

AInvestment Bank Berhad

Registration No. 197501002220 (23742-V)

(Incorporated in Malaysia)

And Its Subsidiaries

Condensed Interim Financial Statements

For the Financial Period

1 April 2024 to

30 June 2024

(In Ringgit Malaysia)

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

UNAUDITED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	Note	Group		Bank	
		30 June 2024 RM'000	31 March 2024 RM'000	30 June 2024 RM'000	31 March 2024 RM'000
ASSETS					
Cash and short-term funds	8	482,312	725,841	364,776	626,037
Deposits and placements with a bank	9	-	500,000	-	500,000
Financial investments at fair value through other comprehensive income	10	33,082	33,167	33,082	33,167
Financial investment at amortised cost	11	75,000	75,000	75,000	75,000
Loans and advances	12	835,736	877,537	835,736	877,537
Derivative financial assets		-	1,403	-	1,403
Statutory deposit with Bank Negara Malaysia		25,758	14,689	25,758	14,689
Deferred tax assets		40,648	44,658	36,330	40,830
Investment in subsidiaries		-	-	51,054	51,054
Trade receivables and other assets	13	802,411	1,071,192	783,728	1,044,672
Property and equipment		14,237	14,560	13,884	14,205
Right-of-use assets		1,919	2,087	1,919	2,087
Intangible assets		40,854	40,481	3,497	3,068
TOTAL ASSETS		<u>2,351,957</u>	<u>3,400,615</u>	<u>2,224,764</u>	<u>3,283,749</u>
LIABILITIES AND EQUITY					
Deposits and placements of a bank	14	900,000	1,700,000	900,000	1,700,000
Financial liabilities at fair value through profit or loss		-	68,022	-	68,022
Derivative financial liabilities	2	-	-	2	-
Trade payables and other liabilities	15	795,408	1,008,637	774,237	978,907
TOTAL LIABILITIES		<u>1,695,410</u>	<u>2,776,659</u>	<u>1,674,239</u>	<u>2,746,929</u>
Share capital		330,000	330,000	330,000	330,000
Reserves		326,547	293,956	220,525	206,820
Equity attributable to equity holder of the Bank		656,547	623,956	550,525	536,820
TOTAL LIABILITIES AND EQUITY		<u>2,351,957</u>	<u>3,400,615</u>	<u>2,224,764</u>	<u>3,283,749</u>
COMMITMENTS AND CONTINGENCIES	25	<u>197,644</u>	<u>289,043</u>	<u>197,644</u>	<u>289,043</u>
NET ASSETS PER ORDINARY SHARE (RM)		<u>2.09</u>	<u>1.99</u>	<u>1.75</u>	<u>1.71</u>

The unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 March 2024.

AmlInvestment Bank Berhad
Registration No. 197501002220 (23742-V)
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UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2024

Group	Note	Individual Quarter		Cumulative Quarter	
		30 June 2024 RM'000	30 June 2023 RM'000	30 June 2024 RM'000	30 June 2023 RM'000
Interest income	16	25,717	17,705	25,717	17,705
Interest expense	17	(15,733)	(9,572)	(15,733)	(9,572)
Net interest income		9,984	8,133	9,984	8,133
Other operating income	18	105,451	91,526	105,451	91,526
Direct costs	19	(20,229)	(15,303)	(20,229)	(15,303)
Net income		95,206	84,356	95,206	84,356
Other operating expenses	20	(56,404)	(51,870)	(56,404)	(51,870)
Operating profit before impairment losses		38,802	32,486	38,802	32,486
Writeback of/(Allowance for) impairment on:					
Loans and advances, net	21	254	-	254	-
Other financial assets	22	562	(122)	562	(122)
Profit before taxation		39,618	32,364	39,618	32,364
Taxation		(6,931)	(7,928)	(6,931)	(7,928)
Profit for the financial period		32,687	24,436	32,687	24,436
Basic/diluted earnings per share (sen)	23	10.4	7.8	10.4	7.8

The unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 March 2024.

AmlInvestment Bank Berhad
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UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2024

Group	Individual Quarter		Cumulative Quarter	
	30 June 2024 RM'000	30 June 2023 RM'000	30 June 2024 RM'000	30 June 2023 RM'000
Profit for the financial period	32,687	24,436	32,687	24,436
Other comprehensive income:				
Item that will not be reclassified subsequently to profit or loss				
Equity instruments at fair value through other comprehensive income ("FVOCI")				
Net unrealised loss on changes in fair value	(54)	(192)	(54)	(192)
Item that may be reclassified subsequently to profit or loss				
Debt instruments at FVOCI				
Net unrealised loss on changes in fair value	(56)	(134)	(56)	(134)
Tax effect	14	32	14	32
	(42)	(102)	(42)	(102)
Other comprehensive loss for the financial period	(96)	(294)	(96)	(294)
Total comprehensive income for the period	32,591	24,142	32,591	24,142

The unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 March 2024.

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UNAUDITED STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2024

Bank	Note	Individual Quarter		Cumulative Quarter	
		30 June 2024 RM'000	30 June 2023 RM'000	30 June 2024 RM'000	30 June 2023 RM'000
Interest income	16	25,285	17,218	25,285	17,218
Interest expense	17	(15,706)	(9,535)	(15,706)	(9,535)
Net interest income		9,579	7,683	9,579	7,683
Other operating income	18	59,655	40,123	59,655	40,123
Direct costs	19	(13,053)	(8,074)	(13,053)	(8,074)
Net income		56,181	39,732	56,181	39,732
Other operating expenses	20	(38,680)	(34,877)	(38,680)	(34,877)
Operating profit before impairment losses		17,501	4,855	17,501	4,855
Writeback of/(Allowance for) impairment on:					
Loans and advances, net	21	254	-	254	-
Other financial assets	22	561	(123)	561	(123)
Profit before taxation		18,316	4,732	18,316	4,732
Taxation		(4,515)	(1,230)	(4,515)	(1,230)
Profit for the financial period		13,801	3,502	13,801	3,502

The unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 March 2024.

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UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2024

Bank	Individual Quarter		Cumulative Quarter	
	30 June 2024 RM'000	30 June 2023 RM'000	30 June 2024 RM'000	30 June 2023 RM'000
Profit for the financial period	13,801	3,502	13,801	3,502
Other comprehensive income:				
Item that will not be reclassified subsequently to profit or loss				
Equity instruments at FVOCI				
Net unrealised loss on changes in fair value	(54)	(192)	(54)	(192)
Item that may be reclassified subsequently to profit or loss				
Debt instruments at FVOCI				
Net unrealised loss on changes in fair value	(56)	(134)	(56)	(134)
Tax effect	14	32	14	32
	(42)	(102)	(42)	(102)
Other comprehensive loss for the financial period	(96)	(294)	(96)	(294)
Total comprehensive income for the period	13,705	3,208	13,705	3,208

The unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 March 2024.

