AmBank Group

Winning Together

FINANCIAL REPORT **2025**

Your Bank. Malaysia's Bank. AmBank.™

About This Report

1 Financial Statements

2 Pillar 3 Disclosure

34th Annual General Meeting

Venue
Grand Ballroom, 1st Floor
Sime Darby Convention Centre
1A, Jalan Bukit Kiara 1
60000 Kuala Lumpur, Malaysia

Date
Wednesday,
20 August 2025

Time
10.00 a.m.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE AUDITED FINANCIAL STATEMENTS

The Directors are responsible for ensuring that the annual audited financial statements of the Group and of the Company are drawn up in accordance with MFRS Accounting Standards, IFRS Accounting Standards, the requirements of the Companies Act 2016 in Malaysia, Bank Negara Malaysia's Guidelines and the Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are also responsible for ensuring that the annual audited financial statements of the Group and of the Company are prepared with reasonable accuracy from the accounting records of the Group and of the Company so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2025, and of their financial performance and cash flows for the financial year then ended.

The audited financial statements are prepared on a going concern basis and the Directors have ensured that appropriate and relevant accounting policies are applied on a consistent basis and accounting judgements and estimates made are reasonable and fair so as to enable the preparation of the financial statements of the Group and the Company.

The Directors also have a general responsibility to take reasonable steps to safeguard the assets of the Group and of the Company to prevent and detect fraud and other irregularities.

DIRECTORS' REPORT

The Directors have pleasure in presenting their report together with the audited financial statements of AMMB Holdings Berhad ("the Company") and its subsidiaries ("the Group") for the financial year ended 31 March 2025.

PRINCIPAL ACTIVITIES

The principal activity of the Company is that of an investment holding company.

The subsidiaries, as listed in Note 16 to the financial statements, provide a wide range of retail banking, business banking, wholesale banking, investment banking, Islamic banking and related financial services which also include stock and share-broking, futures broking, investment advisory and asset, real estate investment trust and unit trust management services.

There have been no significant changes in the nature of the activities of the Group and of the Company during the financial year.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Profit for the financial year	2,001,366	857,292
Attributable to:		
Equity holders of the Company	2,001,185	857,292
Non-controlling interests	181	–
Profit for the financial year	2,001,366	857,292

OUTLOOK FOR NEXT FINANCIAL YEAR

Highly uncertain outlook with elevated risks of both rising inflation and higher unemployment keeps the Federal Reserve ("Fed") cautious

Geopolitical tensions have heightened following the United States ("US") reciprocal tariffs and this has caused significant volatilities in the financial markets globally. While trade negotiations are ongoing between the US and other nations, it remains uncertain how quickly these negotiations can be concluded. Coupled with new conflicts emerging in South Asia, these combined uncertainties will inevitably impact business and consumer confidence, translating into potentially slower economic growth.

At the recent May 2025 policy meeting, the Federal Open Market Committee ("FOMC") left the federal funds rate target range unchanged at 4.25% to 4.50% for the third consecutive meeting, citing elevated uncertainty surrounding trade and fiscal policies. The Fed still has ample grounds to maintain a wait-and-see stance, with recent US data continuing to signal solid momentum for the economy.

Nonetheless, we opine that the Fed will resume rate cuts later in calendar year ("CY") 2025. The economic impact of tariffs is likely to materialise with a lag and could begin to weigh on incoming data. Market pricing reflects similar expectations, with more than two rate cuts anticipated by year-end and the first move projected for September, according to the CME FedWatch tool.

European Central Bank ("ECB") expected to maintain dovish bias amid tariff headwinds

The ECB concluded its April policy meeting with a seventh consecutive rate cut since June 2024, lowering the key deposit facility rate by 25 basis points ("bps") to 2.25%. It was disclosed that the option of a 50bps cut had also been actively debated, highlighting the ECB's strong dovish inclination in response to risks stemming from US tariffs. Higher US tariffs on European goods are likely to suppress external demand, thereby intensifying disinflationary pressures by dampening aggregate demand while increasing supply via reduced exports. Recent remarks from ECB policymakers indicate that further easing remains on the table for the June meeting, contingent on incoming data confirming a continued disinflation trend and further signs of economic weakness.

DIRECTORS' REPORT

OUTLOOK FOR NEXT FINANCIAL YEAR (CONT'D.)

Malaysia's economy faces external risks, but growth is still driven by domestic demand

Although the global economy entered CY2025 on firmer footing, momentum is softening due to rising uncertainty around global trade policy. While the partial reversal of the US's "reciprocal tariff" offers some relief, a blanket 10% tariff is in place for 90 days until early July CY2025. US tensions with major trading partners like China and the Eurozone have increased downside risks. As an open economy, Malaysia is vulnerable to these global risks.

Nonetheless, Gross Domestic Product ("GDP") is projected to grow by 3.5% to 4.5% in CY2025, supported by resilient private consumption, a stable labour market, tourism recovery, and infrastructure projects. Overall, a sharp slowdown or recession is highly unlikely. The recent 90-day truce in US-China trade tensions provides some relief and suggests that talks between both major economies will continue to avoid further escalation. Our full-year forecast remains subject to both upside potential and downside risk. A positive outcome from ongoing trade-related negotiations between the US and its trading partners, including Malaysia, could result in an upside potential to our latest forecasts. Conversely, further downward adjustments may be necessary if the tariffs inflict deeper and more prolonged economic damage. Inflation is expected to remain contained, though risks exist from domestic policy shifts, such as electricity tariff adjustments and the mid-CY2025 expansion of the Sales and Services Tax ("SST").

The banking sector of Malaysia remained resilient with ample liquidity

Outstanding loans in the industry grew by an average of 5.4% YoY in the first quarter of CY2025, with household loans expanding by 6.0% on average, while non-household loans increased by 4.5%. The banking system remains well-capitalised, with ample liquidity supporting the industry, as reflected by the liquidity coverage ratio of 151.6% in March. The loan-to-fund ratio and loan-to-fund-and-equity ratio remain stable at 83.8% and 72.9% as of the month.

Given the increased risks stemming from US trade policy shifts, we lean towards a 25bps rate cut to 2.75% in the second half of CY2025, potentially as early as the next Monetary Policy Committee ("MPC") meeting on 9 July 2025. This coincides with the end of the 90-day pause of the US' reciprocal tariffs. Nevertheless, any eventual rate cut should not be interpreted as the start of an aggressive easing cycle. We opine that the Bank Negara Malaysia ("BNM") will retain its measured approach to monetary policy easing to preserve currency and financial market stability.

SIGNIFICANT EVENT

There were no material events during the financial year.

SIGNIFICANT SUBSEQUENT EVENT

The US tariffs were announced in April 2025, subsequent to the Group's financial year-end. While the possible impacts had been anticipated earlier and had been considered in determining the ECL allowances for the current financial year ended 31 March 2025, the actual impact may be different based on the announcements made by the US.

The extent of any adverse impacts to the Group's customers on their ability to meet financial obligations to the Group will continue to affect the ECL allowances in the next financial year ending 31 March 2026. The Group continues to monitor these developments and their estimated financial impacts and to implement appropriate measures to mitigate any adverse effects on its credit portfolio.

BUSINESS PLAN AND STRATEGY

FY2025 marks the successful completion of the first year of AmBank Group's 5-year Winning Together ("WT29") strategy.

The Group concluded its FY2025 on strong financial footing, posting a record Profit After Taxation and Minority Interest ("PATMI") of RM2.0 billion, delivering 10.0% Return on Equity ("ROE") and Return on Assets ("ROA") of 1.02%, coupled with high liquidity levels and a strong capital position. This strong performance enabled the Group to declare a 34% growth in dividend of 30.2 sen per share to reward its shareholders.

BUSINESS PLAN AND STRATEGY (CONT'D.)

Guided always by our WT29 strategy, we are committed to further build on our FY2025's achievements. The Group continues to focus on the three strategy pillars underpinning the Group's operational resilience: Digitalisation, Operational Excellence and Sustainability. The Group continues to prioritise the digital transformation agenda, leveraging on artificial intelligence ("AI") where possible, analytics and automation to modernise and improve operations to enhance customer experience.

The Group acknowledges that sustainability is an active value driver that offers businesses long-term competitive advantage. As such, the Group actively advocates innovative green financing solutions tailored to meet diverse customer needs to facilitate their transition to a low-carbon economy.

Along with a successful FY2025, we also celebrate our 50th Anniversary in 2025, giving us fresh impetus to further reinforce our brand. Despite uncertainties surrounding the implementation of the US' tariffs, together with all stakeholders, we will strive for continuous improvement in our businesses and to embody the spirit of "Your Bank. Malaysia's Bank. AmBank.".

ITEMS OF MATERIAL AND UNUSUAL NATURE

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

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect substantially the results of the operations of the Group and of the Company for the current financial year in which this report is made.

DIVIDENDS

During the financial year, the Company paid:

(a) a final single-tier dividend of 16.6 sen per share in respect of the financial year ended 31 March 2024 which amounted to approximately RM548,737,774. This amount was noted in the Directors' Report for that financial year and paid on 11 July 2024 to shareholders whose names appear in the record of Depositors as at 21 June 2024.

(b) an interim single-tier dividend of 10.3 sen per share for the financial year ended 31 March 2025 which amounted to approximately RM340,648,394 was paid on 30 December 2024 to shareholders whose names appear in the record of Depositors as at 13 December 2024.

The Directors propose the payment of a final single-tier dividend of 19.9 sen per share in respect of the current financial year ended 31 March 2025, to be paid to shareholders whose names appear in the record of Depositors on a date to be determined by the Directors. The financial statements for the current financial year do not reflect this proposed dividend and will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 March 2026.

RESERVES, PROVISIONS AND ALLOWANCES

There were no material transfers to or from reserves, provisions and allowances during the financial year other than as disclosed in the financial statements.

DIRECTORS' REPORT

BAD AND DOUBTFUL DEBTS AND LOANS, ADVANCES AND FINANCING

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and loans, advances and financing and the making of allowances for doubtful debts and loans, advances and financing, and have satisfied themselves that all known bad debts and loans, advances and financing had been written off and that adequate allowances had been made for doubtful debts and loans, advances and financing.

At the date of this report, the Directors are not aware of any circumstances that would render the amount written off for bad debts and loans, advances and financing or the amount of the allowances for doubtful debts and loans, advances and financing in the financial statements of the Group and of the Company inadequate to any substantial extent.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that current assets, which were unlikely to be realised in the ordinary course of business, their values as shown in the accounting records of the Group and of the Company, have been written down to their estimated realisable values.

At the date of this report, the Directors are not aware of any circumstances that would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:

(a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or

(b) any contingent liability in respect of the Group and of the Company that has arisen since the end of the financial year, other than those incurred in the normal course of business of the Group and of the Company.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the Directors are not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Group and of the Company, that would render any amount stated in the financial statements misleading.

ISSUANCE OF SHARES AND DEBENTURES

The following are changes during the financial year in connection with the debt and equity securities that were issued by the Group:

(i) Issuance of debt securities

(1) AmBank Islamic Berhad ("AmBank Islamic") issued the following tranches of its RM3.0 billion Senior Sukuk Musharakah Programme:

(i) Tranche 7 with nominal value of RM300.0 million on 9 May 2024. The profit rate of this tranche is at 4.00% per annum, payable semi-annually and has a maturity date of five (5) years from issuance date.

(ii) Tranche 8 with nominal value of RM500.0 million on 9 May 2024. The profit rate of this tranche is at 4.10% per annum, payable semi-annually and has a maturity date of seven (7) years from issuance date.

(iii) Tranche 9 with nominal value of RM200.0 million on 20 September 2024. The profit rate of this tranche is at 3.75% per annum, payable semi-annually and has a maturity date of three (3) years from issuance date.

(2) On 19 June 2024, AmBank (M) Berhad ("AmBank") issued the following tranches of its RM7.0 billion Senior Notes Programme:

(i) Tranche 10 with nominal value of RM300.0 million. The interest rate of this tranche is at 4.00% per annum, payable semi-annually with a tenure of five (5) years.

(ii) Tranche 11 with nominal value of RM800.0 million. The interest rate of this tranche is at 4.10% per annum, payable semi-annually with a tenure of seven (7) years.

(iii) Tranche 12 with nominal value of RM500.0 million. The interest rate of this tranche is at 4.15% per annum, payable semi-annually with a tenure of ten (10) years.

(3) On 23 January 2025, AmBank issued Tranche 1 (Series 2) with nominal value of USD300.0 million (RM1.3 billion) under its USD2.0 billion Euro Medium Term Note Programme. The coupon rate of this tranche is at 5.252% per annum, payable semi-annually with a tenure of five (5) years.

(ii) Issuance of commercial papers

(1) AmBank issued the following series of its RM4.0 billion Commercial Papers Programme:

(i) Series 1 with nominal value of RM530.0 million on 19 December 2024. The tenure of the commercial paper ("CP") is six (6) months, which was issued at a discount of 3.80% per annum.

(ii) Series 2 with nominal value of RM150.0 million on 28 March 2025. The tenure of the CP is four (4) months, which was issued at a discount of 3.73% per annum.

(iii) Series 3 with nominal value of RM300.0 million on 28 March 2025. The tenure of the CP is six (6) months, which was issued at a discount of 3.80% per annum.

(2) On 11 March 2025, AmBank Islamic issued the first series of Islamic commercial paper ("ICP") with nominal value of RM200.0 million under its RM3.0 billion ICP based on Shariah principle of Wakalah Bi Al-Istithmar Programme ("Sukuk Wakalah Programme"). The tenure of the ICP is three (3) months, which was issued at a discount of 3.71% per annum.

(iii) Redemption of debt securities

On 27 March 2025, AmBank Islamic redeemed Tranche 6 with nominal value of RM800.0 million under its RM3.0 billion Senior Sukuk Musharakah Programme.

Other than as disclosed above and in Notes 26, 27, 29 and 30 to the financial statements, there were no new shares and debentures, share cancellations nor resale of treasury shares by the Group and the Company during the financial year.

DIRECTORS' REPORT

SHARE OPTIONS

There were no options granted during the financial year by the Company to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As at the end of the financial year, there were no unissued shares of the Company under options.

INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Company maintained on a group basis, a Directors' and Officers' Liability Insurance up to an aggregate limit of RM200.0 million against any legal liability incurred by the Directors and Officers in the discharge of their duties while holding office for the Company and its subsidiaries. The Directors and Officers shall not be indemnified by such insurance for any deliberate negligence, fraud, intentional breach of law or breach of trust proven against them. The gross amount of insurance premium paid by the Company for the Directors and Officers of the Company and its subsidiaries for the current financial year was RM418,425 (2024: RM418,425).

EXECUTIVES' SHARE SCHEME

On 5 October 2018, the Board approved the implementation of an Executives' Share Scheme ("ESS") for Eligible Executives of the Group.

The awards under the ESS are up to ten percent (10%) of the total number of issued shares of the Company (excluding treasury shares) at any point of time for the duration of the ESS for Eligible Executives including Executive Directors. The ESS is implemented and administered by the Group Nomination and Remuneration Committee ("GNRC"). The effective date of the ESS is 5 October 2018 and would be in force for a period of ten (10) years to 4 October 2028.

The awards granted to such Eligible Executives only comprises shares. Shares to be made available under the ESS will only vest to Eligible Executives who have duly accepted the offers of awards under the ESS in accordance with the By-Laws of the ESS and subject to the satisfaction of stipulated conditions. Such conditions are stipulated and determined by the GNRC.

The salient features of the ESS are disclosed in Note 31 to the financial statements.

SHARE BUY-BACK

During the current financial year, the Company bought back from the open market, a total of 8,322,000 ordinary shares listed on the Main Market of Bursa Malaysia Securities Berhad at an average buy-back price of RM5.37 per share. The total consideration paid for the share buy-back including transaction costs was approximately RM44,715,664 and was financed by internally generated funds. None of the shares were resold or cancelled during the current financial year.

DIRECTORS

The Directors who have served on the Board since the beginning of the current financial year to the date of this report are:

Tan Sri Md Nor bin Md Yusof	
Soo Kim Wai	
Seow Yoo Lin	
Farina binti Farikhullah Khan	
Hong Kean Yong	
Dato' Kong Sooi Lin	
Jeyaratnam A/L Tamotharam Pillai	(Appointed w.e.f. 15 January 2025)
U Chen Hock	(Appointed w.e.f. 6 March 2025)
Sharifatu Laila binti Syed Ali	(Appointed w.e.f. 15 April 2025)
Felicity Ann Youl	(Resigned w.e.f. 15 April 2025)
Voon Seng Chuan	(Retired w.e.f. 18 June 2024)
Robert William Goudswaard	(Resigned w.e.f. 5 June 2024)

The names of the Directors of the Company's subsidiary companies who served on the respective board of the subsidiary companies since the beginning of the financial year to the date of this report are disclosed in the Appendix to the financial statements.

DIRECTORS' INTERESTS

Under the Company's Constitution, the Directors are not required to hold shares in the Company.

There are no interests in shares and options in the Company or its related corporations, of those who were Directors at the end of the financial year as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors or the fixed salary of a full-time employee as shown in Note 37 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm in which the Director is a member, or with a company in which the Director has a substantial financial interest, except for the related party transactions as shown in Note 43 to the financial statements.

Neither during nor at the end of the financial year was the Company a party to any arrangements whose object is to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the Directors of the Group and of the Company during the financial year are as follows:

	Group RM'000	Company RM'000
Fees	2,689	1,585
Other emoluments	2,063	1,214
Benefits-in-kind	230	153
	4,982	2,952

DIRECTORS' REPORT

CORPORATE GOVERNANCE

(I) BOARD RESPONSIBILITY AND OVERSIGHT

The Board of Directors ("the Board") remains fully committed in ensuring that the principles and best practices in corporate governance are applied consistently in the Group. Since the Company is a holding company, its major business activities are conducted through its various subsidiaries. The Board complies with the recommendations on corporate governance as set out in the Malaysian Code on Corporate Governance 2021.

The Board supervises the management of the Group's businesses, policies and affairs with the goal of long term sustainability of the Group. The Board meets no less than six (6) times in a year to carry out its duties and responsibilities, with additional Board meetings being convened, whenever required.

The Board addresses key matters concerning strategy, finance, organisation structure, business developments, human resource (subject to matters reserved for shareholders' meetings By-Laws), promote sustainability in the Group's business strategies, and establishes guidelines for overall business, risk and control policies, capital allocation and approves all key business developments.

The Board currently comprises nine (9) Directors with wide skills and experience, of which eight (8) are Independent Non-Executive Directors. The Directors participate fully in decision making on key issues regarding the Company and its subsidiaries. The Independent Non-Executive Directors ensure strategies proposed by the Management are fully discussed and examined, as well as take into account the long term interests of various stakeholders.

There is a clear division between the roles of the Chairman and the Group Chief Executive Officer.

The Senior Management team of the subsidiaries are invited to attend Board Meetings to provide presentations and detailed explanations on matters that have been tabled. The Group Company Secretary has been empowered by the Board to assist the Board in matters of governance and in complying with statutory duties.

(II) COMMITTEES OF THE BOARD

The Board delegates certain responsibilities to Board Committees. These committees, which were created to assist the Board in certain areas of deliberation, are:

1 Group Nomination and Remuneration Committee;

2 Audit and Examination Committee;

3 Risk Management Committee; and

4 Group Information Technology Committee.

The roles and responsibilities of each committee are set out under the respective terms of reference, which have been approved by the Board. The minutes of the Committee meetings are tabled at the subsequent Board meetings for comment and notation.

(III) MANAGEMENT INFORMATION

All Directors review Board papers and reports prior to the Board meeting. Information and materials, relating to the operations of the Company and its subsidiaries that are important to the Directors' understanding of the items in the agenda and related topics, are distributed in advance of the meeting. The Board reports, include among others, minutes of meetings of all Board Committees, monthly performance of the Group, review of business strategy, credit risk management, asset liability and market risk management and industry benchmarking as well as prevailing regulatory developments and the economic and business environment.

These reports are issued giving sufficient time before the meeting to enable the Directors to be prepared and to obtain further explanations, where necessary, and provides input on Group policies.

CREDIT RATINGS

From a credit rating perspective, we believe in providing our stakeholders with an independent view of our banking subsidiaries as well as that of the Company. As such, we continue to maintain credit ratings with Moody's Investors Service, S&P Global Ratings and RAM Rating Services Berhad.

Rating agency	Rating Date	Rating classification	Rating Accorded
The Company RAM Rating Services Berhad	5 November 2024	Long-term Corporate Credit Rating Short-term Corporate Credit Rating Outlook	AA2 P1 Stable
AmBank (M) Berhad Moody's Investors Service	13 November 2024	Long-term Bank Deposits (Foreign) Rating Short-term Bank Deposits (Foreign) Rating Outlook	A3 P-2 Stable
S&P Global Ratings	11 November 2024	Long-term Foreign Currency Rating Short-term Foreign Currency Rating Outlook	BBB+ A-2 Stable
RAM Rating Services Berhad	5 November 2024	Long-term Financial Institution Rating Short-term Financial Institution Rating Outlook	AA2 P1 Stable
AmBank Islamic Berhad RAM Rating Services Berhad	5 November 2024	Long-term Financial Institution Rating Short-term Financial Institution Rating Outlook	AA2 P1 Stable
AmInvestment Bank Berhad RAM Rating Services Berhad	24 May 2024	Long-term Financial Institution Rating Short-term Financial Institution Rating Outlook	AA2 P1 Stable

SHARIAH COMMITTEE

The Shariah Committee is responsible and accountable for all Shariah-related decisions, views and opinions. The main functions and duties of the Shariah Committee shall include, but are not limited to the following:

(i) To advise the Board and AmBank Islamic on Shariah matters to ensure that AmBank Islamic's business, operations, affairs and activities comply with Shariah requirements at all times.

(ii) To review and endorse policies and procedures of AmBank Islamic from Shariah perspectives, and to ensure that the contents do not contain any elements which are not in line with Shariah requirements.

(iii) To review and approve the documentations in relation to AmBank Islamic's products to ensure that the products are in compliance with Shariah requirements, which may include:
  (a) the terms and conditions contained in the forms, contracts, agreements and other legal documentation used in executing the transactions; and
  (b) the product manuals, marketing advertisements, sales illustrations, pamphlets and brochures used to describe the product.

(iv) To provide a decision, advice or opinion on AmBank Islamic's business, operations, affairs and activities which may trigger a Shariah non-compliance ("SNC") event.

(v) To perform oversight on and assess the strategies, initiatives and work carried out by the Shariah Management Department, in order to ensure compliance with Shariah matters which form part of their duties in providing their assessment of Shariah compliance and assurance information in the annual report. This includes performing the annual assessment of the Head of Shariah Management Department.

DIRECTORS' REPORT

SHARIAH COMMITTEE (CONT'D.)

(vi) To perform oversight on the strategies, initiatives and work carried out by the:
- (a) Group Compliance Department relating to the Shariah Review function;
- (b) Group Risk Management Department relating to the Shariah Risk Management function; and
- (c) Group Internal Audit Department relating to the Shariah Audit function,

in order to ensure compliance with Shariah matters which form part of their duties in providing their assessment of Shariah compliance and assurance information in the annual report.

(vii) To provide assistance to parties related to AmBank Islamic such as its legal counsel, auditors or consultants on Shariah matters upon request.

(viii) To advise AmBank Islamic to consult the Shariah Advisory Council of Bank Negara Malaysia ("SAC of BNM") or the Shariah Advisory Council of Securities Commission Malaysia ("SAC of SC") on any Shariah matters that could not be resolved by the Shariah Committee.

(ix) To provide written Shariah opinions to the SAC of BNM or SAC of SC as and when required, including the following circumstances where AmBank Islamic:
- (a) makes reference to the SAC of BNM for advice; or
- (b) submits an application to BNM or SC for new product approval.

(x) To provide advice and guidance to senior management on the management of the Zakat fund, charity and other social programmes or activities.

(xi) To endorse the Shariah operations manual which specify the manner in which a submission or request for advice be made to the Shariah Committee, the conduct of the Shariah Committee's meeting and the manner of compliance with any Shariah decision.

(xii) To oversee the overall SNC management including to endorse purification of SNC income.

(xiii) To assist in AmBank Islamic's sustainability and value-based intermediation ("VBI") agenda, including in relevant capacity building and awareness creation initiatives.

(xiv) To advise on the application of Shariah requirements in the recovery options and other relevant components of the Recovery Plan that covers the following:
- (a) provide direction on how Shariah conditions should be applied to recovery options that are recommended to be prepared in this level of disruption;
- (b) ensure that Shariah conditions are adhered to, and address issues related to Islamic financial transactions that may have an influence on the Recovery Plan;
- (c) provide advice and clarification on pertinent Shariah decisions, rulings, or policy documents issued by BNM or by any other authority that have an impact on or may have an impact on the Recovery Plan; and
- (d) provide opinions on any other Shariah-related situations when required.

(xv) The Chairman of the Shariah Committee, in leading the Shariah Committee is responsible for the effective functioning of the Shariah Committee. In fulfilling this role, the Chairman must:
- (a) ensure appropriate procedures are in place to govern the Shariah Committee's deliberations and proceedings;
- (b) act as a direct liaison between the Board and the Shariah Committee to foster greater understanding between both organs;
- (c) ensure that Shariah decisions or advice are made on a sound and well-informed basis, including based on a robust decision-making methodology which ensures that all business, operations and risk implications are considered by the Shariah Committee;
- (d) encourage healthy discussion, participation and contribution, and ensure that dissenting views can be freely expressed and discussed; and
- (e) ensure sufficient records of the discussion leading to formulation of the Shariah Committee's decision, advice or opinion are maintained.

SHARIAH COMMITTEE (CONT'D.)

The Shariah Committee may, if it thinks fit and proper and from time to time, delegate, re-delegate, suspend or revoke any powers given to the Shariah Management Department to do certain acts on behalf of the Shariah Committee such as review, advice and/or endorse certain materials or issues within the Shariah Committee's terms of reference.

The Shariah Committee members also sit in Shariah Oversight Committee. The Shariah Oversight Committee is established as a sub-committee of the Shariah Committee of AmBank Islamic to assist the Shariah Committee to oversee the strategies, initiatives and work carried out by the Shariah control functions namely Shariah Review, Shariah Risk Management and Shariah Audit.

The main functions and duties of Shariah Oversight Committee shall include, but are not limited to the following:

(i) determine whether potential SNC events are actual SNC incidents or not;

(ii) endorse action plan/rectification measure in addressing SNC incident and purification of income methodology and amount;

(iii) recommend alternative ways to rectify issues found through Shariah Audit, Shariah Review and Shariah Risk Management activities and/or other credible sources;

(iv) provide advice on the recognition of income pursuant to SNC events and/or its disposal; and

(v) recommend possible implementation methods to improve AmBank Islamic's business activities vis-à-vis Shariah in line with applicable statutes and guidelines/policies/circulars issued by relevant regulatory bodies.

AUDITORS AND AUDITORS' REMUNERATION

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

The details of the auditors' remuneration for the financial year are as follows:

	Group RM'000	Company RM'000
Audit	2,795	120
Regulatory and assurance related	1,085	33
Other services	430	53
	4,310	206

Signed on behalf of the Board in accordance with a resolution of the Directors.

TAN SRI MD NOR BIN MD YUSOF

DATO' KONG SOOI LIN

Kuala Lumpur, Malaysia
23 May 2025

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

We, **TAN SRI MD NOR BIN MD YUSOF** and **DATO' KONG SOOI LIN**, being two of the Directors of **AMMB HOLDINGS BERHAD**, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 20 to 237 are drawn up in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2025 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors.

TAN SRI MD NOR BIN MD YUSOF

DATO' KONG SOOI LIN

Kuala Lumpur, Malaysia
23 May 2025

STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, **LING FOU-TSONG @ JAMIE LING**, being the Officer primarily responsible for the financial management of **AMMB HOLDINGS BERHAD**, do solemnly and sincerely declare that the accompanying financial statements set out on pages 20 to 237, are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

LING FOU-TSONG @ JAMIE LING

Subscribed and solemnly declared by the abovenamed **LING FOU-TSONG @ JAMIE LING** at Kuala Lumpur in Malaysia on 23 May 2025, before me

COMMISSIONER FOR OATHS

PESURUHJAYA SUMPAH
W 840
SURIAMUTHY A/L RAJOO,P.P.W.
01.01.2024 - 22.07.2025
MALAYSIA

Tingkat 20, Ambank Group Building
No. 55, Jalan Raja Chulan
50200 Kuala Lumpur

INDEPENDENT AUDITORS' REPORT

to the members of AMMB Holdings Berhad
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of AMMB Holdings Berhad, which comprise the statements of financial position as at 31 March 2025 of the Group and of the Company, and statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 20 to 237.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2025, and of their financial performance and their cash flows for the financial year then ended in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), as applicable to audits of financial statements of public interest entities and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditors' responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

Risk area and rationale	***Our response***
Expected credit losses of loans, advances and financing and debt instruments not carried at fair value through profit or loss	
As at 31 March 2025, the loans, advances and financing represent 69% of the total assets of the Group, and the debt instruments carried at amortised cost and fair value through other comprehensive income represent 19% of the total assets of the Group.	Our audit procedures included the assessment of key controls over the origination, segmentation, ongoing internal credit quality assessments, recording, and monitoring of the loans, advances and financing and the debt instruments not carried at fair value through profit or loss.
MFRS 9 *Financial Instruments* ("MFRS 9") requires the Group to account for the impairment losses on loans, advances and financing and debt instruments not carried at fair value through profit or loss with a forward-looking expected credit loss ("ECL") approach.	We also assessed the processes and effectiveness of key controls over the transfer criteria (for the three stages of credit exposures under MFRS 9 in accordance with their credit quality), impairment measurement methodologies, governance for development, maintenance, and validation of ECL models, inputs, basis and assumptions used by the Group in staging the credit exposures and calculating the ECL.

INDEPENDENT AUDITORS' REPORT

to the members of AMMB Holdings Berhad
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)

Key audit matters (cont'd.)

Risk area and rationale (cont'd.)	Our response (cont'd.)
Expected credit losses of loans, advances and financing and debt instruments not carried at fair value through profit or loss (cont'd.)	
	For staging and identification of credit exposures with significant deterioration in credit quality, we assessed and tested the reasonableness of the transfer criteria applied by the Group for different types of credit exposures. We evaluated if the transfer criteria are consistent with the Group's credit risk management practices.
The measurement of ECL requires the application of significant judgement and increased complexity which includes the identification of on-balance sheet and off-balance sheet credit exposures with significant deterioration in credit quality, assumptions used in the ECL models (for exposures assessed individually or collectively) such as the expected future cash flows, forward looking macroeconomic factors and probability-weighted multiple scenarios.	For the measurement of ECL, we assessed and tested reasonableness of the Group's ECL models, including model inputs, model design, and model performance for significant portfolios. We challenged whether historical experience is representative of current circumstances and of the recent losses incurred in the portfolios and assessed the reasonableness of forward-looking adjustments, macroeconomic factor analysis and probability-weighted multiple scenarios.
Management overlays have been applied due to uncertainties from emerging risks. *Refer to summary of material accounting policies in Note 2.5 (o), significant accounting judgements, estimates and assumptions in Note 5.1, disclosures of loans, advances and financing and debt instruments in Notes 13, 11 and 12, and disclosures on credit risk in Note 50.2 to the financial statements.*	We evaluated if changes in modelling approaches, parameters and assumptions are needed and if any changes made were appropriate. We also assessed, tested and monitored the sensitivity of the credit loss provisions to changes in modelling assumptions. In assessing the management overlays applied in the ECL amid current environment uncertainties from emerging risks, we performed scenario analysis to cross-check the impacts and challenged reasonableness of the basis applied by the management, particularly for the loans, advances and financing and debt instruments not carried at fair value through profit or loss under Stages 1 and 2. With respect to individually assessed ECL which are mainly in relation to the impaired loans, advances and financing and debt instruments not carried at fair value through profit or loss in Stage 3, we reviewed and tested a sample of loans, advances and financing and debt instruments not carried at fair value through profit or loss to evaluate the timely identification by the Group of exposures with significant deterioration in credit quality or which have been impaired. For cases where impairment has been identified, we assessed the Group's assumptions on the expected future cash flows, including the value of realisable collaterals based on available market information and the multiple scenarios considered. We also challenged the assumptions and compared estimates to external evidence where available, including the management overlays applied due to uncertainties from emerging risks. We also assessed whether the financial statements disclosures are adequately and appropriately reflect the Group's exposures to credit risk. We involved our credit modelling specialists and information technology ("IT") specialists in the performance of these procedures where their specific expertise were required.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)

Key audit matters (cont'd.)

Risk area and rationale (cont'd.)

Impairment of (i) goodwill, (ii) investments in subsidiaries, associates and joint ventures

(i) Goodwill

As at 31 March 2025, goodwill amounts to RM303.5 million. The Group is required to annually test the carrying amount of goodwill for impairment.

Goodwill impairment testing of cash-generating unit ("CGU") relies on value-in-use ("VIU") estimates based on estimated future cash flows.

This is an area of focus in the preparation of the financial statements due to:

(i) the significance of the goodwill recognised in the financial statements of the Group;

(ii) the level of subjectivity associated with the assumptions used in estimating VIU of the CGUs; and

(iii) the subjectivity involved in determining the appropriate discount rates to be applied to measure the net present value of each CGU.

(ii) Investments in subsidiaries, associates and joint ventures

As at 31 March 2025, the carrying amount of investments in subsidiaries stood at RM10.9 billion and investments in associates and joint ventures stood at RM1.5 billion.

We focused on impairment assessment of investments in subsidiaries, associates and joint ventures as the impairment testing relies on VIU estimates based on estimated future cash flows where significant judgement and estimation is involved in determining the future cash flows.

This is an area of focus in the preparation of the financial statements due to:

(i) the significance of the investments in subsidiaries, associates and joint ventures recognised in the financial statements of the Group and the Company;

(ii) the level of subjectivity associated with the assumptions used in estimating VIU of the subsidiaries, associates and joint ventures; and

(iii) the subjectivity involved in determining the appropriate discount rates to be applied to measure the net present value for each investment.

Refer to summary of material accounting policies in Notes 2.5 (b), 2.5 (c) and 2.5 (r), significant accounting judgement, estimates and assumption in Note 5.3 and the disclosures of goodwill, investments in subsidiaries and investments in associates and joint ventures in Notes 21 (a), 16 and 17 to the financial statements.

Our response (cont'd.)

Our audit procedures included, amongst others, evaluating the assumptions and methodologies used by the Group and the Company in performing the impairment assessment.

We tested the basis of preparing the cash flow forecasts, taking into account the back-testing results on the accuracy of previous forecasts and the historical evidence supporting underlying assumptions.

We assessed the appropriateness of the other key assumptions, such as the growth rates used to extrapolate the cash flows and the discount rates applied, by comparing against internal information, external economic and market data, including emerging risks.

We have also performed sensitivity analysis around the key drivers of the growth rates of the cash flow forecasts including the revenue growth.

We have assessed the adequacy and appropriateness of the disclosures made in the financial statements on those assumptions to which the outcome of the impairment test is most sensitive.

INDEPENDENT AUDITORS' REPORT

to the members of AMMB Holdings Berhad
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)

Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the directors' report and the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon, and the annual report which is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Company and take appropriate action.

Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)

Auditors' responsibilities for the audit of the financial statements (cont'd.)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also (cont'd.):

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Chan Hooi Lam
No. 02844/02/2026 J
Chartered Accountant

Kuala Lumpur, Malaysia
23 May 2025

STATEMENTS OF FINANCIAL POSITION
As at 31 March 2025

	Note	Group		Company	
		31 March 2025 RM'000	31 March 2024 RM'000	31 March 2025 RM'000	31 March 2024 RM'000
ASSETS					
Cash and short-term funds	6	6,759,126	6,493,099	14,557	80,118
Deposits and placements with banks and other financial institutions	8	–	–	–	–
Derivative financial assets	9	652,209	1,012,308	–	–
Financial assets at fair value through profit or loss ("FVTPL")	10	7,818,445	10,004,884	1,241	1,198
Financial investments at fair value through other comprehensive income ("FVOCI")	11	25,447,763	26,391,171	–	–
Financial investments at amortised cost	12	12,041,303	11,320,895	–	–
Loans, advances and financing	13	137,130,068	132,102,117	–	–
Statutory deposits with Bank Negara Malaysia	14	2,774,414	2,612,713	–	–
Deferred tax assets	15	271,050	275,760	–	–
Investments in subsidiaries	16	–	–	10,852,185	10,852,185
Investments in associates and joint ventures	17	1,478,914	1,439,742	–	–
Other assets	18	3,943,383	4,354,336	9,356	10,508
Property and equipment	19	141,915	144,653	8	18
Right-of-use assets	20	126,308	180,781	–	–
Intangible assets	21	458,690	431,294	–	–
TOTAL ASSETS		199,043,588	196,763,753	10,877,347	10,944,027
LIABILITIES AND EQUITY					
Deposits from customers	22	141,547,041	142,381,215	–	–
Investment accounts of customers	54(XIII)	12,480	14,059	–	–
Deposits and placements of banks and other financial institutions	23	7,579,328	8,901,924	–	–
Securities sold under repurchase agreements	7	5,951,549	6,328,335	–	–
Recourse obligation on loans and financing sold to Cagamas Berhad	24	6,555,071	7,480,020	–	–
Derivative financial liabilities	9	608,236	1,021,693	–	–
Financial liabilities at fair value through profit or loss	25	178,818	68,022	–	–
Term funding	26	7,542,831	2,449,968	–	–
Debt capital	27	4,395,000	4,395,000	–	–
Other liabilities	28	4,051,515	4,281,684	27,470	34,652
TOTAL LIABILITIES		178,421,869	177,321,920	27,470	34,652
Share capital	29	6,376,240	6,376,240	6,372,870	6,372,870
Treasury shares	30(f)	(53,522)	(29,079)	(53,522)	(29,079)
Reserves	30	14,298,092	13,093,644	4,530,529	4,565,584
Equity attributable to equity holders of the Company		20,620,810	19,440,805	10,849,877	10,909,375
Non-controlling interests	32	909	1,028	–	–
TOTAL EQUITY		20,621,719	19,441,833	10,849,877	10,909,375
TOTAL LIABILITIES AND EQUITY		199,043,588	196,763,753	10,877,347	10,944,027
COMMITMENTS AND CONTINGENCIES	47	133,291,008	128,709,674	–	–
NET ASSETS PER SHARE (RM)		6.24	5.88	3.28	3.30

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS

For the financial year ended 31 March 2025

	Note	Group		Company	
		31 March 2025 RM'000	31 March 2024 RM'000	31 March 2025 RM'000	31 March 2024 RM'000
Continuing operations:					
Interest income	33	6,149,269	6,070,788	1,111	2,297
Interest expense	34	(3,791,237)	(3,933,990)	–	–
Net interest income		2,358,032	2,136,798	1,111	2,297
Net income from Islamic banking	54(XXVIII)	1,350,637	1,315,722	–	–
Other operating income	35	1,112,415	1,102,931	894,190	505,587
Share in results of associates and joint ventures		107,846	40,027	–	–
Net income		4,928,930	4,595,478	895,301	507,884
Other operating expenses	36	(2,197,798)	(2,051,676)	(37,702)	(37,100)
Operating profit before impairment losses		2,731,132	2,543,802	857,599	470,784
Allowances for impairment on loans, advances and financing	38	(224,044)	(696,327)	–	–
(Allowances for)/Writeback of impairment on:					
Financial investments	39	(12,141)	(41,335)	–	–
Other financial assets	39	3,580	26,000	–	–
Non-financial assets	39	17,802	(111,943)	–	–
Writeback of provision for commitments and contingencies	28(b),(c)	70,891	51,520	–	–
Other recoveries, net		32	2,381	–	–
Provision for restructuring expenses		–	(80,000)	–	–
Profit before taxation and zakat from continuing operations		2,587,252	1,694,098	857,599	470,784
Taxation and zakat	40	(585,886)	148,283	(307)	2,190
Profit after taxation and zakat from continuing operations		2,001,366	1,842,381	857,292	472,974
Discontinued operation:	55				
Profit before/after taxation from discontinued operation		–	51,115	–	–
Profit for the financial year		2,001,366	1,893,496	857,292	472,974
Profit for the financial year attributable to:					
Equity holders of the Company		2,001,185	1,868,098	857,292	472,974
Non-controlling interests		181	25,398	–	–
Profit for the financial year		2,001,366	1,893,496	857,292	472,974
EARNINGS PER SHARE (SEN)					
Basic/diluted:					
Continuing operations	41	60.56	55.70		
Discontinued operation	41	–	0.79		
		60.56	56.49		

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2025

	Note	Group 31 March 2025 RM'000	Group 31 March 2024 RM'000	Company 31 March 2025 RM'000	Company 31 March 2024 RM'000
Profit for the financial year		2,001,366	1,893,496	857,292	472,974
Other comprehensive income/(loss):					
Continuing operations:					
Items that will not be reclassified subsequently to statements of profit or loss					
Financial investments at FVOCI					
– net unrealised gain on changes in fair value		101,402	34,036	–	–
Tax effect relating to the components of other comprehensive income					
– financial investments at FVOCI	15	2,631	996	–	–
Share of other comprehensive income/(loss) of equity accounted associates		64	(356)	–	–
		104,097	34,676	–	–
Items that may be reclassified subsequently to statements of profit or loss					
Currency translation (loss)/gain on foreign operations		(18,237)	19,237	–	–
Cash flow hedge					
– amortisation of fair value changes for terminated hedge	9(v)	1,353	4,250	–	–
Financial investments at FVOCI					
– net unrealised gain on changes in fair value		47,228	136,084	–	–
– net gain reclassified to profit or loss		(32,944)	(27,311)	–	–
– changes in expected credit losses ("ECL")	39	4,806	13,682	–	–
– foreign exchange differences	11	(1)	1	–	–
Tax effect relating to the components of other comprehensive income					
– cash flow hedge	9(v),15	(324)	(1,021)	–	–
– financial investments at FVOCI	15	(3,428)	(26,065)	–	–
Share of reserve movements in equity accounted associates and joint ventures		(6,940)	1,234	–	–
		(8,487)	120,091	–	–
Other comprehensive income for the financial year, net of tax from continuing operations		95,610	154,767	–	–
Total comprehensive income for the financial year		2,096,976	2,048,263	857,292	472,974
Total comprehensive income for the financial year attributable to:					
Equity holders of the Company					
Continuing operations		2,096,795	1,996,796	857,292	472,974
Discontinued operation		–	26,069	–	–
Non-controlling interests					
Continuing operations		181	352	–	–
Discontinued operation		–	25,046	–	–
		2,096,976	2,048,263	857,292	472,974

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 March 2025

Group	Note	Attributable to Equity Holders of the Company										Non-controlling interests RM'000	Total equity RM'000
			Non-Distributable							Distributable			
									Retained earnings				
		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	Non-participating funds RM'000	RM'000	Total RM'000		
At 1 April 2023		6,376,240	211,707	511,309	(4,258)	112,212	26,425	(28,579)	45,715	10,773,584	18,024,355	864	18,025,219
Profit for the financial year		–	–	–	–	–	–	–	–	1,868,098	1,868,098	25,398	1,893,496
Other comprehensive income/(loss), net		–	–	132,657	3,229	19,237	–	–	–	(356)	154,767	–	154,767
Total comprehensive income for the financial year		–	–	132,657	3,229	19,237	–	–	–	1,867,742	2,022,865	25,398	2,048,263
Buy-back of shares		–	–	–	–	–	–	(22,704)	–	–	(22,704)	–	(22,704)
Share-based payment under ESS, net		–	–	–	–	–	26,902	–	–	–	26,902	–	26,902
ESS shares vested to employees		–	–	–	–	–	(16,823)	22,204	–	(5,381)	–	–	–
Transfer to regulatory reserve		–	33,489	–	–	–	–	–	–	(33,489)	–	–	–
Arising from disposal of a subsidiary		–	–	–	–	–	–	–	–	–	–	(25,046)	(25,046)
Arising from liquidation of a subsidiary		–	–	–	–	–	–	–	–	–	–	(38)	(38)
Dividends paid/payable – ESS shares		–	–	–	–	–	–	–	–	(5,385)	(5,385)	–	(5,385)
Dividends paid	42	–	–	–	–	–	–	–	–	(605,228)	(605,228)	(150)	(605,378)
Transactions with owners and other equity movements		–	33,489	–	–	–	10,079	(500)	–	(649,483)	(606,415)	(25,234)	(631,649)
At 31 March 2024		6,376,240	245,196	643,966	(1,029)	131,449	36,504	(29,079)	45,715	11,991,843	19,440,805	1,028	19,441,833

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 March 2025

		Attributable to Equity Holders of the Company											
			Non-Distributable							Distributable			
									Retained earnings				
Group	Note	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	Non-participating funds RM'000	RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 April 2024		6,376,240	245,196	643,966	(1,029)	131,449	36,504	(29,079)	45,715	11,991,843	19,440,805	1,028	19,441,833
Profit for the financial year		–	–	–	–	–	–	–	–	2,001,185	2,001,185	181	2,001,366
Other comprehensive income/(loss), net		–	–	112,754	1,029	(18,237)	–	–	–	64	95,610	–	95,610
Total comprehensive income/(loss) for the financial year		–	–	112,754	1,029	(18,237)	–	–	–	2,001,249	2,096,795	181	2,096,976
Buy-back of shares		–	–	–	–	–	–	(44,716)	–	–	(44,716)	–	(44,716)
Share-based payment under ESS, net		–	–	–	–	–	21,027	–	–	–	21,027	–	21,027
ESS shares vested to employees		–	–	–	–	–	(16,745)	20,273	–	(3,528)	–	–	–
Transfer to regulatory reserve		–	107,326	–	–	–	–	–	–	(107,326)	–	–	–
Dividends paid/payable – ESS shares		–	–	–	–	–	–	–	–	(3,715)	(3,715)	–	(3,715)
Dividends paid	42	–	–	–	–	–	–	–	–	(889,386)	(889,386)	(300)	(889,686)
Transactions with owners and other equity movements		–	107,326	–	–	–	4,282	(24,443)	–	(1,003,955)	(916,790)	(300)	(917,090)
At 31 March 2025		6,376,240	352,522	756,720	–	113,212	40,786	(53,522)	45,715	12,989,137	20,620,810	909	20,621,719

Company	Note	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
At 1 April 2023		6,372,870	26,425	(28,579)	4,672,100	11,042,816
Profit for the financial year		–	–	–	472,974	472,974
Total comprehensive income for the financial year		–	–	–	472,974	472,974
Buy-back of shares		–	–	(22,704)	–	(22,704)
Share-based payment under ESS, net		–	26,902	–	–	26,902
ESS shares vested to employees		–	(16,823)	22,204	(5,381)	–
Dividends paid/payable – ESS shares		–	–	–	(5,385)	(5,385)
Dividends paid	42	–	–	–	(605,228)	(605,228)
Transactions with owners and other equity movements		–	10,079	(500)	(615,994)	(606,415)
At 31 March 2024		6,372,870	36,504	(29,079)	4,529,080	10,909,375

Company	Note	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
At 1 April 2024		6,372,870	36,504	(29,079)	4,529,080	10,909,375
Profit for the financial year		–	–	–	857,292	857,292
Total comprehensive income for the financial year		–	–	–	857,292	857,292
Buy-back of shares		–	–	(44,716)	–	(44,716)
Share-based payment under ESS, net		–	21,027	–	–	21,027
ESS shares vested to employees		–	(16,745)	20,273	(3,528)	–
Dividends paid/payable – ESS shares		–	–	–	(3,715)	(3,715)
Dividends paid	42	–	–	–	(889,386)	(889,386)
Transactions with owners and other equity movements		–	4,282	(24,443)	(896,629)	(916,790)
At 31 March 2025		6,372,870	40,786	(53,522)	4,489,743	10,849,877

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

For the financial year ended 31 March 2025

	Note	Group 31 March 2025 RM'000	Group 31 March 2024 RM'000	Company 31 March 2025 RM'000	Company 31 March 2024 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before taxation and zakat					
Continuing operations		2,587,252	1,694,098	857,599	470,784
Discontinued operation		–	51,115	–	–
Profit before taxation and zakat including discontinued operation		2,587,252	1,745,213	857,599	470,784
Adjustments for:					
Amortisation of fair value changes on terminated hedge	9(v)	1,353	4,250	–	–
Amortisation of intangible assets	36	38,258	51,019	–	–
Amortisation of issuance costs and premium for term funding	26	6,478	653	–	–
Net accretion of discount for securities		(33,218)	(208,112)	–	–
Gain on liquidation of subsidiaries	35	–	(28)	–	–
Depreciation of property and equipment	36	44,287	49,355	10	9
Depreciation of right-of-use assets	36	65,175	67,728	–	–
Interest on lease liabilities	28(d), 36	4,636	5,467	–	–
Provision for reinstatement of leased premises	36	38	58	–	–
Gain on disposal of property and equipment	35	(1,083)	(105)	–	–
Dividend income		(4,406)	(2,591)	(884,060)	(493,406)
Allowances for impairment on financial investments	39	12,141	41,335	–	–
Writeback of impairment loss of other financial assets	39	(3,580)	(26,000)	–	–
Property and equipment written off	19, 36	3	7	–	–
Intangible assets written off	21(b), 36	–	66	–	–
Allowances for ECL on loans, advances and financing, net	38	509,417	988,804	–	–
Net gain on revaluation of derivatives		(83,415)	(33,824)	–	–
Unrealised loss on revaluation of hedged item arising from fair value hedge	9(vii)	1,075	2,310	–	–
Net gain on sale of financial assets at FVTPL	35, 54(XVII), 54(XIX)	(100,718)	(56,381)	–	–
Net gain on sale of financial investments at FVOCI	35, 54(XVII), 54(XIX)	(32,943)	(27,310)	–	–
Net gain on redemption of financial investments at amortised cost	35, 54(XVII), 54(XIX)	(54,516)	(96,228)	–	–
Loss on disposal of foreclosed properties	35	–	650	–	–
Net loss/(gain) on revaluation of financial assets at FVTPL	35, 54(XVII), 54(XIX)	231,976	(267,099)	–	–
Writeback of ECL on loan/financing commitments and financial guarantees	28(c)	(71,692)	(51,087)	–	–
Provision/(writeback of provision) for commitments and contingencies	28(b)	801	(433)	–	–
Shares granted under ESS – charge	36	30,189	29,497	–	–
Share in results of associates and joint ventures		(107,846)	(40,027)	–	–
Net adjustments of COVID-19 relief measures		27,062	(8,045)	–	–
Unrealised foreign exchange (gain)/loss on term funding	26(a), (c)	(525)	34,926	–	–
Adjustment on the gain on disposal of subsidiary	55	–	(51,115)	–	–
Termination of lease	20, 28(d)	(3)	(358)	–	–
Provision for restructuring expenses		–	80,000	–	–
(Writeback of)/allowances for impairment on non-financial assets	39	(17,802)	111,943	–	–
Operating profit/(loss) before working capital changes carried forward		3,048,394	2,344,538	(26,451)	(22,613)

	Note	Group		Company	
		31 March 2025 RM'000	31 March 2024 RM'000	31 March 2025 RM'000	31 March 2024 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (CONT'D.)					
Operating profit/(loss) before working capital changes brought forward		3,048,394	2,344,538	(26,451)	(22,613)
Decrease/(increase) in operating assets:					
Financial assets at FVTPL		2,117,415	3,281,600	(43)	(40)
Loans, advances and financing		(5,527,359)	(4,805,916)	–	–
Statutory deposits with Bank Negara Malaysia		(161,701)	(166,166)	–	–
Other assets		343,024	(1,202,053)	735	(1,879)
(Decrease)/increase in operating liabilities:					
Deposits from customers		(834,174)	12,066,135	–	–
Investment accounts of customers		(1,579)	(2,414)	–	–
Deposits and placements of banks and other financial institutions		(1,359,668)	(2,594,678)	–	–
Securities sold under repurchase agreements		(376,786)	(10,138,339)	–	–
Recourse obligation on loans and financing sold to Cagamas Berhad		(924,949)	(2,435,020)	–	–
Financial liabilities at fair value through profit or loss		140,853	68,022	–	–
Term funding		5,086,910	242,055	–	–
Other liabilities		(156,589)	607,794	13,440	35,168
Cash generated from/(used in) operations		1,393,791	(2,734,442)	(12,319)	10,636
Taxation and zakat (paid)/refund, net		(486,304)	(401,632)	110	(2,434)
Net cash generated from/(used in) operating activities		907,487	(3,136,074)	(12,209)	8,202
CASH FLOWS FROM INVESTING ACTIVITIES					
Disposal of financial investments		388,719	1,620,328	–	–
Dividend income received from other investments		4,406	2,591	–	–
Proceeds from disposal of property and equipment		1,088	116	–	–
Purchase of property and equipment	19	(41,125)	(29,139)	–	(7)
Purchase of intangible assets	21(b)	(48,284)	(85,663)	–	–
Dividend received from subsidiaries	35	–	–	884,060	493,406
Purchase of treasury shares	30(f)	(44,716)	(22,704)	(44,716)	(22,704)
Dividend received from associate		76,300	122,076	–	–
Subscription of shares in joint venture	17	(14,500)	–	–	–
Net cash generated from investing activities		321,888	1,607,605	839,344	470,695

STATEMENTS OF CASH FLOWS

For the financial year ended 31 March 2025

		Group		Company	
	Note	31 March 2025 RM'000	31 March 2024 RM'000	31 March 2025 RM'000	31 March 2024 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of lease liabilities	28(d)	(68,967)	(70,903)	–	–
Dividends paid by the Company to its shareholders	42	(889,386)	(605,228)	(889,386)	(605,228)
Dividends paid to non-controlling interests	32	(300)	(150)	–	–
Dividends paid for ESS		(3,310)	(2,116)	(3,310)	(2,116)
Net cash used in financing activities		(961,963)	(678,397)	(892,696)	(607,344)
Net increase/(decrease) in cash and cash equivalents		267,412	(2,206,866)	(65,561)	(128,447)
Cash and cash equivalents at beginning of the financial year		6,494,082	8,700,367	80,118	208,565
Effect of exchange rate changes		(58)	581	–	–
Cash and cash equivalents at end of the financial year (Note a)		6,761,436	6,494,082	14,557	80,118

Note a: Cash and cash equivalents

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

		Group		Company	
	Note	31 March 2025 RM'000	31 March 2024 RM'000	31 March 2025 RM'000	31 March 2024 RM'000
Cash and short-term funds	6	6,759,126	6,493,099	14,557	80,118
Add:					
Allowances for ECL for cash and cash equivalents	6	2,310	983	–	–
Cash and cash equivalents		6,761,436	6,494,082	14,557	80,118

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

1. CORPORATE INFORMATION

AMMB Holdings Berhad ("AMMB" or "the Company") is a public limited liability company incorporated and domiciled in Malaysia, and listed on the main market of Bursa Malaysia Securities Berhad ("Bursa Malaysia"). The registered office of the Company is located at Level 22, Bangunan AmBank Group, No. 55, Jalan Raja Chulan, 50200 Kuala Lumpur.

The principal activity of the Company is that of investment holding.

The subsidiaries, as listed in Note 16, provide a wide range of wholesale banking, business banking, retail banking, investment banking and related financial services which also include Islamic banking business, stock and share-broking, futures broking, investment advisory and asset, real estate investment trust and unit trust management services. There have been no significant changes in the nature of the principal activities during the financial year.

The consolidated financial statements of the Company and its subsidiaries ("AMMB Group" or "the Group") and the separate financial statements of the Company have been approved and authorised for issue by the Board of Directors on 30 April 2025.

2. ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared on a historical cost basis unless otherwise indicated in the financial statements.

In the preparation of these financial statements, the management of the Group and the Company have made an assessment of the ability of the Group and the Company to continue as a going concern. From the assessment, the management is not aware of any material uncertainties related to events or conditions that may cast significant doubt upon the Group's and the Company's ability to continue as a going concern, hence these financial statements have been prepared on a going concern basis.

2.2 Statement of compliance

The consolidated financial statements of the Group and the separate financial statements of the Company have been prepared in accordance with MFRS Accounting Standards, IFRS Accounting Standards, and the requirements of the Companies Act 2016 in Malaysia.

2.3 Presentation of financial statements

The financial statements are presented in Ringgit Malaysia ("RM" or "MYR") and all values are rounded to the nearest thousand ("RM'000") except when otherwise indicated.

The statements of financial position are presented in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (i.e. "current") and more than 12 months after the reporting date (i.e. "non-current") is presented in Note 48.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2025.

Subsidiaries are entities (including structured entities) over which the Group has control.

The Group controls an investee if, and only if, the Group has:

– power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
– exposure, or rights, to variable returns from its involvement with the investee; and
– the ability to use its power over the investee to affect its returns.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

2. ACCOUNTING POLICIES (CONT'D.)

2.4 Basis of consolidation (Cont'd.)

Generally, control is established when the Group holds a majority of the voting rights of an investee. When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

– the contractual arrangement with the other vote holders of the investee;
– rights arising from other contractual arrangements; and
– the size of the Group's voting rights and potential voting rights relative to the size and dispersion of voting rights and potential rights held by the other vote holders.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income, expenses and cash flows of a subsidiary are included in the consolidated financial statements, from the date the Group gains control until the date the Group ceases to control the subsidiary.

The profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity owners of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

On consolidation, the assets and liabilities denominated in foreign currency are translated into RM at the exchange rates prevailing at the reporting date and their profit or loss items are translated at the average exchange rates for the financial year. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign subsidiary or operation, the component of OCI relating to that particular foreign subsidiary or operation is reclassified to profit or loss.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as transaction with equity owners of the Group. If the Group loses control over a subsidiary, it:

– derecognises the assets (including goodwill) and liabilities of the subsidiary;
– derecognises the carrying amount of any non-controlling interests;
– derecognises the cumulative translation differences recorded in equity;
– recognises any consideration received at its fair value;
– recognises any investment retained at its fair value;
– recognises any surplus or deficit in profit or loss; and
– reclassifies the parent's share of components previously recognised in OCI to profit or loss, or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2.5 Summary of material accounting policies

(a) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred for the acquisition of a subsidiary is the acquisition date fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement and fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

2. ACCOUNTING POLICIES (CONT'D.)

2.5 Summary of material accounting policies (Cont'd.)

(a) Business combinations and goodwill (Cont'd.)

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. For financial liabilities, this includes the separation of embedded derivatives in host contracts by the acquiree.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is classified as a financial asset or a financial liability is recognised in accordance with MFRS 9 *Financial Instruments* ("MFRS 9") in profit or loss. If the contingent consideration is not within the scope of MFRS 9, it is measured at fair value at each reporting date with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recognised as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in profit or loss as a bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment annually, or more frequently, if events or changes in circumstances indicate that the carrying value may be impaired. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units ("CGU"), or groups of CGUs, that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Each unit to which the goodwill is allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purposes, and is not larger than an operating segment in accordance with MFRS 8 *Operating Segments* ("MFRS 8").

Where goodwill has been allocated to a CGU (or a group of CGUs) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU retained.

(b) Investment in subsidiaries

In the Company's separate financial statements, investment in subsidiaries is accounted for at cost less accumulated impairment losses. On disposal of such investments, the difference between the net disposal proceeds and its carrying amounts are recognised in profit or loss.

(c) Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint arrangement is an arrangement of which there is contractually agreed sharing of control by the Group with one or more parties, i.e. joint control, where decisions about the relevant activities relating to the joint arrangement require unanimous consent of the parties sharing control. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

2. ACCOUNTING POLICIES (CONT'D.)

2.5 Summary of material accounting policies (Cont'd.)

(c) Investment in associates and joint ventures (Cont'd.)

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investment in associates and joint ventures are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associates or joint ventures since the acquisition date. Dividends received or receivable from an associate or a joint venture are recognised as a reduction in the carrying amount of the investment. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The statement of profit or loss reflects the Group's share of the results of operations of the associates or joint ventures. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associates or joint ventures, the Group recognises its share of any changes, when applicable, in the statements of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associates or joint ventures are eliminated to the extent of the interest in the associates or joint ventures.

The aggregate of the Group's share of profit or loss of the associates and joint ventures is shown on the face of the statement of profit or loss and represents profit or loss after tax and non-controlling interests in the associates or joint ventures.

When the Group's share of losses in an associate or a joint venture equals or exceeds its interests in the investee, including any long-term interests that, in substance, form part of the Group's net investment in the investee, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

The financial statements of the associates or joint ventures are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investments in associates or joint ventures. At each reporting date, the Group determines whether there is objective evidence that the investments in associates or joint ventures are impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amounts of the associates or joint ventures and their carrying values, and recognises the loss as "impairment loss on associates or joint ventures" in profit or loss.

Upon loss of significant influence or joint control over the associate or joint venture respectively, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

In the Company's separate financial statements, investments in associates or joint ventures are stated at cost less accumulated impairment losses. On disposal of such investment, the difference between net disposal proceeds and its carrying amounts are recognised in profit or loss.

2. ACCOUNTING POLICIES (CONT'D.)

2.5 Summary of material accounting policies (Cont'd.)

(d) Transactions with non-controlling interests

Non-controlling interests represent the portion of equity in subsidiaries not held directly or indirectly by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of financial position, respectively. Any losses applicable to the non-controlling interests in excess of the non-controlling interests are allocated against the interests of the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. In such circumstances, the carrying amounts of the non-controlling interests shall be adjusted to reflect the changes in relative interests in the subsidiaries. Any differences between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received shall be recognised directly in equity and attributable to the owners of the Group.

(e) Foreign currencies

(i) Functional and presentation currency

The individual financial statements of each entity within the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The Group's consolidated financial statements and the Company's separate financial statements are presented in RM, which is also the Company's functional currency.

(ii) Transactions and balances

Transactions in foreign currencies are initially recorded by the entities within the Group at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot exchange rate at the reporting date.

All differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognised in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on retranslation of non-monetary items is treated in line with the recognition of gain or loss on changes in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

(f) Property and equipment

Property and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses. Such cost includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, as well as borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. When significant parts of property and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

2. ACCOUNTING POLICIES (CONT'D.)

2.5 Summary of material accounting policies (Cont'd.)

(f) Property and equipment (Cont'd.)

Purchased computer software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Freehold land has an unlimited life and therefore, is not depreciated. Work-in-progress which are not yet available for use are not depreciated. Depreciation of other property and equipment is calculated on a straight-line basis to write-off the cost of each asset to its residual value over the estimated useful lives of the assets.

The annual depreciation rates for the various classes of property and equipment are as follows:

Leasehold land	2% or remaining lease period (whichever is shorter)
Buildings	2% or over the term of short term lease (whichever is shorter)
Leasehold improvements	10% to 20%
Motor vehicles	20%
Computer equipment	12.5% to 33.33%
Office equipment, furniture and fittings	10% to 50%

An item of property and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively if the expectations differ from previous estimates.

(g) Leases

The determination of whether an arrangement is, or contains, a lease is based on whether the arrangement conveys a right to control the use of asset, even if that right is not explicitly specified in an arrangement.

The Group as a lessee

Leases are recognised as right-of-use assets and corresponding lease liabilities at the date at which the leased asset is available for use by the Group.

At the commencement date of the leases, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

2. ACCOUNTING POLICIES (CONT'D.)

2.5 Summary of material accounting policies (Cont'd.)

(g) Leases (Cont'd.)

The Group as a lessee (Cont'd.)

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received (if any). Where applicable, the cost of right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located. Unless the Group is reasonably certain to obtain ownership of the underlying asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. If the Group is reasonably certain to obtain ownership of the underlying asset at the end of the lease term, the right-of-use asset is depreciated over the underlying asset's useful life. Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life or the lease term of the assets, as follows:

Premises	50 years or over the term of short term lease
Computer equipment	3 to 8 years

Right-of-use assets are assessed for impairment whenever there is an indication that the right-of-use assets may be impaired.

The Group applies the short-term lease recognition exemption to its short-term leases, i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value, i.e. those with a value of RM20,000 or less when new. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(h) Intangible assets, other than goodwill arising from business combination

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over useful lives ranging from 3 to 10 years and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, which are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually, or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

2. ACCOUNTING POLICIES (CONT'D.)

2.5 Summary of material accounting policies (Cont'd.)

(h) Intangible assets, other than goodwill arising from business combination (Cont'd.)

(i) Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual software project are recognised as an intangible asset when the Group can demonstrate:

- the technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- its intention to complete and its ability to use or sell the asset;
- how the asset will generate future economic benefits;
- the availability of resources to complete the asset;
- the ability to measure reliably the expenditure during development; and
- the ability to use the intangible asset generated.

Following initial recognition of the software development expenditure as an asset, the asset is carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised on a straight-line basis over the period of expected benefit of 3 to 10 years. During the period of development, the asset is tested for impairment annually.

(i) Financial instruments – initial recognition and measurement

(i) Initial recognition

Financial assets and financial liabilities are recognised when the Group and the Company become a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised using trade date accounting or settlement date accounting. The method used is applied consistently for all purchases and sales of financial assets that belong to the same category of financial assets. The Group and the Company apply trade date accounting for derivative financial instruments and investments in equity instruments, and settlement date accounting for investments in debt instruments.

(ii) Initial measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities not recorded at fair value through profit or loss, net of directly attributable transaction costs.

(iii) "Day 1" profit or loss

At initial measurement, if the transaction price differs from the fair value, the Group and the Company immediately recognise the difference between the transaction price and fair value (a "Day 1" profit or loss) provided that fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. Level 1 input) or based on a valuation technique that uses only data from observable markets. In all other cases, the difference between the transaction price and model value is recognised in profit or loss on a systematic and rational basis that reflects the nature of the instrument over its tenure.

(j) Financial assets – classification and subsequent measurement

The Group and the Company classify its financial assets in the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income ("FVOCI"); or
- Fair value through profit or loss ("FVTPL").

2. ACCOUNTING POLICIES (CONT'D.)

2.5 Summary of material accounting policies (Cont'd.)

(j) Financial assets – classification and subsequent measurement (Cont'd.)

The classification requirements for debt and equity instruments are described below:

(i) Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective. Classification and subsequent measurement of debt instruments depend on:

Business model

The business model reflects how the Group and the Company manage the financial assets in order to generate cash flows. Specifically, it considers whether the Group's and the Company's objective is solely to collect the contractual cash flows from the assets, or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these objectives applies (e.g. the financial assets are held-for-trading purposes), then the financial assets are classified under "other" business model. Factors considered by the Group and the Company in determining the business model for a portfolio of assets include past experience in collecting the cash flows, how the asset's performance is evaluated and reported to key management personnel, and how risks are assessed and managed.

Cash flow characteristics

Where the business model is to hold the financial assets to collect contractual cash flows, or to collect both the contractual cash flows and cash flows from the sale of assets, the Group and the Company assess whether the financial assets' contractual cash flows represent solely payments of principal and interest/profit ("SPPI"/"SPPP"). In making this assessment, the Group and the Company consider whether the contractual cash flows are consistent with a basic lending/financing arrangement, i.e. interest/profit includes only consideration for time value of money, credit risk, other basic lending/financing risks and a profit margin that is consistent with a basic lending/financing arrangement. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are SPPI/SPPP.

Based on these factors, the Group and the Company classify the debt instruments into one of the following three measurement categories:

Amortised cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent SPPI/SPPP, and that are not designated at FVTPL, are measured at amortised cost using the effective interest/effective profit method. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured using the methodology described in Note 2.5(o). Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate ("EIR")/effective profit rate ("EPR"). The EIR/EPR amortisation is included in "interest income"/"profit income" in profit or loss. The losses arising from impairment are recognised in the statements of profit or loss in "impairment losses on financial investments" for bonds and sukuk, "impairment losses on loans, advances and financing" for loans, advances and financing or "doubtful receivables" for losses other than bonds, sukuk, loans, advances and financing.

FVOCI

Financial assets that are held for contractual cash flows and cash flows from the sale of the assets, where the assets' cash flows represent SPPI/SPPP, and are not designated at FVTPL, are measured at FVOCI. Changes in the fair value are recognised through OCI, except for interest income/profit income and foreign exchange gains or losses on the assets' amortised cost which are recognised in profit or loss. Interest/profit earned whilst holding the assets is reported as "interest income"/"profit income" using the effective interest/effective profit method. The losses arising from impairment are reclassified from OCI to profit or loss in "impairment losses on financial investments". When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified to profit or loss and recognised in "other operating income".

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

2. ACCOUNTING POLICIES (CONT'D.)

2.5 Summary of material accounting policies (Cont'd.)

(j) Financial assets – classification and subsequent measurement (Cont'd.)

(i) Debt instruments (Cont'd.)

FVTPL

Financial assets that do not meet the criteria for amortised cost or FVOCI, including financial assets held-for-trading and derivatives, are measured at FVTPL. A gain or loss on an asset that is subsequently measured at FVTPL and is not part of a hedging relationship is recognised in profit or loss and presented within "investment and trading income". Interest/profit earned whilst holding the assets is reported as "interest income"/"profit income" using the effective interest/effective profit method.

In addition, financial assets that meet the criteria for amortised cost or FVOCI may be irrevocably designated by management as FVTPL on initial recognition, provided the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis. Such designation is determined on an instrument by instrument basis. Any change in fair value is recognised in profit or loss and presented within "investment and trading income". Interest/profit earned is recognised in "interest income"/"profit income" using the effective interest/effective profit method.

(ii) Reclassification of debt investments

The Group and the Company reclassify debt investments when and only when the business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the financial year.

(iii) Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

The Group and the Company subsequently measure all equity investments at FVTPL, except where the management has elected at initial recognition to irrevocably designate an equity investment that is not held-for-trading at FVOCI. When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Dividends earned whilst holding the equity investment are recognised in profit or loss as "other operating income" when the right to the payment has been established.

Gains and losses on equity investments at FVTPL, including dividends earned, are included in "investment and trading income" in profit or loss.

(k) Financial liabilities – classification and subsequent measurement

Financial liabilities are classified as subsequently measured at amortised cost, except for:

- financial liabilities at FVTPL; and
- financial guarantee contracts and loan/financing commitments (see Note 2.5(v)).

(i) Amortised cost

Financial liabilities issued by the Group and the Company, that are not designated at FVTPL, are classified as financial liabilities at amortised cost, where the substance of the contractual arrangement results in the Group and the Company having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

After initial measurement, term funding, debt capital and other borrowings/financings are subsequently measured at amortised cost using the effective interest/effective profit method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR/EPR.

2. ACCOUNTING POLICIES (CONT'D.)

2.5 Summary of material accounting policies (Cont'd.)

(k) Financial liabilities – classification and subsequent measurement (Cont'd.)

(i) Amortised cost (Cont'd.)

A compound financial instrument which contains both a liability and an equity component is separated at the issue date. A portion of the net proceeds of the instrument is allocated to the debt component on the date of issue based on its fair value (which is generally determined based on the quoted market prices for similar debt instruments). The equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the debt component. The value of any derivative features (such as a call option) embedded in the compound financial instrument other than the equity component is included in the debt component.

(ii) FVTPL

This classification is applied to derivatives, financial liabilities held-for-trading and other financial liabilities designated as such at initial recognition. Gains or losses on financial liabilities designated at FVTPL are presented partially in OCI (being the amount of change in the fair value of the financial liability that is attributable to changes in credit risk of that liability) and partially in profit or loss (i.e. the remaining amount of change in fair value of the liability). This is unless such presentation would create, or enlarge, an accounting mismatch, in which case the gains and losses attributable to changes in the credit risk of the liability are also presented in profit or loss.

(l) Derecognition of financial instruments

(i) Derecognition of financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Group and the Company have transferred rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either:
  - the Group and the Company have transferred substantially all the risks and rewards of the asset; or
  - the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

When the Group and the Company have transferred rights to receive cash flows from an asset or have entered into a pass-through arrangement, and have neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's and the Company's continuing involvement in the asset. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

(ii) Modification of loans, advances and financing

The Group sometimes renegotiate or otherwise modify the contractual cash flows of loans, advances and financing to borrowers/customers. When this happens, the Group assesses whether or not the new terms are substantially different to the original terms. The Group does this by considering, among others, the following factors:

- if the borrower/customer is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower/customer is expected to be able to pay;
- whether any substantial new terms are introduced, such as a profit share or equity-based return that substantially affects the risk profile of the loans, advances and financing;
- significant extension of the loans, advances and financing term when the borrower/customer is not in financial difficulty;
- significant change in the interest rate/profit rate;
- change in the currency the loans, advances and financing is denominated in; or
- insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loans, advances and financing.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

2. ACCOUNTING POLICIES (CONT'D.)

2.5 Summary of material accounting policies (Cont'd.)

(l) Derecognition of financial instruments (Cont'd.)

(ii) Modification of loans, advances and financing (Cont'd.)

If the terms are substantially different, the Group derecognises the original financial asset and recognises a "new" asset at fair value and recalculates a new EIR/EPR for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk ("SICR") has occurred. However, the Group also assesses whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the borrower/customer being unable to make the originally agreed payments. Differences in the carrying amount are also recognised in profit or loss as a gain or loss on derecognition.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Group recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original EIR/EPR.

(iii) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired.

When an existing financial liability is replaced by another from the same lender/financier on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original EIR/EPR, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. In addition, other qualitative factors such as the currency that the instrument is denominated in, changes in the type of interest rate/profit rate, new conversion features attached to the instrument and changes in covenants are also taken into consideration. The difference in the respective carrying amount of the original financial liability and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred are adjusted to the carrying amount of the financial liability and are amortised over the remaining term of the modified financial liability.

(m) Repurchase and reverse repurchase agreements

Securities sold under repurchase agreements at a specified future date are not derecognised from the statement of financial position as the Group retains substantially all the risks and rewards of ownership. The corresponding cash received is recognised in the statement of financial position as an asset with a corresponding obligation to return it, including accrued interest, as a liability within "securities sold under repurchase agreements", reflecting the transaction's economic substance as a loan to the Group. The difference between the sale and repurchase prices is treated as interest expense and is accrued over the life of the agreement using the EIR. When the counterparty has the right to sell or repledge the securities, the Group reclassifies those securities in the statement of financial position to "financial assets at FVTPL pledged as collateral" or to "financial investments at FVOCI pledged as collateral", as appropriate.

Conversely, securities purchased under agreements to resell at a specified future date are not recognised in the statement of financial position. The consideration paid, including accrued interest, is recorded in the statement of financial position, within "securities purchased under resale agreements", reflecting the transaction's economic substance as a loan by the Group. The difference between the purchase and resale prices is recorded in "interest income" and is accrued over the life of the agreement using the EIR.

If securities purchased under agreement to resell are subsequently sold to third parties, the obligation to return the securities is recorded as a short sale within "financial liabilities at FVTPL" and measured at fair value with any gains or losses included in "investment and trading income".

2. ACCOUNTING POLICIES (CONT'D.)

2.5 Summary of material accounting policies (Cont'd.)

(n) Fair value measurement

The Group measures financial instruments such as financial assets at FVTPL, financial investments at FVOCI and derivatives at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

– in the principal market for the asset or liability; or
– in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurements as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and/or
Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets or liabilities that are recognised at fair value in the financial statements on a recurring basis, the Group determines 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.

The fair value hierarchies of the following are disclosed in Note 51:

(i) financial instruments that are measured at fair value; and
(ii) financial assets, financial liabilities and non-financial assets that are not measured at fair value, but for which fair value is disclosed.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

2. ACCOUNTING POLICIES (CONT'D.)

2.5 Summary of material accounting policies (Cont'd.)

(o) Financial instruments – expected credit losses ("ECL")

The Group and the Company assess on a forward-looking basis the ECL associated with debt instrument assets carried at amortised cost and FVOCI and with the exposure arising from loan/financing commitments and financial guarantee contracts. The Group and the Company recognise a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

– an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
– the time value of money; and
– reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in profit or loss, except for debt instruments measured at FVOCI, an amount equivalent to the allowance recognised in OCI as an accumulated impairment amount with the corresponding charge to profit or loss. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring or a change in forward-looking adjustments after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account or impairment amount.

For loan/financing commitments and financial guarantee contracts, the loss allowance is recognised as a provision. However, for contracts that include both a loan/financing and an undrawn commitment and the Group cannot separately identify the ECL on the undrawn commitment component from those on the loan/financing component, the ECL on the undrawn commitment are recognised together with the loss allowance for the loan/financing. To the extent that the combined ECL exceeds the gross carrying amount of the loan/financing, the ECL is recognised as a provision.

The methodology applied in measuring ECL is explained in Note 50.2.

Loans, advances and financing together with the associated allowance are written off when all practical recovery efforts have been exhausted and there is no realistic prospect of future recovery, and all collateral has been realised or has been transferred to the Group. The Group may also write-off financial assets that are still subject to enforcement activity when there is no reasonable expectation of full recovery. If a write-off is later recovered, the recovery is credited to profit or loss.

(i) Rescheduled and restructured loans, advances and financing

Where possible, the Group seeks to reschedule or restructure loans, advances and financing rather than to take possession of collateral. This may involve extending the payment arrangements and the agreement of new loans, advances and financing conditions. Once the terms have been rescheduled or restructured, any impairment is measured using the original EIR/EPR as calculated before the modification of terms. Management continually reviews impaired rescheduled or restructured loans, advances and financing for a certain period to ensure all terms are adhered to and that future payments are likely to occur before the loan is reclassified back to performing status.

(ii) Collateral valuation

The Group seeks to use collateral, where possible, to mitigate its risks on financial assets. The collateral comes in various forms such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. The fair value of collateral is generally assessed, at a minimum, at inception and based on the Group's quarterly reporting schedule, however, some collateral, for example, cash or securities relating to margining requirements, is valued daily.

To the extent possible, the Group uses active market data for valuing financial assets held as collateral. Other financial assets which do not have a readily determinable market value are valued using models. Non-financial collateral, such as real estate, is valued based on data provided by third parties such as property valuers, mortgage brokers, housing price indices, audited financial statements, and other independent sources. (See Note 50.2.1d for further analysis of collateral).

2. ACCOUNTING POLICIES (CONT'D.)

2.5 Summary of material accounting policies (Cont'd.)

(o) Financial instruments – expected credit losses ("ECL") (Cont'd.)

(iii) Collateral repossessed

The Group's policy is to determine whether a repossessed asset is best used for internal operations or should be sold. Repossessed financial assets determined to be useful for the internal operations are classified based on their characteristics, business model and the cash flow characteristics, and are measured at their fair value in the same manner as described in Note 2.5(n). Repossessed non-financial assets determined to be useful for the internal operations are transferred to their relevant asset category at the lower of their repossessed value and the carrying value of the original secured asset. Repossessed assets that are determined better to be sold are immediately transferred to assets held for sale if the sale is deemed highly probable within a short period following the repossession, whereby financial assets are measured at their fair value whereas non-financial assets are measured at the lower of fair value less cost to sell at the repossession date and the carrying value of the original secured asset.

(p) Hedge accounting

The Group makes use of derivative instruments to manage exposures to interest rate/profit rate risk, including exposures arising from forecast transactions and firm commitments. In order to manage particular risks, the Group applies hedge accounting for transactions which meet specified criteria.

At inception of the hedge relationship, the Group formally documents the relationship between the hedged item and the hedging instrument, including the nature of the risk, the risk management objective and strategy for undertaking the hedge and the method that will be used to assess the effectiveness of the hedging relationship at inception and on an ongoing basis.

At each hedge effectiveness assessment date, a hedge relationship must be expected to be highly effective on a prospective basis for the designated period in order to qualify for hedge accounting. A formal assessment is undertaken by comparing the hedging instrument's effectiveness in offsetting the changes in fair value or cash flows attributable to the hedged risk in the hedged item, both at inception and at each quarter end on an ongoing basis. Hedge ineffectiveness is recognised in profit or loss. For situations where the hedged item is a forecast transaction, the Group also assesses whether the transaction is highly probable and presents an exposure to variations in cash flows that could ultimately affect profit or loss.

(i) Fair value hedges

The change in the fair value of a hedging derivative is recognised in "investment and trading income" in profit or loss. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in "investment and trading income" in the statement of profit or loss.

For fair value hedges relating to items recorded at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the effective interest/effective profit method. EIR/EPR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss.

(ii) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the "cash flow hedge reserve", while any ineffective portion is recognised immediately in "investment and trading income" in the statement of profit or loss.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

2. ACCOUNTING POLICIES (CONT'D.)

2.5 Summary of material accounting policies (Cont'd.)

(p) Hedge accounting (Cont'd.)

(ii) Cash flow hedges (Cont'd.)

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs.

(q) Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(r) Impairment of non-financial assets

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group and the Company estimate the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value-in-use ("VIU"). Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded entities or other available fair value indicators.

For assets excluding goodwill and intangible assets with indefinite useful lives, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group and the Company estimate the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

The following assets have specific characteristics for impairment testing:

(i) Goodwill

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

(ii) Intangible assets

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

2. ACCOUNTING POLICIES (CONT'D.)

2.5 Summary of material accounting policies (Cont'd.)

(s) Cash and cash equivalents

Cash and short-term funds in the statements of financial position comprise cash and bank balances with banks and other financial institutions and short-term deposits maturing within one month.

For the purpose of the statements of cash flows, cash and cash equivalents consist of cash and short-term funds with original maturity of 3 months or less.

(t) Assets held for sale and discontinued operation

The Group classifies assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. This condition is regarded as met only when the sale is probable and the assets are available for immediate sale in their present condition, management has committed to the sale and the sale is expected to have been completed within one year from the date of the classification. Such assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Property and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

– represents a separate major line of business or geographical area of operations;
– is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
– is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in profit or loss.

Additional disclosures are provided in Note 55. All other notes to the financial statements mainly include amounts for continuing operations, unless otherwise mentioned.

