03.2023 RM'000	31.03.2022 RM'000	Amount RM'000	%
Operating profit before impairment losses, from continuing operations	604,547	507,756	96,791	19.1	2,609,079	2,311,341	297,738	12.9
Profit before taxation and zakat from continuing operations	553,743	454,477	99,266	21.8	2,255,441	1,543,648	711,793	46.1
Profit/(Loss) before taxation from discontinued operation	-	59,926	(59,926)	(100.0)	(84,952)	261,097	(346,049)	(>100.0)
Profit for the financial quarter/year	428,007	417,934	10,073	2.4	1,676,305	1,594,939	81,366	5.1
Profit attributable to equity holders of the Company	427,912	391,750	36,162	9.2	1,735,153	1,502,682	232,471	15.5

**Financial year ended 31 March 2023 compared to 31 March 2022**

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

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

Fee based income recorded an increase of RM2.8 million mainly due to higher fees income on loans and securities offset by higher credit card cost. Market based income increased from higher gains from trading in foreign exchange offset by lower gains from derivatives.

The Group's associates and joint ventures recorded higher profits as reflected in the share of profits of RM69.9 million compared to RM44.1 million in prior year. Higher share of profits was mainly due to the contribution by the 30% acquisition of LIB.

Total operating expenses increased by 0.3% compared to last year. Despite the higher operating expenses, the Group's cost-to-income ratio had improved to 44.3% from 44.9% a year ago.

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

Profit before taxation and zakat from continuing operations for the current financial year was higher compared to a year ago at RM2,255.4 million, an increase of RM711.8 million (46.1%).

As for discontinued operation, the profit before taxation for the year reduced by RM346.0 million mainly due to the impairment of Kurnia Brand, agent relationship and other assets of RM116.0 million, estimated loss on disposal of general insurance of RM53.9 million as well as loss of general insurance income for the month of August 2022 to March 2023 as a result of disposal of insurance subsidiary.

Profit for the financial year increased by RM81.4 million to RM1,676.3 million compared to last year.

**Commentary on key components of financial position**

The Group's core interest bearing assets namely loans, advances and financing recorded a growth in gross balances by RM10.2 billion from 31 March 2022 to RM130.2 billion. The Group's impaired loans ratio was at 1.46%.

Deposits from customers was higher compared to 31 March 2022 at RM130.3 billion. Low cost deposits which constituted 37.4% of total deposits from customers increased compared to 35.2% as at 31 March 2022.

**Liquidity and capital strength**

The Group is well-positioned to meet and comply with regulatory requirements. Its banking subsidiaries recorded Liquidity Coverage ratios in excess of minimum requirements. The Group's capital adequacy ratio after proposed final dividend remains strong at 15.65% at the end of the reporting year.

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

### Divisional performance

#### Retail Banking (Year to date ("YTD") FY2023: RM661.5 million vs FY2022: RM675.6 million)

Profit before taxation ("PBT") decreased by RM14.1 million mainly from higher other operating expenses and net impairment, partially offset by higher net income.

Net income increased by 12.3% mainly from higher business volume and margin impact, partially offset by lower fee income from Wealth. Higher other operating expenses mainly due to higher personnel costs. Higher net impairment mainly from provision on loans, advances and financing, coupled with higher provision for commitments and contingencies.

Retail deposits increased by RM8.4 billion to RM62.5 billion from all deposits type. Gross loans, advances and financing grew by RM4.0 billion to close at RM72.4 billion mainly attributed by Mortgages, Auto Finance and Retail Small and Medium Enterprise ("SME").

#### Business Banking (YTD FY2023: RM348.8 million vs YTD FY2022: RM361.1 million)

PBT decreased by RM12.3 million mainly due to higher other operating expenses and net impairment, offset by higher net income.

Higher net income mainly from higher net finance income due to higher business volume and margin impact, coupled with higher other income from loan related fees, bank guarantees and commission on bancassurance. Higher other operating expenses mainly from higher personnel costs and service transfer pricing ("STP") expenses. Higher net impairment arising from higher provision on loans, advances and financing, coupled with higher provision for commitments and contingencies.

Business Banking deposits increased by RM1.2 billion to RM16.4 billion mainly from current accounts and term deposits, while gross loans, advances and financing grew by RM2.5 billion to close at RM21.2 billion.

#### Corporate Banking (YTD FY2023: Profit of RM664.2 million vs YTD FY2022: Loss of RM508.2 million)

PBT increased by RM1,172.4 million mainly due to higher net income and lower net impairment, partially offset by higher other operating expenses.