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UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2024

	<-----Attributable to equity holder of the Bank----->						
	Non-distributable					Distributable	
Group	Share capital RM'000	Capital reserve RM'000	Regulatory reserve RM'000	Merger reserve RM'000	Fair value reserve RM'000	Retained earnings RM'000	Total equity RM'000
At 1 April 2023	330,000	2,815	10,478	82,115	2,259	130,688	558,355
Profit for the financial period	-	-	-	-	-	24,436	24,436
Other comprehensive loss	-	-	-	-	(294)	-	(294)
Total comprehensive (loss)/income for the period	-	-	-	-	(294)	24,436	24,142
Transfer to regulatory reserve	-	-	141	-	-	(141)	-
Dividends	-	-	-	-	-	(75,054)	(75,054)
Transactions with owner and other equity movements	-	-	141	-	-	(75,195)	(75,054)
At 30 June 2023	330,000	2,815	10,619	82,115	1,965	79,929	507,443
At 1 April 2024	330,000	2,815	13,682	82,115	1,912	193,432	623,956
Profit for the financial period	-	-	-	-	-	32,687	32,687
Other comprehensive loss	-	-	-	-	(96)	-	(96)
Total comprehensive (loss)/income for the period	-	-	-	-	(96)	32,687	32,591
Transfer to retained earnings	-	-	(3,493)	-	-	3,493	-
Transactions with owner and other equity movements	-	-	(3,493)	-	-	3,493	-
At 30 June 2024	330,000	2,815	10,189	82,115	1,816	229,612	656,547

The unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 March 2024.

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UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2024

	<-----Attributable to equity holder of the Bank----->				
	Non-distributable			Distributable	
	Share capital RM'000	Regulatory reserve RM'000	Fair value reserve RM'000	Retained earnings RM'000	Total equity RM'000
Bank					
At 1 April 2023	330,000	10,478	2,259	126,419	469,156
Profit for the financial period	-	-	-	3,502	3,502
Other comprehensive loss	-	-	(294)	-	(294)
Total comprehensive (loss)/income for the period	-	-	(294)	3,502	3,208
Transfer to regulatory reserve	-	141	-	(141)	-
Dividends	-	-	-	(75,054)	(75,054)
Transactions with owner and other equity movements	-	141	-	(75,195)	(75,054)
At 30 June 2023	330,000	10,619	1,965	54,726	397,310
At 1 April 2024	330,000	13,682	1,912	191,226	536,820
Profit for the financial period	-	-	-	13,801	13,801
Other comprehensive loss	-	-	(96)	-	(96)
Total comprehensive (loss)/income for the period	-	-	(96)	13,801	13,705
Transfer to retained earnings	-	(3,493)	-	3,493	-
Transactions with owner and other equity movements	-	(3,493)	-	3,493	-
At 30 June 2024	330,000	10,189	1,816	208,520	550,525

The unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 March 2024.

AmlInvestment Bank Berhad
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UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2024

	Group		Bank	
	30 June 2024 RM'000	30 June 2023 RM'000	30 June 2024 RM'000	30 June 2023 RM'000
Profit before taxation	39,618	32,364	18,316	4,732
Adjustments for non-operating and non-cash items	461	622	150	665
Operating profit before working capital changes	40,079	32,986	18,466	5,397
Change in operating assets	301,092	(968,073)	292,218	(974,007)
Change in operating liabilities	(1,076,826)	970,376	(1,071,129)	972,713
Cash (used in)/generated from operations	(735,655)	35,289	(760,445)	4,103
Tax paid	(6,899)	(8,867)	-	(4,329)
Net cash (used in)/generated from operating activities	(742,554)	26,422	(760,445)	(226)
Net cash used in investing activities	(795)	(286)	(637)	(262)
Net cash used in financing activities	(180)	(75,234)	(179)	(75,234)
Net decrease in cash and cash equivalents	(743,529)	(49,098)	(761,261)	(75,722)
Cash and cash equivalents at beginning of the financial period	1,225,841	343,229	1,126,037	241,866
Cash and cash equivalents at end of the financial period	482,312	294,131	364,776	166,144
Cash and cash equivalents comprises:				
Cash and short-term funds	482,312	294,130	364,776	166,143
Allowances for expected credit losses ("ECL")	-	1	-	1
Cash and cash equivalents at the end of the financial period	482,312	294,131	364,776	166,144

The unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 March 2024.

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EXPLANATORY NOTES :

1. BASIS OF PREPARATION

These condensed interim financial statements have been prepared in accordance with MFRS 134, *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board ("MASB") 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 Bank for the financial year ended 31 March 2024 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 stockbroking and capital market activities undertaken in compliance with Shariah principles relating to investment banking services which are regulated by Securities Commission and Bursa Malaysia Berhad.

1.1 Material 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:

- Lease Liability in a Sale and Leaseback (Amendments to MFRS 16 *Leases*)
- Non-current Liabilities with Covenants (Amendments to MFRS 101 *Presentation of Financial Statements*)
- Supplier Finance Arrangements (Amendments to MFRS 107 *Statement of Cash Flows* and MFRS 7 *Financial Instruments: Disclosures*)

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

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

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

The amendments clarified that after the commencement date, 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 retained by the seller-lessee.

1. BASIS OF PREPARATION (CONT'D.)

1.1 Material Accounting Policies (Cont'd.)

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.

Supplier Finance Arrangements (Amendments to MFRS 107 *Statement of Cash Flows* and MFRS 7 *Financial Instruments: Disclosures*)

The amendments introduced new disclosure requirements for supplier finance arrangements which include terms and conditions of supplier financing arrangements, the amounts of the liabilities that are the subject of such agreements, the range of payment due dates and information on liquidity risk.

1.2 New standard and amendments to published standards issued but not yet effective

Description	Effective for annual periods beginning on or after
- Lack of Exchangeability (Amendments to MFRS 121 <i>The Effects of Changes in Foreign Exchange Rates</i>)	1 January 2025
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to MFRS 9 <i>Financial Instruments</i> and MFRS 7 <i>Financial Instruments: Disclosures</i>)	1 January 2026
- MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
- MFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
- 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 standards and amendments to published standards issued but not yet effective are described below. The Group and the Bank are currently assessing the financial effects of their adoption.