(u) Contingent liabilities and contingent assets

A contingent liability is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or in extremely rare cases whereby there is a liability that cannot be recognised because it cannot be measured with sufficient reliability. The contingent liability is not recognised but instead is disclosed in the financial statements. A possible obligation that arises from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group is also disclosed as a contingent liability unless the probability of outflow or economic resources is remote.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. The Group does not recognise contingent assets in the financial statements but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

2. ACCOUNTING POLICIES (CONT'D.)

2.5 Summary of material accounting policies (Cont'd.)

(v) Financial guarantee contracts and loan/financing commitments

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor/customer fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance (calculated as described in Note 2.5(o)) and the premium received on initial recognition less income recognised in accordance with the principles of MFRS 15 *Revenue from Contract with Customers*.

Loan/financing commitments provided by the Group are measured at the amount of the loss allowance (calculated as described in Note 2.5(o)).

(w) Recognition of income and expenses

(A) Recognition of income and expenses relating to financial instruments

(i) Interest/profit income and similar income and expense

For all interest-bearing/profit-bearing financial assets and financial liabilities measured at amortised cost, interest-bearing/profit-bearing financial investments at FVOCI and financial assets and financial liabilities at FVTPL, interest/financing income or expense is calculated using the effective interest/effective profit method. EIR/EPR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. The calculation takes into account all contractual terms of the financial instrument and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR/EPR, but not future credit losses.

The carrying amount of the financial asset or financial liability is adjusted if the Group revises its estimates of payments or receipts. The adjusted carrying amount is calculated based on the original EIR/EPR and the change in carrying amount is recorded in profit or loss. However, for a reclassified financial asset for which the Group subsequently increases its estimates of future cash receipts as a result of increased recoverability of those cash receipts, the effect of that increase is recognised as an adjustment to the EIR/EPR from the date of the change in estimate.

Once the recorded value of a financial asset or a group of similar financial assets has been reduced due to an impairment loss, interest income/profit income continues to be recognised using the rate of interest/profit used to discount the future cash flows for the purpose of measuring the impairment loss.

Loan/financing commitment fees for loans, advances and financing that are likely to be drawn down and other credit related fees are deferred (together with any incremental costs) and recognised as an adjustment to the EIR/EPR on the loans, advances and financing.

(ii) Dividend income

Revenue is recognised when the Group's right to receive the payment is established, it is probable that the economic benefits will flow to the Group and the amount of payment can be reliably measured. The conditions are generally met when shareholders approve the dividend.

(iii) Investment and trading income

Results arising from trading activities include all gains and losses from changes in fair value and dividends for financial investments held-for-trading classified as financial assets at FVTPL. This includes any ineffectiveness recorded in hedging transactions.

2. ACCOUNTING POLICIES (CONT'D.)

2.5 Summary of material accounting policies (Cont'd.)

(w) Recognition of income and expenses (Cont'd.)

(B) Recognition of revenue from contracts with customers

Revenue is recognised by reference to each distinct performance obligation promised in the contract with customer as or when the Group transfers the control of the goods or services promised in a contract and the customer obtains control of the goods or services. Depending on the substance of the respective contract with customer, the control of the promised goods or services may transfer over time or at a point in time.

A contract with customer exists when the contract has commercial substance, the Group and its customer have approved the contract and intend to perform their respective obligations, the Group's and the customer's rights regarding the goods or services to be transferred and the payment terms can be identified, and it is probable that the Group will collect the consideration to which it will be entitled to in exchange of those goods or services.

At the inception of each contract with customer, the Group assesses the contract to identify distinct performance obligations, being the units of account that determine when and how revenue from the contract with customer is recognised.

Revenue is measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customers, excluding amounts collected on behalf of third parties. If the amount of consideration varies, the Group estimates the amount of consideration that it expects to be entitled based on the expected value or the most likely outcome but the estimation is constrained up to the amount that is highly probable of no significant reversal in the future. If the contract with customer contains more than one distinct performance obligation, the amount of consideration is allocated to each distinct performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract.

The consideration allocated to each performance obligation is recognised as revenue as or when the customer obtains control of the goods or services. At the inception of each contract with customer, the Group determines whether control of the goods or services for each performance obligation is transferred over time or at a point in time. Revenue is recognised over time if the control over the goods or services is transferred over time. Revenue for performance obligation that is not satisfied over time is recognised at the point in time at which the customer obtains control of the promised goods or services.

The following specific recognition criteria must be met before revenue is recognised:

(i) Fee and commission income

The Group earns fee and commission income from a diverse range of services it provides to its customers. Fee income can be divided into the following two categories:

Fee income earned from services where performance obligations are satisfied over time
Fees earned for the provision of services over a period of time are accrued over that period by reference to the stage of completion of the services. These fees include loan/financing arrangement, commission income, asset management, custody and other management and advisory fees. Loan/Financing commitment fees for loans, advances and financing that are unlikely to be drawn down are recognised over the commitment period on a straight-line basis.

Fee income from providing transaction services where performance obligations are satisfied at a point in time
Fees arising from negotiating or participating in the negotiation of a transaction for a third party, such as the arrangement of the acquisition of shares or other securities or the purchase or sale of businesses, are recognised on completion of the underlying transaction. Fees or components of fees that are linked to a certain performance are recognised after fulfilling the corresponding criteria. Revenue from sale of unit trusts is recognised upon allotment of units, net of cost of units sold or as a percentage of sales value.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

2. ACCOUNTING POLICIES (CONT'D.)

2.5 Summary of material accounting policies (Cont'd.)

(w) Recognition of income and expenses (Cont'd.)

(B) Recognition of revenue from contracts with customers (Cont'd.)

The following specific recognition criteria must be met before revenue is recognised: (cont'd.)

(ii) Customer loyalty programmes

Award credits under customer loyalty programmes are accounted for as a separately identifiable component of the transaction in which the award credits are granted. The fair value of the consideration received in respect of the initial sale is allocated between the award credits and the other components of the transaction on a relative stand-alone selling price basis. If stand-alone selling price of the other component is uncertain, the Group estimates the stand-alone selling price by reference to the total transaction price less the fair value of the award credits. Revenue from the award credits is recognised when the award credits are redeemed or expired. The amount of revenue recognised when the award credits are redeemed is based on the number of award credits redeemed relative to the total number expected to be redeemed.

(x) Employee benefits

(i) Short-term benefits

Wages, salaries, bonuses and social security contributions that are expected to be settled wholly within 12 months after the end of the financial year in which the employees render the related service are recognised as an expense in the financial year in which the associated services are rendered by employees of the Group and are measured at the amounts paid or expected to be paid when the liabilities are settled. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution pension plan

The Group makes contributions to the Employee Provident Fund ("EPF"), as well as defined contribution private retirement schemes in Malaysia. Such contributions are recognised as an expense in profit or loss in the financial year to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

(iii) Termination benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when the Group demonstrably committed to either terminate the employment of current employees according to a detailed formal plan without possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the reporting date are discounted to present value.

(iv) Share-based payment transactions

The Company operates an equity-settled share-based compensation scheme, known as the Executives' Share Scheme ("ESS") wherein shares are granted to eligible directors and employees of the Group based on certain financial and performance criteria and such conditions as it may deem fit.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("the vesting date"). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or writeback of shares granted under ESS for the period is recorded in "personnel costs" and represents the movement in cumulative expense recognised as at the beginning and end of that period.

2. ACCOUNTING POLICIES (CONT'D.)

2.5 Summary of material accounting policies (Cont'd.)

(x) Employee benefits (Cont'd.)

(iv) Share-based payment transactions (Cont'd.)

Where the terms of an equity-settled award are modified, the minimum expense recognised in "personnel costs" is the expense as if the terms had not been modified. An additional expense is recognised for any modification which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the entity or the counterparty are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

(y) Dividends on ordinary shares

Dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the Company's shareholders. Interim dividends are deducted from equity when they are declared.

Dividends for the year that are approved between the end of the reporting period and the date the financial statements are authorised for issue are disclosed as an event after the reporting period.

(z) Taxes

(i) Current tax

Current tax assets and liabilities for the current and prior financial years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss. Current taxes relating to items recognised in OCI or directly in equity are recognised in OCI or equity respectively.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

– when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
– in respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2025

2. ACCOUNTING POLICIES (CONT'D.)

2.5 Summary of material accounting policies (Cont'd.)

(z) Taxes (Cont'd.)

(ii) Deferred tax (Cont'd.)

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

– when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
– in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

(aa) Zakat

This represents business zakat payable by the Group to comply with Shariah principles as approved by AmBank Islamic's Shariah Committee. Zakat provision is calculated by reference to the zakat rate of 2.5775% of the net profit after tax of AmBank Islamic. The amount of zakat assessed is recognised as an expense in the period in which it is incurred.

In the financial year, the Group has fulfilled its obligation to pay business zakat to state zakat authorities and other identified beneficiaries (asnaf) comprising poor and needy students under the student adoption programme, flood victims and non-governmental organisations.

(ab) Earnings Per Share ("EPS")

The Group presents basic and diluted EPS data for its ordinary shares in Note 41. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period net of treasury shares. Diluted EPS is determined by adjusting the profit or loss attributable to the ordinary shareholder and the weighted average number of ordinary shares outstanding, including the effects of all dilutive potential ordinary shares.

2. ACCOUNTING POLICIES (CONT'D.)

2.5 Summary of material accounting policies (Cont'd.)

(ac) Segment reporting

Segment reporting in the financial statements is presented on the same basis as that used by management internally for evaluating operating segment performance and in deciding how to allocate resources to operating segments. Operating segments are distinguishable components of the Group about which separate financial information is available and is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Reportable segments are operating segments or aggregations of operating segments of similar economic characteristics that meet specific aggregation criteria.

The Group's segmental reporting is based on the following operating segments: retail banking, business banking, wholesale banking, investment banking, funds management, insurance and others, as disclosed in Note 52.

(ad) Fiduciary assets

The Group provides trust and other fiduciary services that result in the holding or investing of assets on behalf of their clients. Assets held in a fiduciary capacity are not recognised as assets of the Group.

(ae) Insurance/takaful and reinsurance/retakaful contracts

(i) Classification of contracts

The Group's associate and joint ventures issue insurance/takaful contracts in the normal course of business, under which significant insurance/takaful risk from their policyholders/certificateholders are accepted. Reinsurance contracts are issued in the normal course of business to compensate other entities for claims arising from one or more insurance contracts issued by those entities.

The Group determines whether a contract contains significant insurance/takaful risk, by comparing benefits payable after an insured event with benefits payable if the insured event did not occur.

(ii) Separating components from insurance/takaful and reinsurance/retakaful contracts

The Group assesses its insurance/takaful and reinsurance/retakaful products to determine whether they contain distinct components which must be accounted for under another MFRS rather than MFRS 17 *Insurance Contracts* ("MFRS 17"). After separating any distinct components, the Group applies MFRS 17 to all remaining components of the (host) insurance contract. Currently, the products of associate and joint ventures do not include any distinct components that require separation.

Some insurance contracts issued contain cashback or experience refund arrangements. Under these arrangements, there is a minimum guaranteed amount that the policyholder will always receive either in the form of profit commission, or as claims, or another contractual payment irrespective of the insured event happening. The minimum guaranteed amounts have been assessed to be highly interrelated with the insurance component of the insurance contracts and are, therefore, non-distinct investment components which are not accounted for separately. However, receipts and payments of these investment components are recognised outside of the income statement.

Some family takaful contracts issued include a surrender option under which the surrender value is paid to the certificateholder on maturity or earlier lapse of the contract. These surrender options have been assessed to meet the definition of a non-distinct investment component in MFRS 17.

It is common for the insurance/takaful contracts issued (basic policy/certificate) to be attached with a series of riders, also known as a supplementary contract. Given that it is possible for the coverage and nature of the basic policy/certificate and rider to differ, the Group assesses if the basic policy/certificate and rider should be separated and thereby valued separately.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

2. ACCOUNTING POLICIES (CONT'D.)

2.5 Summary of material accounting policies (Cont'd.)

(ae) Insurance/takaful and reinsurance/retakaful contracts (Cont'd.)

(ii) Separating components from insurance/takaful and reinsurance/retakaful contracts (Cont'd.)

In making this assessment, the Group considers the following factors:

- presence of cash flows dependencies between basic policy/certificate and riders;
- whether the basic policy/certificate and riders are distinct components (i.e. whether they lapse separately or whether they can be priced and sold separately); and
- substance of the combined basic policy/certificate and rider.

The Group measures all riders together with the basic policy/certificate due to the cash flow dependency between the insurance/takaful funds.

(iii) Level of aggregation

Insurance/takaful and reinsurance/retakaful contracts are aggregated into groups for applying its requirements. Groups of insurance/takaful contracts and reinsurance/retakaful contracts are determined by first identifying portfolios of insurance/takaful contracts and reinsurance/retakaful contracts, each comprising contracts subject to similar risks and managed together. The portfolios are further divided by annual cohort (year of issue) and profitability for recognition and measurement purposes. No group of insurance/takaful contracts and reinsurance/retakaful contracts for level of aggregation purposes may contain contracts issued more than one year apart. Hence, within each annual cohort, portfolios of contracts are divided into three groups, as follows:

- a group of contracts that are onerous at initial recognition;
- a group of contracts that at initial recognition have no significant possibility of becoming onerous subsequently; and
- a group of the remaining contracts in the portfolio.

The portfolios of reinsurance/retakaful contracts held are further divided into:

- a group of contracts on which there is a net gain on initial recognition;
- a group of contracts that have no significant possibility of a net gain arising subsequent to initial recognition; and
- a group of the remaining contracts in the portfolio.

(iv) Recognition

The Group recognises groups of insurance/takaful contracts it issues from the earliest of the following:

- the beginning of the coverage period of the group of contracts;
- the date when the first payment from a policyholder/certificateholder is due or when the first payment is received if there is no due date; and
- when facts and circumstances indicate that the group of contracts is onerous.

The Group recognises a group of reinsurance/retakaful contracts held it has entered into from the earlier of the following:

- the beginning of the coverage period of the group of reinsurance/retakaful contracts held. However, the Group delays the recognition of a group of reinsurance/retakaful contracts held that provide proportionate coverage until the date any underlying insurance/takaful contract is initially recognised, if that date is later than the beginning of the coverage period of the group of reinsurance/retakaful contracts held, and
- the date the Group recognises an onerous group of underlying insurance/takaful contracts if the Group entered into the related reinsurance/retakaful contract held in the group of reinsurance/retakaful contracts held at or before that date.

2. ACCOUNTING POLICIES (CONT'D.)

2.5 Summary of material accounting policies (Cont'd.)

(ae) Insurance/takaful and reinsurance/retakaful contracts (Cont'd.)

(v) Contract boundary

The Group includes in the measurement of a group of insurance/takaful contracts all the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of an insurance/takaful contract if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder/certificateholder to pay the premiums/contributions, or in which the Group has a substantive obligation to provide the policyholder/certificateholder with insurance/takaful contract services. A substantive obligation to provide insurance/takaful contract services ends when:

- the Group has the practical ability to reassess the risks of the particular policyholder/certificateholder and, as a result, can set a price or level of benefits that fully reflects those risks, or
- both of the following criteria are satisfied:
  - the Group has the practical ability to reassess the risks of the portfolio of insurance/takaful contracts that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio; and
  - the pricing of the premiums/contributions up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.

For insurance/takaful contracts with renewal periods, the Group assesses whether premiums/contributions and related cash flows that arise from the renewed contract are within the contract boundary. The pricing of the renewals is established by the Group by considering all the risks covered for the policyholder/certificateholder by the Group, that the Group would consider when underwriting equivalent contracts on the renewal dates for the remaining service. Therefore, the cash flows related to renewals of insurance/takaful contracts will not be included in the contract boundary.

For groups of reinsurance/retakaful contracts held, cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Group is compelled to pay amounts to the reinsurer/retakaful operator or has a substantive right to receive services from the reinsurer/retakaful operator. A substantive right to receive services from the reinsurer/retakaful operator ends when the reinsurer/retakaful operator:

- has the practical ability to reassess the risks transferred to it and can set a price or level of benefits that fully reflects those reassessed risks; or
- has a substantive right to terminate the coverage.

Cash flows that are not directly attributable to a portfolio of insurance/takaful contracts are recognised in other operating expenses as incurred.

The contract boundary is reassessed at each reporting date to include the effect of changes in circumstances on the Group's substantive rights and obligations and, therefore, may change over time.

(vi) Contracts not measured under premium allocation approach ("PAA")

Initial measurement

On initial recognition, the Group measures a group of insurance/takaful contracts as the total of (a) the fulfilment cash flows, adjusted to reflect the time value of money and the associated financial risks, and a risk adjustment for non-financial risk; and (b) the contractual service margin ("CSM").

The risk adjustment for non-financial risk is applied to the present value of the estimated future cash flows, and it reflects the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Group fulfils insurance/takaful contracts.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

2. ACCOUNTING POLICIES (CONT'D.)

2.5 Summary of material accounting policies (Cont'd.)

(ae) Insurance/takaful and reinsurance/retakaful contracts (Cont'd.)

(vi) Contracts not measured under premium allocation approach ("PAA") (Cont'd.)

Initial measurement (Cont'd.)

For reinsurance/retakaful contracts held, the risk adjustment for non-financial risk represents the amount of risk being transferred by the Group to the reinsurer/retakaful operator.

If the total is a net outflow, then the group is onerous. A loss from onerous insurance/takaful contracts is recognised in profit or loss immediately, with no CSM recognised on the statements of financial position on initial recognition, and a loss component is established.

Fulfilment cash flows ("FCF")

The FCF are the current estimates of the future cash flows within the contract boundary of a group of contracts that the Group expects to collect from premiums/contributions and pay out for claims, benefits and expenses, adjusted to reflect the timing and the uncertainty of those amounts.

The estimates of future cash flows:

- are based on a probability-weighted mean of the full range of possible outcomes;
- are determined from the perspective of the Group, provided that the estimates are consistent with observable market prices for market variables; and
- reflect conditions existing at the measurement date.

Contractual service margin ("CSM")

The CSM is a component of the carrying amount of the asset or liability for a group of insurance/takaful contracts issued representing the unearned profit that the Group will recognise as it provides insurance/takaful contract services in the future.

At initial recognition, the CSM is an amount that results in no income or expenses (unless a group of contracts is onerous or any pre-recognition cash flows are derecognised as below) arising from:

- the initial recognition of the FCF;
- cash flows arising from the contracts in the group at that date;
- the derecognition of any insurance/takaful acquisition cash flows asset; and
- the derecognition of any other pre-recognition cash flows. Insurance/takaful revenue and insurance/takaful service expenses are recognised immediately for any such assets derecognised.

For groups of reinsurance/retakaful contracts held, any net gain or loss at initial recognition is recognised as the CSM unless the net cost of purchasing reinsurance/retakaful relates to past events, in which case the Group recognises the net cost immediately in profit or loss. For reinsurance/retakaful contracts held, the CSM represents a deferred gain or loss that the Group will recognise as a reinsurance/retakaful gain or expense as it receives insurance/takaful contract services from the reinsurer/retakaful operator in the future and is calculated as the sum of:

- the initial recognition of the FCF;
- cash flows arising from the contracts in the group at that date;
- the amount derecognised at the date of initial recognition of any asset or liability previously recognised for cash flows related to the group of reinsurance/retakaful contracts held (other pre-recognition cash flows); and
- any income recognised in profit or loss when the entity recognises a loss on initial recognition of an onerous group of underlying insurance/takaful contracts or on addition of onerous underlying insurance/takaful contracts to that group.

2. ACCOUNTING POLICIES (CONT'D.)

2.5 Summary of material accounting policies (Cont'd.)

(ae) Insurance/takaful and reinsurance/retakaful contracts (Cont'd.)

(vi) Contracts not measured under premium allocation approach ("PAA") (Cont'd.)

Subsequent measurement

Subsequently, the carrying amount of a group of insurance/takaful contracts at each reporting date is the sum of the liability for remaining coverage and the liability for incurred claims. The liability for remaining coverage ("LRC") comprises (a) the FCF that relate to services that will be provided under the contracts in future periods and (b) any remaining CSM at that date. The liability for incurred claims ("LIC") includes the FCF for risk adjustments, incurred claims and expenses that have not yet been paid, including claims that have been incurred but not yet reported.

– The FCF of groups of contracts are measured at the reporting date using current estimates of future cash flows, current discount rates and current estimates of the risk adjustment for non-financial risk. Changes in FCF are recognised as follows:

Changes relating to future service	Adjusted against CSM (or recognised in the insurance/takaful service result in profit or loss if the group is onerous)
Changes relating to current or past services	Recognised in the insurance/takaful service result in profit or loss
Effects of the time value of money, financial risk and changes therein on estimated cash flows	Recognised as insurance/takaful finance income or expense in profit or loss, except for certain portfolios measured using the GMM where the other comprehensive income option is applied

– The CSM is adjusted subsequently only for changes in FCF that relate to future services and other specified amounts and is recognised in profit or loss as services are provided. The CSM at each reporting date represents the profit in the group of contracts that has not yet been recognised in profit or loss because it relates to future services.

Onerous contracts – loss component

When adjustments to the CSM exceed the amount of the CSM, the group of contracts becomes onerous and the Group recognises the excess in insurance/takaful service expenses, and it records the excess as a loss component of the LRC.

When a loss component exists, the Group allocates the following between the loss component and the remaining component of the LRC for the respective group of contracts, based on the ratio of the loss component to the FCF relating to the expected future cash outflows:

– expected incurred claims and other directly attributable expenses for the period;
– changes in the risk adjustment for non-financial risk for the risk expired; and
– finance income (expenses) from insurance/takaful contracts issued.

The amounts of the loss component allocation above reduce the respective components of insurance/takaful revenue and are reflected in insurance/takaful service expenses.

Decreases in the FCF in subsequent periods reduce the remaining loss component and reinstate the CSM after the loss component is reduced to zero. Increases in the FCF in subsequent periods increase the loss component.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

2. ACCOUNTING POLICIES (CONT'D.)

2.5 Summary of material accounting policies (Cont'd.)

(ae) Insurance/takaful and reinsurance/retakaful contracts (Cont'd.)

(vi) Contracts not measured under premium allocation approach ("PAA") (Cont'd.)

Reinsurance/retakaful contracts held

The carrying amount of a group of reinsurance/retakaful contracts held at each reporting date is the sum of the asset for remaining coverage and the asset for incurred claims. The asset for remaining coverage comprises (a) the FCF that relate to services that will be received under the contracts in future periods and (b) any remaining CSM at that date.

The Group will measure the estimates of the present value of future cash flows using assumptions that are consistent with those used to measure the estimates of the present value of future cash flows for the underlying insurance/takaful contracts, with an adjustment for any risk of non-performance by the reinsurer/retakaful operator. The effect of the non-performance risk of the reinsurer/retakaful operator is assessed at each reporting date and the effect of changes in the non-performance risk is recognised in profit or loss.

The risk adjustment for non-financial risk represents the amount of risk being transferred by the Group to the reinsurer/retakaful operator.

For groups of reinsurance contracts held, the Group recognises both day 1 gains and day 1 losses at initial recognition in the statement of financial position as a CSM and releases this to profit or loss as the reinsurer renders services, except for any portion of a day 1 loss that relates to events before initial recognition.

(vii) Contracts measured under PAA

Insurance/takaful contracts – initial measurement

The Group applies the PAA to certain insurance/takaful contracts that it issues and certain reinsurance/retakaful contracts that it holds, as:

- the coverage period of each contract in the group is one year or less, including insurance/takaful contract services arising from all premiums/contributions within the contract boundary, or
- for contracts longer than one year, the Group has modelled possible future scenarios and reasonably expects that the measurement of the liability for remaining coverage for the group containing those contracts under the PAA does not differ materially from the measurement that would be produced applying the general model. In assessing materiality, the Group has also considered qualitative factors such as the nature of the risk and types of its lines of business.

The Group does not apply the PAA if, at the inception of the group of contracts, it expects significant variability in the FCF that would affect the measurement of the liability for the remaining coverage or asset for the remaining coverage during the period before a claim is incurred. Variability in the FCF increases with, for example the length of the coverage period of the group of contracts.

For a group of contracts that is not onerous at initial recognition, the Group measures the liability for remaining coverage as:

- the premiums/contributions, if any, received at initial recognition;
- minus any insurance/takaful acquisition cash flows at that date;
- plus or minus any amount arising from the derecognition at that date of the asset recognised for insurance/takaful acquisition cash flows; and
- any other asset or liability previously recognised for cash flows related to the group of contracts that the Group pays or receives before the group of insurance/takaful contracts is recognised.

Where facts and circumstances indicate that contracts are onerous at initial recognition, the Group performs additional analysis to determine if a net outflow is expected from the contract. Such onerous contracts are separately grouped from other contracts and the Group recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the FCF. A loss component is established by the Group for the liability for remaining coverage for such onerous group depicting the losses recognised.

2. ACCOUNTING POLICIES (CONT'D.)

2.5 Summary of material accounting policies (Cont'd.)

(ae) Insurance/takaful and reinsurance/retakaful contracts (Cont'd.)

(vii) Contracts measured under PAA (Cont'd.)

Insurance/takaful contracts – subsequent measurement

The Group measures the carrying amount of the liability for remaining coverage at the end of each reporting period as the liability for remaining coverage at the beginning of the period:

- plus premiums/contributions received in the period;
- minus insurance/takaful acquisition cash flows;
- plus any amounts relating to the amortisation of the insurance/takaful acquisition cash flows recognised as an expense in the reporting period for the group;
- minus the amount recognised as insurance/takaful revenue for the services provided in the period; and
- minus any investment component paid or transferred to the liability for incurred claims.

The Group estimates the liability for incurred claims as the FCF related to incurred claims. The FCF incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows, they reflect current estimates from the perspective of the Group, and include an explicit adjustment for non-financial risk (the risk adjustment).

Where, during the coverage period, facts and circumstances indicate that a group of insurance/takaful contracts is onerous, the Group recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the FCF. A loss component is established by the Group for the liability for remaining coverage for such onerous group depicting the losses recognised.

Reinsurance/retakaful contracts held – initial measurement

The Group measures its reinsurance/retakaful assets for a group of reinsurance/retakaful contracts that it holds on the same basis as insurance/takaful contracts that it issues. However, they are adapted to reflect the features of reinsurance/retakaful contracts held that differ from insurance/takaful contracts issued, for example the generation of expenses or reduction in expenses rather than revenue.

On initial recognition of a group of reinsurance/retakaful contracts held, the Group measures the asset for the remaining coverage ("AFRC") at the amount of ceding premiums/contributions paid on initial recognition minus commission income received.

Where the Group recognises a loss on initial recognition of an onerous group of underlying insurance/takaful contracts or when further onerous underlying insurance/takaful contracts are added to a group, the Group establishes a loss-recovery component of the AFRC for a group of reinsurance/retakaful contracts held depicting the recovery of losses.

The Group calculates the loss-recovery component by multiplying the loss recognised on the underlying insurance/takaful contracts and the ratio of expected reinsurance/retakaful receivable to expected outgo arising from the underlying insurance/takaful contracts. The Group uses a systematic and rational method to determine the portion of losses recognised on the group to insurance/takaful contracts covered by the group of reinsurance/retakaful contracts held where some contracts in the underlying group are not covered by the group of reinsurance/retakaful contracts held.

The loss-recovery component adjusts the carrying amount of the AFRC.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

2. ACCOUNTING POLICIES (CONT'D.)

2.5 Summary of material accounting policies (Cont'd.)

(ae) Insurance/takaful and reinsurance/retakaful contracts (Cont'd.)

(vii) Contracts measured under PAA (Cont'd.)

Reinsurance/retakaful contracts held – subsequent measurement

The subsequent measurement of reinsurance/retakaful contracts held follows the same principles as those for insurance/takaful contracts issued and has been adapted to reflect the specific features of reinsurance/retakaful contracts held.

Where the Group has established a loss-recovery component, the Group subsequently reduces the loss recovery component to zero in line with reductions in the onerous group of underlying insurance/takaful contracts in order to reflect that the loss-recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance/takaful contracts that the entity expects to recover from the group of reinsurance/retakaful contracts held.

The Group measures the carrying value of the asset for incurred claims ("AFIC") at the end of each reporting period. The Group recognises the AFIC for a group of reinsurance/retakaful contracts held at the amount of the FCF relating to the claims recoverable. The FCF are measured at the reporting date using current estimates of future cash flows, current discount rates and current estimates of the risk adjustment for non-financial risk.

Risk adjustment for non-financial risk

An explicit risk adjustment for non-financial risk is estimated separately from the discounted FCF. For contracts measured under the PAA, unless contracts are onerous, the explicit risk adjustment for non-financial risk is only estimated for the measurement of the LIC. The risk adjustment for non-financial risk is applied to the present value of the estimated future cash flows. It reflects the compensation the Group requires for bearing uncertainty about the amount and timing of the cash flows from non-financial risk as the Group fulfills its obligations under the insurance/takaful contracts. For reinsurance/retakaful contracts held, the risk adjustment for non-financial risk represents the amount of risk being transferred by the Group to the reinsurer/retakaful operator.

(viii) Insurance/takaful acquisition cash flows

Insurance/takaful acquisition cash flows arise from the costs of offering, underwriting and starting a group of insurance/takaful contracts that are directly attributable to the portfolio of insurance/takaful contracts to which the group belongs.

Insurance/takaful acquisition cash flows are allocated to groups of insurance/takaful contracts on a systematic and rational basis. Insurance/takaful acquisition cash flows that are directly attributable to a group of insurance/takaful contracts are allocated to that group; and to groups that will include insurance/takaful contracts that are expected to arise from renewals of the insurance/takaful contracts in that group.

Insurance/takaful acquisition cash flows not directly attributable to a group of contracts but directly attributable to a portfolio of contracts are allocated to groups of contracts in the portfolio or expected to be in the portfolio.

The insurance/takaful acquisition cash flows that arise before the recognition of the related insurance/takaful contracts are recognised as separate assets and tested for recoverability, whereas other insurance/takaful acquisition cash flows are included in the estimates of the present value of future cash flows as part of the measurement of the related insurance/takaful contracts.

The Group assesses at each reporting date whether facts and circumstances indicate that an asset for insurance/takaful acquisition cash flows may be impaired, then the Group:

- recognises an impairment in profit or loss so that the carrying amount of the asset does not exceed the expected net cash inflow for the related group; and
- if the asset relates to future renewals, recognises an impairment loss in profit or loss to the extent that it expects those insurance/takaful acquisition cash flows to exceed the net cash inflow for the expected renewals and this excess has not already been recognised as an impairment loss.

2. ACCOUNTING POLICIES (CONT'D.)

2.5 Summary of material accounting policies (Cont'd.)

(ae) Insurance/takaful and reinsurance/retakaful contracts (Cont'd.)

(viii) Insurance/takaful acquisition cash flows (Cont'd.)

The Group reverses any impairment losses in profit or loss and increases the carrying amount of the asset to the extent that the impairment conditions no longer exist or have improved.

(ix) Derecognition and modification

The Group derecognises insurance/takaful contracts when:

– the rights and obligations relating to the contract are extinguished (i.e. discharged, cancelled or expired); or
– the contract is modified such that the modification results in a change in the measurement model or the applicable standard for measuring a component of the contract, substantially changes the contract boundary, or requires the modified contract to be included in a different group. In such cases, the Group derecognises the initial contract and recognises the modified contract as a new contract.

When a new contract is required to be recognised as a result of modification and it is within the scope of MFRS 17, the new contract is recognised from the date of modification and is assessed for, amongst other things, contract classification, including the variable fee approach eligibility component separation requirements and contract aggregation requirements.

When an insurance/takaful contract not accounted for under the PAA is derecognised from a group of insurance/takaful contracts, the Group:

(a) adjusts the FCF to eliminate the present value of future cash flows and risk adjustment for non-financial risk relating to the rights and obligations removed from the group;

(b) adjusts the CSM (unless the decrease in the FCF is allocated to the loss component of the LRC of the group) in the following manner, depending on the reason for the derecognition:

- if the contract is extinguished, in the same amount as the adjustment to the FCF relating to future service;
- if the contract is transferred to a third party, in the amount of the FCF adjustment in (a) less the premium/contribution charged by the third party; or
- if the original contract is modified resulting in its derecognition, in the amount of the FCF adjustment in (a) adjusted for the premium/contribution that the Group would have charged if it had entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium/contribution charged for the modification; when recognising the new contract in this case, the Group assumes such a hypothetical premium/contribution as actually received; and

(c) adjusts the number of coverage units for the expected remaining insurance/takaful contract services, to reflect the number of coverage units removed.

When a modification is not treated as a derecognition, the Group recognises amounts paid or received for the modification with the contract as an adjustment to the relevant liability for remaining coverage.

The accounting policies of insurance/takaful and reinsurance/retakaful contracts impact the value of investment in associates and joint ventures.

(af) Government grant

A government grant is recognised only when there is a reasonable assurance that the grant will be received and all attached conditions will be met. It is measured at its fair value and is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. The benefit of a government loan at a below-market rate of interest, measured as the difference between the fair value of the loan and proceeds received, is similarly treated as a government grant.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

3. CHANGES IN ACCOUNTING POLICIES

3.1 Adoption of amendments to standards

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 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) 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.

(b) 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.

(c) 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.

3.2 New standards and amendments to published standards issued but not yet effective

The following are new standards and amendments to published standards issued but not yet effective up to the date of issuance of the Group's and of the Company's financial statements. The Group and the Company intend to adopt the relevant new standards and amendments to published standards when they become effective.

Description	Effective for annual periods beginning on or after
– Lack of Exchangeability (Amendments to MFRS 121 *The Effects of Changes in Foreign Exchange Rates*)	1 January 2025
– Amendments to the Classification and Measurement of Financial Instruments (Amendments to MFRS 9 *Financial Instruments* and MFRS 7 *Financial Instruments: Disclosures*)	1 January 2026
– Annual Improvements to MFRS Accounting Standards – Volume 11	1 January 2026
– Contracts Referencing Nature-dependent Electricity (Amendments to MFRS 9 *Financial Instruments* and MFRS 7 *Financial Instruments: Disclosures*)	1 January 2026
– MFRS 18 *Presentation and Disclosure in Financial Statements*	1 January 2027
– MFRS 19 *Subsidiaries without Public Accountability: Disclosures*	1 January 2027
– 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*)	To be determined by MASB

3. CHANGES IN ACCOUNTING POLICIES (CONT'D.)

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

The nature of the new standards and amendments to published standards issued but not yet effective are described below. The Group and the Company 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.

(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 SPPI/SPPP 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.

Annual Improvements to MFRS Accounting Standards – Volume 11

The Annual Improvements to MFRS Accounting Standards - Volume 11 include minor amendments affecting the following 5 MFRSs:

(i) Hedge accounting by a first-time adopter (Amendments to MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards*)

(ii) Gain or loss on derecognition (Amendments to MFRS 7 *Financial Instruments: Disclosures*)

(iii) Lessee derecognition of lease liabilities and transaction price (Amendments to MFRS 9 *Financial Instruments*)

(iv) Determination of a "de facto agent" (Amendments to MFRS 10 *Consolidated Financial Statements*)

(v) Cost method (Amendments to MFRS 107 *Statement of Cash Flows*)

Wording in certain paragraphs of these standards has been amended to improve consistency with other relevant standards and cross-references to other standards, where applicable, have been added to enhance the understandability of these standards.

Contracts Referencing Nature-dependent Electricity (Amendments to MFRS 9 *Financial Instruments* and MFRS 7 *Financial Instruments: Disclosures*)

The amendments allow an entity to apply the own-use exemption to its nature-dependent electricity contracts if the entity has been, and expects to be a, net purchaser of electricity for the contract period.

Nature-dependent electricity contracts that do not meet the own-use exemption are accounted for as derivatives and measured at fair value through profit or loss. Applying hedge accounting could reduce profit or loss volatility by reflecting how these contracts hedge the price of future electricity purchases or sales.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

3. CHANGES IN ACCOUNTING POLICIES (CONT'D.)

3.2 New standards 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 (Cont'd.)

Contracts Referencing Nature-dependent Electricity (Amendments to MFRS 9 *Financial Instruments* and MFRS 7 *Financial Instruments: Disclosures*) (Cont'd.)

Additional disclosures include, but are not limited to, the following:

– contractual features exposing the entity to variability in underlying amount of electricity and risk of oversupply;
– estimated future cash flows from unrecognised contractual commitments to buy electricity in appropriate time bands;
– qualitative information about how the entity assesses whether a contract might become onerous; and
– qualitative and quantitative information about the costs and proceeds associated with purchases and sales of electricity.

(c) New standards 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.

Consequential amendments to other accounting standards include, among others:

(i) MFRS 107 *Statement of Cash Flows*

The amendments require operating profit or loss subtotal to be used as the starting point when presenting operating cash flows under the indirect method and interest and dividend cash flows to be classified based on the main business activities.

(ii) MFRS 133 *Earnings per Share*

The amendments permit entities to disclose additional amounts per share using only the following numerators:

– required income and expenses totals and subtotals;
– common income and expenses subtotals listed in MFRS 18; or
– MPM disclosed by the entity.

(iii) MFRS 134 *Interim Financial Reporting*

Entity is required to provide additional disclosures for MPM in the condensed interim financial statements.

(iv) MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors*

Certain requirements such as going concern assessment have been moved from MFRS 101 to MFRS 108, which will be renamed MFRS 108 Basis of Preparation of Financial Statements when MFRS 18 becomes effective.

3. CHANGES IN ACCOUNTING POLICIES (CONT'D.)

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

(c) New standards effective for financial year ending 31 March 2028 (Cont'd.)

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.

(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 clarify 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.

4. SIGNIFICANT CHANGES IN REGULATORY REQUIREMENTS

There are no significant changes in regulatory requirements during the current financial year.

5. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements in accordance with MFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of revenues, 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, management has made the following judgements, estimates and assumptions which have significant effect on the amounts recognised in the financial statements.

5.1 Measurement of ECL allowances (Notes 6, 8, 11, 12, 13, 18, 28, 38 and 39)

The measurement of the ECL allowances for financial assets measured at amortised cost, FVOCI, loan/financing commitments and financial guarantee contracts requires the use of complex models and material assumptions about future economic conditions and credit behaviour. Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in Note 50.2.

Components of ECL models that involve material judgement include:

– determining criteria for SICR in the qualitative assessment and the impact of the instrument being measured at lifetime ECL basis due to SICR;
– choosing appropriate models and assumptions including the various formulae and choice of inputs for the measurement of ECL;
– establishing the forward-looking macroeconomic scenarios and the associated probability weightings, which are used in forward-looking ECL measurement;
– establishing groups of similar financial assets for the purposes of measuring ECL; and
– application of the Group's internal credit grading model which assigns Probability of Default ("PD") to the individual grades.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

5. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONT'D.)

5.2 Lease term of agreements with renewal options (Note 20)

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised.

The Group has the option, under some of its leases to lease the assets for additional terms of three to twelve years. The extension options held are exercisable only by the Group and not by the respective lessor. In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option. Factors considered include historical lease durations and the costs and business disruption required to replace the leased asset. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew. The Group included the renewal period as part of the lease term for most of its leases of premises due to the significance of these assets to its operations.

5.3 Impairment of goodwill (Note 21)

The Group tests annually whether the goodwill that has an indefinite life is impaired by measuring the recoverable amount of the CGU based on the value-in-use method, which requires the use of estimates of future cash flow projections, terminal growth rates and discount rates. Changes to the assumptions used by management, particularly the discount rate and the terminal value, may affect the results of the impairment assessment.

5.4 Deferred tax assets (Note 15) and income taxes (Note 40)

The Group's income tax expense, deferred tax assets and liabilities reflect management's best estimate of current and future taxes to be paid.

Deferred tax assets are recognised in respect of unabsorbed capital allowances and other temporary differences to the extent that it is probable that future taxable profit will be available against which the unabsorbed capital allowances and other temporary differences can be utilised. Management judgement is required to determine the amount of the deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Material judgement is required in estimating the provision for income taxes. Such estimate involves dealing with uncertainties in the application on the tax treatment of certain income or expenses that requires interpretation of the provisions in the income tax act of the relevant tax authorities. Liabilities for taxation are recognised based on estimates as to whether the payment of additional tax is probable. Management may seek experts' advice for such complex areas. As there is material judgement and estimation uncertainty involved in determining provision for income taxes, the actual tax liability payable to the relevant tax authorities for the relevant year of assessment may be materially different from the amounts that were initially recorded; and such differences, if any, will be reflected as adjustments of over or under provisions of income tax and deferred tax provision in the period in which the estimate is revised or when the final tax liability is established.

5.5 Fair value measurement of financial instruments (Notes 9, 10, 11, 25 and 51)

When the fair values of financial assets and financial liabilities recorded on the statements of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of financial models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, judgement is required to establish fair values. Judgements include considerations of liquidity and model inputs such as volatility for longer-dated derivatives and discount rates, prepayment rates and default rate assumptions for asset-backed securities.