Net income increased by 19.4% due to higher net finance income from higher margin and business volume, coupled with higher loan related fees income. Lower net impairment mainly from lower provision on financial investments, loans, advances and financing, coupled with writeback from provision for commitments and contingencies.

Corporate Banking gross loans, advances and financing increased by RM3.6 billion to close at RM34.7 billion, while deposits increased by RM1.3 billion to close at RM16.9 billion.

#### Group Treasury and Markets (YTD FY2023: RM613.9 million vs YTD FY2022: RM527.6 million)

PBT increased by RM86.3 million mainly from higher net income and higher writeback of net impairment, partly offset by higher other operating expenses.

Net income increased by 13.6% mainly due to gain from forex and fixed income trading, coupled with higher volume impact, partially offset by lower margin.

#### Investment Banking (YTD FY2023: RM47.0 million vs YTD FY2022: RM100.6 million)

PBT decreased by RM53.6 million from lower net income, higher other operating expenses and higher net impairment mainly due to lower recoveries.

Net income decreased by RM22.4 million from lower number of sizeable deals and brokerage fees.

#### Fund Management (YTD FY2023: RM80.1 million vs YTD FY2022: RM82.1 million)

PBT decreased by RM2.0 million mainly from lower fee income, partly offset by lower other operating expenses.

#### Insurance (from continuing operations) (FY2023: Profit of RM51.7 million vs FY2022: Loss of RM7.6 million)

Insurance PBT increased by RM59.3 million mainly higher net finance income and higher income from share of associates and joint ventures.

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

**Divisional performance (Cont'd.)**

**Group Funding and Others (YTD FY2023: Loss of RM211.8 million vs YTD FY2022: Profit of RM312.5 million)**

Loss before taxation mainly from lower net income, higher other operating expenses and lower writeback of net impairment.

**Insurance (from discontinued operation) (FY2023: Loss of RM85.0 million vs FY2022: Profit of RM261.1 million)**

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

**B2. REVIEW OF MATERIAL CHANGES IN PROFIT BEFORE TAXATION**

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

	Group			
	Individual Quarter		Changes	
	31.03.2023	31.12.2022	Amount	
	RM'000	RM'000	RM'000	%
Operating profit before impairment losses, from continuing operations	604,547	733,822	(129,275)	(17.6)
Profit before taxation and zakat from continuing operations	553,743	584,660	(30,917)	(5.3)
Profit for the financial quarter	428,007	452,730	(24,723)	(5.5)
Profit attributable to equity holders of the Company	427,912	452,641	(24,729)	(5.5)

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

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

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

Total operating expenses increased by 11.7% compared to preceding quarter mainly due to higher personnel and establishment expenses offset by lower administration expenses.

Credit costs decreased due to lower allowances for impairment on loans, advances and financing and lower allowances for impairment on financial investments offset by higher provision for commitments and contingencies.

Against the preceding quarter, profit before taxation and zakat from continuing operations for the current quarter is lower at RM553.7 million, a decrease of RM30.9 million (5.3%).

Profit for the financial quarter decreased by RM24.7 million to RM428.0 million compared to preceding quarter.

### B3. PROSPECTS FOR THE NEXT FINANCIAL YEAR END

The Malaysian economy grew slower by 5.6% year-on-year (4Q2022: 7.1%) in the 1Q2023 due to slower global economic activities following the steep rate hikes implemented by global central banks. Nonetheless, support came from private expenditure which expanded robustly by 5.9%, coincided with festive season and long school holidays during the months of February and March 2023. Furthermore, persistent recovery in the tourism industry with international flights coming into Malaysia reaching 70% of pre-pandemic level also contributed to the growth.

We expect the situation in the 2H 2023 to continue to be challenging, mainly driven by external factors as major economies have to deal with the impact from steep interest rate hikes that had taken place since last year. Latest data showed that business activities will be slower and global trading activities will be modest for 2023. On another note, the recent banking sector turmoil from the United States ("US") to Europe partly reflects the impact of monetary policy tightening. While the sentiment concerning the US banking turmoil had somewhat eased, it is still premature to conclude that the crisis is over as interest rate remains elevated given our view that monetary policy easing is unlikely to take place this year. In addition, should the US debt ceiling situation remain unresolved by June 2023, then certainly it adds more uncertainty in the financial market will affect the global outlook in the 2H2023. This certainly has made the US Federal Reserve's task much tougher as there is a need to balance price stability and financial market stability.