(a) Amendments to published standard effective for financial year ending 31 March 2026

Lack of Exchangeability (Amendments to MFRS 121 *The Effects of Changes in Foreign Exchange Rates*)

The amendments clarified when a currency is exchangeable into another currency and how an entity estimates a spot rate when a currency lacks exchangeability. New disclosure requirements include the nature and financial impacts of the currency not being exchangeable, spot exchange rate used, estimation process and risks to the entity when the currency is not exchangeable.

1. BASIS OF PREPARATION (CONT'D.)

1.2 New standard and amendments to published standards issued but not yet effective (Cont'd.)

(b) Amendments to published standard effective for financial year ending 31 March 2027

Amendments to the Classification and Measurement of Financial Instruments (Amendments to MFRS 9 *Financial Instruments* and MFRS 7 *Financial Instruments: Disclosures*)

The amendments clarified the dates of recognition and derecognition of financial assets and liabilities, with a new exception for financial liabilities settled through an electronic cash transfer system.

The amendments also provide additional guidance for assessing whether financial assets with contingent features that are not related directly to a change in basic lending risks or costs meet the solely payments of principal and interest ("SPPI") criterion.

Key characteristics of contractually linked instruments and the factors to be considered when assessing the cash flows underlying a financial asset with non-recourse features are also included in the amendments.

Additional disclosures are required for certain financial instruments with contractual terms that can change their cash flows and equity instruments designated at fair value through other comprehensive income.

(c) New standard effective for financial year ending 31 March 2028

MFRS 18 *Presentation and Disclosure in Financial Statements*

MFRS 18 is a new accounting standard for presentation and disclosure of information in the financial statements which supersedes MFRS 101 *Presentation of Financial Statements*.

MFRS 18 introduced a defined structure for the statement of profit or loss comprising three main categories which include operating, investing and financing categories. Classification of income and expenses will be driven by the main business activities. Specified totals and subtotals are to be presented in the statement of profit or loss.

Information related to the management-defined performance measures ("MPM") should be disclosed in a note to the financial statements, including a reconciliation between the MPM and the most similar specified subtotal. Entity is also required to present expenses in the operating category by nature, function or a mix of both.

Enhanced guidance on the principles of aggregation and disaggregation, which focus on grouping of items based on their shared characteristics should be applied across the financial statements.

MFRS 19 *Subsidiaries without Public Accountability: Disclosures*

MFRS 19 introduced reduced disclosure requirements for eligible subsidiaries. An eligible subsidiary has the option to adopt this standard in its consolidated or separate financial statements provided that it does not have public accountability and it has an ultimate or intermediate holding company that produces consolidated financial statements in accordance with IFRS Accounting Standards.

1. BASIS OF PREPARATION (CONT'D.)

1.2 New standard and amendments to published standards issued but not yet effective (Cont'd.)

(d) Amendments to published 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 clarified that:

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

1.3 Material Accounting Judgements, Estimates and Assumptions

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

In the process of applying the Group's and the Bank's accounting policies, the material 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 2024.

2. AUDIT QUALIFICATION

There was no audit qualification in the audited annual financial statements for the year ended 31 March 2024.

3. SEASONALITY OR CYCLICALITY OF OPERATIONS

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

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

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

5. CHANGES IN ESTIMATES

There was no material change in estimates of amounts reported in the prior financial years that have a material effect for the financial quarter and period ended 30 June 2024.

6. ISSUANCE AND REPAYMENT OF DEBT AND EQUITY SECURITIES

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

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

7. DIVIDENDS

The directors do not recommend the payment of any dividend in respect of the current financial period ended 30 June 2024.

8. CASH AND SHORT TERM FUNDS

	Group		Bank	
	30 June 2024 RM'000	31 March 2024 RM'000	30 June 2024 RM'000	31 March 2024 RM'000
Cash and bank balances	240,602	130,854	213,412	107,976
Deposit placements maturing within one month:				
Licensed banks, related companies	151,996	430,047	61,650	352,850
Bank Negara Malaysia	73,000	150,000	73,000	150,000
Other financial institutions	16,714	14,940	16,714	15,211
	<u>482,312</u>	<u>725,841</u>	<u>364,776</u>	<u>626,037</u>

9. DEPOSITS AND PLACEMENTS WITH A BANK

	Group and Bank	
	30 June 2024 RM'000	31 March 2024 RM'000
Licensed bank, a related company	-	500,000
Of which deposit and placements with original maturity of: Three months or less	-	500,000

10. FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	Group and Bank	
	30 June 2024 RM'000	31 March 2024 RM'000
At Fair value		
Money Market Instruments:		
Malaysian Government Securities	30,342	30,373
Unquoted Securities:		
In Malaysia:		
Shares	2,707	2,766
Outside Malaysia:		
Shares	33	28
	<u>33,082</u>	<u>33,167</u>

11. FINANCIAL INVESTMENT AT AMORTISED COST

	Group and Bank	
	30 June 2024 RM'000	31 March 2024 RM'000
At Amortised Cost:		
Unquoted Securities in Malaysia:		
Corporate bonds	75,000	75,000

12. LOANS AND ADVANCES

	Group and Bank	
	30 June	31 March
	2024	2024
	RM'000	RM'000
At Amortised Cost		
Share margin financing	842,497	883,186
Revolving credits	4,379	5,703
Staff loans	324	366
Gross loans and advances	<u>847,200</u>	<u>889,255</u>
Less: Allowances for ECL (Note 12(g)):		
- Stage 1 - 12-month ECL	(1)	(1)
- Stage 3 - Lifetime ECL credit impaired	(11,463)	(11,717)
	<u>(11,464)</u>	<u>(11,718)</u>
Net loans and advances	<u>835,736</u>	<u>877,537</u>

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

	Group and Bank	
	30 June	31 March
	2024	2024
	RM'000	RM'000
Domestic business enterprises:		
- Small medium enterprises	27,601	27,874
- Others	14,972	14,759
Individuals	798,466	840,431
Foreign individuals and entities	6,161	6,191
	<u>847,200</u>	<u>889,255</u>

(b) All gross loans and advances reside in Malaysia.