5.6 Development costs (Note 21)

Costs incurred in the development and implementation of software systems for the Group are capitalised as development costs if specific criteria are met. In determining whether the costs are capitalisable, management applies judgement to ascertain the technical feasibility of completing the intangible asset, which is usually evidenced by the achievement of defined milestone according to an established project management model.

5. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONT'D.)

5.7 Impairment of investments in subsidiaries, associates and joint ventures (Note 16 and 17)

Investments in subsidiaries, associates and joint ventures ("investments") are for a long-term basis and the Group and the Company determine whether the carrying amounts of its investments are impaired as and when there is indication of impairment at reporting date. This requires an estimation of the VIU of the investments which is attributable to those investments. Estimating a VIU amount requires management to make an estimate of the expected future cash flows from the investments and also to use a suitable discount rate in order to calculate the VIU.

6. CASH AND SHORT-TERM FUNDS

	Group		Company	
	31 March 2025 RM'000	31 March 2024 RM'000	31 March 2025 RM'000	31 March 2024 RM'000
Cash and bank balances	3,198,721	3,679,039	14,557	80,118
Deposits and placements maturing within one month:				
Licensed banks	790,363	710,102	–	–
Bank Negara Malaysia	2,756,000	2,090,000	–	–
Other financial institutions	16,352	14,941	–	–
	3,562,715	2,815,043	–	–
	6,761,436	6,494,082	14,557	80,118
Less: Allowances for ECL	(2,310)	(983)	–	–
	6,759,126	6,493,099	14,557	80,118

Movements in allowances for ECL are as follows:

Group 31 March 2025	Note	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Total RM'000
Balance at beginning of the financial year		946	37	983
Net allowances for ECL	39	748	610	1,358
Transfer from deposits and placements with banks and other financial institutions	8	696	–	696
New financial assets originated		9,457	58	9,515
Financial assets derecognised		(9,485)	–	(9,485)
Net remeasurement of allowances		80	552	632
Foreign exchange differences		(12)	(19)	(31)
Balance at end of the financial year		1,682	628	2,310

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

6. CASH AND SHORT-TERM FUNDS (CONT'D.)

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

Group 31 March 2024	Note	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Total RM'000
Balance at beginning of the financial year		1,456	301	1,757
Net writeback of ECL	39	(531)	(265)	(796)
Transfer to 12-month ECL (Stage 1)		1	(273)	(272)
Transfer from deposits and placements with banks and other financial institutions	8	3,900	–	3,900
New financial assets originated		15,265	686	15,951
Financial assets derecognised		(19,571)	(686)	(20,257)
Net remeasurement of allowances		(126)	8	(118)
Foreign exchange differences		21	1	22
Balance at end of the financial year		946	37	983

The increase in allowances for ECL for the current financial year is mainly due to increase in the Group's foreign currencies placements at the end of the financial year which correspondingly resulted in increase of allowance for ECL.

7. SECURITIES SOLD UNDER REPURCHASE AGREEMENTS

The amount represents the liabilities in correspondence to the cash received from the sale of securities under repurchase agreements, whereby the securities are not derecognised as the Group retains substantially all of the risks and rewards of ownership of the securities.

8. DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group	
	31 March 2025 RM'000	31 March 2024 RM'000
Deposits and placements maturing more than one month:		
Licensed banks	–	–
Less: Allowances for ECL	–	–
	–	–

8. DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS (CONT'D.)

Movements in allowances for ECL are as follows:

Group 31 March 2025	Note	Stage 1 12-month ECL RM'000
Balance at beginning of the financial year		–
Net allowances for ECL	39	–
Transfer to cash and short-term funds	6	(696)
New financial assets originated		678
Net remeasurement of allowances		18
Balance at end of the financial year		–

Group 31 March 2024	Note	Stage 1 12-month ECL RM'000
Balance at beginning of the financial year		66
Net writeback of ECL	39	(66)
Transfer to cash and short-term funds	6	(3,900)
New financial assets originated		3,002
Net remeasurement of allowances		832
Balance at end of the financial year		–

The allowances for impairment on deposits and placement with banks and other financial institutions decreased mainly due to the transfer to cash and short-term funds; partially offset by new deposits and placements with licensed banks and net remeasurement of allowances.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

9. DERIVATIVE FINANCIAL ASSETS/LIABILITIES

Group	31 March 2025			31 March 2024		
	Contract/ Notional Amount RM'000	Fair Value Assets RM'000	Fair Value Liabilities RM'000	Contract/ Notional Amount RM'000	Fair Value Assets RM'000	Fair Value Liabilities RM'000
Trading derivatives						
Interest/profit rate related contracts:	44,243,660	299,168	187,879	35,043,146	374,194	182,518
– One year or less	4,098,987	11,941	3,406	8,081,793	29,499	12,433
– Over one year to three years	11,124,648	55,996	46,441	5,934,903	71,306	45,658
– Over three years	29,020,025	231,231	138,032	21,026,450	273,389	124,427
Foreign exchange related contracts:	46,789,010	333,791	364,929	51,838,931	605,735	765,459
– One year or less	42,369,636	244,849	155,143	46,777,079	446,768	449,165
– Over one year to three years	1,896,405	81,689	122,823	1,789,238	45,935	70,760
– Over three years	2,522,969	7,253	86,963	3,272,614	113,032	245,534
Equity and commodity related contracts:	2,240,373	19,250	55,428	2,704,223	32,379	72,628
– One year or less	2,063,663	16,616	52,794	2,685,383	32,091	72,340
– Over one year to three years	176,710	2,634	2,634	18,840	288	288
	93,273,043	652,209	608,236	89,586,300	1,012,308	1,020,605
Hedging derivatives						
Interest/profit rate related contracts:						
Interest/profit rate swaps:						
Fair value hedge	–	–	–	350,000	–	1,088
– One year or less	–	–	–	350,000	–	1,088
Total	93,273,043	652,209	608,236	89,936,300	1,012,308	1,021,693

Derivative financial instruments and hedge accounting

(i) Fair value hedge

The Group's fair value hedges principally consist of profit rate swaps that are used to protect against changes in the fair value of fixed-rate long-term financial instruments due to movements in market profit rates. A wholly-owned subsidiary, AmBank Islamic had undertaken a fair value hedge to hedge the profit rate risk of its unquoted securities as disclosed in Note 11.

Profit rate risk

The Group holds a portfolio of long-term fixed rate financial investments, therefore is exposed to changes in fair value due to movements in market profit rates. The Group manages a portion of this risk exposure that is not naturally offset against floating rate positions held by the Group in financial investments by entering into pay fixed/receive floating profit rate swaps.

Only the profit rate risk element is hedged and therefore other risks, such as credit risk, are managed but not hedged by the Group. The profit rate risk component is determined as the change in fair value of the long-term fixed rate financial investments (e.g. sukuk) arising solely from changes in 6-month KLIBOR (the benchmark rate of profit). Such changes are usually the largest component of the overall change in fair value. This strategy is designated as a fair value hedge and its effectiveness is assessed with reference to the effectiveness requirements as set out in MFRS 9, which include demonstrating economic relationship, assessing the effect of credit risk and calculating hedge ratio.

9. DERIVATIVE FINANCIAL ASSETS/LIABILITIES (CONT'D.)

Derivative financial instruments and hedge accounting (Cont'd.)

(i) Fair value hedge (Cont'd.)

Profit rate risk (Cont'd.)

The Group establishes the hedging ratio by matching the notional of the derivatives with the principal of the long-term fixed rate financial investments being hedged. The main source of ineffectiveness arises from differences in timing of cash flows between debt instruments and profit rate swaps.

The fair value hedge has matured as at 31 March 2025.

(ii) Cash flow hedge

Interest rate risk

The Group hedged its variable rate short-term treasury deposits and fixed deposits portfolio using interest rate swaps with a total notional amount of RM1.4 billion. Hence, the total unamortised fair value balances in the cash flow hedging reserve are to be amortised to the profit or loss over the remaining life of the hedge instruments. Total fair value loss amortised during the current financial year was RM1,353,000 (2024: fair value loss of RM4,250,000). As at the current financial year, the Group had discontinued its cash flow hedge.

(iii) The following table sets out the maturity profile and average price/rate of the hedging instruments used in the Group's non-dynamic hedging strategies:

Group 31 March 2025	Maturity Up to 1 month RM'000	 > 1 month to 3 months RM'000	 > 3 months to 1 year RM'000	 > 1 year to 5 years RM'000	 More than 5 years RM'000
Fair value hedge					
– Profit rate risk					
Profit rate swaps					
Notional	–	–	–	–	–
Average floating profit rate	–	–	–	–	–

Group 31 March 2024	Maturity Up to 1 month RM'000	 > 1 month to 3 months RM'000	 > 3 months to 1 year RM'000	 > 1 year to 5 years RM'000	 More than 5 years RM'000
Fair value hedge					
– Profit rate risk					
Profit rate swaps					
Notional	–	–	350,000	–	–
Average floating profit rate	–	–	3.30%	–	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

9. DERIVATIVE FINANCIAL ASSETS/LIABILITIES (CONT'D.)

Derivative financial instruments and hedge accounting (Cont'd.)

(iv) The following table contains details of the hedging instruments used in the Group's hedging strategies:

Group 31 March 2025	Notional RM'000	Carrying amount of Derivative Financial Assets RM'000	Carrying amount of Derivative Financial Liabilities RM'000	Changes in fair value used for calculating hedge ineffectiveness during the year RM'000
Fair value hedge				
Profit rate risk				
– Profit rate swaps	–	–	–	1,088

Group 31 March 2024	Notional RM'000	Carrying amount of Derivative Financial Assets RM'000	Carrying amount of Derivative Financial Liabilities RM'000	Changes in fair value used for calculating hedge ineffectiveness during the year RM'000
Fair value hedge				
Profit rate risk				
– Profit rate swaps	350,000	–	(1,088)	2,177

(v) The following table shows a reconciliation of each component of equity and an analysis of other comprehensive income in relation to the Group's cash flow hedge reserve:

Group	31 March 2025 RM'000	31 March 2024 RM'000
Balance at beginning of the financial year	(1,029)	(4,258)
Interest rate risk:		
– amortisation of fair value changes for terminated hedge	1,353	4,250
– tax effect	(324)	(1,021)
Balance at end of the financial year	–	(1,029)

9. DERIVATIVE FINANCIAL ASSETS/LIABILITIES (CONT'D.)

Derivative financial instruments and hedge accounting (Cont'd.)

(vi) The following table contains details of the hedged item covered by the Group's hedging strategies:

Group 31 March 2025	Carrying amount of		Accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item		Statement of financial position line item	Changes in fair value used for calculating hedge ineffectiveness during the year RM'000	Cash flow hedge reserve	
	Assets RM'000	Liabilities RM'000	Assets RM'000	Liabilities RM'000			Continuing hedge RM'000	Discontinued hedge RM'000
Fair value hedge								
Profit rate risk – Unquoted Sukuk	–	–	–	–	Financial investments at FVOCI	(1,075)	–	–

Group 31 March 2024	Carrying amount of		Accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item		Statement of financial position line item	Changes in fair value used for calculating hedge ineffectiveness during the year RM'000	Cash flow hedge reserve	
	Assets RM'000	Liabilities RM'000	Assets RM'000	Liabilities RM'000			Continuing hedge RM'000	Discontinued hedge RM'000
Fair value hedge								
Profit rate risk – Unquoted Sukuk	351,187	–	1,075	–	Financial investments at FVOCI	(2,310)	–	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

9. DERIVATIVE FINANCIAL ASSETS/LIABILITIES (CONT'D.)

Derivative financial instruments and hedge accounting (Cont'd.)

(vii) The following table contains information regarding the effectiveness of the hedging relationships designated by the Group, as well as the impact on profit or loss and other comprehensive income:

Group 31 March 2025	Loss recognised in other comprehensive income RM'000	Hedge ineffectiveness recognised in profit or loss RM'000	Statement of profit or loss/other comprehensive income line item that includes hedge ineffectiveness	Amount reclassified from reserves to profit or loss as		
				Hedged cash flows will no longer occur RM'000	Hedged item affecting profit or loss RM'000	Profit or loss line item that includes reclassified amount RM'000
Fair value hedge						
Profit rate risk						
– Unquoted Sukuk	1,075	13	Other operating income	–	–	–

Group 31 March 2024	Loss recognised in other comprehensive income RM'000	Hedge ineffectiveness recognised in profit or loss RM'000	Statement of profit or loss/other comprehensive income line item that includes hedge ineffectiveness	Amount reclassified from reserves to profit or loss as		
				Hedged cash flows will no longer occur RM'000	Hedged item affecting profit or loss RM'000	Profit or loss line item that includes reclassified amount RM'000
Fair value hedge						
Profit rate risk						
– Unquoted Sukuk	2,310	(134)	Other operating income	–	–	–

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

	Note	Group		Company	
		31 March 2025 RM'000	31 March 2024 RM'000	31 March 2025 RM'000	31 March 2024 RM'000
At Fair Value					
Money Market Instruments:					
Malaysian Treasury Bills		–	146,081	–	–
Malaysian Islamic Treasury Bills		235,815	3,002,309	–	–
Malaysian Government Securities		778,105	1,909,429	–	–
Malaysian Government Investment Issues		3,460,861	851,016	–	–
Bank Negara Monetary Notes		–	1,078,540	–	–
		4,474,781	6,987,375	–	–
Quoted Securities:					
In Malaysia:					
Shares	(a)	613,626	780,376	–	–
Unit trusts		34,696	47,272	1,241	1,198
Corporate bonds and sukuk		10,179	10,249	–	–
Outside Malaysia:					
Shares	(a)	778,108	1,015,733	–	–
		1,436,609	1,853,630	1,241	1,198
Unquoted Securities:					
In Malaysia:					
Shares		31	29	–	–
Corporate bonds and sukuk		1,907,024	1,163,850	–	–
		1,907,055	1,163,879	–	–
Total		7,818,445	10,004,884	1,241	1,198

(a) Shares held for purposes of derivatives transactions.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

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

	Group	
	31 March 2025 RM'000	31 March 2024 RM'000
At Fair Value		
Money Market Instruments:		
Malaysian Government Securities	5,344,577	4,733,790
Malaysian Government Investment Issues	5,324,201	6,438,628
Negotiable Instruments of Deposit	–	200,013
Islamic Negotiable Instruments of Deposit	992,049	–
Foreign Government Investment Issues	13,113	13,931
	11,673,940	11,386,362
Quoted Securities:		
In Malaysia:		
Shares	9,715	12,740
Unquoted Securities:		
In Malaysia:		
Shares	861,687	757,699
Corporate bonds and sukuk	12,901,466	14,233,555
Outside Malaysia:		
Shares	955	815
	13,764,108	14,992,069
Total	25,447,763	26,391,171

The Group had undertaken a fair value hedge on the profit rate risk of unquoted sukuk of RM350.0 million (2024: RM350.0 million). The said hedge has matured as at 31 March 2025. The gain/(loss) arising from the fair value hedge is as follows:

	Group	
	31 March 2025 RM'000	31 March 2024 RM'000
Relating to hedged item	(1,075)	(2,310)
Relating to hedging instrument	1,088	2,176
	13	(134)

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

Movements in allowances for ECL are as follows:

Group 31 March 2025	Note	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Total RM'000
Balance at beginning of the financial year		22,003	4,986	26,989
Net allowances for/(writeback of) ECL	39	5,574	(768)	4,806
– Transfer to 12-month ECL (Stage 1)		701	(1,490)	(789)
– Transfer to Lifetime ECL not credit impaired (Stage 2)		(397)	2,205	1,808
– New financial assets originated		3,023	971	3,994
– Financial assets derecognised		(5,039)	(2,168)	(7,207)
– Net remeasurement of allowances		7,286	(286)	7,000
Foreign exchange differences		(1)	–	(1)
Balance at end of the financial year		27,576	4,218	31,794

Group 31 March 2024	Note	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Total RM'000
Balance at beginning of the financial year		10,282	3,024	13,306
Net allowances for ECL	39	11,720	1,962	13,682
– Transfer to Lifetime ECL not credit impaired (Stage 2)		(9)	146	137
– New financial assets originated		10,217	1,399	11,616
– Financial assets derecognised		(4,279)	(100)	(4,379)
– Net remeasurement of allowances		5,791	517	6,308
Foreign exchange differences		1	–	1
Balance at end of the financial year		22,003	4,986	26,989

The movements in allowances for ECL during the current financial year are due to the following:

- 12-month ECL (Stage 1) - increase of RM5,573,000 mainly due to net remeasurement of allowances, new financial assets originated partially offset by derecognition of financial assets.
- Lifetime ECL not credit impaired (Stage 2) - decrease of RM768,000 mainly due to derecognition of financial assets, impact from migration to Stage 1 and net remeasurement of allowances partially offset by impact from migration to Stage 2 and new financial assets originated.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

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

(i) Equity investments at fair value through other comprehensive income comprise the following individual investments:

Group	31 March 2025		31 March 2024	
	Carrying value RM'000	Dividend income (Note 35) RM'000	Carrying value RM'000	Dividend income (Note 35) RM'000
Quoted securities in Malaysia:				
Shares				
Boustead Heavy Industries Corporation Bhd	9,715	–	12,740	–
Unquoted securities in Malaysia:				
Shares				
ABM Investments Sdn Bhd	1	–	1	–
Cagamas Holdings Berhad	480,620	2,413	418,324	2,413
Credit Guarantee Corporation Malaysia Bhd	96,996	–	94,224	–
Financial Park (Labuan) Sdn Bhd	89,796	800	84,612	–
Malaysia South-South Corporation Bhd	2,707	98	2,766	98
Malaysian Rating Corporation Berhad	2,770	40	2,684	80
Payments Network Malaysian Sdn Bhd	159,562	–	117,619	–
	832,452	3,351	720,230	2,591
Redeemable Convertible Preference Shares				
Boustead Heavy Industries Corporation Bhd	29,235	–	37,469	–
	861,687	3,351	757,699	2,591
Unquoted securities outside Malaysia:				
Shares				
S.W.I.F.T SCRL	955	–	815	–

The Group elected to present in other comprehensive income changes in the fair value of the above equity investments because these equity investments are held for long-term strategic or socio-economic purposes instead of for selling in the near term or for short-term profit taking.

12. FINANCIAL INVESTMENTS AT AMORTISED COST

	Group	
	31 March 2025 RM'000	31 March 2024 RM'000
At Amortised Cost		
Money Market Instruments:		
Malaysian Government Securities	792,581	795,703
Malaysian Government Investment Issues	2,003,841	2,003,188
	2,796,422	2,798,891
Unquoted Securities:		
In Malaysia:		
Corporate bonds and sukuk	9,779,642	9,049,430
	12,576,064	11,848,321
Less: Allowances for ECL	(534,761)	(527,426)
Total	12,041,303	11,320,895

Movements in allowances for ECL are as follows:

Group 31 March 2025	Note	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Stage 3 Lifetime ECL credit impaired RM'000	Total RM'000
Balance at beginning of the financial year		15,705	–	511,721	527,426
Net allowances for/(writeback of) ECL	39	8,709	386	(1,760)	7,335
– New financial assets originated		9,546	386	–	9,932
– Net remeasurement of allowances		1,698	–	(1,760)	(62)
– Financial assets derecognised		(2,535)	–	–	(2,535)
Balance at end of the financial year		24,414	386	509,961	534,761

Group 31 March 2024	Note	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Stage 3 Lifetime ECL credit impaired RM'000	Total RM'000
Balance at beginning of the financial year		6,927	–	492,846	499,773
Net allowances for ECL	39	8,778	–	18,875	27,653
– New financial assets originated		7,392	–	–	7,392
– Net remeasurement of allowances		3,874	–	18,875	22,749
– Financial assets derecognised		(2,488)	–	–	(2,488)
Balance at end of the financial year		15,705	–	511,721	527,426

The increase in allowances for ECL is mainly contributed by new financial assets originated and partially offset by financial assets derecognised.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

13. LOANS, ADVANCES AND FINANCING

	Note	Group 31 March 2025 RM'000	Group 31 March 2024 RM'000
At Amortised Cost			
Loans, advances and financing:			
Term loans/financing		46,711,364	44,193,832
Revolving credit		12,765,947	12,128,050
Housing loans/financing		45,645,555	44,288,232
Hire purchase receivables		12,941,946	14,800,297
Card receivables		2,257,391	2,253,592
Overdrafts		3,045,536	3,051,022
Claims on customers under acceptance credits		6,264,490	7,010,500
Trust receipts		2,915,068	2,561,835
Bills receivables		5,845,310	3,513,498
Staff loans		95,662	106,573
Others		395,085	222,851
Gross loans, advances and financing		138,883,354	134,130,282
Less: Allowances for ECL			
– Stage 1 – 12-month ECL	(i)	(324,938)	(335,100)
– Stage 2 – Lifetime ECL not credit impaired	(i)	(917,633)	(1,028,920)
– Stage 3 – Lifetime ECL credit impaired	(i)	(510,715)	(664,145)
		(1,753,286)	(2,028,165)
Net loans, advances and financing		137,130,068	132,102,117

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

	Group 31 March 2025 RM'000	Group 31 March 2024 RM'000
Domestic banking institutions	34	–
Domestic non-bank financial institutions	3,342,976	3,204,457
Domestic business enterprises:		
– Small and medium enterprises	29,576,450	27,720,997
– Others	33,809,845	28,830,795
Government and statutory bodies	2,503,651	2,418,657
Individuals	68,318,001	70,180,460
Other domestic entities	4,756	5,488
Foreign individuals and entities	1,327,641	1,769,428
	138,883,354	134,130,282

13. LOANS, ADVANCES AND FINANCING (CONT'D.)

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

	Group	
	31 March 2025 RM'000	31 March 2024 RM'000
In Malaysia	138,478,483	133,980,416
Outside Malaysia	404,871	149,866
	138,883,354	134,130,282

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

	Group	
	31 March 2025 RM'000	31 March 2024 RM'000
Fixed rate:		
– Housing loans/financing	573,064	598,048
– Hire purchase receivables	12,684,374	14,446,183
– Other loans/financing	12,701,756	13,201,078
Variable rate:		
– Base rate and lending/financing rate plus	73,467,905	73,376,589
– Cost plus	38,516,460	31,550,724
– Other variable rates	939,795	957,660
	138,883,354	134,130,282

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

	Group	
	31 March 2025 RM'000	31 March 2024 RM'000
Agriculture	2,525,910	2,849,346
Mining and quarrying	2,025,378	2,245,994
Manufacturing	17,052,914	15,629,880
Electricity, gas and water	2,584,853	1,818,007
Construction	4,753,288	4,828,632
Wholesale and retail trade and hotels and restaurants	14,143,935	13,095,930
Transport, storage and communication	4,756,845	4,495,435
Finance and insurance	5,296,956	4,955,849
Real estate	12,081,898	8,877,742
Business activities	2,615,359	3,086,605
Education and health	2,278,896	1,542,073
Household of which:	68,767,122	70,704,167
– Purchase of residential properties	45,921,202	44,591,804
– Purchase of transport vehicles	11,266,314	13,261,046
– Others	11,579,606	12,851,317
Others	–	622
	138,883,354	134,130,282

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

13. LOANS, ADVANCES AND FINANCING (CONT'D.)

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

	Group	
	31 March 2025 RM'000	31 March 2024 RM'000
Maturing within one year	36,121,474	33,539,218
Over one year to three years	6,071,726	7,059,465
Over three years to five years	11,056,690	9,793,397
Over five years	85,633,464	83,738,202
	138,883,354	134,130,282

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

	Group	
	31 March 2025 RM'000	31 March 2024 RM'000
Balance at beginning of the financial year	2,236,123	1,896,447
Impaired during the financial year	1,697,296	2,284,677
Reclassified as non-impaired	(393,367)	(240,793)
Recoveries	(642,607)	(821,595)
Amount written off	(765,141)	(883,153)
Foreign exchange differences	(82)	540
Balance at end of the financial year	2,132,222	2,236,123
Gross impaired loans, advances and financing as % of gross loans, advances and financing	1.54%	1.67%
Loan/financing loss coverage (including regulatory reserve)	103.58%	109.47%

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

	Group	
	31 March 2025 RM'000	31 March 2024 RM'000
In Malaysia	2,132,222	2,236,123

13. LOANS, ADVANCES AND FINANCING (CONT'D.)

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

	Group	
	31 March 2025 RM'000	31 March 2024 RM'000
Agriculture	13,258	6,025
Mining and quarrying	40,300	50,078
Manufacturing	281,891	195,332
Electricity, gas and water	18,399	51,056
Construction	175,833	216,634
Wholesale and retail trade and hotels and restaurants	260,218	340,472
Transport, storage and communication	37,482	30,723
Finance and insurance	2,099	2,899
Real estate	95,877	36,903
Business activities	38,514	43,720
Education and health	28,649	37,512
Household of which:	1,139,702	1,224,769
– Purchase of residential properties	929,822	943,990
– Purchase of transport vehicles	66,683	103,633
– Others	143,197	177,146
	2,132,222	2,236,123

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

Group 31 March 2025	Note	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Stage 3 Lifetime ECL credit impaired RM'000	Total RM'000
Balance at beginning of the financial year		335,100	1,028,920	664,145	2,028,165
Net (writeback of)/allowances for ECL	38	(9,892)	(92,484)	611,793	509,417
– Transfer to 12-month ECL (Stage 1)		14,516	(98,049)	(13,809)	(97,342)
– Transfer to Lifetime ECL not credit impaired (Stage 2)		(18,953)	166,586	(44,359)	103,274
– Transfer to Lifetime ECL credit impaired (Stage 3)		(1,950)	(55,309)	189,272	132,013
– New financial assets originated		112,542	86,245	7,917	206,704
– Net remeasurement of allowances		(11,316)	(45,446)	483,891	427,129
– Modification of contractual cash flows of financial assets		(1,695)	(5,420)	(1,113)	(8,228)
– Financial assets derecognised		(65,933)	(115,677)	(10,006)	(191,616)
– Changes in model assumptions and methodologies		(37,103)	(25,414)	–	(62,517)
Foreign exchange differences		(270)	(116)	(82)	(468)
Amount written off		–	(18,687)	(765,141)	(783,828)
Balance at end of the financial year		324,938	917,633	510,715	1,753,286

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

13. LOANS, ADVANCES AND FINANCING (CONT'D.)

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

Group 31 March 2024	Note	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Stage 3 Lifetime ECL credit impaired RM'000	Total RM'000
Balance at beginning of the financial year		236,612	1,160,966	586,588	1,984,166
Net allowances for/(writeback of) ECL	38	97,859	(69,156)	960,101	988,804
– Transfer to 12-month ECL (Stage 1)		25,665	(148,620)	(10,722)	(133,677)
– Transfer to Lifetime ECL not credit impaired (Stage 2)		(12,621)	155,493	(28,147)	114,725
– Transfer to Lifetime ECL credit impaired (Stage 3)		(1,510)	(58,178)	266,581	206,893
– New financial assets originated		100,728	83,533	15,810	200,071
– Net remeasurement of allowances		14,396	(23,396)	819,949	810,949
– Modification of contractual cash flows of financial assets		419	(9,379)	3,864	(5,096)
– Financial assets derecognised		(49,727)	(105,258)	(151,956)	(306,941)
– Changes in model assumptions and methodologies		20,509	36,649	44,722	101,880
Transfer to other assets	18	–	(62,900)	–	(62,900)
Foreign exchange differences		629	10	609	1,248
Amount written off		–	–	(883,153)	(883,153)
Balance at end of the financial year		335,100	1,028,920	664,145	2,028,165

Overall, the total allowances for impairment on loans, advances and financing had increased due to the following:

(a) 12-month ECL (Stage 1) – decrease of RM10,162,000 mainly due to financial assets derecognised, impacts from the changes in model assumptions and methodologies, net remeasurement of allowances and impact from migration to Stage 2 partially offset by newly originated loans, advances and financing, and impact from migration to Stage 1.

(b) Lifetime ECL not credit impaired (Stage 2) – decrease of RM111,287,000 mainly due to financial assets derecognised, impact from migration to Stage 1 and Stage 3, net remeasurement of allowances, impacts from the changes in model assumptions and methodologies and written off of loans, advances and financing as a result of agreed settlement with borrower/customer, partially offset by impact from migration to Stage 2 and newly originated loans, advances and financing.

(c) Lifetime ECL credit impaired (Stage 3) – decrease of RM153,430,000 mainly due to written off of loans, advances and financing due to deterioration in credit quality and the migration of loans, advances and financing from Stage 3 to Stage 1 and Stage 2; partially offset by net remeasurement of allowances and impact from the migration of loans, advances and financing to Stage 3.

14. STATUTORY DEPOSITS WITH BANK NEGARA MALAYSIA

The non-interest bearing statutory deposits are maintained with Bank Negara Malaysia in compliance with Section 26(2)(c) of the Central Bank of Malaysia Act 2009, the amounts of which are determined as set percentages of total eligible liabilities. The Statutory Reserve Requirement rate for banking institutions is 2.0% of eligible liabilities.

15. DEFERRED TAX ASSETS

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The following amounts are shown in the statements of financial position, after appropriate offsetting:

	Group	
	31 March 2025 RM'000	31 March 2024 RM'000
Deferred tax assets, net	271,050	275,760

Deferred tax assets and liabilities prior to offsetting are summarised as follows:

	Group	
	31 March 2025 RM'000	31 March 2024 RM'000
Deferred tax assets	323,025	329,478
Deferred tax liabilities	(51,975)	(53,718)
	271,050	275,760

The components and movements of deferred tax assets/(liabilities) prior to offsetting are as follows:

Deferred tax assets

Group 31 March 2025	Balance at beginning of the financial year RM'000	Recognised in profit or loss (Note 40) RM'000	Recognised in other comprehensive income RM'000	Balance at end of the financial year RM'000
Cash flow hedge reserve	324	–	(324)	–
Provision for commitments and contingencies	777	191	–	968
Provision for expenses	97,885	1,749	–	99,634
Allowances for ECL	178,105	(2,803)	–	175,302
Fair value reserve	3,097	–	(797)	2,300
Unutilised loss	31,781	(13,822)	–	17,959
Other temporary differences	17,509	9,353	–	26,862
	329,478	(5,332)	(1,121)	323,025

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

15. DEFERRED TAX ASSETS (CONT'D.)

The components and movements of deferred tax assets/(liabilities) prior to offsetting are as follows: (Cont'd.)

Deferred tax assets (Cont'd.)

Group 31 March 2024	Balance at beginning of the financial year RM'000	Recognised in profit or loss (Note 40) RM'000	Recognised in other comprehensive income RM'000	Balance at end of the financial year RM'000
Cash flow hedge reserve	1,345	–	(1,021)	324
Provision for commitments and contingencies	882	(105)	–	777
Provision for expenses	101,568	(3,683)	–	97,885
Allowances for ECL	158,520	19,585	–	178,105
Fair value reserve	28,396	–	(25,299)	3,097
Unutilised loss	–	31,781	–	31,781
Other temporary differences	9,903	7,606	–	17,509
	300,614	55,184	(26,320)	329,478

Deferred tax liabilities

Group 31 March 2025	Balance at beginning of the financial year RM'000	Recognised in profit or loss (Note 40) RM'000	Recognised in other comprehensive income RM'000	Balance at end of the financial year RM'000
Excess of capital allowance over depreciation and amortisation	1,741	7,353	–	9,094
Deferred charges	51,977	(9,096)	–	42,881
	53,718	(1,743)	–	51,975

Group 31 March 2024	Balance at beginning of the financial year RM'000	Recognised in profit or loss (Note 40) RM'000	Recognised in other comprehensive income RM'000	Balance at end of the financial year RM'000
Excess of capital allowance over depreciation and amortisation	29,361	(27,620)	–	1,741
Deferred charges	50,368	1,609	–	51,977
Fair value reserve	230	–	(230)	–
	79,959	(26,011)	(230)	53,718

As at 31 March 2025, there is unabsorbed capital allowances which amounted to RM450,465,000 (2024: RM450,886,000) that is available for offset against future taxable profit of leasing business from two (2024: two) of its subsidiaries. The non-recognition of deferred tax asset arose from unabsorbed capital allowances is due to the uncertainty in timing of its recoverability. The recognition of deferred tax asset arose from unutilised tax losses is as disclosed in Note 5.4.

16. INVESTMENTS IN SUBSIDIARIES

	Company	
	31 March 2025 RM'000	31 March 2024 RM'000
Unquoted shares in Malaysia:		
Cost		
At beginning/end of the financial year	11,090,317	11,090,317
Less: Impairment loss	(238,132)	(238,132)
	10,852,185	10,852,185

Movements in impairment allowance for investment in subsidiaries are as follows:

	Company	
	31 March 2025 RM'000	31 March 2024 RM'000
At beginning/end of the financial year	238,132	238,132

(1) Details of the subsidiaries are as follows:

Subsidiaries	Principal activities	Effective equity interest	
		31 March 2025 %	31 March 2024 %
AmInvestment Group Berhad ("AIGB")	Investment holding	100.00	100.00
AMAB Holdings Sdn Bhd ("AMAB Holdings")	Investment holding	100.00	100.00
AmBank (M) Berhad ("AmBank")	Commercial banking	100.00	100.00
AmInvestment Bank Berhad ("AmInvestment Bank")	Investment banking	100.00	100.00
AmBank Islamic Berhad ("AmBank Islamic")	Islamic banking	100.00	100.00
MBF Cards (M'sia) Sdn Bhd ("MBF Cards")[1]	Dormant	100.00	100.00
AmSecurities Holding Sdn Bhd ("AMSH")	Investment holding	100.00	100.00
AmCard Services Berhad	Outsourcing servicer for mortgage related services	100.00	100.00
AmGeneral Holdings Berhad ("AGHB")	Investment holding	100.00	100.00
AmFunds Management Berhad ("AFM")	Fund management including management of unit trusts and private retirement schemes	100.00	100.00
AmIslamic Funds Management Sdn Bhd ("AIFM")	Islamic fund management services and distribution of Islamic wholesale funds	100.00	100.00
AMMB Nominees (Tempatan) Sdn Bhd[2]	Dormant	100.00	100.00
AMSEC Nominees (Tempatan) Sdn Bhd	Nominee services	100.00	100.00
AMSEC Nominees (Asing) Sdn Bhd	Nominee services	100.00	100.00
AM Nominees (Tempatan) Sdn Bhd	Nominee services	100.00	100.00

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

16. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

(1) Details of the subsidiaries are as follows: (Cont'd.)

Subsidiaries	Principal activities	Effective equity interest 31 March 2025 %	Effective equity interest 31 March 2024 %
AM Nominees (Asing) Sdn Bhd	Nominee services	100.00	100.00
AmREIT Holdings Sdn Bhd	Investment holding	70.00	70.00
AmREIT Managers Sdn Bhd	Management of real estate investment trusts	70.00	70.00
MBf Information Services Sdn Bhd	Property investment	100.00	100.00
AmProperty Holdings Sdn Bhd	Property investment	100.00	100.00
Teras Oak Pembangunan Sendirian Berhad	Dormant	100.00	100.00
Bougainvillaea Development Sdn Bhd	Property investment	100.00	100.00
Malco Properties Sdn Bhd[3]	Dormant	81.51	81.51
AmMortgage One Berhad ("AmMortgage")	Securitisation of mortgage loans	100.00	100.00
AmLabuan Holdings (L) Ltd	Investment holding	100.00	100.00
AmInvestment Management Sdn Bhd ("AIM")[4]	Dormant	100.00	100.00
AmPrivate Equity Sdn Bhd ("AmPrivate Equity")[4]	Dormant	80.00	80.00
AmFutures Sdn Bhd ("AmFutures")[5]	Dormant	100.00	100.00
AmResearch Sdn Bhd ("AmResearch")[4]	Dormant	100.00	100.00
Malaysian Ventures Management Incorporated Sdn Bhd ("MVMI")[4]	Dormant	100.00	100.00

The above subsidiaries are incorporated in Malaysia.

1 Subsidiary commenced Members' Voluntary Winding-Up on 29 March 2024.
2 Subsidiary commenced Members' Voluntary Winding-Up on 22 May 2020.
3 Subsidiary commenced Members' Voluntary Winding-Up on 31 March 2021.
4 Subsidiaries commenced Members' Voluntary Liquidation on 23 December 2016.
5 Subsidiary commenced Members' Voluntary Winding-Up on 27 March 2018.

(2) There are no restrictions on transfer of funds, for example paying dividends or repaying loans and advances by the subsidiaries. The ability of the subsidiaries to pay dividends or make advances to the Company depends on their regulatory capital requirements, financial and operating performance.

(3) There are no changes in the composition of the Group and the Company during the financial year.

(4) Transactions in the previous financial year are as follows:

(i) Dissolution of non-operating subsidiaries

Subsidiaries	Commencement Date of Members' Voluntary Winding-up	Dissolution date
MBf Trustees Berhad	17 September 2020	26 January 2024
MBf Nominees (Tempatan) Sdn Bhd	31 March 2021	1 March 2024

(ii) Winding-up of subsidiary

MBF Cards (M'sia) Sdn Bhd had, at its Extraordinary General Meeting held on 29 March 2024, resolved that it be wound up by way of a members' voluntary winding-up, pursuant to Section 439(1)(b) of the Companies Act, 2016.

17. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

	Group	
	31 March 2025 RM'000	**31 March 2024 RM'000**
Unquoted shares:		
Cost:		
At beginning of the financial year	1,627,316	1,627,316
Subscription of ordinary shares issued	14,500	–
At end of the financial year	1,641,816	1,627,316
Share of post acquisition reserves:		
At beginning of the financial year	(35,130)	46,038
Share of post acquisition reserves during the financial year	24,672	(81,168)
At end of the financial year	(10,458)	(35,130)
Less: Impairment loss	(152,444)	(152,444)
	1,478,914	1,439,742

(a) The carrying amount of interest in joint ventures of the Group amounting to approximately RM455,814,000 (2024: RM412,007,000) are included in the total carrying amount of investment in associates and joint ventures. As at 31 March 2025, the carrying amount of the Group's material joint venture, AmMetLife Insurance Berhad, amounted to approximately RM455,814,000 (2024: RM412,058,000).

(b) The investment are reviewed for impairment as and when there are indications of impairment. The recoverable amount used in the impairment assessment is based on the higher of VIU calculations and fair value less cost to sell.

No impairment was recognised by the Group in the current and previous financial year.

(c) Information about associates and joint ventures which are all incorporated in Malaysia are as follows:

		Effective equity interest	
Name of associates/joint ventures	**Principal activities**	**31 March 2025 %**	**31 March 2024 %**
Associates:			
Liberty Global Holdings Sdn Bhd ("LIB")[1,2]	Investment holding	30.00	30.00
AmFirst Real Estate Investment Trust ("AmFirst REIT")	Investment in real estate	26.73	26.73
Bonuskad Loyalty Sdn Bhd ("Bonuskad")[1]	Managing customer loyalty schemes	33.33	33.33
Joint ventures ("JVs"):			
AmMetLife Insurance Berhad ("AmMetLife Insurance")[3]	Life assurance	50.00	50.00
AmMetLife Takaful Berhad ("AmMetLife Takaful")	Family Takaful	50.00	50.00

[1] The financial year-end of LIB and Bonuskad is on 31 December 2024 and for the purpose of applying the equity method of accounting, appropriate adjustments have been made for the effects of significant transactions up to the Group's financial reporting date.

[2] LIB holds Liberty General Insurance Bhd of which its principal activity is general insurance business.

[3] AmMetLife Insurance holds 100% (2024: 100%) equity interest in a collective investment scheme, AmIncome Institutional 5 ("AMII 5") and has been consolidated in accordance with MFRS 10 *Consolidated Financial Statements* and included in the Group's carrying amount of interest in joint ventures.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

17. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONT'D.)

(d) The following table summarises the information of the Group's associates and joint ventures:

	Bonuskad RM'000	AmFirst REIT RM'000	AmMetLife Insurance RM'000	AmMetLife Takaful RM'000	LIB RM'000
For the financial year ended 31 March 2025					
Profit/(loss) after taxation and zakat from continuing operations	4,556	18,782	98,565	(30,250)	223,833
Other comprehensive (loss)/income	–	–	(11,054)	1,354	(6,748)
Total comprehensive income/(loss)	4,556	18,782	87,511	(28,896)	217,085

	Bonuskad RM'000	AmFirst REIT RM'000	AmMetLife Insurance RM'000	AmMetLife Takaful RM'000	LIB RM'000
For the financial year ended 31 March 2024					
(Loss)/profit after taxation and zakat from continuing operations	(1,949)	16,030	(23,933)	(1,341)	163,427
Other comprehensive income/(loss)	–	–	6,305	544	(8,485)
Total comprehensive (loss)/income	(1,949)	16,030	(17,628)	(797)	154,942

The above profit after taxation and zakat from continuing operations for the material associate and joint venture includes the following:

	31 March 2025		31 March 2024	
	LIB RM'000	AmMetLife Insurance RM'000	LIB RM'000	AmMetLife Insurance RM'000
Total assets	11,748,307	5,254,110	8,066,504	4,854,812
Total liabilities	(8,710,051)	(4,319,775)	(5,124,342)	(4,094,530)
Net assets	3,038,256	934,335	2,942,162	760,282

The fair value of investment in AmFirst REIT based on the quoted price as at 31 March 2025 is approximately RM53,212,000 (2024: RM58,716,000).

17. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONT'D.)

(d) The following table summarises the information of the Group's associates and joint ventures: (Cont'd.)

	31 March 2025		31 March 2024	
	LIB RM'000	AmMetLife Insurance RM'000	LIB RM'000	AmMetLife Insurance RM'000
Interest income	52,944	165,224	45,000	160,536
Depreciation of property and equipment	(11,528)	(9)	(9,485)	(10)
Depreciation of right-of-use assets	(8,581)	–	(17,399)	–
Amortisation of intangible assets – reversal/(charge)	68,824	(382)	(60,287)	(334)
Taxation	(75,747)	(72,228)	(44,680)	(8,406)

	31 March 2025		31 March 2024	
	LIB RM'000	AmMetLife Insurance RM'000	LIB RM'000	AmMetLife Insurance RM'000
Cash and cash equivalents	214,682	295,874	120,339	261,988
Current financial liabilities (excluding trade, other payables and provisions)	(2,442,475)	(5,504)	(3,968,391)	(5,504)
Non-current financial liabilities (excluding trade, other payables and provisions)	(1,207,366)	(9,314)	(1,002,225)	(14,769)

(e) Reconciliation of the summarised financial information to the carrying amount of the interest in the material associate and joint venture recognised in the consolidated financial statements:

	31 March 2025		31 March 2024	
	LIB RM'000	AmMetLife Insurance RM'000	LIB RM'000	AmMetLife Insurance RM'000
Proportion of net assets at date of recognition	30.0%	50.0%	30.0%	50.0%
Carrying amount at beginning of the financial year	934,817	412,058	1,006,044	420,872
Share of net results for the financial year	67,150	49,283	49,028	(11,967)
Share of other comprehensive (loss)/income for the financial year	(2,024)	(5,527)	(2,546)	3,153
Distribution received	(72,300)	–	(117,709)	–
Carrying amount at end of the financial year	927,643	455,814	934,817	412,058

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

18. OTHER ASSETS

	Note	Group 31 March 2025 RM'000	Group 31 March 2024 RM'000	Company 31 March 2025 RM'000	Company 31 March 2024 RM'000
Trade receivables	(a)	509,330	662,567	–	–
Other receivables, deposits and prepayments	(b)	1,573,118	1,335,093	8	494
Interest/profit receivable		554,561	541,233	–	–
Fee receivable		32,463	32,019	–	–
Amount due from associates and joint ventures		12,602	11,748	2,791	3,040
Amount due from agents and brokers		328,221	319,830	–	–
Foreclosed properties		307	307	–	–
Tax recoverable		656,201	698,880	6,557	6,974
Collateral pledged for derivative and securities transactions		309,082	790,167	–	–
		3,975,885	4,391,844	9,356	10,508
Less: Accumulated impairment losses	(c)	(32,502)	(37,508)	–	–
		3,943,383	4,354,336	9,356	10,508

(a) Trade receivables mainly relate to the stock and futures broking operations and fund management operations of the Group which include amount outstanding from purchase contracts and management fees receivables in respect of funds under the management of its subsidiaries.

(b) Included in other receivables, deposits and prepayments of the Group and of the Company are amounts due from other related companies. These intercompany balances are unsecured, non-interest bearing and are payable on demand.

(c) The movements of Lifetime ECL/allowances for impairment on other assets using simplified approach are as follows:

(i) Movements for trade receivables, other receivables, deposits and prepayments, interest receivable and fee receivable are as follows:

	Note	Group 31 March 2025 RM'000	Group 31 March 2024 RM'000
Balance at beginning of the financial year		37,351	8,563
Transfer from loans, advances and financing	13(i)	–	62,900
Writeback of impairment, net	39	(4,938)	(25,138)
Amount written off		(46)	(8,998)
Foreign exchange differences		(22)	24
Balance at end of the financial year		32,345	37,351

Trade receivables that are individually assessed to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted in payments. These receivables are not secured by any collateral or credit enhancements.

As at reporting date, trade receivables of the Group that are classified as impaired amounted to RM8,196,000 (2024: RM10,675,000).

(ii) The movement in accumulated impairment losses for foreclosed properties is as follows:

	Group 31 March 2025 RM'000	Group 31 March 2024 RM'000
Balance at beginning/end of the financial year	157	157

19. PROPERTY AND EQUIPMENT

Group 31 March 2025	Note	Freehold land RM'000	Long term leasehold land RM'000	Short term leasehold land RM'000	Buildings RM'000	Motor vehicles RM'000	Leasehold improvements RM'000	Computer equipment RM'000	Office equipment, furniture and fittings RM'000	Work-in-progress RM'000	Total RM'000
Cost											
At beginning of the financial year		2,095	7,904	534	40,464	6,858	235,881	670,793	173,879	23,157	1,161,565
Additions		–	–	–	755	222	13,365	5,994	4,645	16,144	41,125
Disposals		–	–	–	–	–	–	(52)	(3,822)	–	(3,874)
Written off		–	–	–	–	(718)	–	(8)	(1)	–	(727)
Reclassification		–	–	–	–	–	396	11,453	15	(11,864)	–
Transfer from intangible assets	21(b)	–	–	–	–	–	–	–	–	432	432
At end of the financial year		2,095	7,904	534	41,219	6,362	249,642	688,180	174,716	27,869	1,198,521
Accumulated depreciation											
At beginning of the financial year		–	3,692	349	19,439	5,737	220,298	602,407	163,850	–	1,015,772
Depreciation for the financial year	36	–	150	91	789	553	7,314	31,094	4,296	–	44,287
Disposals		–	–	–	–	–	–	(52)	(3,817)	–	(3,869)
Written off		–	–	–	–	(718)	–	(5)	(1)	–	(724)
At end of the financial year		–	3,842	440	20,228	5,572	227,612	633,444	164,328	–	1,055,466
Accumulated impairment loss											
At beginning/end of the financial year		–	254	–	886	–	–	–	–	–	1,140
Carrying amount											
At end of the financial year		2,095	3,808	94	20,105	790	22,030	54,736	10,388	27,869	141,915

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

19. PROPERTY AND EQUIPMENT (CONT'D.)

Group 31 March 2024	Note	Freehold land RM'000	Long term leasehold land RM'000	Short term leasehold land RM'000	Buildings RM'000	Motor vehicles RM'000	Leasehold improvements RM'000	Computer equipment RM'000	Office equipment, furniture and fittings RM'000	Work-in-progress RM'000	Total RM'000
Cost											
At beginning of the financial year		2,095	7,904	534	40,464	6,282	229,369	652,654	178,243	24,251	1,141,796
Additions		–	–	–	–	656	7,849	11,871	5,637	3,126	29,139
Disposals		–	–	–	–	(5)	–	–	(7,548)	–	(7,553)
Written off		–	–	–	–	–	(1,396)	(274)	(2,489)	–	(4,159)
Reclassification		–	–	–	–	–	–	6,496	–	(6,496)	–
Transfer from intangible assets	21(b)	–	–	–	–	–	–	36	–	2,276	2,312
Foreign exchange differences		–	–	–	–	(75)	59	10	36	–	30
At end of the financial year		2,095	7,904	534	40,464	6,858	235,881	670,793	173,879	23,157	1,161,565
Accumulated depreciation											
At beginning of the financial year		–	3,542	341	18,650	5,076	213,912	567,879	169,478	–	978,878
Depreciation for the financial year	36	–	150	8	789	740	7,723	35,583	4,362	–	49,355
Disposals		–	–	–	–	(4)	–	–	(7,539)	–	(7,543)
Written off		–	–	–	–	–	(1,396)	(269)	(2,487)	–	(4,152)
Adjustments		–	–	–	–	–	–	(796)	–	–	(796)
Foreign exchange differences		–	–	–	–	(75)	59	10	36	–	30
At end of the financial year		–	3,692	349	19,439	5,737	220,298	602,407	163,850	–	1,015,772
Accumulated impairment loss											
At beginning/end of the financial year		–	254	–	886	–	–	–	–	–	1,140
Carrying amount											
At end of the financial year		2,095	3,958	185	20,139	1,121	15,583	68,386	10,029	23,157	144,653

19. PROPERTY AND EQUIPMENT (CONT'D.)

Company 31 March 2025	Note	Office equipment RM'000	Motor vehicles RM'000	Computer hardware RM'000	Total RM'000
Cost					
At beginning/end of the financial year		7	844	50	901
Accumulated depreciation					
At beginning of the financial year		5	844	34	883
Depreciation for the financial year	36	1	–	9	10
At end of the financial year		6	844	43	893
Carrying amount					
At end of the financial year		1	–	7	8

Company 31 March 2024	Note	Office equipment RM'000	Motor vehicles RM'000	Computer hardware RM'000	Total RM'000
Cost					
At beginning of the financial year		7	844	43	894
Additions		–	–	7	7
At end of the financial year		7	844	50	901
Accumulated depreciation					
At beginning of the financial year		4	844	26	874
Depreciation for the financial year	36	1	–	8	9
At end of the financial year		5	844	34	883
Carrying amount					
At end of the financial year		2	–	16	18

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

20. RIGHT-OF-USE ASSETS

Group 31 March 2025	Note	Premises RM'000	Computer equipment RM'000	Total RM'000
Cost				
At beginning of the financial year		503,792	8,858	512,650
Additions		9,904	–	9,904
Remeasurements		798	–	798
Termination		(261)	–	(261)
Derecognition of expired leases		–	(8,858)	(8,858)
At end of the financial year		514,233	–	514,233
Accumulated depreciation				
At beginning of the financial year		323,774	8,095	331,869
Depreciation for the financial year	36	64,412	763	65,175
Termination		(261)	–	(261)
Derecognition of expired leases		–	(8,858)	(8,858)
At end of the financial year		387,925	–	387,925
Carrying amount				
At end of the financial year		126,308	–	126,308

Group 31 March 2024	Note	Premises RM'000	Computer equipment RM'000	Total RM'000
Cost				
At beginning of the financial year		493,712	8,858	502,570
Additions		23,959	–	23,959
Remeasurements		1,628	–	1,628
Termination		(13,778)	–	(13,778)
Derecognition of expired leases		(1,729)	–	(1,729)
At end of the financial year		503,792	8,858	512,650
Accumulated depreciation				
At beginning of the financial year		265,849	6,951	272,800
Depreciation for the financial year	36	66,584	1,144	67,728
Termination		(6,930)	–	(6,930)
Derecognition of expired leases		(1,729)	–	(1,729)
At end of the financial year		323,774	8,095	331,869
Carrying amount				
At end of the financial year		180,018	763	180,781

The carrying amount of right-of-use assets includes estimated carrying amount of cost for reinstatement amounting to RM870,000 (2024: RM1,430,000).

The right-of-use on leasehold land and buildings are disclosed in Note 19.

The corresponding lease liabilities relating to the right-of-use assets is disclosed in Note 28(d).

The Group has entered into commercial leases for premises and computer equipment, all of which do not contain any variable payment terms or residual payment guarantees. The Group is not subjected to any covenants or restrictions by entering into the leases.

20. RIGHT-OF-USE ASSETS (CONT'D.)

The leases are typically made for fixed period of three years, but some of the leases for premises may have extension options of between three to twelve years. These options, which are exercisable only by the Group and not by the respective lessor, are negotiated by management to provide operational flexibility in managing the assets used in the operations of the Group. Management exercises significant judgement in determining whether these extension options are reasonably certain to be exercised (refer to Note 5.2). For most of the leases of premises, the periods covered by the extension options are included as part of the lease terms due to the significance of these assets to the Group. As such, substantially all of the future cash outflows that the Group is exposed to in connection with the leases have been reflected in the measurement of lease liabilities.

21. INTANGIBLE ASSETS

	Note	Group	
		31 March 2025 RM'000	31 March 2024 RM'000
Goodwill	(a)	303,492	303,492
Other intangible assets:			
Computer software	(b)	90,849	79,014
Work-in-progress ("WIP") for computer software	(b)	64,349	48,788
		155,198	127,802
		458,690	431,294

(a) Goodwill

	Group	
	31 March 2025 RM'000	31 March 2024 RM'000
Cost		
At beginning/end of the financial year	2,093,967	2,093,967
Accumulated impairment loss		
At beginning/end of the financial year	(1,790,475)	(1,790,475)
Carrying amount		
At end of the financial year	303,492	303,492

Impairment test for goodwill

Goodwill is reviewed for impairment annually or when there are indications of impairment. At the date of acquisition, goodwill is allocated to the Group's cash generating units ("CGU") for impairment testing purposes, identified according to business segments expected to benefit from the synergies as follows:

	Group	
	31 March 2025 RM'000	31 March 2024 RM'000
Investment banking	4,227	4,227
Asset and fund management	116,128	116,128
Commercial and retail:		
– Conventional banking	129,655	129,655
– Islamic banking	53,482	53,482
	303,492	303,492

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

21. INTANGIBLE ASSETS (CONT'D.)

(a) Goodwill (Cont'd.)

Impairment test for goodwill (Cont'd.)

The recoverable amount of these CGUs, which are monitored at the operating segment level, has been determined based on VIU calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by the management. The discount rate applied to the cash flow projections is derived from the pre-tax weighted average cost of capital plus a reasonable risk premium at the date of assessment of the respective CGU.

The cash flow projections for these CGUs are based on the financial budgets approved by the management covering one year period (second to fifth years based on management's estimated projections), taking into account the projected regulatory capital requirements, as well as the terminal growth rate of 3.00% (2024: 3.00%) based on long-term GDP forecast and expectations of market opportunities. The discount rate applied ranged from 7.72% to 9.28% (2024: 9.22% to 11.23%). The terminal growth rates used do not exceed the long-term average growth rate for the markets in which the businesses operate.

The management believes that any reasonably possible change in the key assumptions would not cause the carrying amounts of the goodwill to exceed their recoverable amounts.

(b) The movements in other intangible assets are as follows:

Group 31 March 2025	Note	Merchants relationship RM'000	Credit cards relationship RM'000	Computer software RM'000	WIP for computer software RM'000	Total RM'000
Cost						
At beginning of the financial year		25,000	38,000	1,275,178	94,063	1,432,241
Additions		–	–	7,800	40,484	48,284
Reclassification		–	–	46,705	(46,705)	–
Transfer to property and equipment	19	–	–	–	(432)	(432)
At end of the financial year		25,000	38,000	1,329,683	87,410	1,480,093
Accumulated amortisation						
At beginning of the financial year		25,000	38,000	1,129,496	–	1,192,496
Amortisation	36	–	–	38,258	–	38,258
At end of the financial year		25,000	38,000	1,167,754	–	1,230,754
Accumulated impairment loss						
At beginning of the financial year		–	–	66,668	45,275	111,943
Writeback of impairment loss	39	–	–	(1,122)	(16,680)	(17,802)
Reclassification		–	–	5,534	(5,534)	–
At end of the financial year		–	–	71,080	23,061	94,141
Carrying amount						
At end of the financial year		–	–	90,849	64,349	155,198

21. INTANGIBLE ASSETS (CONT'D.)

(b) The movements in other intangible assets are as follows: (Cont'd.)

Group 31 March 2024	Note	Merchants relationship RM'000	Credit cards relationship RM'000	Computer software RM'000	WIP for computer software RM'000	Total RM'000
Cost						
At beginning of the financial year		25,000	38,000	1,243,001	43,031	1,349,032
Additions		–	–	13,613	72,050	85,663
Written off		–	–	(74)	–	(74)
Reclassification/adjustments		–	–	17,460	(17,529)	(69)
Transfer from/(to) property and equipment	19	–	–	1,177	(3,489)	(2,312)
Foreign exchange differences		–	–	1	–	1
At end of the financial year		25,000	38,000	1,275,178	94,063	1,432,241
Accumulated amortisation						
At beginning of the financial year		25,000	38,000	1,078,880	–	1,141,880
Amortisation	36	–	–	51,019	–	51,019
Written off		–	–	(8)	–	(8)
Reclassification/adjustments		–	–	(396)	–	(396)
Foreign exchange differences		–	–	1	–	1
At end of the financial year		25,000	38,000	1,129,496	–	1,192,496
Accumulated impairment loss						
At beginning of the financial year		–	–	–	–	–
Impairment loss	39	–	–	66,668	45,275	111,943
At end of the financial year		–	–	66,668	45,275	111,943
Carrying amount						
At end of the financial year		–	–	79,014	48,788	127,802

22. DEPOSITS FROM CUSTOMERS

	Group	
	31 March 2025 RM'000	31 March 2024 RM'000
Demand deposits	43,124,343	44,095,356
Savings deposits	7,881,560	8,671,965
Term/investment deposits	90,541,138	89,613,894
	141,547,041	142,381,215

Included in deposits from customers of the Group are deposits of RM2,500.6 million (2024: RM2,215.2 million) held as collateral for loans, advances and financing.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

22. DEPOSITS FROM CUSTOMERS (CONT'D.)

The deposits are sourced from the following types of customers:

	Group	
	31 March 2025 RM'000	31 March 2024 RM'000
Government and statutory bodies	5,360,808	6,560,731
Business enterprises	72,507,282	76,211,425
Individuals	58,196,532	54,821,433
Others	5,482,419	4,787,626
	141,547,041	142,381,215

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

	Group	
	31 March 2025 RM'000	31 March 2024 RM'000
Due within six months	70,845,999	72,199,766
Over six months to one year	18,941,672	15,383,376
Over one year to three years	720,942	1,977,080
Over three years to five years	32,525	53,672
	90,541,138	89,613,894

23. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

		Group	
	Note	31 March 2025 RM'000	31 March 2024 RM'000
Licensed banks		3,170,056	3,808,640
Licensed investment banks		567,040	572,113
Bank Negara Malaysia	(a)	1,834,771	1,656,012
Other financial institutions		2,007,461	2,865,159
		7,579,328	8,901,924

(a) As at the current financial year, a total amount of RM1,072.5 million (2024: RM1,072.5 million) received by the Group under the government financing scheme as part of the support measures by the government in response to the COVID-19 pandemic for the purpose of lending to small and medium-sized enterprises ("SMEs") at below market rate with six-year (6) to eight and half year (8.5) maturities.

24. RECOURSE OBLIGATION ON LOANS AND FINANCING SOLD TO CAGAMAS BERHAD

Recourse obligation on loans and financing sold to Cagamas Berhad represents the proceeds received from loans and financing sold to Cagamas Berhad with recourse. Under this arrangement, the Group undertakes to administer the loans and financing on behalf of Cagamas Berhad and to buy back any loans and financing, which are regarded as defective based on prudential criteria with recourse to the Group.

25. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Note	Group	
		31 March 2025 RM'000	31 March 2024 RM'000
Structured deposits	(a)	178,818	–
Quoted securities	(b)	–	68,022
		178,818	68,022

(a) The Group has designated certain structured deposits at FVTPL. This designation is permitted under MFRS 9 *Financial Instruments* as these instruments include terms that have substantive derivative characteristics and are managed by the Group on a fair value basis.

The contractual carrying amounts of the structured deposits designated at FVTPL of the Group as at 31 March 2025 was RM208.9 million (2024: RM Nil).

(b) In the previous financial year, the Group had entered into a unit lending agreement with Projek Lintasan Kota Holdings Sdn Bhd to act as the stabilising manager from 25 March 2024 (listing date). This arrangement had expired on 23 April 2024 upon the completion of stabilisation.

26. TERM FUNDING

	Note	Group	
		31 March 2025 RM'000	31 March 2024 RM'000
Senior Notes/Sukuk/Euro Medium Term Note ("EMTN")	(a)	4,424,716	1,300,000
Commercial papers	(b)	1,166,748	–
Other borrowings (Net of unamortised issuance expenses of RM Nil (2024: RM583,000))	(c)	1,951,367	1,149,968
		7,542,831	2,449,968

(a) The Senior Notes/Sukuk/EMTN outstanding were issued under the following:

	Note	Group	
		31 March 2025 RM'000	31 March 2024 RM'000
Senior Notes Programme	(i)	2,100,000	500,000
Senior Sukuk Programme	(ii)	1,000,000	800,000
EMTN Programme (Net of unamortised issuance expenses of RM5.1 million (2024: RM Nil))	(iii)	1,324,716	–
		4,424,716	1,300,000

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

26. TERM FUNDING (CONT'D.)

(a) The Senior Notes/Sukuk/EMTN outstanding were issued under the following: (Cont'd.)

(i) The movements of debt securities under the Senior Notes Programme are as follows:

	Group	
	31 March 2025 RM'000	31 March 2024 RM'000
Balance at beginning of the financial year	500,000	400,000
Issuance during the financial year	1,600,000	500,000
Redemption during the financial year	–	(400,000)
Balance at end of the financial year	2,100,000	500,000

Senior Notes of the Group refers to the Senior Notes Programme ("SNP") of up to RM7.0 billion nominal value by AmBank. The proceeds from the issuance of the Senior Notes is to be utilised for AmBank's general working capital requirements.

The SNP has a tenure of up to thirty (30) years from the date of first issuance under the programme. Under the SNP, AmBank may issue Senior Notes with a tenure of more than one (1) year and up to ten (10) years provided that the Senior Notes mature prior to the expiry of the SNP. Unless previously redeemed or purchased and cancelled, the Senior Notes shall be fully redeemed on the respective maturity date(s) at 100% of their nominal value.

The Senior Notes rank pari-passu with all other present and future unsecured and unsubordinated obligations (excluding deposits) of AmBank.

The salient features of Senior Notes issued and outstanding are as follows:

– Tranche 9 which amounted to RM500.0 million in nominal value was issued on 6 November 2023 with tenure of three (3) years and interest rate of 4.33% per annum, payable semi-annually.

– Tranche 10 which amounted to RM300.0 million in nominal value was issued on 19 June 2024 with tenure of five (5) years and interest rate of 4.00% per annum, payable semi-annually.

– Tranche 11 which amounted to RM800.0 million in nominal value was issued on 19 June 2024 with tenure of seven (7) years and interest rate of 4.10% per annum, payable semi-annually.

– Tranche 12 which amounted to RM500.0 million in nominal value was issued on 19 June 2024 with tenure of ten (10) years and interest rate of 4.15% per annum, payable semi-annually.

As at 31 March 2025, RAM Rating has assigned a long-term rating of AA2/Stable to the SNP.

(ii) The movements of debt securities under the Senior Sukuk Programme are as follows:

	Group	
	31 March 2025 RM'000	31 March 2024 RM'000
Balance at beginning of the financial year	800,000	800,000
Issuance during the financial year	1,000,000	–
Redemption during the financial year	(800,000)	–
Balance at end of the financial year	1,000,000	800,000

26. TERM FUNDING (CONT'D.)

(a) The Senior Notes/Sukuk/EMTN outstanding were issued under the following: (Cont'd.)

(ii) The movements of debt securities under the Senior Sukuk Programme are as follows: (Cont'd.)

In the financial year ended 31 March 2011, AmBank Islamic implemented a Senior Islamic securities issuance ("Senior Sukuk") programme under the Shariah principle of Musharakah with nominal value of up to RM3.0 billion. As at 31 March 2025, the Senior Sukuk was assigned a rating of AA2/Stable by RAM.

The salient features of Senior Sukuk issued and outstanding are as follows:

– Tranche 6 which amounted to RM800.0 million was issued on 27 March 2020. The profit rate of this tranche is 4.10% per annum, payable semi-annually and has a tenure of five (5) years. This tranche was fully redeemed on 27 March 2025.

– Tranche 7 which amounted to RM300.0 million was issued on 9 May 2024. The profit rate of this tranche is 4.00% per annum, payable semi-annually and has a tenure of five (5) years.

– Tranche 8 which amounted to RM500.0 million was issued on 9 May 2024. The profit rate of this tranche is 4.10% per annum, payable semi-annually and has a tenure of seven (7) years.

– Tranche 9 which amounted to RM200.0 million was issued on 20 September 2024. The profit rate of this tranche is 3.75% per annum, payable semi-annually and has a tenure of three (3) years.

(iii) The movements of debt securities under the EMTN Programme are as follows:

	Group	
	31 March 2025 RM'000	31 March 2024 RM'000
Balance at beginning of the financial year	–	–
Issuance during the financial year	1,330,125	–
Unamortised issuance expenses	(5,070)	–
Amortisation of issuance expenses	186	–
Foreign exchange differences	(525)	–
Balance at end of the financial year	1,324,716	–

On 7 January 2025, AmBank updated its USD2.0 billion EMTN Programme. The EMTN Programme has been approved by the Securities Commission under its deemed approval process. The net proceeds from the issuance will be utilised by AmBank for its working capital, general funding requirements and other corporate purposes.

On 23 January 2025, AmBank issued Tranche 1 (Series 2) with nominal value of USD300.0 million (RM1.3 billion) under its USD2.0 billion EMTN Programme. The coupon rate of this tranche is at 5.252% per annum, payable semi-annually with a tenure of five (5) years. Tranche 1 (Series 2) has been assigned a credit rating of A3 by Moody's Investors Service and BBB+ by Standard & Poor's Rating Services.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

26. TERM FUNDING (CONT'D.)

(b) The movements in commercial papers are as follows:

	Note	Group 31 March 2025 RM'000	Group 31 March 2024 RM'000
Balance at beginning of the financial year:			
Commercial paper		–	–
Islamic commercial paper		–	–
Issuance during the financial year			
Commercial paper	(i)	980,000	–
Islamic commercial paper	(ii)	200,000	–
Unamortised discounts			
Commercial paper		(17,651)	–
Islamic commercial paper		(1,870)	–
Amortisation of discounts			
Commercial paper		5,844	–
Islamic commercial paper		425	–
Balance at end of the financial year		1,166,748	–

(i) Commercial paper

AmBank issued the following series of its RM4.0 billion Commercial Papers Programme:

– Series 1 with nominal value of RM530.0 million on 19 December 2024. The tenure of the commercial paper ("CP") is six (6) months, which was issued at a discount of 3.80% per annum.

– Series 2 with nominal value of RM150.0 million on 28 March 2025. The tenure of the CP is four (4) months, which was issued at a discount of 3.73% per annum.

– Series 3 with nominal value of RM300.0 million on 28 March 2025. The tenure of the CP is six (6) months, which was issued at a discount of 3.80% per annum.

(ii) Islamic commercial paper

On 11 March 2025, AmBank Islamic issued the first series of Islamic commercial paper ("ICP") with nominal value of RM200.0 million under its RM3.0 billion ICP based on Shariah principle of Wakalah Bi Al-Istithmar Programme ("Sukuk Wakalah Programme"). The tenure of the ICP is three (3) months, which was issued at a discount of 3.71% per annum.

26. TERM FUNDING (CONT'D.)

(c) The movements in other borrowings are as follows:

	Group	
	31 March 2025 RM'000	31 March 2024 RM'000
Balance at beginning of the financial year:		
Structured deposit	1,149,968	531,242
Term loan	–	441,091
Net issuance/(repayment) during the financial year:		
Structured deposit	801,376	618,656
Term loan	–	(476,600)
Amortisation of:		
– premium for structured deposit	23	70
– issuance expenses for term loan	–	583
Foreign exchange differences	–	34,926
Balance at end of the financial year	1,951,367	1,149,968

Other borrowings comprise term loan and structured deposits:

(i) On 22 December 2021, AmBank drawdown a new term loan of USD100.0 million from Wells Fargo Bank, National Association. This loan was utilised for diversifying the sources of funding the growth of the USD balance sheet. This term loan was for a period of two (2) years and interest was charged at three (3) month LIBOR + 0.55%, payable on quarterly basis. This term loan had been fully repaid in full upon maturity on 30 October 2023.

(ii) Structured deposits which amounted to RM1,951,367,000 (2024: RM1,149,968,000) includes non-principal guaranteed deposit placed by customers and structured products that are only principal guaranteed on maturity. The structured deposits will mature within one (1) month to five (5) years (2024: one (1) month to five (5) years) and are roll-overed on maturity date depending on customers' request. Structured deposits for operations of Islamic banking has matured during the financial year (2024: RM34,977,000, matured within one (1) year).

27. DEBT CAPITAL

	Group	
	31 March 2025 RM'000	31 March 2024 RM'000
Subordinated Notes and Sukuk	4,395,000	4,395,000

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

27. DEBT CAPITAL (CONT'D.)

The outstanding Subordinated Notes and Sukuk are as follows:

	Group	
	31 March 2025 RM'000	31 March 2024 RM'000
Balance at beginning of the financial year:		
Subordinated Sukuk	1,300,000	1,300,000
Subordinated Notes	3,095,000	3,095,000
Issuance during the financial year:		
Subordinated Sukuk	–	500,000
Subordinated Notes	–	1,000,000
Redemption during the financial year:		
Subordinated Sukuk	–	(500,000)
Subordinated Notes	–	(1,000,000)
Balance at end of the financial year	4,395,000	4,395,000

(i) Subordinated Sukuk Murabahah

On 28 February 2014, AmBank Islamic had implemented a Subordinated Sukuk Murabahah programme of RM3.0 billion. The objective of the programme is to enable the issuance of Tier 2 capital from time to time, for the purpose of enhancing AmBank Islamic's total capital position. The programme is set up in accordance to the requirements spelt out in the Capital Adequacy Framework for Islamic Banks (Capital Components) issued by Bank Negara Malaysia ("BNM"), and the securities issued under this programme qualified for recognition as Tier 2 Capital for the purpose of capital adequacy ratio computation.

The programme has a tenure of thirty (30) years from the date of the first issuance under the programme. Each issuance of Tier 2 Subordinated Sukuk under this programme shall have a tenure of at least five (5) years from the issue date, and is callable on any profit payment date after a minimum period of five (5) years from the date of issuance of each tranche. As at 31 March 2025, the Tier 2 Subordinated Sukuk have been assigned a credit rating of AA3/Stable by RAM.

The salient features of Subordinated Sukuk issued and outstanding are as follows:

- Tranche 8 which amounted to RM400.0 million was issued on 8 December 2020. The profit rate of this tranche is 3.13% per annum, payable semi-annually.
- Tranche 9 which amounted to RM250.0 million was issued on 8 March 2022. The profit rate of this tranche is 4.25% per annum, payable semi-annually.
- Tranche 10 which amounted to RM150.0 million was issued on 28 March 2023. The profit rate of this tranche is 4.53% per annum, payable semi-annually.
- Tranche 11 which amounted to RM500.0 million was issued on 27 June 2023. The profit rate of this tranche is 4.53% per annum, payable semi-annually.

All the above tranches are for a tenure of 10 years.

The full amount of these tranches issued qualify for recognition as Tier 2 capital in the capital adequacy ratio computation of AmBank Islamic. Total outstanding Subordinated Sukuk Murabahah as at 31 March 2025 amounted to RM1,300,000,000 (2024: RM1,300,000,000).

27. DEBT CAPITAL (CONT'D.)

(ii) Subordinated Notes

(a) Subordinated Notes programme of RM4.0 billion

On 30 December 2013, AmBank established a Subordinated Notes programme of RM4.0 billion. The objective of the programme is to enable the issuance of Tier 2 Capital from time to time, for the purpose of enhancing AmBank's total capital position. The programme is set up in accordance to the requirements spelt out in the Capital Adequacy Framework (Capital Components) issued by BNM.

The programme has a tenure of thirty (30) years from the date of the first issuance under the programme. Each issuance of Tier 2 Subordinated Notes under this programme shall have a tenure of at least five (5) years from the issue date, and is callable on any coupon payment date after a minimum period of five (5) years from the date of issuance of each tranche. As at 31 March 2025, the Tier 2 Subordinated Notes have been assigned a credit rating of AA3/Stable by RAM.

The salient features of Subordinated Notes issued and outstanding are as follows:

– Tranche 7 which amounted to RM400.0 million was issued on 30 March 2021. The interest rate of this tranche is 4.18% per annum, payable semi-annually.

– Tranche 8 which amounted to RM600.0 million was issued on 8 March 2022. The interest rate of this tranche is 4.30% per annum, payable semi-annually.

– Tranche 9 which amounted to RM745.0 million was issued on 12 October 2022. The interest rate of this tranche is 5.20% per annum, payable semi-annually.

– Tranche 10 which amounted to RM350.0 million was issued on 28 March 2023. The interest rate of this tranche is 4.58% per annum, payable semi-annually.

– Tranche 11 which amounted to RM500.0 million was issued on 27 June 2023. The interest rate of this tranche is 4.59% per annum, payable semi-annually.

(b) Subordinated Notes programme of RM8.0 billion

On 11 October 2023, AmBank established a new Subordinated Notes programme of RM8.0 billion. The objective of the programme is to enable the issuance of additional Tier 1 and Tier 2 Capital from time to time. The programme's tenure is perpetual. As at 31 March 2025, the Subordinated Notes have been assigned a credit rating of AA3/Stable by RAM.

The salient features of Subordinated Notes issued and outstanding are as follows:

– Tranche 1 which amounted to RM500.0 million was issued on 3 November 2023. The interest rate of this tranche is 4.55% per annum, payable semi-annually.

All the above tranches are for a tenure of 10 years (callable in the 5th year).

The full amount of these tranches issued qualify for recognition as Tier 2 capital in the capital adequacy ratio computation of AmBank. Total outstanding Subordinated Notes as at 31 March 2025 amounted to RM3,095,000,000 (2024: RM3,095,000,000).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

28. OTHER LIABILITIES

	Note	Group 31 March 2025 RM'000	Group 31 March 2024 RM'000	Company 31 March 2025 RM'000	Company 31 March 2024 RM'000
Trade payables	(a)	780,449	901,369	–	–
Other payables and accruals		1,434,812	1,354,899	24,478	25,451
Interest/profit payable on deposits and borrowings/financing		1,070,985	1,167,950	–	–
Lease deposits and advance rental		59,283	54,197	–	–
Provision for commitments and contingencies	(b)	4,045	3,244	–	–
Allowances for ECL on loan/financing commitments and financial guarantees	(c)	102,693	174,491	–	–
Lease liabilities	(d)	133,158	186,790	–	–
Provision for reinstatement of leased premises	(e)	6,429	6,956	–	–
Amount due to subsidiaries	(f)	–	–	2,992	9,201
Provision for taxation		79,821	28,273	–	–
Collateral received for derivative and securities transactions		275,274	321,081	–	–
Deferred income		104,566	82,434	–	–
		4,051,515	4,281,684	27,470	34,652

(a) Trade payables mainly relate to the stock and share-broking operations of the investment banking subsidiary and represent contra gains owing to clients and amount payable in outstanding sales contracts.

(b) The movements in provision for commitments and contingencies are as follows:

	Group 31 March 2025 RM'000	Group 31 March 2024 RM'000
Balance at beginning of the financial year	3,244	3,677
Writeback during the financial year	801	(433)
Balance at end of the financial year	4,045	3,244

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

Group 31 March 2025	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Stage 3 Lifetime ECL credit impaired RM'000	Total RM'000
Balance at beginning of the financial year	44,054	17,852	112,585	174,491
Net writeback of ECL	(1,076)	(5,265)	(65,351)	(71,692)
– Transfer to 12-month ECL (Stage 1)	513	(3,708)	–	(3,195)
– Transfer to Lifetime ECL not credit impaired (Stage 2)	(875)	3,705	–	2,830
– Transfer to Lifetime ECL credit impaired (Stage 3)	(100)	(1,319)	324	(1,095)
– New exposures originated	19,356	5,855	–	25,211
– Net remeasurement of allowances	(6,006)	(3,105)	(63,684)	(72,795)
– Financial exposures derecognised	(13,964)	(6,693)	(1,991)	(22,648)
Foreign exchange differences	(72)	(36)	2	(106)
Balance at end of the financial year	42,906	12,551	47,236	102,693

28. OTHER LIABILITIES (CONT'D.)

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

Group 31 March 2024	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Stage 3 Lifetime ECL credit impaired RM'000	Total RM'000
Balance at beginning of the financial year	42,638	33,816	148,931	225,385
Net allowances for/(writeback of) ECL	1,232	(15,975)	(36,344)	(51,087)
– Transfer to 12-month ECL (Stage 1)	1,896	(13,222)	–	(11,326)
– Transfer to Lifetime ECL not credit impaired (Stage 2)	(918)	4,073	–	3,155
– Transfer to Lifetime ECL credit impaired (Stage 3)	(94)	(1,068)	649	(513)
– New exposures originated	19,121	9,164	–	28,285
– Net remeasurement of allowances	(7,429)	(4,722)	(36,913)	(49,064)
– Financial exposures derecognised	(11,344)	(10,200)	(80)	(21,624)
Foreign exchange differences	184	11	(2)	193
Balance at end of the financial year	44,054	17,852	112,585	174,491

The movements in allowances for ECL during the current financial year are due to the following:

(i) 12-month ECL (Stage 1) decreased due to exposure derecognised and net remeasurement of allowances, transfer to lifetime not credit impaired Stage 2; partially offset by new exposures originated, transfer to 12-month ECL (Stage 1).

(ii) Lifetime ECL not credit impaired (Stage 2) decreased due to exposures derecognised, transfer to 12-month ECL (Stage 1) and net remeasurement of allowances; partly offset by new exposures originated and impacts on migration from Stage 1.

(iii) Lifetime ECL credit impaired (Stage 3) decreased mainly due to net remeasurement of allowances and exposures derecognised.

(d) The movements of lease liabilities are as follows:

	Note	Group 31 March 2025 RM'000	Group 31 March 2024 RM'000
Premises			
At beginning of the financial year		186,790	233,845
Additions during the financial year		9,904	23,959
Remeasurements		798	1,628
Termination		(3)	(7,206)
Finance cost charged	36	4,636	5,467
Payment of lease liabilities*		(68,967)	(70,903)
At end of the financial year		133,158	186,790

* Inclusive of RM42,682,000 (2024: RM42,682,000) of payment of lease liabilities to related parties during the financial year.

There were no variable lease payments, subleasing, leases with residual value guarantees, leases not yet commenced, restrictions or covenants imposed to which the Group is committed.

The costs relating to leases for which the Group applied the practical expedient described in Note 2.5(g) for the current financial year end amounted to RM508,053 (2024: RM612,948) for low-value assets and RM44,036 (2024: RM54,500) for leases with contract term of less than 12 months.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

28. OTHER LIABILITIES (CONT'D.)

(d) The movements of lease liabilities are as follows: (Cont'd.)

Lease liabilities analysed by undiscounted contractual payments are as follows:

	Group	
	31 March 2025 RM'000	31 March 2024 RM'000
Premises		
Up to 1 month	3,816	5,762
> 1 month to 3 months	7,611	11,471
> 3 months to 6 months	9,691	17,153
> 6 months to 12 months	12,288	33,769
> 1 year to 5 years	67,516	83,447
Over 5 years	41,780	50,761
	142,702	202,363

(e) The movements for provision for reinstatement of leased premises are as follows:

		Group	
	Note	31 March 2025 RM'000	31 March 2024 RM'000
At beginning of the financial year		6,956	6,908
Reversal of provision during the financial year		(565)	(10)
Finance cost charged	36	38	58
At end of the financial year		6,429	6,956

As at 31 March 2025, the Group has estimated that it is contingently liable to incur restoration costs of RM14.3 million (2024: RM13.7 million) upon termination of lease contracts for certain premises leased from an associate.

(f) Amount due to subsidiaries are unsecured, interest-free and is repayable on demand.

29. SHARE CAPITAL

	Group		Company	
	31 March 2025 Units '000	31 March 2024 Units '000	31 March 2025 Units '000	31 March 2024 Units '000
No. of ordinary shares				
At beginning/end of the financial year	3,314,185	3,314,185	3,314,185	3,314,185

	RM'000	RM'000	RM'000	RM'000
Issued and fully paid				
At beginning/end of the financial year	6,376,240	6,376,240	6,372,870	6,372,870

The holders of fully paid ordinary shares, are entitled to receive dividends as and when declared by the Company. All fully paid ordinary shares carry one vote per share without restrictions and ranked equally with regards to the Company's residual assets.

The Company has an Executives' Share Scheme ("ESS"), details of the ESS are disclosed in Note 31. Total numbers of shares held as treasury shares for purposes of the ESS is 10,118,700 as at 31 March 2025 (2024: 7,340,500).

30. RESERVES

		Group		Company	
	Note	31 March 2025 RM'000	31 March 2024 RM'000	31 March 2025 RM'000	31 March 2024 RM'000
Regulatory reserve	(a)	352,522	245,196	–	–
Fair value reserve	(b)	756,720	643,966	–	–
Cash flow hedging deficit	(c)	–	(1,029)	–	–
Foreign currency translation reserve	(d)	113,212	131,449	–	–
ESS reserve	(e)	40,786	36,504	40,786	36,504
Treasury shares	(f)	(53,522)	(29,079)	(53,522)	(29,079)
Non-participating funds	(g)	45,715	45,715	–	–
Retained earnings	(h)	12,989,137	11,991,843	4,489,743	4,529,080
		14,244,570	13,064,565	4,477,007	4,536,505

(a) Regulatory reserve is maintained by the banking subsidiaries in accordance with paragraph 10.5 of the BNM's Policy Document on *Financial Reporting* and paragraph 10.9 of the BNM's Policy Document on *Financial Reporting* for Islamic Banking Institutions as an additional credit risk absorbent.