On the domestic front, continuous recovery in tourism industry is expected to persist with domestic demand to continue to be supported by improved job market situation. Moreover, the realisation of investments following the Foreign Direct Investment ("FDI") inflow back since 2021 and slightly accommodative monetary policy are additional factors to support the Malaysian economy. We expect the Malaysian economy to grow by 4.5% in 2023. Headline inflation is expected to be in the range of 3.0 to 3.5% in 2023, given the impact of easing commodity prices trend and improving supply chain, risk on inflation tilts to the upside, including the potential partial removal of subsidy into a targeted manner.

In the Malaysia's banking industry, the overall outstanding loans grew slower by 5.0% year-on-year in March 2023, compared to 5.2% in the previous month. While the non-household segment loans expanded slower at 4.4%, household loans remain healthy at 5.4%. As the economy is expected to soften in 2023, we expect more subdued loan growth in the range of 4.0% - 5.0% for 2023.

The overall banking system remains healthy underpinned by strong liquidity. This is reflected by the liquidity coverage ratio which was at 157.4% in March 2023 (February 2023: 152.7%). The funding profile was also well-diversified with March 2023's loan-to-fund ratio and loan-to-fund-and-equity ratio at 81.9% and 71.1%, respectively (February 2023:81.6% and 70.9%, respectively).

On monetary policy, interest rate hikes in Malaysia have been gradual compared to the other major central banks which have been much faster and steeper. Since May 2022, The Monetary Policy Committee ("MPC") of Bank Negara Malaysia ("BNM") had already raised the Overnight Policy Rate ("OPR") by a total of 125 bps, bringing the OPR to its pre-pandemic level of 3.00%. There is a case now that the monetary policy normalisation in Malaysia may have ended given the pessimism in the global growth outlook. However, we do think that future rate adjustments cannot be fully discounted just yet, depending on how economy and core inflation indicators evolve during the months to come. Our assessments based on current information flow suggest that OPR at 3.00% is adequate in balancing between supporting economic growth and anchoring future inflation expectations.

Capitalizing on the strong recovery of the Malaysian economy post-pandemic, AmBank Group's strong financial performance, marked by a 15.5% PATMI growth and ROE of 10%, helped end its FY23 on a high note and put it on sure financial footing to take on the next 12 months. As a result, the Group is pleased to deliver a much-improved dividend payout ratio of 35% for FY23.

Going into the new financial year, AmBank Group will continue to focus its efforts on building capital and shoring up liquidity levels while keeping a close watch over asset quality and maintaining cost discipline to create sustainable long-term value for all its shareholders and stakeholders. At the same time, the Group stays committed to lending assistance to customers in need, particularly when repayment assistance programmes gradually expire.

The Group is also at the final stretch of its FY21 - FY24 Focus 8 strategy journey and remains committed as ever to its successful completion. As a reminder of some of the Group's focus areas, i.e. Environmental, Social and Governance ("ESG") and digital transformation, the Group held its inaugural "ESG Day" and "AmDigital Day" to showcase its commitment and achievements in these areas. The said events were attended by large crowds and the Group has plans to hold more of such events in the new financial year.

**B4. VARIANCE FROM PROFIT FORECAST AND SHORTFALL FROM PROFIT GUARANTEE**

This is not applicable to the Group.

**B5. TAXATION AND ZAKAT**

Group	Individual Quarter		Cumulative Quarter	
	31.03.2023 RM'000	31.03.2022 RM'000	31.03.2023 RM'000	31.03.2022 RM'000
<b><u>Continuing operations</u></b>				
Estimated current tax payable	158,786	109,931	544,536	440,665
Deferred tax	(25,777)	16,169	(26,486)	(420)
	<u>133,009</u>	<u>126,100</u>	<u>518,050</u>	<u>440,245</u>
Over provision of current taxation in respect of prior years	(8,254)	(29,804)	(8,776)	(30,584)
Tax effect relating to the Settlement	-	-	-	(234,552)
Taxation	<u>124,755</u>	<u>96,296</u>	<u>509,274</u>	<u>175,109</u>
Zakat	981	(262)	3,789	2,168
Taxation and zakat	<u>125,736</u>	<u>96,034</u>	<u>513,063</u>	<u>177,277</u>
<b><u>Discontinued operation</u></b>				
Estimated current tax payable	-	30,548	14,817	62,140
Deferred tax	-	(21,450)	(33,702)	(22,006)
	-	<u>9,098</u>	<u>(18,885)</u>	<u>40,134</u>
(Over)/Under provision of current taxation in respect of prior years	-	(8,663)	6	(7,605)
Taxation	-	<u>435</u>	<u>(18,879)</u>	<u>32,529</u>

The total tax charge of the Group for the financial year ended 31 March 2023 reflects an effective tax rate which is lower than the statutory tax rate mainly due to income not subject to tax.