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

	Group and Bank	
	30 June	31 March
	2024	2024
	RM'000	RM'000
Variable rate:		
- Base lending rate-plus	842,821	883,552
- Cost-plus	4,379	5,703
	<u>847,200</u>	<u>889,255</u>

12. LOANS AND ADVANCES (CONT'D.)

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

	Group and Bank	
	30 June	31 March
	2024	2024
	RM'000	RM'000
Agriculture	346	356
Manufacturing	4,741	4,999
Wholesale and retail trade and hotels and restaurants	5,144	5,388
Transport, storage and communication	15,220	14,966
Real estate	288	399
Business activities	6,954	6,988
Education and health	9,879	9,537
Household, of which:	804,628	846,622
- Purchase of residential properties	324	366
- Others	804,304	846,256
	<u>847,200</u>	<u>889,255</u>

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

	Group and Bank	
	30 June	31 March
	2024	2024
	RM'000	RM'000
Maturing within one year	846,933	888,934
Over one year to three years	104	79
Over three years to five years	163	173
Over five years	-	69
	<u>847,200</u>	<u>889,255</u>

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

	Group and Bank	
	30 June	31 March
	2024	2024
	RM'000	RM'000
Balance at beginning of the financial period/year	25,348	-
Impaired during the financial period/year	-	51,717
Recoveries	(3,739)	(26,369)
Balance at end of the financial period/year	<u>21,609</u>	<u>25,348</u>
Gross impaired loans and advances as % of gross loans and advances	<u>2.6%</u>	<u>2.9%</u>
Loan loss coverage (including Regulatory Reserve)	<u>100.2%</u>	<u>100.2%</u>

12. LOANS AND ADVANCES (CONT'D.)

(g) Movement in allowances for ECL is as follows:

Group and Bank	Stage 1	Stage 3	Total
	12-Month ECL	Lifetime ECL credit impaired	
	RM'000	RM'000	RM'000
30 June 2024			
Balance at beginning of the financial period	1	11,717	11,718
Net writeback of ECL (Note 21)	-	(254)	(254)
Balance at end of the financial period	1	11,463	11,464
31 March 2024			
Balance at beginning of the financial year	1	-	1
Net allowances of ECL	-	11,717	11,717
Balance at end of the financial year	1	11,717	11,718

13. TRADE RECEIVABLES AND OTHER ASSETS

	Group		Bank	
	30 June 2024	31 March 2024	30 June 2024	31 March 2024
	RM'000	RM'000	RM'000	RM'000
Trade receivables	497,303	662,567	486,197	651,955
Other receivables, deposits and prepayments	39,367	44,553	21,114	24,627
Interest receivable	1,482	13,568	1,482	13,568
Tax recoverable	55,636	54,504	54,432	54,432
Margin deposits	221,226	309,908	221,226	309,908
Amount due from holding company	7	75	7	55
Amount due from subsidiaries and related companies	1,088	277	12,668	4,086
	816,109	1,085,452	797,126	1,058,631
Less:				
Allowances for ECL	(13,698)	(14,260)	(13,398)	(13,959)
	802,411	1,071,192	783,728	1,044,672

(a) Movement in allowances for ECL:

	Group		Bank	
	30 June 2024	31 March 2024	30 June 2024	31 March 2024
	RM'000	RM'000	RM'000	RM'000
Balance at beginning of the financial period/year	14,260	4,023	13,959	3,283
Net (writeback of)/allowances for ECL	(562)	10,678	(561)	10,684
Amount written-off	-	(441)	-	(8)
Balance at end of the financial period/year	13,698	14,260	13,398	13,959

14. DEPOSITS AND PLACEMENTS OF A BANK

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

15. TRADE PAYABLES AND OTHER LIABILITIES

	Group		Bank	
	30 June	31 March	30 June	31 March
	2024	2024	2024	2024
	RM'000	RM'000	RM'000	RM'000
Trade payables	714,603	899,480	714,603	899,480
Other payables and accruals	45,184	54,706	31,328	35,165
Interest payable	18,345	37,531	18,345	37,531
Provision for commitments and contingencies	146	146	146	146
Lease liabilities	2,063	2,226	2,063	2,226
Provision for reinstatement of leased premises	307	307	307	307
Amount due to related companies	12,710	9,442	7,445	4,052
Provision for taxation	2,050	4,799	-	-
	795,408	1,008,637	774,237	978,907

16. INTEREST INCOME

Group	Individual Quarter		Cumulative Quarter	
	30 June	30 June	30 June	30 June
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Cash, short-term funds, deposits and placements	9,259	4,271	9,259	4,271
Financial investments at FVOCI	1,622	315	1,622	315
Financial investments at amortised cost	780	780	780	780
Loans and advances	13,358	11,995	13,358	11,995
Others	698	344	698	344
	25,717	17,705	25,717	17,705

Bank	Individual Quarter		Cumulative Quarter	
	30 June	30 June	30 June	30 June
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Cash, short-term funds, deposits and placements	8,827	3,784	8,827	3,784
Financial investments at FVOCI	1,622	315	1,622	315
Financial investments at amortised cost	780	780	780	780
Loans and advances	13,358	11,995	13,358	11,995
Others	698	344	698	344
	25,285	17,218	25,285	17,218

17. INTEREST EXPENSE

Group	Individual Quarter		Cumulative Quarter	
	30 June	30 June	30 June	30 June
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of a bank	15,504	9,361	15,504	9,361
Others	229	211	229	211
	15,733	9,572	15,733	9,572

Bank	Individual Quarter		Cumulative Quarter	
	30 June	30 June	30 June	30 June
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of a bank	15,504	9,361	15,504	9,361
Others	202	174	202	174
	15,706	9,535	15,706	9,535

18. OTHER OPERATING INCOME

Group	Individual Quarter		Cumulative Quarter	
	30 June 2024 RM'000	30 June 2023 RM'000	30 June 2024 RM'000	30 June 2023 RM'000
Fee and commission income:				
Fee and commission income that are provided over time:				
Corporate advisory	5,983	4,665	5,983	4,665
Fees on loans and securities				
Agency fees	791	804	791	804
Other loans and securities related fees	1,256	1,216	1,256	1,216
Portfolio management fees	12,569	15,985	12,569	15,985
Unit trust management fees	35,675	34,637	35,675	34,637
Wealth management fees	6,821	2,311	6,821	2,311
Fee and commission income from providing transaction services:				
Brokerage fees and commission	26,900	14,609	26,900	14,609
Corporate advisory	580	825	580	825
Fees on loans and securities				
Arrangement and upfront fees	6,746	6,358	6,746	6,358
Other loans and securities related fees	216	1,196	216	1,196
Portfolio management fees	-	2,154	-	2,154
Underwriting commission	615	-	615	-
Wealth management fees	176	-	176	-
Unit trust service charges	2,992	2,620	2,992	2,620
Placement fees	2,961	1,562	2,961	1,562
Other fee and commission income	503	958	503	958
	<u>104,784</u>	<u>89,900</u>	<u>104,784</u>	<u>89,900</u>
Investment and trading income:				
Net foreign exchange gain	33	992	33	992
Net gain from sale of financial assets at fair value through profit or loss ("FVTPL")	1	-	1	-
	<u>34</u>	<u>992</u>	<u>34</u>	<u>992</u>
Other income:				
Non-trading foreign exchange gain/(loss)	1	(1)	1	(1)
Rental income	577	587	577	587
Others	55	48	55	48
	<u>633</u>	<u>634</u>	<u>633</u>	<u>634</u>
	<u>105,451</u>	<u>91,526</u>	<u>105,451</u>	<u>91,526</u>