(b) The fair value reserve comprises fair value gains (net of fair value losses) on financial investments measured at FVOCI. In addition, the loss allowance arising from the recognition of expected credit losses on financial investments measured at FVOCI are accumulated in fair value reserve instead of reducing the carrying amount of the assets.

(c) Cash flow hedging deficit comprises the portion of the losses respectively on a hedging instrument in a cash flow hedge that is determined to be an effective hedge.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

30. RESERVES (CONT'D.)

(d) Foreign currency translation reserve represents foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's functional currency.

(e) ESS reserve represents the equity-settled scheme shares granted to employees (Note 31). The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled scheme share, and is reduced by the expiry of the scheme shares.

(f) Treasury shares represent the shares of the Company listed on the Main Market of Bursa Malaysia bought back from the open market. Shares bought back are held as treasury shares in accordance with Section 127(4)(b) of the Companies Act 2016. These shares have no rights to vote, dividends and participate in other distributions.

During the current financial year, the Company bought back 8,322,000 (2024: 5,806,950 ordinary shares of the Company for a total consideration of RM44.7 million (2024: RM22.7 million) (including transaction costs) from the open market at an average price of RM5.37 per share (2024: RM3.91 per share).

(g) This non-participating funds unallocated surplus is only available for distribution to shareholders based on the amount recommended by the appointed actuary.

(h) The Company can distribute dividends out of its entire retained earnings under the single-tier system.

31. EXECUTIVES' SHARE SCHEME ("ESS")

On 5 October 2018, the Board of the Company approved the implementation of a new ESS. The new ESS will be in force for a maximum period of ten (10) years from the effective date. Under the new ESS By-Laws, the award granted comprise Scheme Shares.

The awards included in the ESS are:

(i) Short term Incentive ("STI") Award

The STI Award is a share incentive scheme for the selected executives in recognition of their services as an important contribution to the current on-going development, growth and success of the Group. Under the Award, a selected executive is granted a specified number of shares which will be vested in him upon the fulfilment of the service period and such other conditions (if any) imposed by the GNRC.

(ii) Long term Incentive ("LTI") Award

The LTI Award is a share incentive scheme for the selected executives in motivating attainment of higher performance goals and exceptional achievements by selected executives. Under the Award, a selected executive is granted a specified number of shares which will be vested in him upon fulfilment of the service period as well as fulfilment of certain performance targets and such other conditions (if any) imposed by the GNRC.

31. EXECUTIVES' SHARE SCHEME ("ESS") (CONT'D.)

The salient features of the ESS are as follows:

(i) Any executive director or executive of a corporation in the Group, who meets the following criteria at date of offer of awards ("Offer Date") shall be eligible for consideration and selection in the ESS by GNRC ("Eligible Executives"):

(a) has attained the age of eighteen (18) years and is not an undischarged bankrupt;

(b) employed on a full time basis and is on the payroll of any corporation in the Group and has not served a notice of resignation or received a notice of termination;

(c) employment has been confirmed in writing;

(d) in the case of an executive director of the Company, if required, the specific allocation of shares granted by the Company to him in his capacity as an Executive Director under the ESS has been approved by the shareholders at a general meeting;

(e) if he is serving in a specific designation under an employment contract for a fixed duration but not if he is merely employed for a specific project;

(f) is not participating or entitled to participate in any other employee share or incentive scheme implemented by any other corporation which is in force for the time being provided that he may be eligible for consideration notwithstanding his participation or entitlement to participate if the GNRC shall so determine; and

(g) fulfils any other criteria and/or falls within such category as may be set by the GNRC from time to time.

(ii) The maximum number of shares which may be made available under the ESS shall not exceed in aggregate ten percent (10%) of the total number of issued shares of the Company (excluding treasury shares) ("Maximum Scheme Shares Allowable") at any point of time during the tenure of the ESS and out of which not more than fifty percent (50%) of the shares shall be allocated, in aggregate, to executive directors and senior management. In addition, not more than ten percent (10%) of the shares available under the ESS shall be allocated to any Eligible Executive who, either individually or collectively through persons connected to him/her, holds twenty percent (20%) or more of the total number of issued shares of the Company.

(iii) In the event that the Company purchases or cancels its own shares in accordance with the provisions of Section 127 of the Companies Act 2016 or otherwise howsoever or undertakes any other corporate proposal resulting in the reduction of its issued and paid-up ordinary share capital, all the Scheme Shares granted prior to such purchase and/or the reduction/adjustment of the issued and paid-up ordinary share capital of the Company shall remain valid as if that reduction/adjustment had not occurred.

(iv) The Share Grant Price (being the reference price which is used to determine the number of Scheme Shares to be granted under the awards) shall be at a discount (as determined by the GNRC) of not more than ten percent (10%) of the five (5) days weighted average market price of the Company's shares transacted on Bursa Malaysia Securities Berhad immediately preceding the date on which an offer is made (or such basis as the relevant authorities may permit).

(v) The Scheme Shares to be allotted and issued or transferred to Scheme Participant (Eligible Executive who has accepted the Offer) pursuant to the By-Laws are not subjected to any retention period unless otherwise stipulated by the GNRC in the offer.

(vi) The GNRC may in its discretion decide that the Scheme Shares be satisfied either by way of acquisition of existing ordinary shares including by a share buy-back and subject to compliance with the provisions of the Companies Act 2016 and Bursa Malaysia Securities Berhad Listing Requirements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

31. EXECUTIVES' SHARE SCHEME ("ESS") (CONT'D.)

The salient features of the ESS are as follows: (Cont'd.)

(vii) In the event that the performance targets, performance period or other conditions stipulated in the Offer in respect of any one or more Scheme Participant cannot be achieved/satisfied, the GNRC may in its discretion by notice in writing to such Scheme Participant(s), waive its compliance, subject to any further conditions as the GNRC may in its discretion impose.

The Company and/or GNRC may establish a Trust administered by a Trustee for the purposes of acquiring existing ordinary shares of the Company and transferring them to the Scheme Participants. For this purpose and to pay expenses in relation to the administration of the Trust, the Trustee is entitled from time to time to accept funding and/or assistance, financial or otherwise from the Company and/or its subsidiaries.

(viii) Details for Share Grants are as follows:

(a) Movements for Share Grants under STI award:

	Share Grants Number of Shares				
	Movements During the Financial Year				
Group	Balance at 1 April 2023 '000	Granted '000	Vested '000	Forfeited '000	Balance at 31 March 2024 '000
2020 ESS	10	–	(10)	–	–

(b) Movements for Share Grants under LTI award:

	Share Grants Number of Shares				
	Movements During the Financial Year				
Group	Balance at 1 April 2024 '000	Granted '000	Vested '000	Forfeited '000	Balance at 31 March 2025 '000
2021 ESS	6,952	805	(7,275)	(482)	–
2022 ESS	7,963	–	–	(446)	7,517
2023 ESS	8,985	–	–	(589)	8,396
2024 ESS	–	6,194	–	(260)	5,934
	23,900	6,999	(7,275)	(1,777)	21,847

31. EXECUTIVES' SHARE SCHEME ("ESS") (CONT'D.)

The salient features of the ESS are as follows: (Cont'd.)

(viii) Details for Share Grants are as follows: (Cont'd.)

(b) Movements for Share Grants under LTI award: (Cont'd.)

Group	Share Grants Number of Shares				
		Movements During the Financial Year			
	Balance at 1 April 2023 '000	Granted '000	Vested '000	Forfeited '000	Balance at 31 March 2024 '000
2019 ESS	24	–	(16)	(8)	–
2020 ESS	8,987	–	(5,509)	(3,478)	–
2021 ESS	7,227	–	–	(275)	6,952
2022 ESS	8,299	–	–	(336)	7,963
2023 ESS	–	9,260	–	(275)	8,985
	24,537	9,260	(5,525)	(4,372)	23,900

(c) The fair value of share grants awarded is based on the share price on grant date, adjusted the number of shares expected to vest and the time value of money of the deferred dividend entitled by the scheme participants.

(d) The grant dates for shares granted are as follows:

2019 ESS (Grant 2)	11 September 2019
2020 ESS (Grant 3)	17 August 2020
2021 ESS (Grant 4)	31 March 2022
2022 ESS (Grant 5)	27 July 2022
2023 ESS (Grant 6)	8 August 2023
2024 ESS (Grant 7)	7 October 2024

32. NON-CONTROLLING INTERESTS

	Note	Group	
		31 March 2025 RM'000	31 March 2024 RM'000
At beginning of the financial year		1,028	864
Share in net results of subsidiaries		181	25,398
Dividends received by non-controlling interests	42(c)	(300)	(150)
Derecognition – disposal of subsidiary	(a)	–	(25,046)
Derecognition – liquidation of subsidiary		–	(38)
At end of the financial year		909	1,028

(a) The derecognition of non-controlling interests of RM25.0 million related to gain on disposal of AGIB upon finalisation of sales proceeds in previous financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

33. INTEREST INCOME

	Group		Company	
	31 March 2025 RM'000	31 March 2024 RM'000	31 March 2025 RM'000	31 March 2024 RM'000
Short-term funds and deposits and placements with banks and other financial institutions	141,782	271,255	1,111	2,297
Financial assets at fair value through profit or loss	155,485	231,160	–	–
Financial investments at fair value through other comprehensive income	724,649	690,126	–	–
Financial investments at amortised cost	388,280	336,187	–	–
Loans and advances*	4,668,470	4,489,757	–	–
Impaired loans and advances	11,762	9,362	–	–
Others	58,841	42,941	–	–
	6,149,269	6,070,788	1,111	2,297

* Included in the interest income of loans and advances of the Group is the net loss of RM0.21 million (2024: net loss of RM8.06 million) arising from government support measures implemented in response to COVID-19 pandemic.

34. INTEREST EXPENSE

	Group	
	31 March 2025 RM'000	31 March 2024 RM'000
Deposits from customers	2,774,491	2,828,029
Deposits and placements of banks and other financial institutions	234,097	270,380
Senior notes	73,012	15,657
Securities sold under repurchase agreements	247,117	359,027
Recourse obligation on loans sold to Cagamas Berhad	188,651	230,597
Term loan	–	16,760
Debt capital	142,742	155,475
Medium Term Notes	13,378	–
Other structured products and others	117,749	58,065
	3,791,237	3,933,990

35. OTHER OPERATING INCOME

	Note	Group		Company	
		31 March 2025 RM'000	31 March 2024 RM'000	31 March 2025 RM'000	31 March 2024 RM'000
Fee and commission income:					
Fees on loans and securities		145,870	164,362	–	–
Corporate advisory		24,169	29,422	–	–
Guarantee fees		58,200	52,239	–	–
Underwriting commission		1,893	1,263	–	–
Portfolio management fees		49,636	49,469	–	–
Unit trust fees, commission and charges		188,292	167,846	–	–
Property trust management fees		6,692	6,538	–	–
Brokerage fees and commission		48,617	41,975	–	–
Bancassurance commission		34,258	39,670	–	–
Wealth management fees		18,472	13,271	–	–
Remittances		22,383	25,442	–	–
Fees, service and commission charges		33,372	27,280	–	–
Placement fees		17,028	16,159	–	–
Other fees		11,527	18,027	–	–
		660,409	652,963	–	–
Investment and trading income:					
Net gain from sale of financial assets at FVTPL		98,172	52,570	–	–
Net gain from sale of financial investments at FVOCI		22,066	17,783	–	–
Net gain on redemption of financial investments at amortised cost		45,467	68,270	–	–
Net (loss)/gain on revaluation of financial assets at FVTPL		(232,360)	268,979	–	–
Net gain on foreign exchange		147,081	327,921	–	–
Net gain/(loss) on derivatives		278,426	(361,847)	–	–
Gain on liquidation of subsidiaries		–	28	–	–
Dividend income from:					
Subsidiaries		–	–	884,060	493,406
Financial assets at FVTPL		57,044	36,672	43	40
Financial investments at FVOCI	11(i)	3,351	2,591	–	–
Others		2,937	929	–	–
		422,184	413,896	884,103	493,446
Other income:					
Net (loss)/gain on non-trading foreign exchange		(80)	143	–	–
Net gain on disposal of property and equipment		1,083	105	–	–
Rental income		1,053	1,177	–	–
Profit from sale of goods and services		15,815	16,024	–	–
Loss on disposal of foreclosed properties		–	(650)	–	–
Others		11,951	19,273	10,087	12,141
		29,822	36,072	10,087	12,141
		1,112,415	1,102,931	894,190	505,587

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

36. OTHER OPERATING EXPENSES

	Note	Group 31 March 2025 RM'000	Group 31 March 2024 RM'000	Company 31 March 2025 RM'000	Company 31 March 2024 RM'000
Personnel costs					
Salaries, allowances and bonuses		1,070,158	1,010,388	–	–
Shares granted under ESS:					
– charge		30,189	29,497	–	–
Contributions to Employees' Provident Fund ("EPF")/private retirement schemes		179,532	163,061	–	–
Social security cost		9,048	8,591	–	–
Other staff related expenses		168,472	128,582	–	–
		1,457,399	1,340,119	–	–
Establishment costs:					
Depreciation of property and equipment	19	44,287	49,355	10	9
Depreciation of right-of-use assets	20	65,175	67,728	–	–
Amortisation of intangible assets	21(b)	38,258	51,019	–	–
Computerisation costs		265,151	231,635	14	38
Cleaning, maintenance and security		39,501	34,109	288	87
Finance costs:					
– interest on lease liabilities	28(d)	4,636	5,467	–	–
– provision for reinstatement of leased premises	28(e)	38	58	–	–
Others		36,037	34,959	360	360
		493,083	474,330	672	494
Marketing and communication expenses:					
Sales commission		3,130	2,526	–	–
Advertising, promotional and other marketing activities		25,239	22,135	–	28
Telephone charges		11,822	16,023	2	1
Postage		12,277	12,837	5	–
Travelling and entertainment		7,950	8,141	29	23
Others		10,911	10,887	–	–
		71,329	72,549	36	52
Administration and general expenses:					
Professional services		84,395	75,351	1,536	924
Travelling		1,523	1,941	50	42
Insurance		9,480	9,806	56	–
Subscriptions and periodicals		11,011	11,090	6	4
Others		69,578	66,490	3,337	3,878
		175,987	164,678	4,985	4,848
Service transfer pricing expense, net		–	–	32,009	31,706
Total		2,197,798	2,051,676	37,702	37,100
Included in other operating expenses are the following:					
Directors' remuneration	37	4,982	4,579	2,952	3,154
Property and equipment written off	19	3	7	–	–
Intangible assets written off	21(b)	–	66	–	–
Auditors' remuneration:					
Audit		2,795	2,611	120	115
Regulatory and assurance related		1,085	2,149	33	42
Other services		430	163	53	–

37. CHIEF EXECUTIVE OFFICER'S AND DIRECTORS' REMUNERATION

The total remuneration (including benefits-in-kind ("BIK")) of Chief Executive Officer ("CEO") and Directors of the Group are as follows:

31 March 2025	Salary RM'000	Bonus[3] RM'000	LTI[3] RM'000	Other Emoluments[4] RM'000	BIK RM'000	Total RM'000
CEO – Ling Fou-Tsong @ Jamie Ling	2,880	3,251	1,700	1,163	201	9,195

31 March 2024	Salary RM'000	Bonus[3] RM'000	LTI[3] RM'000	Other Emoluments[4] RM'000	BIK RM'000	Total RM'000
CEO – Ling Fou-Tsong @ Jamie Ling[1]	853	532	–	258	20	1,663
Previous CEO – Dato' Sulaiman Mohd Tahir[2]	1,771	–	–	2,692[5]	51	4,514
	2,624	532	–	2,950	71	6,177

Notes:

[1] Appointed on 23 November 2023.

[2] Retired on 22 November 2023.

[3] The bonus and LTI have been duly approved by the Group's Nomination and Remuneration Committee ("GNRC"). The bonus is payable in three tranches subsequent to the financial year end. The LTI will vest in three years if the performance conditions are met.
In the previous financial year, the Group paid FY2023 deferred bonus including contribution totalling RM6,964,347 to the previous CEO, who retired in the same year.
The previous CEO received RM2,719,232 (2024: RM1,706,971) in shares in relation to the LTI vesting in the current financial year.

[4] Include statutory contributions and allowances.

[5] Include gratuity payment upon retirement.

The remuneration for the CEO of the Company of RM3,312,000 (2024: RM2,880,000) was paid by AmBank and charged to the Company under Service Transfer Pricing ("STP") expenses.

31 March 2025	Fees RM'000	Other Emoluments RM'000	BIK RM'000	Total RM'000
Non-Executive Directors:				
Tan Sri Md Nor bin Md Yusof	250	328	134	712
Soo Kim Wai	360	227	20	607
Seow Yoo Lin	396	389	13	798
Farina binti Farikhullah Khan	352	209	4	565
Hong Kean Yong	200	132	10	342
Dato' Kong Sooi Lin	350	244	8	602
Jeyaratnam a/l Tamotharam Pillai[1]	285	232	27	544
U Chen Hock[2]	174	125	4	303
Voon Seng Chuan[3]	86	80	1	167
Robert William Goudswaard[4]	36	28	1	65
Felicity Ann Youl	200	69	8	277
	2,689	2,063	230	4,982

Notes:

[1] Appointed w.e.f. 15 January 2025

[2] Appointed w.e.f. 6 March 2025

[3] Retired w.e.f. 18 June 2024

[4] Resigned w.e.f. 5 June 2024

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

37. CHIEF EXECUTIVE OFFICER'S AND DIRECTORS' REMUNERATION (CONT'D.)

The total remuneration (including benefits-in-kind ("BIK")) of Chief Executive Officer ("CEO") and Directors of the Group are as follows: (Cont'd.)

31 March 2024	Fees RM'000	Other Emoluments RM'000	BIK RM'000	Total RM'000
Non-Executive Directors:				
Tan Sri Md Nor bin Md Yusof	210	333	135	678
Soo Kim Wai	360	188	20	568
Seow Yoo Lin	350	200	2	552
Farina binti Farikhullah Khan	350	210	4	564
Hong Kean Yong	200	115	3	318
Dato' Kong Sooi Lin	350	173	1	524
Voon Seng Chuan	370	383	2	755
Robert William Goudswaard	200	148	1	349
Felicity Ann Youl	200	70	1	271
	2,590	1,820	169	4,579

The total remuneration (including BIK) of the Directors of the Company are as follows:

31 March 2025	Fees[1] RM'000	Other Emoluments[2] RM'000	BIK[3] RM'000	Total RM'000
Non-Executive Directors:				
Tan Sri Md Nor bin Md Yusof	250	328	134	712
Soo Kim Wai	200	122	–	322
Seow Yoo Lin	200	168	–	368
Farina binti Farikhullah Khan	200	133	–	333
Hong Kean Yong	200	132	10	342
Dato' Kong Sooi Lin	200	187	–	387
Jeyaratnam a/l Tamotharam Pillai[4]	42	20	–	62
U Chen Hock[5]	14	3	–	17
Voon Seng Chuan[6]	43	24	–	67
Robert William Goudswaard[7]	36	28	1	65
Felicity Ann Youl	200	69	8	277
Total remuneration	1,585	1,214	153	2,952

37. CHIEF EXECUTIVE OFFICER'S AND DIRECTORS' REMUNERATION (CONT'D.)

The total remuneration (including BIK) of the Directors of the Company are as follows: (Cont'd.)

31 March 2024	Fees RM'000	Other Emoluments[2] RM'000	BIK[3] RM'000	Total RM'000
Non-Executive Directors:				
Tan Sri Md Nor bin Md Yusof	210	333	135	678
Soo Kim Wai	200	75	–	275
Voon Seng Chuan	200	110	–	310
Seow Yoo Lin	200	125	–	325
Farina binti Farikhullah Khan	200	115	–	315
Hong Kean Yong	200	115	3	318
Dato' Kong Sooi Lin	200	113	–	313
Robert William Goudswaard	200	148	1	349
Felicity Ann Youl	200	70	1	271
Total remuneration	1,810	1,204	140	3,154

Notes:

[1] Payable upon approval by shareholders in the Annual General Meeting of the financial year.
[2] Comprised Board Committee allowances, meeting allowances and allowances to the Chairman of the Board.
[3] Comprised provision of medical claims and expenses incurred by non-executive directors in performing their duties.
[4] Appointed w.e.f. 15 January 2025
[5] Appointed w.e.f. 6 March 2025
[6] Retired w.e.f. 18 June 2024
[7] Resigned w.e.f. 5 June 2024

38. ALLOWANCES FOR IMPAIRMENT ON LOANS, ADVANCES AND FINANCING

	Note	Group	
		31 March 2025 RM'000	31 March 2024 RM'000
Impairment on loans, advances and financing:			
Allowances for ECL	13(i)	509,417	988,804
Impaired loans, advances and financing recovered, net		(285,373)	(292,477)
		224,044	696,327

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

39. ALLOWANCES FOR/(WRITEBACK OF) IMPAIRMENT ON FINANCIAL INVESTMENTS, OTHER FINANCIAL ASSETS AND NON-FINANCIAL ASSETS

	Note	Group 31 March 2025 RM'000	Group 31 March 2024 RM'000
Financial investments			
Financial investments at fair value through other comprehensive income	11	4,806	13,682
Financial investments at amortised cost	12	7,335	27,653
		12,141	41,335
Other financial assets			
Cash and short-term funds	6	1,358	(796)
Deposits and placements with banks and other financial institutions	8	–	(66)
Other assets	18(c)(i)	(4,938)	(25,138)
		(3,580)	(26,000)
Non-financial assets			
Computer software	21(b)	(17,802)	111,943

40. TAXATION AND ZAKAT

	Note	Group 31 March 2025 RM'000	Group 31 March 2024 RM'000	Company 31 March 2025 RM'000	Company 31 March 2024 RM'000
Continuing operations					
Current tax:					
Estimated current tax payable		580,951	441,834	310	606
Over provision in prior financial years		(3,530)	(512,387)	(3)	(2,796)
		577,421	(70,553)	307	(2,190)
Deferred tax:	15				
Origination and reversal of temporary differences		5,027	(36,722)	–	–
Over provision in prior financial years		(1,438)	(44,473)	–	–
		3,589	(81,195)	–	–
Taxation	(a)	581,010	(151,748)	307	(2,190)
Zakat		4,876	3,465	–	–
		585,886	(148,283)	307	(2,190)

40. TAXATION AND ZAKAT (CONT'D.)

Domestic income tax is calculated at the statutory tax rate of 24.0% (2024: 24.0%) on the estimated chargeable profit for the financial year. The computation of deferred tax for the current financial year is based on the tax rate of 24.0% (2024: 24.0%).

(a) A reconciliation of the taxation applicable to profit before taxation and zakat at the statutory tax rate to taxation at the effective tax rate of the Group and of the Company is as follows:

	Group		Company	
	31 March 2025 RM'000	31 March 2024 RM'000	31 March 2025 RM'000	31 March 2024 RM'000
Profit before taxation and zakat from continuing operations	2,587,252	1,694,098	857,599	470,784
Profit before taxation from discontinued operation	–	51,115	–	–
Profit before taxation and zakat	2,587,252	1,745,213	857,599	470,784
Taxation at Malaysian statutory tax rate of 24.0% (2024: 24.0%)	620,940	418,851	205,824	112,988
Effect of different tax rates in Labuan	(4,994)	(6,050)	–	–
Income not subject to tax	(19,517)	(32,157)	(212,175)	(118,417)
Restricted and non-deductibility of expenses for tax purposes	15,947	34,499	6,661	6,035
Tax recoverable recognised on income subject to tax remission	(515)	(424)	–	–
Over provision of income tax in prior financial years	(3,530)	(512,387)	(3)	(2,796)
Over provision of deferred tax in prior financial years	(1,438)	(44,473)	–	–
Tax on share in results of associates and joint ventures	(25,883)	(9,607)	–	–
Taxation for the financial year/income tax attributable to continuing operations	581,010	(151,748)	307	(2,190)

41. EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit 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.

	Group	
	31 March 2025	31 March 2024
Net profit attributable to equity holders of the Company		
Continuing operations (RM'000)	2,001,185	1,842,029
Discontinued operation (RM'000)	–	26,069
	2,001,185	1,868,098
Weighted average number of ordinary shares in issue ('000)	3,304,488	3,307,218
Basic earnings per share (sen)		
Continuing operations	60.56	55.70
Discontinued operation	–	0.79
	60.56	56.49

(b) Diluted earnings per share

The Group has no dilution in its earnings per ordinary share in the current and previous financial year as there are no dilutive potential ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

42. DIVIDENDS

Dividends recognised and paid by the Group and the Company are as follows:

	Group and Company	
	31 March 2025 RM'000	31 March 2024 RM'000
In respect of the financial year ended 31 March 2025		
Interim single-tier dividend of 10.3 sen per share	340,648	–
In respect of the financial year ended 31 March 2024		
Interim single-tier dividend of 6.0 sen per share	–	198,523
Final single-tier dividend of 16.6 sen per share	548,738	–
In respect of the financial year ended 31 March 2023		
Final single-tier dividend of 12.3 sen per share	–	406,705
	889,386	605,228
Proposed but not recognised as a liability:		
In respect of the financial year ended 31 March 2025		
Final single-tier dividend of 19.9 sen per share	657,509	–
In respect of the financial year ended 31 March 2024		
Final single-tier dividend of 16.6 sen per share	–	548,936
	657,509	548,936

(a) Dividends recognised and paid

The dividends are paid based on the number of outstanding ordinary shares in issue (net of treasury shares) on the entitlement date of dividend.

(b) Proposed final dividend

The financial statements for the current financial year do not reflect the proposed dividend in respect of financial year ended 31 March 2025. Such dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 March 2026.

Proposed final dividend is based on the number of outstanding ordinary shares in issue (net of treasury shares) as at financial year end.

(c) Dividends paid by the Company's subsidiaries to non-controlling interests

Dividends paid by the Company's subsidiaries to non-controlling interests amounted to RM300,000 during the financial year ended 31 March 2025 (2024: RM150,000).

43. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

For the purpose of these financial statements, parties are considered to be related to the Group or the Company if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial or operational decisions, vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The related parties of the Group and the Company are:

(i) Subsidiaries

Transactions between the Company and its subsidiaries have been eliminated on consolidation. Details of subsidiaries are shown in Note 16.

(ii) Associates and joint ventures

Details of associates and joint ventures are disclosed in Note 17.

(iii) Key management personnel ("KMP")

KMP are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company, either directly or indirectly. The KMP include Executive and Non-Executive Directors and certain members of senior management of the Group and of the Company as well as heads of major subsidiaries of the Company (including close member of their families).

(iv) Companies in which certain Directors have substantial financial interest

These are entities in which significant voting power in such entities, either directly or indirectly, resides with certain Directors of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

43. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONT'D.)

(a) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

Group	Subsidiaries		Associates and joint ventures		Key management personnel	
	31 March 2025 RM'000	31 March 2024 RM'000	31 March 2025 RM'000	31 March 2024 RM'000	31 March 2025 RM'000	31 March 2024 RM'000
Income						
Interest on loans, advances and financing	–	–	13,133	13,166	310	285
Bancassurance commission	–	–	37,083	39,043	–	–
Fee income	–	–	8,015	8,019	3	5
Gain on derivatives	–	–	849	436	–	–
Other income	–	–	221	338	–	–
Service transfer pricing recoveries	–	–	9,866	11,792	–	–
	–	–	69,167	72,794	313	290
Expenses						
Interest on deposits	–	–	748	622	131	3,322
Customer loyalty awards	–	–	4,790	3,619	–	–
Depreciation on right-of-use assets	–	–	41,182	41,148	–	–
Interest on lease liabilities	–	–	873	1,629	–	–
Storage	–	–	3	15	–	–
Utilities	–	–	505	459	–	–
Marketing and advertising expenses	–	–	70	82	–	–
Insurance premium	–	–	47,513	51,594	–	–
Training	–	–	17	4	–	–
Travelling/Motor vehicle expenses	–	–	103	98	–	–
Sales commissions	–	–	440	302	–	–
Others	–	–	20	74	–	–
	–	–	96,264	99,646	131	3,322

Company	Subsidiaries		Associates and joint ventures		Key management personnel	
	31 March 2025 RM'000	31 March 2024 RM'000	31 March 2025 RM'000	31 March 2024 RM'000	31 March 2025 RM'000	31 March 2024 RM'000
Income						
Interest on deposits	1,111	2,297	–	–	–	–
Dividend income from subsidiaries	884,060	493,406	–	–	–	–
Other income	–	–	221	338	–	–
Service transfer pricing recoveries	–	–	9,866	11,792	–	–
	885,171	495,703	10,087	12,130	–	–
Expenses						
Service transfer pricing expenses (net)	32,009	31,706	–	–	–	–

43. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONT'D.)

(b) In addition to the transactions detailed elsewhere in the financial statements, the significant outstanding balances of the Group and the Company with its related parties are as follows:

Group	Subsidiaries		Associates and joint ventures		Key management personnel		Companies in which certain directors have substantial financial interest	
	31 March 2025 RM'000	31 March 2024 RM'000	31 March 2025 RM'000	31 March 2024 RM'000	31 March 2025 RM'000	31 March 2024 RM'000	31 March 2025 RM'000	31 March 2024 RM'000
Assets								
Loans, advances and financing	–	–	304,212	297,518	8,919	11,416	–	–
Derivative financial assets	–	–	705	39	–	–	–	–
Other assets	–	–	5,573	4,541	–	–	–	–
Right-of-use assets	–	–	18,667	58,114	–	–	–	–
	–	–	329,157	360,212	8,919	11,416	–	–
Liabilities								
Deposits and placements	–	–	5,831	121,524	6,573	88,142	–	12
Derivative financial liabilities	–	–	–	184	–	–	–	–
Other liabilities	–	–	11,268	11,198	130	130	–	–
Lease liabilities	–	–	17,961	59,770	–	–	–	–
	–	–	35,060	192,676	6,703	88,272	–	12
Commitments								
Commitments	–	–	–	–	6,416	5,755	–	–
Contract/notional amount for derivatives	–	–	500,000	300,000	–	–	–	–
	–	–	500,000	300,000	6,416	5,755	–	–

Company	Subsidiaries		Associates and joint ventures		Key management personnel		Companies in which certain directors have substantial financial interest	
	31 March 2025 RM'000	31 March 2024 RM'000	31 March 2025 RM'000	31 March 2024 RM'000	31 March 2025 RM'000	31 March 2024 RM'000	31 March 2025 RM'000	31 March 2024 RM'000
Assets								
Cash and short-term funds	14,557	80,118	–	–	–	–	–	–
Amount due from related companies	6	494	2,791	3,040	–	–	–	–
	14,563	80,612	2,791	3,040	–	–	–	–
Liabilities								
Amount due to related companies	2,992	9,201	–	–	–	–	–	–

(c) There were no granting of loans, advances and financing to the Directors of the Company other than in the normal course of business of the Group and of the Company. Loans, advances and financing made to Directors and other key management personnel of the Group are on similar terms and conditions generally available to other employees within the Group. No provisions have been recognised in respect of loans, advances and financing given to Directors and key management personnel.

(d) The Company incurs intercompany charges for shared operating costs of the Group in Malaysia as disclosed under service transfer pricing expenses. The services received relate to expenses incurred for group shared services in respect of key management personnel costs, internal audit, finance, human resource, marketing and communications, legal, company secretarial, organisation and development and information systems.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

43. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONT'D.)

(e) Key management personnel compensation

The remuneration of Directors of the Company and other key management personnel during the financial year are as follows:

		Group		Company	
	Note	31 March 2025 RM'000	31 March 2024 RM'000	31 March 2025 RM'000	31 March 2024 RM'000
Directors:	37				
Fees		2,689	2,590	1,585	1,810
Other emoluments		2,063	1,820	1,214	1,204
Other short-term employee benefits (including estimated monetary value of BIK)		230	169	153	140
Total short-term employee benefits		4,982	4,579	2,952	3,154
Other key management personnel:					
Salary		20,503	18,122	–	–
Bonus[1]		15,418	10,318	–	–
LTI[1]		7,556	9,534	–	–
Other emoluments and BIK[2]		10,388	9,594	–	–
Total employee benefits		53,865	47,568	–	–

Notes:

[1] The bonus and LTI have been duly approved by GNRC. The bonus is payable in three tranches subsequent to the financial year end. The LTI will vest in three years if the performance conditions are met.
During the financial year, the KMP received RM9,459,200 (2024: RM5,684,536) in shares in relation to the LTI vesting.

[2] Include statutory contributions and allowances.

The remuneration for other key management personnel of the Company of RM12,708,000 (2024: RM12,180,000) was paid by AmBank and charged to the Company under STP expenses.

44. CREDIT TRANSACTIONS AND EXPOSURES WITH CONNECTED PARTIES

	Group	
	31 March 2025	31 March 2024
Outstanding credit exposures with connected parties (RM'000)	2,931,995	5,440,017
Percentage of outstanding credit exposures to connected parties as a proportion of total credit exposures (%)	1.78	3.64
Percentage of outstanding credit exposures with connected parties which is impaired or in default (%)	0.00	0.00

The credit exposures disclosed above are based on the requirement of paragraph 9.1 of Bank Negara Malaysia's revised Guidelines on Credit Transactions and Exposures with Connected Parties and Credit Transactions and Exposures with Connected Parties for Islamic Banks issued on 16 July 2014.

44. CREDIT TRANSACTIONS AND EXPOSURES WITH CONNECTED PARTIES (CONT'D.)

Based on these guidelines, a connected party refers to the following:

(i) Directors of AmBank, AmInvestment Bank and AmBank Islamic ("the Banks") and their close relatives;

(ii) Controlling shareholder and his close relatives;

(iii) Influential shareholder and his close relatives;

(iv) Executive officer, being a member of management having authority and responsibility for planning, directing and/or controlling the activities of the Banks, and his close relatives;

(v) Officers who are responsible for or have the authority to appraise and/or approve credit transactions or review the status of existing credit transactions, either as a member of a committee or individually, and their close relatives;

(vi) Firms, partnerships, companies or any legal entities which control, or are controlled by any person listed in (i) to (v) above, or in which they have an interest as a director, partner, executive officer, agent or guarantor, and their subsidiaries or entities controlled by them;

(vii) Any person for whom the persons listed in (i) to (v) above is a guarantor; or

(viii) Subsidiary of or an entity controlled by the Banks and their connected parties.

Credit transactions and exposures to connected parties as disclosed above include the extension of credit facilities and/or commitments and contingencies transactions that give rise to credit/counterparty risk, the underwriting and acquisition of equities and corporate bonds and/or sukuk issued by the connected parties.

The credit transactions with connected parties above are all transacted on an arm's length basis and on terms and conditions not more favourable than those entered into with other counterparties with similar circumstances and creditworthiness. Due care has been taken to ensure that the creditworthiness of the connected party is not less than that normally required of other persons.

45. FIDUCIARY DUTY

(a) In respect of investment portfolio management

Investment portfolio funds managed by the Group on behalf of customers as at 31 March 2025 amounted to RM62,971,256,320 (2024: RM61,681,628,028).

(b) In respect of monies in trust

Monies in trust in relation to the Group's stockbroking and futures businesses excluded from the statements of financial position in accordance with Financial Reporting Standards Implementation Committee Consensus 18 *Monies Held in Trust by Participating Organisations of Bursa Malaysia Securities Berhad* ("FRSIC 18"):

	Group	
	31 March 2025 RM'000	31 March 2024 RM'000
Clients' trust balances and dealers' representative balances	576,958	471,156
Remisiers' trust balances	31,101	31,035
	608,059	502,191

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

45. FIDUCIARY DUTY (CONT'D.)

(b) In respect of monies in trust (Cont'd.)

Monies held in trust in relation to the Group's fund management business excluded from the statements of financial position:

	Group	
	31 March 2025 RM'000	31 March 2024 RM'000
Monies in trust in relation to the fund management business	31,535	49,716

46. CAPITAL COMMITMENTS

	Group	
	31 March 2025 RM'000	31 March 2024 RM'000
Authorised and contracted for:		
Purchase of computer equipment and software	29,552	26,543
Leasehold improvements	8,049	5,954
	37,601	32,497
Authorised but not contracted for:		
Purchase of computer equipment and software	108,090	123,290
	145,691	155,787

47. 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 March 2025 RM'000	31 March 2024 RM'000
Commitments		
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:		
One year or less	19,272,118	19,021,868
Over one year	2,783,244	3,765,181
Unutilised credit card lines	6,059,474	5,614,875
Forward asset purchases	762,478	904,729
	28,877,314	29,306,653
Contingent Liabilities		
Direct credit substitutes	1,381,075	1,644,803
Transaction-related contingent items	8,593,579	7,000,448
Obligations under on-going underwriting agreements	13,862	10,373
Short-term self-liquidating trade-related contingencies	1,152,135	811,097
	11,140,651	9,466,721
Derivative Financial Instruments		
Interest/profit rate related contracts:	44,243,660	35,393,146
One year or less	4,098,987	8,431,793
Over one year to five years	27,946,421	21,252,893
Over five years	12,198,252	5,708,460
Foreign exchange related contracts:	46,789,010	51,838,931
One year or less	42,369,636	46,777,079
Over one year to five years	3,018,862	3,888,683
Over five years	1,400,512	1,173,169
Equity and commodity related contracts:	2,240,373	2,704,223
One year or less	2,063,663	2,685,383
Over one year to five years	176,710	18,840
	93,273,043	89,936,300
	133,291,008	128,709,674

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

48. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Group 31 March 2025	Up to 12 months RM'000	Over 12 months RM'000	Total RM'000
ASSETS			
Cash and short-term funds	6,759,126	–	6,759,126
Derivative financial assets	273,406	378,803	652,209
Financial assets at fair value through profit or loss	3,951,422	3,867,023	7,818,445
Financial investments at fair value through other comprehensive income	6,597,513	18,850,250	25,447,763
Financial investments at amortised cost	2,257,145	9,784,158	12,041,303
Loans, advances and financing	35,662,604	101,467,464	137,130,068
Statutory deposits with Bank Negara Malaysia	–	2,774,414	2,774,414
Deferred tax assets	–	271,050	271,050
Investment in associates and joint ventures	–	1,478,914	1,478,914
Other assets	3,544,966	398,417	3,943,383
Property and equipment	–	141,915	141,915
Right-of-use assets	–	126,308	126,308
Intangible assets	–	458,690	458,690
TOTAL ASSETS	59,046,182	139,997,406	199,043,588
LIABILITIES			
Deposits from customers	140,793,574	753,467	141,547,041
Investment accounts of customers	12,480	–	12,480
Deposits and placements of banks and other financial institutions	5,761,780	1,817,548	7,579,328
Securities sold under repurchase agreements	5,951,549	–	5,951,549
Recourse obligation on loans and financing sold to Cagamas Berhad	2,505,034	4,050,037	6,555,071
Derivative financial liabilities	211,343	396,893	608,236
Financial liabilities at fair value through profit or loss	178,818	–	178,818
Term funding	1,443,249	6,099,582	7,542,831
Debt capital	–	4,395,000	4,395,000
Other liabilities	3,462,617	588,898	4,051,515
TOTAL LIABILITIES	160,320,444	18,101,425	178,421,869

48. MATURITY ANALYSIS OF ASSETS AND LIABILITIES (CONT'D.)

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. (Cont'd.)

Group 31 March 2024	Up to 12 months RM'000	Over 12 months RM'000	Total RM'000
ASSETS			
Cash and short-term funds	6,493,099	–	6,493,099
Derivative financial assets	508,358	503,950	1,012,308
Financial assets at fair value through profit or loss	6,857,636	3,147,248	10,004,884
Financial investments at fair value through other comprehensive income	5,734,413	20,656,758	26,391,171
Financial investments at amortised cost	616,295	10,704,600	11,320,895
Loans, advances and financing	33,032,222	99,069,895	132,102,117
Statutory deposits with Bank Negara Malaysia	–	2,612,713	2,612,713
Deferred tax assets	–	275,760	275,760
Investment in associates and joint ventures	–	1,439,742	1,439,742
Other assets	3,917,596	436,740	4,354,336
Property and equipment	–	144,653	144,653
Right-of-use assets	–	180,781	180,781
Intangible assets	–	431,294	431,294
TOTAL ASSETS	57,159,619	139,604,134	196,763,753
LIABILITIES			
Deposits from customers	140,350,463	2,030,752	142,381,215
Investment accounts of customers	14,059	–	14,059
Deposits and placements of banks and other financial institutions	7,268,904	1,633,020	8,901,924
Securities sold under repurchase agreements	6,328,335	–	6,328,335
Recourse obligation on loans and financing sold to Cagamas Berhad	2,155,003	5,325,017	7,480,020
Derivative financial liabilities	535,026	486,667	1,021,693
Financial liabilities at fair value through profit or loss	68,022	–	68,022
Term funding	310,406	2,139,562	2,449,968
Debt capital	–	4,395,000	4,395,000
Other liabilities	3,823,343	458,341	4,281,684
TOTAL LIABILITIES	160,853,561	16,468,359	177,321,920

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

48. MATURITY ANALYSIS OF ASSETS AND LIABILITIES (CONT'D.)

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. (Cont'd.)