The total tax charge of the Group from continuing operations for the financial year ended 31 March 2022 reflects an effective tax rate which is lower than the statutory tax rate mainly due to reversal of over provision of income tax in respect of prior years and income not subject to tax and slightly offset by the effect of additional tax resulted from the introduction of Cukai Makmur.

**B6. BORROWINGS AND DEBT SECURITIES**

Group	Long term*		Short term*		Total	
	Foreign denomination USD'000	RM denomination RM'000	Foreign denomination USD'000	RM denomination RM'000	Foreign denomination USD'000	RM denomination RM'000
	<b>31.03.2023</b>					
<b>Unsecured</b>						
Term funding	100,000	1,158,307 #	-	1,014,026	100,000	2,172,333
Debt capital	-	3,395,000	-	1,000,000	-	4,395,000
<b>31.03.2022</b>						
<b>Unsecured</b>						
Term funding	100,000	1,653,638 #	-	226,459	100,000	1,880,097
Debt capital	-	3,300,000	-	1,095,000	-	4,395,000

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

# As at 31 March 2023 and 31 March 2022, USD100 million term loan drawdown to be utilised for diversifying the sources of funding the growth of the USD balance sheet.

\* remaining contractual maturity

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

Month of Issuance/ Redemption	Entity	Note/ Sukuk type and tenure	Nominal value RM'000	Weighted average interest/ profit rate %	Net interest/ profit savings per annum for redemption RM'000
March 2022 - Issuance	AmBank	Subordinated Note Tier 2 - 10 years	600,000	4.30	-
March 2022 - Redemption	AmBank	Subordinated Note Tier 2 - 10 years	500,000	5.20	26,000
March 2022 - Issuance	AmBank Islamic	Subordinated Sukuk Murabahah - 10 years	250,000	4.25	-
March 2022 - Redemption	AmBank Islamic	Senior Sukuk Musharakah - 2 years	200,000	3.55	7,100
March 2022 - Redemption	AmBank Islamic	Subordinated Sukuk Murabahah - 10 years	240,000	5.20	12,480
October 2022 - Issuance	AmBank	Subordinated Note Tier 2 - 10 years	745,000	5.20	-
October 2022 - Redemption	AmBank	Subordinated Note Tier 2 - 10 years	570,000	4.90	27,930

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

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

Month of Issuance/ Redemption	Entity	Note/ Sukuk type and tenure	Nominal value RM'000	Weighted average interest/ profit rate %	Net interest/ profit savings per annum for redemption RM'000
February 2023 - Redemption	AmBank	Subordinated Note Tier 2 - 10 years	175,000	5.23	9,153
February 2023 - Redemption	AmBank Islamic	Subordinated Sukuk Murabahah - 10 years	150,000	5.23	7,845
March 2023 - Redemption	AmBank	Subordinated Note Tier 2 - 10 years	350,000	5.23	18,305
March 2023 - Issuance	AmBank	Subordinated Note Tier 2 - 10 years	350,000	4.58	-
March 2023 - Issuance	AmBank Islamic	Subordinated Sukuk Murabahah - 10 years	150,000	4.53	-

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

#### B7. MATERIAL LITIGATION

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

#### B8. DIVIDENDS

- (i) A proposed final cash dividend of 12.3 sen per share for the financial year ended 31 March 2023 has been recommended by the directors;
- (ii) Previous corresponding period: 5.0 sen;
- (iii) Payment date: To be determined and announced at a later date; and
- (iv) In respect of ordinary share capital, entitlement to the dividend will be determined on the basis of the record of Depositors as at the close of business on the date to be determined and announced at a later date.

#### B9. DERIVATIVE FINANCIAL INSTRUMENTS

Please refer to Note A32.

#### B10. EARNINGS/(LOSS) PER SHARE (SEN)

- (a) Basic/Diluted earnings/(loss) per share

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

	Individual Quarter		Cumulative Quarter	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Net profit/(loss) attributable to equity holders of the Company (RM'000)				
Continuing operations	427,912	358,367	1,742,168	1,365,969
Discontinued operation	-	33,383	(7,015)	136,713
	<u>427,912</u>	<u>391,750</u>	<u>1,735,153</u>	<u>1,502,682</u>
Weighted average number of ordinary shares in issue ('000)	<u>3,307,849</u>	<u>3,311,035</u>	<u>3,310,645</u>	<u>3,299,721</u>
Basic/Diluted earnings/(loss) per share (sen)				
Continuing operations	12.94	10.82	52.62	41.40
Discontinued operation	-	1.01	(0.21)	4.14
	<u>12.94</u>	<u>11.83</u>	<u>52.41</u>	<u>45.54</u>