18. OTHER OPERATING INCOME (CONT'D.)

	Individual Quarter		Cumulative Quarter	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
Bank	RM'000	RM'000	RM'000	RM'000
Fee and commission income:				
Fee and commission income that are provided over time:				
Corporate advisory	5,983	4,665	5,983	4,665
Fees on loans and securities				
Agency fees	791	804	791	804
Other loans and securities related fees	1,256	1,216	1,256	1,216
Portfolio management fees	188	236	188	236
Wealth management fees	6,955	4,095	6,955	4,095
Fee and commission income from providing transaction services:				
Brokerage fees and commission	26,900	14,609	26,900	14,609
Corporate advisory	580	825	580	825
Fees on loans and securities				
Arrangement and upfront fees	6,746	6,358	6,746	6,358
Other loans and securities related fees	216	1,196	216	1,196
Underwriting commission	615	-	615	-
Wealth management fees	4,756	2,158	4,756	2,158
Placement fees	2,961	1,562	2,961	1,562
Other fee and commission income	956	1,077	956	1,077
	58,903	38,801	58,903	38,801
Investment and trading income:				
Dividend income from subsidiaries	100	-	100	-
Net foreign exchange gain	23	690	23	690
Net gain from sale of FVTPL	1	-	1	-
	124	690	124	690
Other income:				
Rental income	578	589	578	589
Others	50	43	50	43
	628	632	628	632
	59,655	40,123	59,655	40,123

19. DIRECT COSTS

	Individual Quarter		Cumulative Quarter	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
Group	RM'000	RM'000	RM'000	RM'000
Brokerage commission	7,589	5,413	7,589	5,413
Unit trust commission	7,176	7,229	7,176	7,229
Others	5,464	2,661	5,464	2,661
	20,229	15,303	20,229	15,303
Bank				
Brokerage commission	7,589	5,413	7,589	5,413
Others	5,464	2,661	5,464	2,661
	13,053	8,074	13,053	8,074

20. OTHER OPERATING EXPENSES

Group	Individual Quarter		Cumulative Quarter	
	30 June	30 June	30 June	30 June
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
- Salaries, allowances and bonuses	24,444	24,846	24,444	24,846
- Contributions to Employees' Provident Fund ("EPF")/Private Retirement Schemes	3,948	4,035	3,948	4,035
- Share granted under AMMB Executives' Share Scheme ("ESS") - charge	403	502	403	502
- Social security costs	149	154	149	154
- Others	2,120	1,670	2,120	1,670
	<u>31,064</u>	<u>31,207</u>	<u>31,064</u>	<u>31,207</u>
Establishment costs				
- Amortisation of intangible assets	202	388	202	388
- Cleaning, maintenance and security	569	620	569	620
- Computerisation costs	4,748	2,519	4,748	2,519
- Depreciation of property and equipment	470	435	470	435
- Depreciation of right-of-use assets	168	168	168	168
- Finance costs:				
- interest on lease liability	17	22	17	22
- provision for reinstatement of leased properties	1	1	1	1
- Rental of premises	1,327	1,545	1,327	1,545
- Others	148	169	148	169
	<u>7,650</u>	<u>5,867</u>	<u>7,650</u>	<u>5,867</u>
Marketing and communication expenses				
- Advertising, promotional and other marketing activities	330	143	330	143
- Sales commission	7	7	7	7
- Travelling and entertainment	361	207	361	207
- Communication expenses	309	259	309	259
- Others	431	144	431	144
	<u>1,438</u>	<u>760</u>	<u>1,438</u>	<u>760</u>
Administration and general expenses				
- Professional fees	3,356	3,206	3,356	3,206
- Travelling	87	79	87	79
- Others	3,589	3,620	3,589	3,620
	<u>7,032</u>	<u>6,905</u>	<u>7,032</u>	<u>6,905</u>
Service transfer pricing - expense	9,220	7,131	9,220	7,131
	<u>56,404</u>	<u>51,870</u>	<u>56,404</u>	<u>51,870</u>

20. OTHER OPERATING EXPENSES (CONTD.)

	Individual Quarter		Cumulative Quarter	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
Bank	RM'000	RM'000	RM'000	RM'000
Personnel costs				
- Salaries, allowances and bonuses	16,403	16,741	16,403	16,741
- Contributions to EPF/Private Retirement Schemes	2,666	2,724	2,666	2,724
- Share granted under AMMB ESS - charge	295	375	295	375
- Social security costs	95	100	95	100
- Others	1,387	1,068	1,387	1,068
	<u>20,846</u>	<u>21,008</u>	<u>20,846</u>	<u>21,008</u>
Establishment costs				
- Amortisation of intangible assets	125	292	125	292
- Cleaning, maintenance and security	536	589	536	589
- Computerisation costs	4,532	2,301	4,532	2,301
- Depreciation of property and equipment	433	397	433	397
- Depreciation of right-of-use assets	168	168	168	168
- Finance costs:				
- interest on lease liability	17	22	17	22
- provision for reinstatement of leased properties	1	1	1	1
- Rental of premises	1,007	1,225	1,007	1,225
- Others	135	154	135	154
	<u>6,954</u>	<u>5,149</u>	<u>6,954</u>	<u>5,149</u>
Marketing and communication expenses				
- Advertising, promotional and other marketing activities	85	57	85	57
- Sales commission	7	7	7	7
- Travelling and entertainment	303	180	303	180
- Communication expenses	187	190	187	190
- Others	317	139	317	139
	<u>899</u>	<u>573</u>	<u>899</u>	<u>573</u>
Administration and general expenses				
- Professional fees	563	484	563	484
- Travelling	87	74	87	74
- Others	1,426	1,547	1,426	1,547
	<u>2,076</u>	<u>2,105</u>	<u>2,076</u>	<u>2,105</u>
Service transfer pricing - expense	7,905	6,042	7,905	6,042
	<u>38,680</u>	<u>34,877</u>	<u>38,680</u>	<u>34,877</u>

21. WRITEBACK OF IMPAIRMENT ON LOANS AND ADVANCES, NET

	Individual Quarter		Cumulative Quarter	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
Group and Bank	RM'000	RM'000	RM'000	RM'000
Writeback of impairment on loans and advances, net	254	-	254	-