Company 31 March 2025	Up to 12 months RM'000	Over 12 months RM'000	Total RM'000
ASSETS			
Cash and short-term funds	14,557	–	14,557
Financial assets at fair value through profit or loss	–	1,241	1,241
Investment in subsidiaries	–	10,852,185	10,852,185
Other assets	9,356	–	9,356
Property and equipment	–	8	8
TOTAL ASSETS	23,913	10,853,434	10,877,347
LIABILITIES			
Other liabilities	27,470	–	27,470
TOTAL LIABILITIES	27,470	–	27,470

Company 31 March 2024	Up to 12 months RM'000	Over 12 months RM'000	Total RM'000
ASSETS			
Cash and short-term funds	80,118	–	80,118
Financial assets at fair value through profit or loss	–	1,198	1,198
Investment in subsidiaries	–	10,852,185	10,852,185
Other assets	10,508	–	10,508
Property and equipment	–	18	18
TOTAL ASSETS	90,626	10,853,401	10,944,027
LIABILITIES			
Other liabilities	34,652	–	34,652
TOTAL LIABILITIES	34,652	–	34,652

49. CAPITAL MANAGEMENT

The Group's capital management approach is focused on maintaining an optimal capital position that supports the Group's strategic objectives and risk appetite. In line with the Group's annual 3-year strategy plan, a capital plan is developed to ensure that adequate level of capital and an optimum capital structure is maintained to meet regulatory requirements, the Group's strategic objectives and stakeholders' expectations.

The Group uses internal models and other quantitative techniques in its internal risk and capital assessment. They help to estimate potential future losses arising from credit, market and other material risks, and supplement the regulatory formulae to simulate the amount of capital required to support them.

Stress testing is used to ensure that the Group's internal capital assessment considers the impact of extreme but probable scenarios on its risk profile and capital position. They provide an insight into the potential impact of significant adverse events on the Group and how these events could be mitigated. The Group's target capital levels are set taking into account its risk appetite and its risk profile under future expected and stressed economic scenarios.

49. CAPITAL MANAGEMENT (CONT'D.)

The Group's assessment of risk appetite is closely integrated with the Group's strategy, business planning and capital assessment processes, and is used to inform senior management's views on the level of capital required to support the Group's business activities.

The capital that the Group is required to hold is determined by its risk exposures after applying collaterals and other risk mitigants.

The Group has in place processes and controls to monitor and manage capital adequacy across the organisation. The Group Assets and Liabilities Committee ("GALCO") is responsible for overseeing and managing the Group's capital and liquidity positions.

A strong governance and process framework is embedded in the capital planning and assessment methodology. Overall responsibility for the effective management of risk rests with the Board. The Risk Management Committee ("RMC") is specifically delegated the task of reviewing all risk management issues including oversight of the Group's capital position and any actions impacting the capital levels.

The capital adequacy ratios are computed in accordance with BNM's policy documents on Capital Adequacy Framework (Capital Components), Capital Adequacy Framework for Islamic Banks ("CAFIB") (Capital Components) issued on 14 June 2024, Capital Adequacy Framework (Basel II - Risk Weighted Assets), CAFIB (Risk Weighted Assets) issued on 18 December 2023, Capital Adequacy Framework (Operational Risk) and Capital Adequacy Framework (Exposures to Central Counterparties) issued on 15 December 2023. Pursuant to BNM's policy documents on Capital Adequacy Framework (Capital Components) and CAFIB (Capital Components), financial institution is required to maintain minimum Common Equity Tier 1 ("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:

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 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

iii. a Higher Loss Absorbency ("HLA") requirement for a financial institution that is designated as a domestic systemically important bank ("D-SIB").

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

The capital adequacy ratios with transitional arrangements of the Group and the banking subsidiaries are as follows:

	31 March 2024			
	AmBank	**AmBank Islamic**	**AmInvestment Bank***	**Group[1]**
Before deducting proposed dividends:				
CET1 Capital Ratio	13.437%	13.103%	27.952%	13.745%
Tier 1 Capital Ratio	13.437%	13.103%	27.952%	13.746%
Total Capital Ratio	18.057%	17.774%	28.846%	16.929%
After deducting proposed dividends:				
CET1 Capital Ratio	12.927%	13.047%	27.952%	13.304%
Tier 1 Capital Ratio	12.927%	13.047%	27.952%	13.304%
Total Capital Ratio	17.547%	17.719%	28.846%	16.487%

* No final dividend proposed for the financial year ended 31 March 2024.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

49. CAPITAL MANAGEMENT (CONT'D.)

(b) Effective 1 April 2024, the transitional arrangements have ended.

The Group adopts the following approaches in determining the capital requirements:

Credit Risk:

On 29 July 2024, the Group and its banking subsidiaries, AmBank and AmBank Islamic have received approval from BNM to migrate to Foundation Internal Ratings Based ("FIRB") Approach for credit risk under Basel II Risk Weighted Capital Adequacy Framework. With effect from 1 August 2024, the Group has adopted the FIRB Approach and Supervisory Slotting Criteria for major non-retail portfolios and the Advanced Internal Ratings Based ("AIRB") Approach for major retail portfolios. Given that the credit risk exposure of AmInvestment Bank is relatively less material, the credit risk component of capital adequacy ratios of AmInvestment Bank remains to be computed using Standardised Approach. Credit risk is computed in accordance with Capital Adequacy Framework (Basel II – Risk Weighted Assets), CAFIB (Risk Weighted Assets) and Capital Adequacy Framework (Exposures to Central Counterparties) (with effective from 1 January 2025).

Market Risk:

Market risk remains to be computed using the Standardised Approach, as per the Capital Adequacy Framework (Basel II - Risk Weighted Assets) and CAFIB (Risk Weighted Assets).

Operational Risk:

With effect from 1 January 2025, the computation of operational risk-weighted assets is in line with the Capital Adequacy Framework (Operational Risk) issued on 15 December 2023. Previously, it was computed under the Basic Indicator Approach in accordance with the Capital Adequacy Framework (Basel II – Risk Weighted Assets) and CAFIB (Risk Weighted Assets).

The capital adequacy ratios without transitional arrangements of the Group and the banking subsidiaries are as follows:

	31 March 2025[2]			
	AmBank	AmBank Islamic	AmInvestment Bank	Group[1]
Before deducting proposed dividends:				
CET1 Capital Ratio	14.692%	15.652%	45.121%	15.389%
Tier 1 Capital Ratio	14.692%	15.652%	45.121%	15.390%
Total Capital Ratio	18.847%	20.276%	45.858%	18.064%
After deducting proposed dividends:				
CET1 Capital Ratio	14.295%	14.814%	39.357%	14.818%
Tier 1 Capital Ratio	14.295%	14.814%	39.357%	14.818%
Total Capital Ratio	18.451%	19.439%	40.093%	17.493%

	31 March 2024			
	AmBank[3]	AmBank Islamic[3]	AmInvestment Bank*	Group[1,3]
Before deducting proposed dividends:				
CET1 Capital Ratio	13.185%	12.808%	27.951%	13.481%
Tier 1 Capital Ratio	13.185%	12.808%	27.951%	13.482%
Total Capital Ratio	17.856%	17.530%	28.846%	16.745%
After deducting proposed dividends:				
CET1 Capital Ratio	12.675%	12.753%	27.951%	13.040%
Tier 1 Capital Ratio	12.675%	12.753%	27.951%	13.040%
Total Capital Ratio	17.346%	17.475%	28.846%	16.303%

* No final dividend proposed for the financial year ended 31 March 2024.

49. CAPITAL MANAGEMENT (CONT'D.)

(b) Effective 1 April 2024, the transitional arrangements have ended. (Cont'd.)

Notes:

[1] 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 ordinary shares of unconsolidated financial and insurance entities as per BNM's guidelines on Capital Adequacy Framework (Capital Components) and CAFIB (Capital Components). Under the guidelines, investments in ordinary shares of unconsolidated financial and insurance entities shall be deducted in the calculation of CET1 Capital Ratio.

[2] The capital adequacy ratios of:

- the Group, AmBank and AmBank Islamic as at 31 March 2025 are computed based on FIRB Approach and Supervisory Slotting Criteria for major non-retail portfolio and AIRB Approach for major retail portfolio for Credit Risk.
- AmInvestment Bank remains computed based on Standardised Approach for Credit Risk.

[3] Upon the first time adoption of different approach in computing the capital adequacy ratios (as mentioned above), the Group, AmBank and AmBank Islamic are exempted to disclose the comparative capital adequacy ratio as at 31 March 2024 using the same basis as at 31 March 2025. This is in accordance with paragraph 7.2(i) of the Risk Weighted Capital Adequacy Framework (Basel II) - Disclosure Requirements (Pillar 3) and CAFIB - Disclosure Requirements (Pillar 3).

The comparative capital adequacy ratios presented were computed based on Standardised Approach for Credit Risk and without transitional arrangements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

49. CAPITAL MANAGEMENT (CONT'D.)

(c) 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:

	31 March 2025			
	AmBank RM'000	AmBank Islamic RM'000	AmInvestment Bank RM'000	Group RM'000
CET1 Capital				
Ordinary share capital	3,040,465	1,387,107	330,000	6,376,240
Retained earnings	9,107,844	3,724,686	258,709	13,010,953
Fair value reserve	537,254	(1,589)	1,755	743,932
Foreign exchange translation reserve	106,629	–	–	113,212
Treasury shares	–	–	–	(53,522)
Regulatory reserve	261,089	80,674	10,759	352,522
Other remaining disclosed reserves	–	–	–	40,786
Less: Regulatory adjustments applied on CET1 Capital				
– Goodwill	–	–	–	(303,492)
– Other intangible assets	(149,252)	(210)	(4,198)	(155,198)
– Deferred tax assets	(205,932)	(55,440)	(29,147)	(279,333)
– 55% of cumulative gains in fair value reserve	(295,490)	–	(965)	(409,163)
– Regulatory reserve	(261,089)	(80,674)	(10,759)	(352,522)
– Investment in capital instruments of unconsolidated financial and insurance/takaful entities	(1)	–	(49,809)	(1,334,000)
– Unrealised fair value gains on financial liabilities due to changes in own credit risk	(1,189)	(9)	–	(1,185)
CET1 Capital	12,140,328	5,054,545	506,345	17,749,230
Additional Tier 1 Capital				
Qualifying CET1, Additional Tier 1 Capital instruments held by third parties	–	–	–	387
Tier 1 Capital	12,140,328	5,054,545	506,345	17,749,617
Tier 2 Capital				
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	–	–	–	2,468,304
Surplus of total eligible provision over total expected loss	227,641	154,180	–	464,683
General provisions*	111,405	39,241	8,264	151,825
Tier 2 Capital	3,434,046	1,493,421	8,264	3,084,812
Total Capital	15,574,374	6,547,966	514,609	20,834,429

* Consists of provision for performing assets and regulatory reserve subject to a maximum 1.25% of total credit risk-weighted assets ("RWA").

49. CAPITAL MANAGEMENT (CONT'D.)

(c) 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.)

The breakdown of the RWA in various categories of risk are as follows:

	31 March 2025			
	AmBank RM'000	AmBank Islamic RM'000	AmInvestment Bank RM'000	Group RM'000
Credit RWA	74,681,833	29,448,313	604,346	103,526,925
Exposures to Central Counterparties RWA	20,917	–	56,810	77,727
Less: Credit RWA absorbed by Profit Sharing Investment Account	–	(612,320)	–	(1,137)
Total Credit RWA[1]	74,702,750	28,835,993	661,156	103,603,515
Market RWA	2,324,013	449,684	22,450	2,779,391
Operational RWA	5,606,997	1,952,957	438,581	8,950,679
Additional RWA due to Capital Floor	–	1,055,516	–	–
Total RWA	82,633,760	32,294,150	1,122,187	115,333,585

[1] Total Credit RWA for:
- the Group, AmBank and AmBank Islamic - computed based on FIRB Approach and Supervisory Slotting Criteria for major non-retail portfolio and AIRB Approach for major retail portfolio.
- AmInvestment Bank remains computed based on Standardised Approach.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

49. CAPITAL MANAGEMENT (CONT'D.)

(c) 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 March 2024			
	AmBank RM'000	AmBank Islamic RM'000	AmInvestment Bank RM'000	Group RM'000
CET1 Capital				
Ordinary share capital	3,040,465	1,387,107	330,000	6,376,240
Retained earnings	8,561,556	3,344,076	191,226	12,042,847
Fair value reserve	411,695	8,390	1,912	624,239
Foreign exchange translation reserve	124,851	–	–	131,449
Treasury shares	–	–	–	(29,079)
Regulatory reserve	188,146	43,368	13,682	245,196
Cash flow hedging deficit	(1,029)	–	–	(1,029)
Other remaining disclosed reserves	–	–	–	36,504
Less: Regulatory adjustments applied on CET1 Capital				
– Goodwill	–	–	–	(303,492)
– Other intangible assets	(123,528)	(220)	(3,068)	(127,802)
– Deferred tax assets	(198,535)	(52,449)	(40,964)	(281,745)
– 55% of cumulative gains in fair value reserve	(226,432)	(4,615)	(1,052)	(343,332)
– Cash flow hedging deficit	1,029	–	–	1,029
– Regulatory reserve	(188,146)	(43,368)	(13,682)	(245,196)
– Investment in capital instruments of unconsolidated financial and insurance/takaful entities	(1)	–	(49,809)	(1,334,000)
– Unrealised fair value gains on financial liabilities due to changes in own credit risk	(1,354)	(44)	–	(1,359)
– Other CET1 regulatory adjustments specified by BNM^	221,599	107,754	9	328,783
CET1 Capital	11,810,316	4,789,999	428,254	17,119,253
Additional Tier 1 Capital				
Qualifying CET1, Additional Tier 1 Capital instruments held by third parties	–	–	–	434
Tier 1 Capital	11,810,316	4,789,999	428,254	17,119,687
Tier 2 Capital				
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	–	–	–	2,578,486
General provisions*	965,363	407,645	13,694	1,386,039
Tier 2 Capital	4,060,363	1,707,645	13,694	3,964,525
Total Capital	15,870,679	6,497,644	441,948	21,084,212

^ Other CET1 regulatory adjustments specified by BNM as at 31 March 2024 refers to adjustments on transitional arrangements as mentioned in (a) above. As the transition arrangements have ended effective 1 April 2024, there are no adjustments as at 31 March 2025.

* Consists of provision for performing assets and regulatory reserve subject to a maximum 1.25% of total credit RWA.

49. CAPITAL MANAGEMENT (CONT'D.)

(c) 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.)

The breakdown of the RWA in various categories of risk are as follows:

	31 March 2024			
	AmBank RM'000	AmBank Islamic RM'000	AmInvestment Bank RM'000	Group RM'000
Credit RWA	80,811,594	35,468,914	1,164,364	114,352,333
Less: Credit RWA absorbed by Profit Sharing Investment Account	–	(1,371,871)	–	(1,441)
Total Credit RWA[2]	80,811,594	34,097,043	1,164,364	114,350,892
Market RWA	1,708,904	345,524	15,539	2,058,484
Operational RWA	5,370,458	2,114,545	352,208	8,136,666
Total RWA	87,890,956	36,557,112	1,532,111	124,546,042

[2] Total Credit RWA was computed based on Standardised Approach.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2025

50. RISK MANAGEMENT

50.1 General Risk Management

The Risk Management Framework takes its lead from the Board's Approved Risk Appetite Framework that forms the foundation of the Group to set its risk/reward profile.

The Risk Appetite Framework is reviewed and approved annually by the Board taking into account the Group's desired external rating and targeted profitability/return on capital employed ("ROCE") and is reviewed periodically throughout the financial year by both the executive management and the Board to consider any fine tuning/enhancements taking into consideration the prevailing or in anticipation of challenges to the environment that the Group operates in.

The Risk Appetite Framework provides portfolio limits/triggers for Credit Risk, Traded Market Risk, Non-Traded Market Risk, Operational Risk and Technology Risk incorporating, inter alia, limits/triggers for countries, industries, single counterparty group, products, value at risk, stop loss, stable funding ratio, liquidity and Operational Risk Management ("ORM") tools.

The Group Risk Direction

The Group's FY2025 to FY2029 Winning Together Strategy blueprint is to focus and reconstruct on 8 key areas, namely, (1) Path to Return on Equity ("ROE") of ≥10%, (2) Sharpening Segment Play, (3) Holistic Customer Value Proposition ("CVP") Leveraging A Collaboration Culture and Partnerships, (4) Pushing Capital-Light Revenue, (5) Ramping Up the Next Wave of Digital Initiatives, (6) Future Proofing The Workforce, (7) Integrating Environmental, Social, and Governance ("ESG") Considerations and (8) The Digital Bank.

1 The Group aspires to have a minimum financial institution external rating of AA2 based on reference ratings by RAM Rating Services Berhad ("RAM").

2 The Group aims to maintain a minimum ROCE of 12% and RWA efficiency (CRWA/EAD) in the range of 40% to 50%, both based on FIRB.

3 The Group aims to maintain its Capital Ratios at the Group's Internal Capital Target under normal conditions.

4 The Group aims to maintain Available Financial Resources in excess of the capital requirements as estimated in the Internal Capital Adequacy Assessment Process ("ICAAP").

5 The Group recognises the importance of funding its own business. It aims to maintain the following:

   a. Liquidity Coverage Ratio ("LCR") (both consolidated and entity level) at least 10 percentage points above prevailing regulatory minimum;

   b. Stressed LCR (both consolidated and entity level) above the regulatory requirement; and

   c. Net Stable Funding Ratio ("NSFR") (FHC level) above the prevailing regulatory minimum (effective July 2020).

6 The Group aims to maintain adequate controls for all key operational risks (including but not limited to regulatory, compliance, technology, conduct and reputational risks).

   a. Keep operational losses and regulatory penalties below 0.8% of profit after taxation, zakat and minority interest ("PATMI"); and

   b. Remain vigilant in risk identification and management to protect its reputation and business franchise.

7 The Group aims for at least 70% of its non-retail loan/financing portfolio (applicable for limit at least RM10 million) to constitute exposures with low ESG Risk Rating by FY2030.

8 The Group aims to manage its exposures to Green House Gas ("GHG") emission intensive sectors while continuing to engage and assist our customers onto sustainability pathways toward the Group's ultimate target of net zero, in line with the country aspiration by financial year 2050.

50. RISK MANAGEMENT (CONT'D.)

50.1 General Risk Management (Cont'd.)

Risk Management Governance

The Board is ultimately accountable for the management of risks within the Group. The RMC is formed to assist the Board in discharging its duties in overseeing the overall management of all risks including but not limited to market risk, liquidity risk, credit risk, operational risk, technology and cyber risk.

The Board has also established Management Committees to assist in managing the risks and businesses of the Group. The Management Committees address all classes of risk within its Board delegated mandate: credit risk, legal risk, operational risk, technology risk, market risk, liquidity risk, Shariah risk, compliance risk, reputational risk, product and business risk, Information Technology ("IT") risk, climate related risk and sustainability (covering ESG) risk.

The Group has an independent risk management function, headed by the Group Chief Risk Officer who:

- is responsible for establishing an enterprise wide risk management framework in all areas including credit, market, liquidity, operational, reputational, security, technology, emerging risks, climate related risk and sustainability risk;
- essentially champions and embeds a positive risk culture across the Group to ensure that risk taking activities across the Group are aligned to the Group's risk appetite and strategies; and
- through the RMC, has access to the Board and the Boards of the respective banking subsidiaries to facilitate suitable escalation of issues of concern across the organisation.

Potential impact of Emerging Risk from Subsidy Rationalisation

Emerging risks, such as increasing living costs due to subsidy rationalisation would potentially impact the asset quality of the Group's receivables. Mitigation actions such as comprehensive assessment through thorough review of the existing portfolio to identify the potentially impacted segment and thereafter allocate reasonable provisions to cushion the potential impacts.

50.2 Credit Risk Management

The credit risk management process is depicted in the table below:

Identification	• Identify/recognise credit risk on transactions and/or positions • Select asset and portfolio mix
Assessment/Measurement	• Internal credit rating system • Probability Of Default ("PD") • Loss Given Default ("LGD") • Exposure At Default ("EAD") • Expected Loss ("EL") • Gross Impaired Loan/Financing ("GIL"/"GIF")
Control/Mitigation	• Portfolio Limits, Counterparty Limits • Non-Retail Pricing and Risk-based pricing for Retail • Collateral and tailored facility structures (discretionary lending) • Pre-set assessment criteria and acceptance criteria (program lending)
Monitoring/Review	• Monitor and report portfolio mix • Review Classified Accounts • Review Rescheduled and Restructured Accounts • Undertake post mortem credit review • Annual refresh of borrowers'/customers' credit risk rating

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

50. RISK MANAGEMENT (CONT'D.)

50.2 Credit Risk Management (Cont'd.)

Credit risk is the risk of loss due to the inability or unwillingness of a counterparty to meet its payment obligations. Exposure to credit risk arises from lending/financing, securities and derivative exposures. The identification of credit risk is done by assessing the potential impact of internal and external factors on the Group's transactions and/or positions as well as Shariah compliance risk (please refer to Note 50.9 for discussion on Shariah Governance Structure).

The primary objective of credit risk management is to maintain accurate risk recognition - identification and measurement, to ensure that credit risk exposure is in line with the Group's Risk Appetite Framework ("GRAF") and related credit policies.

For non-retail credit, risk assessment is a combination of both qualitative and quantitative assessment (including the financial standing of the customer or counterparty using the banking subsidiaries' credit rating model where the scores are translated into rating grade) on the customer or counterparty. The assigned credit rating grade forms a crucial part of the credit analysis undertaken for each of the banking subsidiaries' credit exposures and the overall credit assessment is conducted either through a program lending or discretionary lending approach.

For retail credit, credit-scoring systems to better differentiate the quality of borrowers/customers are being used to complement the credit assessment and approval processes.

To support credit risk management, rating models for major portfolios have been continuously monitored and implemented to facilitate:

- improvement in the accuracy of individual obligor risk ratings;
- enhancement to pricing models;
- credit decisioning process;
- loan/financing loss provision calculation;
- stress-testing; and
- enhancement to portfolio management.

Lending/financing activities are guided by internal credit policies and GRAF that are approved by the Board supplemented by credit guidelines and Management-level GRAF settings approved by the Management. The GRAF is refreshed at least annually and with regard to credit risk, provides direction as to portfolio management strategies and internal limits designed to deliver the Group's optimal portfolio mix. Credit risk portfolio management strategies include, amongst others:

- Concentration threshold/review triggers:
  - single counterparty credit exposure;
  - industry sector exposure; and
  - country risk exposure;
- Non-Retail Credit Policy ("NRCP") and Retail Credit Policy ("RCP") which set out the credit principles and requirements for managing credit risk in the Wholesale Banking ("WB"), Business Banking ("BB") and Retail Banking ("RB") portfolios;
- Classified Account Management requirements are in place for the non-retail model related portfolio, this sets out the identification and management (including monitoring requirements) of borrowers/customers that exhibit SICR or show symptoms of potential credit issues;
- Rescheduled and Restructured ("R&R") Account Management (embedded within the NRCP for WB and BB, and RCP for RB) sets out the controls in managing R&R loans/financing; and
- Setting Retail and BB-SME risk controls capping for higher risk segment to ensure credit approval practice is aligned with the credit policies and GRAF.

50. RISK MANAGEMENT (CONT'D.)

50.2 Credit Risk Management (Cont'd.)

Exposure outside the approval discretions of individual Credit Approval Delegation ("CAD") holders are escalated to higher approving authority or Credit and Commitments Committee ("CACC") for approval. In the event such exposure exceeds a stipulated customer group threshold within the Group, the letter of offer shall not be issued until the credit is reviewed by the Joint Board Credit Committee ("Joint BCC"). Portfolio credit risk is reported to the relevant management and board committees.

The Group Management Risk Committee ("GMRC") regularly meets to review the quality and diversification of the Group's loan/financing portfolio and review the portfolio risk profile against the GRAF and recommend or approve new and amended credit risk policies or guidelines.

Group Risk Management prepares monthly Risk Reports which detail important portfolio composition and trend analysis incorporating asset growth, asset quality, impairment, flow rates of loan/financing delinquency buckets and exposures by industry sectors are reported monthly to executive management and to all meetings of the Board.

Maximum Credit Risk Exposure and Concentration

Credit Risk Exposure and Concentration

The Group's concentrations of risk are managed by industry sector, risk grade asset quality and single name limit ("SNL"). The Group applies SNL to monitor and manage the large exposures to single counterparty risk.

For financial assets recognised on the statements of financial position, the maximum exposure to credit risk before taking account of any collateral held or other credit enhancements equals the carrying amount. For contingent exposures, the maximum exposure to credit risk is the maximum amount the Group would have to pay if the instrument is called upon. For committed facilities which are undrawn, the maximum exposure to credit risk is the full amount of the committed facilities.

The following tables show the maximum exposure to credit risk from financial instruments, including derivatives, by industry and by geography, before taking into account of any collateral held or other credit enhancements.

The comparatives for loans, advances and financing have been restated to conform with the current business realignment between the business segments. It applies to Notes 50.2.1a, 50.2.1b, 50.2.1d and 50.2.1f.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

50. RISK MANAGEMENT (CONT'D.)

50.2 Credit Risk Management (Cont'd.)

50.2.1a Industry Analysis

Group 31 March 2025	Agriculture RM'000	Mining and Quarrying RM'000	Manufacturing RM'000	Electricity, Gas and Water RM'000	Construction RM'000	Wholesale and Retail Trade and Hotels and Restaurants RM'000	Transport, Storage and Communication RM'000	Subtotal RM'000
Cash and short-term funds	–	–	–	–	–	–	–	–
Derivative financial assets	12,349	–	44,083	1,689	1,666	10,784	1,156	71,727
Financial assets at FVTPL								
Money market securities	–	–	–	–	–	–	–	–
Quoted corporate bonds and sukuk	–	–	–	–	10,179	–	–	10,179
Unquoted corporate bonds and sukuk	–	–	–	254,449	10,001	347,255	74,361	686,066
Total financial assets at FVTPL	–	–	–	254,449	20,180	347,255	74,361	696,245
Financial investments at FVOCI								
Money market securities	–	–	–	–	–	–	–	–
Unquoted corporate bonds and sukuk	733,918	8,317	135,906	1,548,544	1,485,545	219,145	1,091,368	5,222,743
Total financial investments at FVOCI	733,918	8,317	135,906	1,548,544	1,485,545	219,145	1,091,368	5,222,743
Financial investments at amortised cost								
Money market securities	–	–	–	–	–	–	–	–
Unquoted corporate bonds and sukuk	125,010	578,844	250,000	210,474	1,835,851	–	1,992,741	4,992,920
Allowances for ECL	–	–	–	–	–	–	–	–
Total financial investments at amortised cost	125,010	578,844	250,000	210,474	1,835,851	–	1,992,741	4,992,920
Loans, advances and financing								
Retail banking	4,184	3,402	52,764	4,400	45,071	127,901	64,807	302,529
Business banking	1,427,498	458,428	13,013,821	1,448,933	3,597,866	11,749,499	3,485,930	35,181,975
Wholesale banking	1,093,885	1,563,548	3,927,278	1,131,520	1,094,982	2,254,773	1,193,443	12,259,429
Investment banking	343	–	59,051	–	15,369	11,762	12,665	99,190
Allowances for ECL	–	–	–	–	–	–	–	–
Total loans, advances and financing	2,525,910	2,025,378	17,052,914	2,584,853	4,753,288	14,143,935	4,756,845	47,843,123
Statutory deposits with Bank Negara Malaysia	–	–	–	–	–	–	–	–
Other financial assets	12,360	12,715	13,586	33,422	64,094	7,948	25,358	169,483
Allowances for ECL	–	–	–	–	–	–	–	–
Total other financial assets	12,360	12,715	13,586	33,422	64,094	7,948	25,358	169,483
	3,409,547	2,625,254	17,496,489	4,633,431	8,160,624	14,729,067	7,941,829	58,996,241
Commitments	476,618	530,223	5,697,179	349,437	3,783,920	3,560,152	1,201,326	15,598,855
Contingent liabilities	95,445	340,019	2,568,168	936,029	3,984,629	527,262	343,053	8,794,605
Total commitments and contingent liabilities	572,063	870,242	8,265,347	1,285,466	7,768,549	4,087,414	1,544,379	24,393,460

50. RISK MANAGEMENT (CONT'D.)

50.2 Credit Risk Management (Cont'd.)

50.2.1a Industry Analysis (Cont'd.)

Group 31 March 2025	Subtotal from previous page RM'000	Finance and Insurance RM'000	Government and Central Banks RM'000	Real Estate RM'000	Business Activities RM'000	Education and Health RM'000	Household RM'000	Others RM'000	Allowances for ECL RM'000	Total RM'000
Cash and short-term funds	–	3,876,536	2,884,900	–	–	–	–	–	(2,310)	6,759,126
Derivative financial assets	71,727	575,993	–	672	2,304	78	861	574	–	652,209
Financial assets at FVTPL										
Money market securities	–	–	4,474,781	–	–	–	–	–	–	4,474,781
Quoted corporate bonds and sukuk	10,179	–	–	–	–	–	–	–	–	10,179
Unquoted corporate bonds and sukuk	686,066	1,178,012	–	27,810	–	–	–	15,136	–	1,907,024
Total financial assets at FVTPL	696,245	1,178,012	4,474,781	27,810	–	–	–	15,136	–	6,391,984
Financial investments at FVOCI										
Money market securities	–	992,049	10,681,891	–	–	–	–	–	–	11,673,940
Unquoted corporate bonds and sukuk	5,222,743	6,420,862	–	518,914	–	152,932	–	586,015	–	12,901,466
Total financial investments at FVOCI	5,222,743	7,412,911	10,681,891	518,914	–	152,932	–	586,015	–	24,575,406
Financial investments at amortised cost										
Money market securities	–	–	2,796,422	–	–	–	–	–	–	2,796,422
Unquoted corporate bonds and sukuk	4,992,920	4,203,241	–	–	15,000	10,433	–	558,048	–	9,779,642
Allowances for ECL	–	–	–	–	–	–	–	–	(534,761)	(534,761)
Total financial investments at amortised cost	4,992,920	4,203,241	2,796,422	–	15,000	10,433	–	558,048	(534,761)	12,041,303
Loans, advances and financing										
Retail banking	302,529	3,833	–	60,106	46,388	24,294	66,948,326	–	–	67,385,476
Business banking	35,181,975	1,036,699	–	8,758,936	2,271,243	1,306,012	141,041	–	–	48,695,906
Wholesale banking	12,259,429	4,251,154	–	3,171,793	269,651	935,398	78,585	–	–	20,966,010
Investment banking	99,190	5,270	–	91,063	28,077	13,192	1,599,170	–	–	1,835,962
Allowances for ECL	–	–	–	–	–	–	–	–	(1,753,286)	(1,753,286)
Total loans, advances and financing	47,843,123	5,296,956	–	12,081,898	2,615,359	2,278,896	68,767,122	–	(1,753,286)	137,130,068
Statutory deposits with Bank Negara Malaysia	–	–	2,774,414	–	–	–	–	–	–	2,774,414
Other financial assets	169,483	2,163,303	394,030	10,287	23,567	2,566	98,024	428,296	–	3,289,556
Allowances for ECL	–	–	–	–	–	–	–	–	(32,345)	(32,345)
Total other financial assets	169,483	2,163,303	394,030	10,287	23,567	2,566	98,024	428,296	(32,345)	3,257,211
	58,996,241	24,706,952	24,006,438	12,639,581	2,656,230	2,444,905	68,866,007	1,588,069	(2,322,702)	193,581,721
Commitments	15,598,855	503,206	669,332	940,427	290,668	987,739	9,887,087	–	–	28,877,314
Contingent liabilities	8,794,605	760,981	–	1,231,794	146,130	204,778	2,363	–	–	11,140,651
Total commitments and contingent liabilities	24,393,460	1,264,187	669,332	2,172,221	436,798	1,192,517	9,889,450	–	–	40,017,965

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2025

50. RISK MANAGEMENT (CONT'D.)

50.2 Credit Risk Management (Cont'd.)

50.2.1a Industry Analysis (Cont'd.)

Group 31 March 2024	Agriculture RM'000	Mining and Quarrying RM'000	Manufacturing RM'000	Electricity, Gas and Water RM'000	Construction RM'000	Wholesale and Retail Trade and Hotels and Restaurants RM'000	Transport, Storage and Communication RM'000	Subtotal RM'000
Cash and short-term funds	–	–	–	–	–	–	–	–
Derivative financial assets	18,892	145,119	119,347	174	1,693	8,590	1,798	295,613
Financial assets at FVTPL								
Money market securities	–	–	–	–	–	–	–	–
Quoted corporate bonds and sukuk	–	–	–	–	10,249	–	–	10,249
Unquoted corporate bonds and sukuk	–	–	49,817	2,332	4,074	–	197,616	253,839
Total financial assets at FVTPL	–	–	49,817	2,332	14,323	–	197,616	264,088
Financial investments at FVOCI								
Money market securities	–	–	–	–	–	–	–	–
Unquoted corporate bonds and sukuk	631,069	359,861	140,881	1,852,003	1,701,228	486,377	1,100,667	6,272,086
Total financial investments at FVOCI	631,069	359,861	140,881	1,852,003	1,701,228	486,377	1,100,667	6,272,086
Financial investments at amortised cost								
Money market securities	–	–	–	–	–	–	–	–
Unquoted corporate bonds and sukuk	125,019	578,844	300,000	362,020	2,075,104	1,805,000	1,154,318	6,400,305
Allowances for ECL	–	–	–	–	–	–	–	–
Total financial investments at amortised cost	125,019	578,844	300,000	362,020	2,075,104	1,805,000	1,154,318	6,400,305
Loans, advances and financing								
Retail banking	8,257	3,204	65,406	3,599	57,102	167,414	26,828	331,810
Business banking	1,632,521	269,441	11,495,126	1,151,300	3,497,866	11,278,518	3,197,899	32,522,671
Wholesale banking	1,202,831	1,973,349	4,005,422	663,108	1,273,514	1,644,610	1,247,150	12,009,984
Investment banking	5,737	–	63,926	–	150	5,388	23,558	98,759
Allowances for ECL	–	–	–	–	–	–	–	–
Total loans, advances and financing	2,849,346	2,245,994	15,629,880	1,818,007	4,828,632	13,095,930	4,495,435	44,963,224
Statutory deposits with Bank Negara Malaysia	–	–	–	–	–	–	–	–
Other financial assets	1,896	18,167	14,469	45,281	64,126	20,840	23,104	187,883
Allowances for ECL	–	–	–	–	–	–	–	–
Total other financial assets	1,896	18,167	14,469	45,281	64,126	20,840	23,104	187,883
	3,626,222	3,347,985	16,254,394	4,079,817	8,685,106	15,416,737	6,972,938	58,383,199
Commitments	537,913	186,655	6,026,650	297,952	3,291,608	3,259,548	1,776,895	15,377,221
Contingent liabilities	101,070	196,069	2,208,166	564,488	3,519,490	539,807	491,348	7,620,438
Total commitments and contingent liabilities	638,983	382,724	8,234,816	862,440	6,811,098	3,799,355	2,268,243	22,997,659

50. RISK MANAGEMENT (CONT'D.)

50.2 Credit Risk Management (Cont'd.)

50.2.1a Industry Analysis (Cont'd.)

Group 31 March 2024	Subtotal from previous page RM'000	Finance and Insurance RM'000	Government and Central Banks RM'000	Real Estate RM'000	Business Activities RM'000	Education and Health RM'000	Household RM'000	Others RM'000	Allowances for ECL RM'000	Total RM'000
Cash and short-term funds	–	4,291,553	2,202,529	–	–	–	–	–	(983)	6,493,099
Derivative financial assets	295,613	710,709	–	1,749	2,955	6	784	492	–	1,012,308
Financial assets at FVTPL										
Money market securities	–	–	6,987,375	–	–	–	–	–	–	6,987,375
Quoted corporate bonds and sukuk	10,249	–	–	–	–	–	–	–	–	10,249
Unquoted corporate bonds and sukuk	253,839	843,099	–	66,912	–	–	–	–	–	1,163,850
Total financial assets at FVTPL	264,088	843,099	6,987,375	66,912	–	–	–	–	–	8,161,474
Financial investments at FVOCI										
Money market securities	–	200,013	11,186,349	–	–	–	–	–	–	11,386,362
Unquoted corporate bonds and sukuk	6,272,086	6,311,443	–	667,291	–	113,626	–	869,109	–	14,233,555
Total financial investments at FVOCI	6,272,086	6,511,456	11,186,349	667,291	–	113,626	–	869,109	–	25,619,917
Financial investments at amortised cost										
Money market securities	–	–	2,798,891	–	–	–	–	–	–	2,798,891
Unquoted corporate bonds and sukuk	6,400,305	1,242,135	–	207,077	20,000	10,482	–	1,169,431	–	9,049,430
Allowances for ECL	–	–	–	–	–	–	–	–	(527,426)	(527,426)
Total financial investments at amortised cost	6,400,305	1,242,135	2,798,891	207,077	20,000	10,482	–	1,169,431	(527,426)	11,320,895
Loans, advances and financing										
Retail banking	331,810	1,807	–	67,828	102,442	20,232	68,273,374	622	–	68,798,115
Business banking	32,522,671	749,294	–	5,802,195	2,710,487	1,227,310	314,348	–	–	43,326,305
Wholesale banking	12,009,984	4,172,735	–	2,848,255	234,362	281,402	82,391	–	–	19,629,129
Investment banking	98,759	32,013	–	159,464	39,314	13,129	2,034,054	–	–	2,376,733
Allowances for ECL	–	–	–	–	–	–	–	–	(2,028,165)	(2,028,165)
Total loans, advances and financing	44,963,224	4,955,849	–	8,877,742	3,086,605	1,542,073	70,704,167	622	(2,028,165)	132,102,117
Statutory deposits with Bank Negara Malaysia	–	–	2,612,713	–	–	–	–	–	–	2,612,713
Other financial assets	187,883	2,175,321	411,831	16,118	29,276	1,020	110,191	342,795	–	3,274,435
Allowances for ECL	–	–	–	–	–	–	–	–	(37,351)	(37,351)
Total other financial assets	187,883	2,175,321	411,831	16,118	29,276	1,020	110,191	342,795	(37,351)	3,237,084
	58,383,199	20,730,122	26,199,688	9,836,889	3,138,836	1,667,207	70,815,142	2,382,449	(2,593,925)	190,559,607
Commitments	15,377,221	777,628	774,729	900,129	442,751	538,117	10,479,225	16,853	–	29,306,653
Contingent liabilities	7,620,438	791,536	–	664,910	275,873	113,088	876	–	–	9,466,721
Total commitments and contingent liabilities	22,997,659	1,569,164	774,729	1,565,039	718,624	651,205	10,480,101	16,853	–	38,773,374

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

50. RISK MANAGEMENT (CONT'D.)

50.2 Credit Risk Management (Cont'd.)

50.2.1a Industry Analysis (Cont'd.)

Company 31 March 2025	Finance and Insurance RM'000
Cash and short-term funds	14,557
Other financial assets	2,799
Total financial assets	17,356

Company 31 March 2024	Finance and Insurance RM'000
Cash and short-term funds	80,118
Other financial assets	3,534
Total financial assets	83,652

50. RISK MANAGEMENT (CONT'D.)

50.2 Credit Risk Management (Cont'd.)

50.2.1b Geographical Analysis

Group 31 March 2025	In Malaysia RM'000	Outside Malaysia RM'000	Total RM'000
Cash and short-term funds	4,279,277	2,482,159	6,761,436
Less: Allowances for ECL	(1,366)	(944)	(2,310)
Total cash and short-term funds	4,277,911	2,481,215	6,759,126
Derivative financial assets	419,003	233,206	652,209
Financial assets at FVTPL			
Money market securities	4,474,781	–	4,474,781
Quoted corporate bonds and sukuk	10,179	–	10,179
Unquoted corporate bonds and sukuk	1,907,024	–	1,907,024
Total financial assets at FVTPL	6,391,984	–	6,391,984
Financial investments at FVOCI			
Money market securities	11,660,827	13,113	11,673,940
Unquoted corporate bonds and sukuk	12,901,466	–	12,901,466
Total financial investments at FVOCI	24,562,293	13,113	24,575,406
Financial investments at amortised cost			
Money market securities	2,796,422	–	2,796,422
Unquoted corporate bonds and sukuk	9,779,642	–	9,779,642
Less: Allowances for ECL	(534,761)	–	(534,761)
Total financial investments at amortised cost	12,041,303	–	12,041,303
Loans, advances and financing			
Retail banking	67,385,476	–	67,385,476
Business banking	48,693,205	2,701	48,695,906
Wholesale banking	20,565,402	400,608	20,966,010
Investment banking	1,834,400	1,562	1,835,962
Less: Allowances for ECL	(1,751,765)	(1,521)	(1,753,286)
Total loans, advances and financing	136,726,718	403,350	137,130,068
Statutory deposits with Bank Negara Malaysia	2,774,414	–	2,774,414
Other financial assets	3,155,293	134,263	3,289,556
Less: Allowances for ECL	(32,024)	(321)	(32,345)
Total other financial assets	3,123,269	133,942	3,257,211
Commitments	28,779,455	97,859	28,877,314
Contingent liabilities	11,118,491	22,160	11,140,651
Total commitments and contingent liabilities	39,897,946	120,019	40,017,965

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

50. RISK MANAGEMENT (CONT'D.)

50.2 Credit Risk Management (Cont'd.)

50.2.1b Geographical Analysis (Cont'd.)