22. WRITEBACK OF/(ALLOWANCE FOR) IMPAIRMENT ON OTHER FINANCIAL ASSETS

	Individual Quarter		Cumulative Quarter	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
Group	RM'000	RM'000	RM'000	RM'000
Cash and short term funds	-	(1)	-	(1)
Trade receivables and other assets	562	(121)	562	(121)
	<u>562</u>	<u>(122)</u>	<u>562</u>	<u>(122)</u>
Bank				
Cash and short term funds	-	(1)	-	(1)
Trade receivables and other assets	561	(122)	561	(122)
	<u>561</u>	<u>(123)</u>	<u>561</u>	<u>(123)</u>

23. BASIC/DILUTED EARNINGS PER SHARE

	Individual Quarter		Cumulative Quarter	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
Group				
Net profit attributable to shareholder of the Group (RM'000)	32,687	24,436	32,687	24,436
Weighted average number of ordinary shares in issue ('000)	314,035	314,035	314,035	314,035
Basic/diluted earnings per share (sen)	10.4	7.8	10.4	7.8

24. BUSINESS SEGMENT ANALYSIS

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

The Group comprises the following main business segments:

(a) Investment banking

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

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

(b) Others

The others comprises activities to support operations of non-core operations of the Group.

Measurement of Segment Performance

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

Notes:

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

24. BUSINESS SEGMENT ANALYSIS (CONT'D.)

For the financial period ended 30 June 2024 Group	Investment Banking							Total RM'000
	Equity Markets RM'000	Funds Management RM'000	Private Banking RM'000	Corporate Finance RM'000	Capital Markets RM'000	Group Funding and Others RM'000	Others RM'000	
External net income	36,543	39,915	10,851	7,411	4,624	4	(4,142)	95,206
Intersegments net income	(9,949)	-	(40)	(35)	35	32	9,957	-
Net income	26,594	39,915	10,811	7,376	4,659	36	5,815	95,206
Net interest income/(expense)	6,788	405	14	(35)	35	32	2,745	9,984
Other operating income (net of direct costs)	19,806	39,510	10,797	7,411	4,624	4	3,070	85,222
Net income	26,594	39,915	10,811	7,376	4,659	36	5,815	95,206
Other operating expenses	(15,401)	(18,542)	(6,906)	(4,374)	(3,809)	(6,565)	(807)	(56,404)
of which:								
<i>Depreciation of property and equipment</i>	(147)	(37)	(34)	(13)	(6)	(13)	(220)	(470)
<i>Depreciation of right-of-use assets</i>	-	-	-	-	-	-	(168)	(168)
<i>Amortisation of intangible assets</i>	(49)	(78)	-	(63)	-	(2)	(10)	(202)
Profit/(loss) before impairment losses	11,193	21,373	3,905	3,002	850	(6,529)	5,008	38,802
Writeback of/(Allowance for) impairment on:								
Loans and advances, net	254	-	-	-	-	-	-	254
Other financial assets	565	1	-	(29)	25	-	-	562
Profit/(loss) before taxation	12,012	21,374	3,905	2,973	875	(6,529)	5,008	39,618
Taxation	(2,883)	(2,410)	(937)	(714)	(210)	1,567	(1,344)	(6,931)
Profit/(loss) for the period	9,129	18,964	2,968	2,259	665	(4,962)	3,664	32,687
Other information:								
Total segment assets	1,738,350	151,402	7,105	8,206	2,938	371	443,585	2,351,957
Total segment liabilities	718,633	32,253	1,508	633	1,918	1,099	939,366	1,695,410
Cost to income ratio	57.9%	46.5%	63.9%	59.3%	81.8%	>100%	13.9%	59.2%
Gross loans and advances	842,497	-	4,379	-	-	-	324	847,200
Net loans and advances	831,034	-	4,379	-	-	-	323	835,736
Impaired loans and advances	21,609	-	-	-	-	-	-	21,609
Total deposits and placements	-	-	-	-	-	-	900,000	900,000
Additions to:								
Property and equipment	21	35	12	-	13	14	52	147
Intangible assets	546	23	-	-	-	7	-	576

24. BUSINESS SEGMENT ANALYSIS (CONT'D.)

For the financial period ended 30 June 2023 Group (Restated)	Investment Banking							Total RM'000
	Equity Markets RM'000	Funds Management RM'000	Private Banking RM'000	Corporate Finance RM'000	Capital Markets RM'000	Group Funding and Others RM'000	Others RM'000	
External net income	24,246	45,279	6,036	4,698	10,021	-	(5,924)	84,356
Intersegments net income	(8,845)	-	(40)	8	(57)	28	8,906	-
Net income	15,401	45,279	5,996	4,706	9,964	28	2,982	84,356
Net interest income/(expense)	4,891	444	23	8	(57)	28	2,796	8,133
Other operating income (net of direct costs)	10,510	44,835	5,973	4,698	10,021	-	186	76,223
Net income	15,401	45,279	5,996	4,706	9,964	28	2,982	84,356
Other operating expenses	(13,548)	(17,685)	(6,481)	(5,413)	(3,652)	(6,114)	1,023	(51,870)
of which:								
<i>Depreciation of property and equipment</i>	(131)	(38)	(25)	(12)	(6)	(13)	(210)	(435)
<i>Depreciation of right-of-use assets</i>	-	-	-	-	-	-	(168)	(168)
<i>Amortisation of intangible assets</i>	(90)	(95)	(17)	(304)	(1)	149	(30)	(388)
Profit/(loss) before impairment losses	1,853	27,594	(485)	(707)	6,312	(6,086)	4,005	32,486
Writeback of/(Allowance for) impairment on other financial assets	1	2	-	237	(360)	-	(2)	(122)
Profit/(loss) before taxation	1,854	27,596	(485)	(470)	5,952	(6,086)	4,003	32,364
Taxation	(445)	(6,689)	116	113	(1,429)	1,461	(1,055)	(7,928)
Profit/(loss) for the period	1,409	20,907	(369)	(357)	4,523	(4,625)	2,948	24,436
Other information:								
Total segment assets	1,288,394	156,374	7,732	4,871	6,370	224	1,237,191	2,701,156
Total segment liabilities	313,744	33,075	1,240	2,168	3,349	2,646	1,837,491	2,193,713
Cost to income ratio	88.0%	39.1%	>100%	>100%	36.7%	>100%	-34.3%	61.5%
Gross loans and advances	831,022	-	6,171	-	-	-	421	837,614
Net loans and advances	831,022	-	6,171	-	-	-	420	837,613
Total deposits and placements	-	-	-	-	-	-	1,800,000	1,800,000
Additions to:								
Property and equipment	33	20	3	1	-	-	24	81
Intangible assets	111	3	-	-	-	54	36	204

25. COMMITMENTS AND CONTINGENCIES

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

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

	Group and Bank	
	30 June	31 March
	2024	2024
	RM'000	RM'000
Commitments		
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	196,786	211,710
Contingent Liabilities		
Obligations under an on-going underwriting agreement	-	10,373
Derivative Financial Instruments		
Foreign exchange related contracts:		
- One year or less	858	340
Equity and commodity contract:		
- One year or less	-	66,620
	197,644	289,043

26. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Determination of fair value and fair value hierarchy

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

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

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

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

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

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

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

8.3% (31 March 2024 : 8.1%) of the Group's and the Bank's total financial assets recorded at fair value, are based on estimates and recorded as Level 3 investments. Where estimates are used, these are based on a combination of independent third-party evidence and internally developed models, calibrated to market observable data where possible. While such valuations are sensitive to estimates, it is believed that changing one or more of the assumptions to reasonably possible alternative assumptions would not change the fair value significantly.

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

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

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

	< ----- Group ----- >				< ----- Bank ----- >			
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
30 June 2024								
Assets measured at fair value								
Financial investments at FVOCI								
- Money market securities	-	30,342	-	30,342	-	30,342	-	30,342
- Unquoted shares	-	-	2,740	2,740	-	-	2,740	2,740
	-	30,342	2,740	33,082	-	30,342	2,740	33,082
Assets for which fair values are disclosed								
Financial investments at amortised cost								
- Unquoted corporate bond	-	76,347	-	76,347	-	76,347	-	76,347
Liability measured at fair value								
Derivative financial liabilities	-	2	-	2	-	2	-	2
31 March 2024								
Assets measured at fair value								
Financial investments at FVOCI								
- Money market securities	-	30,373	-	30,373	-	30,373	-	30,373
- Unquoted shares	-	-	2,794	2,794	-	-	2,794	2,794
Derivative financial assets	1,402	1	-	1,403	1,402	1	-	1,403
	1,402	30,374	2,794	34,570	1,402	30,374	2,794	34,570
Assets for which fair values are disclosed								
Financial investments at amortised cost								
- Unquoted corporate bond	-	76,613	-	76,613	-	76,613	-	76,613
Liability measured at fair value								
Financial liabilities at FVTPL	68,022	-	-	68,022	68,022	-	-	68,022

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

Movements In Level 3 financial instruments measured at fair value

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

	Equity instruments at FVOCI	
	30 June 2024 RM'000	31 March 2024 RM'000
Group and Bank		
At beginning of the financial period/year	2,794	2,986
Unrealised loss on changes in fair value taken up in statement of comprehensive income	(54)	(192)
At end of the financial period/year	2,740	2,794

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

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

	30 June 2024 RM'000	31 March 2024 RM'000
Financial investments at FVOCI		
Unrealised loss in fair value reserve	54	192

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

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

27. CAPITAL ADEQUACY

- (a) As of 31 March 2024, the Capital Adequacy Ratios were computed based on BNM's policy documents on Capital Adequacy Framework (Capital Components) issued on 15 December 2023, where the Group's and the Bank had applied transitional arrangements on provision for Expected Credit Loss ("ECL). Under the transitional arrangements, the Group and the Bank are allowed to add back a portion of loss allowance for non-credit-impaired exposure (i.e. Stage 1 and Stage 2 provisions) to Common Equity Tier 1 ("CET1") Capital from financial year 2021 to financial year 2024.

The capital adequacy ratios with transitional arrangement of the Group and of the Bank are as follows:

	Group	Bank
As at 31 March 2024		
Before/ After deducting proposed dividends:*		
CET1 Capital Ratio	28.271%	27.952%
Tier 1 Capital Ratio	28.271%	27.952%
Total Capital Ratio	29.010%	28.846%

- (b) Effective 1 April 2024, the transitional arrangements have ended and the capital adequacy ratios of the Group and the Bank are computed in accordance with BNM's policy document on Capital Adequacy Framework (Capital Components) issued on 14 June 2024.

The capital adequacy ratios without transitional arrangement of the Group and of the Bank are as follows:

	Group	Bank
As at 30 June 2024		
Before/ After deducting proposed dividends:*		
CET1 Capital Ratio	38.362%	40.732%
Tier 1 Capital Ratio	38.362%	40.732%
Total Capital Ratio	39.030%	41.567%

As at 31 March 2024

Before/ After deducting proposed dividends:*		
CET1 Capital Ratio	28.270%	27.951%
Tier 1 Capital Ratio	28.270%	27.951%
Total Capital Ratio	29.010%	28.846%

* No dividend is proposed for the financial period ended 30 June 2024 and financial year ended 31 March 2024.

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

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

27. CAPITAL ADEQUACY (CONT'D.)

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

	Group		Bank	
	30 June 2024 RM'000	31 March 2024 RM'000	30 June 2024 RM'000	31 March 2024 RM'000
CET1 Capital				
Share capital	330,000	330,000	330,000	330,000
Retained earnings	196,925	193,432	194,719	191,226
Fair value reserve	1,816	1,912	1,816	1,912
Regulatory reserve	10,189	13,682	10,189	13,682
Capital reserve	2,815	2,815	-	-
Merger reserve	82,115	82,115	-	-
Less : Regulatory adjustments applied on CET 1 Capital:				
Goodwill	(36,442)	(36,442)	-	-
Other intangible assets	(4,412)	(4,039)	(3,497)	(3,068)
Deferred tax assets	(40,855)	(44,792)	(36,537)	(40,964)
55% of fair value reserve	(999)	(1,052)	(999)	(1,052)
Regulatory reserve	(10,189)	(13,682)	(10,189)	(13,682)
Investments in capital instruments of unconsolidated financial entities	-	-	(49,809)	(49,809)
Other CET1 regulatory adjustments specified by BNM *	-	9	-	9
CET1 Capital/Tier 1 Capital	530,963	523,958	435,693	428,254
Tier 2 Capital				
General provisions **	9,251	13,694	8,929	13,694
Tier 2 Capital	9,251	13,694	8,929	13,694
Total Capital	540,214	537,652	444,622	441,948

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

	Group		Bank	
	30 June 2024 RM'000	31 March 2024 RM'000	30 June 2024 RM'000	31 March 2024 RM'000
Credit RWA	740,089	1,196,440	714,306	1,164,364
Market RWA	13,938	25,608	2,769	15,539
Operational RWA	630,069	631,315	352,575	352,208
Total RWA	1,384,096	1,853,363	1,069,650	1,532,111

* Refer to adjustments on transitional arrangement as per Note 27(a).

** Consists of Stage 1 and Stage 2 loss allowances and regulatory reserve subject to a maximum 1.25% of total credit RWA.

28. PERFORMANCE REVIEW FOR THE PERIOD ENDED 30 JUNE 2024

The Group's registered a profit before taxation ("PBT") of RM39.6 million for the financial period ended 30 June 2024, representing a 22.4% increase against 30 June 2023. The Group's net income grew to RM95.2 million or 12.9% from RM84.4 million compared to 30 June 2023, in line with higher Bursa Malaysia trading volume. Total brokerage fees and commission, wealth management fees, placement fees, corporate advisory and unit trust management fees higher by RM20.5 million or 35.0% while portfolio management fees down by RM5.6 million or 31% Year on Year coupled with higher direct costs of RM4.9 million or 32.2%.

Total other operating expenses increased by RM4.5 million or 8.7% attributable to the increase in establishment cost of RM1.8 million and higher net service transfer pricing expense of RM2.1 million. The Group's profit after taxation ("PAT") registered at RM32.7 million, a RM8.3 million or 33.8% increase against 30 June 2023.

The Group and the Bank's CET1 improved to 38.36% (FY2024: 28.27%) and 40.73% (FY2024: 27.95%) respectively, while total capital ratio ("TCR") improved to 39.03% (FY2024: 29.01%) and 41.57% (FY2024: 28.85%) respectively. If Q1FY2025 unverified profit were included, the Group and the Bank's CET1 would improve further to 40.72% and 42.02% respectively, while TCR would improve to 41.39% and 42.86% respectively.

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

29. PROSPECTS FOR FINANCIAL YEAR ENDING 31 MARCH 2025 ("FY25")

Recently, the United States ("US") Federal Reserve ("Fed") signalled that rate cuts during the upcoming September meeting is 'on the table', giving investors the good news they have been waiting for. The signal underpins that the Fed is now focusing less on inflationary pressure and more on the softening labour market. Latest data suggests the world's biggest economy is cooling steadily amid the unprecedented policy tightening. Nonetheless, the Fed officials conveyed mixed messages as most of them are still not ready to start lowering the Federal Funds Rate ("FFR"), highlighting not to let the risk of "moving too early" to materialise. Overall, global markets are now expecting the Fed to start cutting the FFR during September meeting but pared their bets on a larger 50 basis points ("bps") as data only suggests 'soft-landing' scenario and not a 'hard-landing' one. In the meantime, both the Eurozone's and United Kingdom's economies continue to limp along after it overcame the technical recession experienced in the second half of calendar year ("CY") 2023.

The European Central Bank ("ECB") took its first step in doing so during June's policy meeting and further established itself among the earliest major central banks to ease its monetary policy. The ECB continues to be cautious as disinflation progress seemed to be stalling, holding rates unchanged during recent July meeting but kept the 'door open' for a September cut amidst downside risks. In the United Kingdom ("UK"), the Bank of England ("BoE") took its first rate cut decision since 2020 but the tight voting of 5-4 denoting a more measured rate cut cycle compared to other central banks. This is appropriate in our view, as looking past headline inflation, certain components of inflation such as services remain too hot.

We anticipate continued support for growth from domestic demand and recovery in the external trade for the rest of CY2024. The possible statutory minimum wage revision, civil servants' wage review, EPF's Flexible (Account 3) withdrawals, progressive wage model and continued subsidies for lower-income household groups will help support domestic consumption. Furthermore, tourism and related sectors are improving. Market indicators suggest that the semiconductor industry reached its low point at the end of the first half of CY2023 and has since embarked on a path to recovery, offering positive prospects for CY2024.

Thanks to the surprisingly good print in second quarter of CY2024 which saw Malaysia's economy surged to 5.9% YoY (first quarter of CY2024: 4.2% YoY), we believe this year's growth will hover closer to 5.0%, falling at the upper official range of 4.0% to 5.0%. However, it's important to note that this forecast is subject to potential risks, such as global economic conditions and geopolitical tensions, which could affect the recovery of the semiconductor industry and the overall Gross Domestic Products ("GDP") growth.

29. PROSPECTS FOR FINANCIAL YEAR ENDING 31 MARCH 2025 ("FY25") (CONT'D.)

For the banking sector, the outstanding loans grew by 6.4% YoY in June 2024, the highest growth since 2022. Interestingly, both the household and non-household segment loans expanded by 6.4% YoY. We anticipate loans growth to be in the range of 5.0% to 6.0% in lieu of promising GDP growth for the year. The overall banking system remains highly liquid. This is reflected by the Liquidity Coverage Ratio ("LCR") of 155.2% in June 2024. The funding profile remains well-diversified, with June 2024's loan-to-fund ratio and loan-to-fund-and-equity ratio at 82.8% and 72.1%, respectively.

We believe the Overnight Policy Rate ("OPR") will be maintained at its current rate of 3.0% throughout CY2024. However, the rollout of subsidy rationalisation and wage growth may add some inflationary pressure in the second half of the year and beyond. However, our baseline view suggests that the OPR could go up in first quarter of CY2025 when the growth momentum is at the full speed. We are not discounting an earlier hike should the current momentum persists into second half of CY2024.

The Malaysian financial capital markets are expected to remain moderate in FY2025 with the recent implementation of changes to the tax regime expected to curtail some mergers and acquisitions ("M&A") activities. Nevertheless, the Government has implemented a number of measures to support businesses to create a more favourable environment for businesses to access financing, which will also lead to continued demand for capital market services. The Group remains committed to provide debt and project finance advisory services to corporate clients in the Business Banking and Mid Corporation segments which remains the focus of the Group.

With the launch of AMMB Group's strategy refresh, wealth management will be an area of focus and investment. Fund Management is expected to continue its trajectory of growth from FY2024 in FY2025 mainly driven by institutional and corporate flows. Technology enhancement is also in the works to better equip the business. We have launched an Environmental, Social and Governance ("ESG") fund on Global Lower Carbon Equity Fund and intend to launch more funds in the new financial year focusing on Sustainable and Responsible Investment ("SRI"), Shariah, private market and equity. We will continue to leverage on our strength and position with institutional and corporate clients to further grow our Asset Under Management ("AUM").

On Equity Markets, we expect to continue to see increase in Bursa Malaysia volume and value in FY2025 compared to the volatile start in FY2024 which will contribute positively to increase in brokerage income. To further strengthen our market share and remain competitive, we are in the midst of upgrading the trading platform to better serve our customers.

The Group expects to show resilience of its performance as it continues to push growth in its revenue whilst practicing cost discipline.

30. VALUATION OF PROPERTY AND EQUIPMENT

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

31. SIGNIFICANT EVENT DURING THE REPORTING YEAR

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