Group 31 March 2024	In Malaysia RM'000	Outside Malaysia RM'000	Total RM'000
Cash and short-term funds	3,402,641	3,091,441	6,494,082
Less: Allowances for ECL	(267)	(716)	(983)
Total cash and short-term funds	3,402,374	3,090,725	6,493,099
Derivative financial assets	653,820	358,488	1,012,308
Financial assets at FVTPL			
Money market securities	6,987,375	–	6,987,375
Quoted corporate bonds and sukuk	10,249	–	10,249
Unquoted corporate bonds and sukuk	1,163,850	–	1,163,850
Total financial assets at FVTPL	8,161,474	–	8,161,474
Financial investments at FVOCI			
Money market securities	11,372,431	13,931	11,386,362
Unquoted corporate bonds and sukuk	14,233,555	–	14,233,555
Total financial investments at FVOCI	25,605,986	13,931	25,619,917
Financial investments at amortised cost			
Money market securities	2,798,891	–	2,798,891
Unquoted corporate bonds and sukuk	9,049,430	–	9,049,430
Less: Allowances for ECL	(527,426)	–	(527,426)
Total financial investments at amortised cost	11,320,895	–	11,320,895
Loans, advances and financing			
Retail banking	68,798,115	–	68,798,115
Business banking	43,307,134	19,171	43,326,305
Wholesale banking	19,504,026	125,103	19,629,129
Investment banking	2,371,141	5,592	2,376,733
Less: Allowances for ECL	(2,028,066)	(99)	(2,028,165)
Total loans, advances and financing	131,952,350	149,767	132,102,117
Statutory deposits with Bank Negara Malaysia	2,612,713	–	2,612,713
Other financial assets	3,128,317	146,118	3,274,435
Less: Allowances for ECL	(37,004)	(347)	(37,351)
Total other financial assets	3,091,313	145,771	3,237,084
Commitments	29,274,031	32,622	29,306,653
Contingent liabilities	9,443,116	23,605	9,466,721
Total commitments and contingent liabilities	38,717,147	56,227	38,773,374

50. RISK MANAGEMENT (CONT'D.)

50.2 Credit Risk Management (Cont'd.)

50.2.1b Geographical Analysis (Cont'd.)

Company 31 March 2025	In Malaysia RM'000	Outside Malaysia RM'000	Total RM'000
Cash and short-term funds	14,557	–	14,557
Other financial assets	2,799	–	2,799
	17,356	–	17,356

Company 31 March 2024	In Malaysia RM'000	Outside Malaysia RM'000	Total RM'000
Cash and short-term funds	80,118	–	80,118
Other financial assets	3,534	–	3,534
	83,652	–	83,652

Collateral and Other Credit Enhancement

Collateral Taken by the Group

Collateral is generally taken as security for credit exposures as a secondary source of repayment in case the counterparty cannot meet its contractual repayment obligations from cash flow generation. The collateral accepted for credit risk mitigation comprises financial collateral, real estate, other physical asset and guarantees.

In the case of the Group's Islamic Banking operations, only Shariah approved assets can be accepted as permissible collateral. Notwithstanding, for specific products, a collateral that becomes non-Shariah compliant during the tenure of financing may continue to be maintained as collateral.

The Credit Risk Mitigation Policy is the internally recognised collateral framework for the Group. Any collateral that does not conform to the requirements outlined in that policy may be considered by the relevant approval authority to be accepted and approved as an exception. For capital relief purposes, Basel FIRB requirements set out in BNM's Capital Adequacy Framework are to be met, failing which no capital relief is to be accorded.

Processes for Collateral Management

The concept of legal enforceability and certainty are central to collateral management. In order to achieve legal enforceability and certainty, the Group has standard collateral instruments, and where applicable, security interests are registered.

Guarantee Support

Guarantee support for lending/financing proposals are an integral component in transaction structuring for the Group. For Non-Retail portfolio, where a counterparty's corporate guarantor guarantees 100% of the credit facility, the credit risk rating of the counterparty is able to be substituted, subject to fulfilling certain stipulated conditions. Otherwise, if the stipulated conditions are met but the guarantee is less than 100%, the weighted-average method is able to be employed.

Under the FIRB Approach for non-retail, the Group adopts the PD substitution approach whereby the exposure guaranteed by an eligible guarantor will substitute the PD of the counterparty in the computation of capital if the guarantor is internally rated and associated with a PD equivalent to BBB- or better. For retail exposures, guarantor is being considered as part of PD assessment.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

50. RISK MANAGEMENT (CONT'D.)

50.2 Credit Risk Management (Cont'd.)

Collateral and Other Credit Enhancement (Cont'd.)

Use of Credit Derivatives and Netting for Risk Mitigation

Currently, the Group does not use credit derivatives and netting for risk mitigation.

Transaction Structuring to Mitigate Credit Risk

Besides tangible security and guarantee support described above, credit risk mitigation techniques are used in structuring transactions. These include duration limits managing the tenure of the loans/financing, amortisation schedules and loan/financing covenants. These assist in managing credit risk and providing early warning signals to enable pre-emptive actions to protect the quality or recoverability of loan/financing assets.

Concentrations of Credit Risk Mitigation

The Group carefully monitors collateral concentrations via portfolio management reporting and amendments as necessary to its Risk Appetite Framework.

Credit Quality

The credit quality of financial assets are analysed based on broad categories. Internal credit rating grades assigned to corporate and retail lending business are currently aligned to eight rating categories (seven for non-defaulted and one for those that have defaulted) in accordance with the Capital Adequacy Framework (Basel II – Risk-Weighted Assets) and CAFIB (Risk-Weighted Assets). The following categories based on the descriptions are appended below.

Description of the Categories for Retail Banking

Risk Grade	Category	PD ranges	Description
1 to 6	Exceptionally Strong	0.0001% to 0.0737%	• Exceptionally good credit risk profile with exceptionally low PD of <0.1%. • Exceptionally strong capacity and willingness to meet its financial commitments as evidenced by prompt repayment track record. • Exhibits very high degree of resilience to adverse development in view of its very established employment profile and track record.
7 to 12	Very strong	0.0738% to 0.5942%	• Very good credit risk profile with very low PD of <0.6%. • Very strong capacity and willingness to meet its financial commitments as evidenced by generally prompt repayment track record. • Exhibits high degree of resilience to adverse development in view of its established employment profile and track record.
13 to14	Strong	0.5943% to 1.0159%	• Good credit risk profile with low PD of <1.1%. • Exhibits willingness to meet its financial commitments as evidenced by good repayment track record. • Generally in position to withstand adverse development in view of its favourable employment profile and track record.
15 to 16	Satisfactory	1.0160% to 2.2722%	• Satisfactory credit risk profile with acceptable PD of <2.3%. • Adequate willingness to meet its financial commitments as evidenced by satisfactory repayment track record. • Generally in position to resolve any apparent shortcoming within an acceptable time frame in view of its satisfactory employment profile and track record.

50. RISK MANAGEMENT (CONT'D.)

50.2 Credit Risk Management (Cont'd.)

Credit Quality (Cont'd.)

Description of the Categories for Retail Banking (Cont'd.)

Risk Grade	Category	PD ranges	Description
17 to 18-	Moderate	2.2723% to 4.1028%	• Moderate credit risk profile with moderate PD of up to 4.1%. • Willingness to meet its financial commitments would be uncertain in the event of adverse changes in circumstances and economic conditions as evidenced by generally satisfactory repayment track record. • Generally in position to resolve any apparent shortcoming within an acceptable time frame in view of its moderate employment profile and track record.
19+ to 20-	Marginal	4.1029% to 8.2931%	• Marginal credit risk profile with higher PD of up to 8.2931%. • Willingness to meet its financial commitments would be uncertain under normal circumstances and economic conditions as generally evidenced by fair repayment track record. • Moderate employment profile and track record.
21 to 24	Substandard	>= 8.2932%	• Substandard credit risk profile with poor PD of >= 8.2932%. • Exhibits less willingness to meet its financial commitments under normal circumstances and economic conditions as generally evidenced by poor repayment track record. • Unfavourable employment profile and track record.
99	Impaired	100%	• Impaired account. Classified as impaired as per the prevailing policy/ guidelines.

Description of the Categories for Non-Retail Banking

Credit Quality Classification	Description
Exceptionally strong	Highest rating, for exceptionally strong government institutions and a small number of very large multinational institutional clients. The key characteristics are: – Exceptionally solid and stable operating and financial performance; – Debt servicing capacity has been exceptionally strong over the long term; – All available information, of which there is a substantial quantity of extremely high quality, supports the view that these historical performance standards will be maintained for the foreseeable future; and – Highly unlikely to be adversely affected by foreseeable events.
Very strong	Strong government institutions or institutional clients, with identifiably higher, albeit modest, long term risk but still demonstrating solid and stable operating and financial performance. The key characteristics are: – Based on their activities, financial profile and past capacity to repay, counterparties with this rating carry a small, but clearly identifiable degree of risk; and – Debt servicing capacity in previous period has been substantial and solid, and is projected to continue over the medium term but may be more vulnerable to changes in business, economic and financial conditions than is the case for stronger ratings.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

50. RISK MANAGEMENT (CONT'D.)

50.2 Credit Risk Management (Cont'd.)

Credit Quality (Cont'd.)

Description of the Categories for Non-Retail Banking (Cont'd.)

Credit Quality Classification	Description
Strong	Counterparties demonstrate medium to long-term operational and financial stability and consistency but they are identifiably susceptible to cyclical trends or variability in earnings. The key characteristics are: – Counterparties present an identifiable degree of generally acceptable risk, possibly expressing itself as variability in financial and/or operating performance; and – Debt servicing capacity is quite good but adverse changes in circumstances and economic conditions are more likely to impair this capacity.
Satisfactory	Counterparties demonstrate adequate medium term operational and financial stability. Protection factors are considered sufficient for prudent investment. The key characteristics are: – Counterparties present a mostly satisfactory risk that requires mitigation, possibly expressing itself as variability in financial and/or operating performance; – Debt servicing capacity is satisfactory but adverse changes in circumstances and economic condition may impair this capacity; and – Counterparty's financial and/or non-financial profile provides a limited buffer to mitigate the negative impact of any future adverse changes in circumstances and economic conditions.
Moderate	Counterparties demonstrate limited operational and financial stability and may have a track record of fluctuating and poor earnings and profitability evidencing their past susceptibility to cyclical trends. The key characteristics are: – Capacity for timely fulfilment of financial obligations exists; – Adverse economic condition or changing business environment is more likely to lead to weakened capacity to meet timely repayment in the long run; and – Overall credit quality may be more volatile within this category.
Marginal	Counterparties demonstrate sustained operational and financial instability. The key characteristics are: – Erratic performance with one or more recent loss periods, increased borrowings or patchy account conduct; – Debt servicing capacity is marginal; – Often under strong, sustained competitive pressure; – Variability and uncertainty in profitability and liquidity is projected to continue over the short and possibly medium term; and – Significant changes and instability in senior management may be observed.
Substandard	Lowest rating for counterparties that continuously demonstrate operational and financial instability. The key characteristics are: – Mediocre financials with consistent loss periods, increased borrowings and/or poor account conduct; – Current and expected debt servicing capacity is inadequate; – Financial solvency is questionable and/or financial structure is weak; – Deteriorating state of business and require significant changes in strategies or practices to return business to sustainable state; and – Experiencing difficulties, which may result in default in the next one to two years.
Impaired	Impaired account. The key characteristic is that the counterparty has been classified as "impaired" as per the prevailing policy/guidelines.

50. RISK MANAGEMENT (CONT'D.)

50.2 Credit Risk Management (Cont'd.)

Impairment

The relevant governance for the respective Line of Businesses are established to align with the MFRS Accounting Standards and related BNM's standards/guidelines. In general, an asset is considered impaired when:

(a) the obligor has breached its contractual payment obligations and past due for more than 90 days; or

(b) as soon as default occurs where the principal and/or interest/profit repayments/payments are scheduled on intervals of 3 months or longer; or

(c) other impairment indicators stipulated in the relevant guidelines.

Impaired accounts which undergo restructuring/rescheduling will continue to be impaired for at least 6 months.

Group Provisioning Methodology

The Group's provisioning methodology complies with MFRS 9 where the Group recognises ECL at all times to reflect changes in the credit risk of a financial instrument. The methodology incorporates historical, current and forecasted information into ECL estimation. Consequently, more timely information is required to be provided about ECL.

MFRS 9 applies to all financial assets classified as amortised cost and FVOCI, lease receivables, trade receivables, and commitments to lend money and financial guarantee contracts.

Under MFRS 9, financial instruments are segregated into 3 stages depending on the changes in credit quality since initial recognition. The Group calculates 12-month ECL for Stage 1 and Lifetime ECL for Stage 2 and Stage 3 exposures.

(i) Stage 1: For performing financial instruments which credit risk had not been significantly increased since initial recognition.

(ii) Stage 2: For underperforming financial instruments which credit risk had significantly increased since initial recognition.

(iii) Stage 3: For financial instruments which are credit impaired.

Measurement of ECL

The following diagram summarises the impairment requirements under MFRS 9 (other than purchased or originated credit-impaired financial assets):

Changes in credit quality since initial recognition

Stage 1	Stage 2	Stage 3
(Initial recognition) 12-month ECL	(SICR since initial recognition) Lifetime ECL	(Credit-impaired assets) Lifetime ECL

ECL can be assessed individually or collectively. Financial assets that are not individually significant or not individually credit impaired are collectively assessed. For financial assets that are individually significant, an assessment is performed to determine whether objective evidence of impairment exists individually.

Individual assessment is divided into two main processes - trigger assessment and measurement of impairment loss. Financial assets which are triggered by the impairment triggers will be measured for evidence of high likelihood of impairment, i.e. estimated recoveries (based on the discounted cash flow projection method and taking into account economic conditions) is less than carrying value.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

50. RISK MANAGEMENT (CONT'D.)

50.2 Credit Risk Management (Cont'd.)

Impairment (Cont'd.)

Measurement of ECL (Cont'd.)

The key judgements and assumptions adopted by the Group in addressing the requirements of the standard are discussed below.

Significant Increase in Credit Risk ("SICR")

The Group considers a financial instrument to have experienced a SICR when it is more than 30 days past due on its contractual payments or when a quantitative and qualitative analysis, based on the Group's historical experience, expert credit assessment and forward-looking information indicates as such. The requirement is to calculate remaining Lifetime ECL at the reporting date when the financial instrument experienced SICR, compared to 12-month ECL calculation when exposure was initially recognised.

(i) Quantitative

Each exposure is allocated to a credit risk grade at initial recognition based on a variety of data that is determined to be predictive of the risk of default and experienced credit judgement about the borrower/customer. Factors determining credit risk grades vary depending on nature of exposures and type of borrowers/customers. Exposures are subject to ongoing monitoring, which may result in an exposure being moved to a different credit risk grade. There are 4 risk bands i.e. low risk, medium risk, high risk and very high risk whereby movements to a poorer band may result in SICR.

(ii) Qualitative

The Group may determine that an exposure has undergone a SICR experiences using its expert credit risk judgement and where possible, relevant historical experience based on qualitative indicators specified by the Group's watchlist criteria that it considers as such and whose effect may not otherwise be fully reflected in quantitative analysis on a timely basis.

In relation to non-retail financial instruments, where a watchlist is used to monitor credit risk, this assessment is performed at the counterparty borrower/customer basis. The criteria used to identify SICR are monitored and reviewed periodically for appropriateness by the Wholesale Credit Risk team and Business Credit Risk team.

The assessment of SICR incorporates forward-looking information and is performed on a monthly basis at a portfolio level for all financial instruments held by the Group.

Definition of Default and Credit-impaired Assets

The Group defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

(i) Quantitative criteria

(a) the borrower/customer is considered in default if its contractual payments is more than 90 days past due.
(b) as soon as default occurs where the principal and/or interest/profit repayments/payments are scheduled on intervals of 3 months or longer; or
(c) other impairment indicators stipulated in the relevant guidelines.

(ii) Qualitative criteria

The borrower/customer meets unlikeliness to pay criteria, which indicates the borrower/customer is in significant financial difficulty. These include instances where:

– the borrower/customer has ceased operations due to financial distress;
– the borrower/customer/corporate guarantor is classified as PN4/PN16/PN17/GN3 by Bursa Malaysia;
– a winding up petition has been lodged against borrower/customer;
– bankruptcy proceeding has been initiated by creditors/other lenders; or
– a receiver and manager have been appointed.

50. RISK MANAGEMENT (CONT'D.)

50.2 Credit Risk Management (Cont'd.)

Impairment (Cont'd.)

Measurement of ECL (Cont'd.)

Definition of Default and Credit-impaired Assets (Cont'd.)

The quantitative criteria above have been applied to all financial instruments held by the Group while the qualitative criteria mainly applicable to non-retail portfolio and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the EAD, PD and LGD throughout the Group's expected loss calculations.

An instrument is considered to no longer be in default (i.e. to have cured) when it no longer meets the quantitative default criteria.

For non-retail portfolio, reclassification to performing status can be considered subject to the following:
– Satisfactory conduct of the counterparty's repayment/payment conduct for at least a 6-month observation period;
– Assessment of the viability of the borrower's/customer's business;
– All arrears are settled/regularised.

Measuring ECL – Explanation of Inputs, Assumptions and Estimation Techniques

The key inputs into the measurement of ECL are the following variables:
– PD;
– LGD; and
– EAD
or
– Historical Loss Rates ("LR")

These parameters are generally derived from internally developed statistical models and other historical data. They are adjusted to reflect forward-looking information.

PD estimates are estimated at a certain date, which are calculated based on statistical rating models, and assessed using rating tools tailored to the various categories of counterparties and exposures. These statistical models are based on internally compiled data comprising both quantitative and qualitative factors.

Credit risk grades are a primary input in the determination of PD term structure for exposures. If a counterparty or exposure migrates between rating grades, then this will lead to a change in associated PD. The Group collects performance and default information about its credit risk exposures analysed by portfolio.

LGD is the magnitude of the likely loss if there is a default. The Group estimates LGD parameters based on history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral, seniority of the claim, counterparty industry, and recovery costs of any collateral that is integral to the financial asset. They are calculated on a discounted cash flow basis using the EIR/EPR as the discount factor.

EAD represents the expected exposure in the event of default. The Group derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract including amortisation. The EAD of an on-balance sheet asset is its gross carrying amount. For lending commitments and financial guarantees, the EAD includes the amount drawn, and potential future amounts that may be drawn under the contract, which are estimated based on historical observations and forward-looking forecasts.

Historical LR represents the past record of average loss experience for financial assets of similar classes.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

50. RISK MANAGEMENT (CONT'D.)

50.2 Credit Risk Management (Cont'd.)

Impairment (Cont'd.)

Measurement of ECL (Cont'd.)

Forward-looking Information Incorporated in the ECL Models

The measurement of ECL also takes into account the expected credit condition over the remaining life of the financial assets. Forward-looking models are built based on statistical relationship established between Observed Default Rate ("ODR") and Macroeconomic Variables ("MEVs").

This analysis includes the identification and calibration of relationships between changes in default rates and to the MEVs. Examples of key macroeconomic indicators include Gross Domestic Product ("GDP") growth, Consumer Price Index, House Price Index, foreign exchange (USD/MYR) and Brent Crude Oil price.

Three scenarios are projected for forward-looking namely base case, optimistic and pessimistic which requires management judgement of the economic situation i.e. normal, bullish or downturn. A weightage is applied to the scenarios to produce an appropriate forward-looking ECL to best reflect the forward-looking economic outlook.

Key Variables/Assumptions for ECL Calculations

The recognition and measurement of ECL is highly complex and involves the use of significant judgement and estimation. This involves establishing the forward-looking macroeconomic conditions into ECL as required under MFRS 9. The allowances for ECL are sensitive to the inputs used and economic assumptions underlying the estimate.

The following table shows the forecast of key economic variables used in forward-looking models for ECL calculations for financial year ended 31 March 2025 and 31 March 2024.

31 March 2025 Macroeconomic Variable List	Forward-Looking Scenario	Assigned Probabilities (%)	2025	2026	2027	2028	2029
Consumer Price Index (%)	Base	60%	2.51	2.98	2.50	2.28	2.18
	Optimistic	10%	2.76	3.28	2.75	2.50	2.39
	Pessimistic	30%	2.13	2.53	2.13	1.93	1.85
GDP Growth (%)	Base	60%	4.65	4.35	4.43	4.75	4.63
	Optimistic	10%	5.12	4.79	4.87	5.23	5.09
	Pessimistic	30%	3.95	3.70	3.76	4.04	3.93
House Price Index (%)	Base	60%	2.99	3.11	3.43	3.25	3.03
	Optimistic	10%	3.29	3.42	3.77	3.57	3.33
	Pessimistic	30%	2.54	2.64	2.92	2.76	2.58
USD/MYR Exchange Rate	Base	60%	4.49	4.43	4.38	4.34	4.32
	Optimistic	10%	3.81	3.76	3.72	3.69	3.68
	Pessimistic	30%	4.94	4.87	4.82	4.77	4.76
Brent Crude Oil Price (USD/barrel)	Base	60%	77.07	74.59	74.23	82.19	83.74
	Optimistic	10%	84.77	82.05	81.65	90.41	92.12
	Pessimistic	30%	65.51	63.40	63.09	69.86	71.18

(Yearly values = average of forecasted quarterly values).

50. RISK MANAGEMENT (CONT'D.)

50.2 Credit Risk Management (Cont'd.)

Impairment (Cont'd.)

Measurement of ECL (Cont'd.)

Forward-looking Information Incorporated in the ECL Models (Cont'd.)

The following table shows the forecast of key economic variables used in forward-looking models for ECL calculations for financial year ended 31 March 2025 and 31 March 2024. (Cont'd.)

31 March 2024 Macroeconomic Variable List	Forward-Looking Scenario	Assigned Probabilities (%)	2024	2025	2026	2027	2028
	Base	60%	2.95	2.53	2.25	2.45	2.33
Consumer Price Index (%)	Optimistic	10%	3.25	2.78	2.48	2.70	2.56
	Pessimistic	30%	2.51	2.15	1.91	2.08	1.98
	Base	60%	4.53	4.75	4.50	4.40	4.33
GDP Growth (%)	Optimistic	10%	4.98	5.23	4.95	4.84	4.76
	Pessimistic	30%	3.85	4.04	3.83	3.74	3.68
	Base	60%	3.84	4.47	3.08	2.83	2.83
House Price Index (%)	Optimistic	10%	4.22	4.91	3.38	3.11	3.11
	Pessimistic	30%	3.26	3.80	2.62	2.40	2.40
	Base	60%	4.59	4.36	4.34	4.28	4.16
USD/MYR Exchange Rate	Optimistic	10%	3.90	3.71	3.69	3.64	3.53
	Pessimistic	30%	5.05	4.80	4.77	4.71	4.57
	Base	60%	90.08	93.41	90.00	87.50	85.50
Brent Crude Oil Price (USD/barrel)	Optimistic	10%	99.08	102.75	99.00	96.25	94.05
	Pessimistic	30%	76.56	79.40	76.50	74.38	72.68

(Yearly values = average of forecasted quarterly values).

Write-off Governance

(i) Stage 1 write-off

The Group may partially/fully write-off on financial assets where the receivables is deemed uncollectable and full recovery is not possible taking proceeds from value of securities or where customer has been allowed time to repay on negotiated settlement basis. The outstanding contractual amounts of such assets written off during the financial year ended 31 March 2025 was RM783.8 million (2024: RM883.2 million). The Group still seeks legal recovery action, as such, credit exposures for these continue unabated.

(ii) Stage 2 write-off

The Group write-off financial assets in whole when it has exhausted all necessary recovery actions against credit exposures and there is minimal prospect of recovery and/or further recovery is not economical, then the credit exposures will be written off from both the general ledger and subsidiary ledger.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

50. RISK MANAGEMENT (CONT'D.)

50.2 Credit Risk Management (Cont'd.)

Impairment (Cont'd.)

Measurement of ECL (Cont'd.)

Modified Financial Assets

The Group sometimes modifies the terms of loans/financing provided to borrowers/customers due to commercial renegotiations, or for distressed loans/financing, with a view to maximising recovery.

Such restructuring activities include extended payment term arrangements, payment holidays and payment forgiveness. Restructuring governance and practices are based on indicators or criteria which, in the judgement of management, indicate that payment will most likely continue. These governance are kept under continuous review.

The risk of default of such assets after modification is assessed at the reporting date and compared with the risk under the original terms at initial recognition. The Group then monitors the subsequent performance of modified assets. The Group may determine that the credit risk has significantly improved after restructuring and if so, the assets are moved from Stage 2 - Lifetime ECL not credit impaired or Stage 3 - Lifetime ECL credit impaired to Stage 1 - 12-month ECL or Stage 2 - Lifetime ECL not credit impaired as per Group's internal SICR criteria. This is only the case for assets which have performed in accordance with the new terms for at least six consecutive months or more.

The following table includes summary information for financial assets whose cash flows were modified during the financial year as part of the Group's restructuring activities and their respective effect on the Group's financial performance:

	Group	
	31 March 2025 RM'000	31 March 2024 RM'000
Loans, advances and financing		
Amortised cost before modification	1,141,881	1,149,755
Net modification loss included under interest income	(4,015)	(281)

50.2.1c Credit Quality By Class of Financial Assets

The table below shows credit quality by class of asset for all financial assets exposed to credit risk, based on the Group's internal credit rating system.

Cash and short-term funds

Group 31 March 2025	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Total RM'000
Risk grade			
Exceptionally strong	4,908,768	–	4,908,768
Very strong	1,804,470	–	1,804,470
Strong	2,280	–	2,280
Satisfactory	44,539	–	44,539
Substandard	–	1,379	1,379
Gross exposure	6,760,057	1,379	6,761,436
Less: Allowances for ECL	(1,682)	(628)	(2,310)
Net exposure	6,758,375	751	6,759,126

50. RISK MANAGEMENT (CONT'D.)

50.2 Credit Risk Management (Cont'd.)

50.2.1c Credit Quality By Class of Financial Assets (Cont'd.)

The table below shows credit quality by class of asset for all financial assets exposed to credit risk, based on the Group's internal credit rating system. (Cont'd.)

Cash and short-term funds (Cont'd.)

Group 31 March 2024	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Total RM'000
Risk grade			
Exceptionally strong	4,869,497	–	4,869,497
Very strong	1,622,105	–	1,622,105
Strong	2,185	–	2,185
Satisfactory	239	–	239
Substandard	–	56	56
Gross exposure	6,494,026	56	6,494,082
Less: Allowances for ECL	(946)	(37)	(983)
Net exposure	6,493,080	19	6,493,099

Company 31 March 2025	Stage 1 12-month ECL RM'000
Risk grade	
Very strong	14,557
Net exposure	14,557

Company 31 March 2024	Stage 1 12-month ECL RM'000
Risk grade	
Very strong	80,118
Net exposure	80,118

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2025

50. RISK MANAGEMENT (CONT'D.)

50.2 Credit Risk Management (Cont'd.)

50.2.1c Credit Quality By Class of Financial Assets (Cont'd.)

The table below shows credit quality by class of asset for all financial assets exposed to credit risk, based on the Group's internal credit rating system. (Cont'd.)

Financial investments at amortised cost

Group 31 March 2025	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Stage 3 Lifetime ECL credit impaired RM'000	Total RM'000
Risk grade				
Exceptionally strong	3,576,896	–	–	3,576,896
Very strong	5,001,011	–	–	5,001,011
Strong	1,795,747	110,000	–	1,905,747
Satisfactory	1,363,566	–	–	1,363,566
Marginal	150,000	–	–	150,000
Impaired	–	–	578,844	578,844
Gross exposure	11,887,220	110,000	578,844	12,576,064
Less: Allowances for ECL	(24,414)	(386)	(509,961)	(534,761)
Net exposure	11,862,806	109,614	68,883	12,041,303

Group 31 March 2024	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Stage 3 Lifetime ECL credit impaired RM'000	Total RM'000
Risk grade				
Exceptionally strong	5,238,445	–	–	5,238,445
Very strong	3,087,166	–	–	3,087,166
Strong	2,265,590	–	–	2,265,590
Satisfactory	678,276	–	–	678,276
Impaired	–	–	578,844	578,844
Gross exposure	11,269,477	–	578,844	11,848,321
Less: Allowances for ECL	(15,705)	–	(511,721)	(527,426)
Net exposure	11,253,772	–	67,123	11,320,895

50. RISK MANAGEMENT (CONT'D.)

50.2 Credit Risk Management (Cont'd.)

50.2.1c Credit Quality By Class of Financial Assets (Cont'd.)

The table below shows credit quality by class of asset for all financial assets exposed to credit risk, based on the Group's internal credit rating system. (Cont'd.)

Financial investments at fair value through other comprehensive income

Group 31 March 2025	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Total RM'000
Risk grade			
Exceptionally strong	12,967,631	–	12,967,631
Very strong	8,107,499	–	8,107,499
Strong	2,717,275	–	2,717,275
Satisfactory	221,568	296,467	518,035
Moderate	264,966	–	264,966
Gross exposure	24,278,939	296,467	24,575,406
Less: Allowances for ECL	(27,576)	(4,218)	(31,794)
Net exposure	24,251,363	292,249	24,543,612

Group 31 March 2024	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Total RM'000
Risk grade			
Exceptionally strong	13,710,797	–	13,710,797
Very strong	7,812,999	–	7,812,999
Strong	2,484,753	–	2,484,753
Satisfactory	1,034,551	516,106	1,550,657
Moderate	–	60,711	60,711
Gross exposure	25,043,100	576,817	25,619,917
Less: Allowances for ECL	(22,003)	(4,986)	(26,989)
Net exposure	25,021,097	571,831	25,592,928

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

50. RISK MANAGEMENT (CONT'D.)

50.2 Credit Risk Management (Cont'd.)

50.2.1c Credit Quality By Class of Financial Assets (Cont'd.)

The table below shows credit quality by class of asset for all financial assets exposed to credit risk, based on the Group's internal credit rating system. (Cont'd.)

Loans, advances and financing

Group 31 March 2025	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Stage 3 Lifetime ECL credit impaired RM'000	Total RM'000
Risk grade				
Exceptionally strong	2,583,508	–	–	2,583,508
Very strong	64,111,604	297,072	–	64,408,676
Strong	25,155,330	342,970	–	25,498,300
Satisfactory	20,244,784	1,401,451	–	21,646,235
Moderate	8,673,090	1,424,176	–	10,097,266
Marginal	2,979,035	1,084,552	–	4,063,587
Substandard	2,158,396	6,295,164	–	8,453,560
Impaired	–	–	2,132,222	2,132,222
Gross exposure	125,905,747	10,845,385	2,132,222	138,883,354
Less: Allowances for ECL	(324,938)	(917,633)	(510,715)	(1,753,286)
Net exposure	125,580,809	9,927,752	1,621,507	137,130,068

Group 31 March 2024	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Stage 3 Lifetime ECL credit impaired RM'000	Total RM'000
Risk grade				
Exceptionally strong	2,835,817	–	–	2,835,817
Very strong	63,383,763	159,986	–	63,543,749
Strong	21,621,489	279,603	–	21,901,092
Satisfactory	21,080,343	1,291,695	–	22,372,038
Moderate	7,367,349	1,430,031	–	8,797,380
Marginal	3,273,149	1,053,869	–	4,327,018
Substandard	2,195,674	5,921,391	–	8,117,065
Impaired	–	–	2,236,123	2,236,123
Gross exposure	121,757,584	10,136,575	2,236,123	134,130,282
Less: Allowances for ECL	(335,100)	(1,028,920)	(664,145)	(2,028,165)
Net exposure	121,422,484	9,107,655	1,571,978	132,102,117

50. RISK MANAGEMENT (CONT'D.)

50.2 Credit Risk Management (Cont'd.)

50.2.1c Credit Quality By Class of Financial Assets (Cont'd.)

The table below shows credit quality by class of asset for all financial assets exposed to credit risk, based on the Group's internal credit rating system. (Cont'd.)

Other financial assets (using simplified approach)

Group 31 March 2025	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	Total RM'000
Risk grade			
Exceptionally strong	524,984	–	524,984
Very strong	1,885,064	–	1,885,064
Strong	341,346	–	341,346
Satisfactory	28,738	–	28,738
Moderate	22,902	–	22,902
Marginal	506	–	506
Substandard	25,787	–	25,787
Unrated	395,522	–	395,522
Impaired	–	64,707	64,707
Gross exposure	3,224,849	64,707	3,289,556
Less: Allowances for ECL	(1,245)	(31,100)	(32,345)
Net exposure	3,223,604	33,607	3,257,211

Group 31 March 2024	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	Total RM'000
Risk grade			
Exceptionally strong	515,707	–	515,707
Very strong	1,629,122	–	1,629,122
Strong	538,820	–	538,820
Satisfactory	54,190	–	54,190
Moderate	28,724	–	28,724
Marginal	5,034	–	5,034
Substandard	71,969	–	71,969
Unrated	381,978	–	381,978
Impaired	14,260	34,631	48,891
Gross exposure	3,239,804	34,631	3,274,435
Less: Allowances for ECL	(15,507)	(21,844)	(37,351)
Net exposure	3,224,297	12,787	3,237,084

Company	Lifetime ECL not credit impaired	
	31 March 2025 RM'000	31 March 2024 RM'000
Risk grade		
Very strong	2,799	3,534
Net exposure	2,799	3,534

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

50. RISK MANAGEMENT (CONT'D.)

50.2 Credit Risk Management (Cont'd.)

50.2.1c Credit Quality By Class of Financial Assets (Cont'd.)

The table below shows credit quality by class of asset for all financial assets exposed to credit risk, based on the Group's internal credit rating system. (Cont'd.)

Loan/financing commitments and financial guarantee contracts

Group 31 March 2025	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Stage 3 Lifetime ECL credit impaired RM'000	Total RM'000
Risk grade				
Exceptionally strong	693,032	–	–	693,032
Very strong	18,242,762	59,006	–	18,301,768
Strong	9,039,246	148,201	–	9,187,447
Satisfactory	6,531,303	543,673	–	7,074,976
Moderate	1,461,645	354,559	–	1,816,204
Marginal	227,468	230,497	–	457,965
Substandard	1,155,315	383,584	–	1,538,899
Impaired	–	–	171,334	171,334
Gross exposure	37,350,771	1,719,520	171,334	39,241,625
Less: Allowances for ECL	(42,906)	(12,551)	(47,236)	(102,693)
Net exposure	37,307,865	1,706,969	124,098	39,138,932

Group 31 March 2024	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Stage 3 Lifetime ECL credit impaired RM'000	Total RM'000
Risk grade				
Exceptionally strong	1,690,592	–	–	1,690,592
Very strong	18,172,175	69,088	–	18,241,263
Strong	8,097,875	489,916	–	8,587,791
Satisfactory	5,897,233	294,839	–	6,192,072
Moderate	1,390,594	355,522	–	1,746,116
Marginal	242,259	190,264	–	432,523
Substandard	341,590	334,654	–	676,244
Impaired	–	–	291,671	291,671
Gross exposure	35,832,318	1,734,283	291,671	37,858,272
Less: Allowances for ECL	(44,054)	(17,852)	(112,585)	(174,491)
Net exposure	35,788,264	1,716,431	179,086	37,683,781

50. RISK MANAGEMENT (CONT'D.)

50.2 Credit Risk Management (Cont'd.)

50.2.1c Credit Quality By Class of Financial Assets (Cont'd.)

The table below shows credit quality by class of asset for all financial assets exposed to credit risk, based on the Group's internal credit rating system. (Cont'd.)

Stage 1 Group 31 March 2025	Statutory deposits with Bank Negara Malaysia RM'000
Risk grade	
Exceptionally strong, representing gross and net exposure	2,774,414

Stage 1 Group 31 March 2024	Statutory deposits with Bank Negara Malaysia RM'000
Risk grade	
Exceptionally strong, representing gross and net exposure	2,612,713

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

50. RISK MANAGEMENT (CONT'D.)

50.2 Credit Risk Management (Cont'd.)

50.2.1c Credit Quality By Class of Financial Assets (Cont'd.)

Maximum exposure to credit risk - financial instruments not subject to impairment.

The table below shows the credit quality of financial assets measured at FVTPL:

Group 31 March 2025	Financial assets at fair value through profit or loss RM'000	Derivative financial assets RM'000
Risk grade		
Exceptionally strong	4,625,208	238,662
Very strong	1,280,997	294,971
Strong	485,779	94,092
Satisfactory	–	6,063
Moderate	–	5,404
Marginal	–	356
Substandard	–	12,661
Net exposure	6,391,984	652,209

Group 31 March 2024	Financial assets at fair value through profit or loss RM'000	Derivative financial assets RM'000
Risk grade		
Exceptionally strong	7,260,286	356,596
Very strong	664,760	534,838
Strong	236,428	101,497
Satisfactory	–	3,607
Moderate	–	4,693
Marginal	–	750
Substandard	–	10,327
Net exposure	8,161,474	1,012,308

50. RISK MANAGEMENT (CONT'D.)

50.2 Credit Risk Management (Cont'd.)

50.2.1d Estimated value of collateral for financial assets

The Group's policies regarding obtaining collateral have not significantly changed during the financial year and there has been no significant change in the overall quality of the collateral held by the Group since the previous financial year.

The following table summarises the financial effects of collateral received from loans, advances and financing:

Group	Gross exposure to credit risk		Financial effect of collateral		Unsecured portion of credit exposure	
	31 March 2025 RM'000	31 March 2024 RM'000	31 March 2025 RM'000	31 March 2024 RM'000	31 March 2025 RM'000	31 March 2024 RM'000
Gross loans, advances and financing						
Retail banking	67,385,476	68,798,115	62,953,101	64,277,829	4,432,375	4,520,286
Business banking	48,695,906	43,326,305	31,812,661	27,944,408	16,883,245	15,381,897
Wholesale banking	20,966,010	19,629,129	8,038,263	6,882,530	12,927,747	12,746,599
Investment banking	1,835,962	2,376,733	1,819,414	2,353,729	16,548	23,004
Total	138,883,354	134,130,282	104,623,439	101,458,496	34,259,915	32,671,786

50.2.1e Collateral repossessed

	Group	
	31 March 2025 RM'000	31 March 2024 RM'000
Residential properties, net of impairment	150	150

The above assets are accounted for as foreclosed properties under other assets (Note 18). There were no new assets obtained for the financial year 2025 and 2024.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

50. RISK MANAGEMENT (CONT'D.)

50.2 Credit Risk Management (Cont'd.)

50.2.1f Collateral held for credit-impaired financial assets

The Group closely monitors collateral held for financial assets considered to be credit-impaired, as it becomes more likely that the Group will take possession of collateral to mitigate potential credit losses. Financial assets that are credit-impaired and related collateral held in order to mitigate potential losses are shown below:

Group 31 March 2025	Gross exposure RM'000	Impairment allowance RM'000	Carrying amount RM'000	Fair value of collateral RM'000
Credit-impaired financial assets				
Loans, advances and financing				
Retail banking	1,107,915	219,691	888,224	1,047,770
Business banking	846,995	210,419	636,576	664,382
Wholesale banking	145,504	63,625	81,879	85,387
Investment banking	31,808	16,980	14,828	47,916
Total credit-impaired financial assets	2,132,222	510,715	1,621,507	1,845,455

Group 31 March 2024	Gross exposure RM'000	Impairment allowance RM'000	Carrying amount RM'000	Fair value of collateral RM'000
Credit-impaired financial assets				
Loans, advances and financing				
Retail banking	1,182,326	252,340	929,986	1,104,220
Business banking	802,705	261,765	540,940	589,673
Wholesale banking	207,427	126,673	80,754	118,745
Investment banking	43,665	23,367	20,298	48,501
Total credit-impaired financial assets	2,236,123	664,145	1,571,978	1,861,139

50.2.1g Overlays and adjustments for ECL continues, stemming from emerging risks on the Consumer and Retail SME portfolios as well as vulnerable borrowers/customers

Management overlay has been provided in anticipation of potential deterioration of credit risk for loans/financing for:

1. Higher cost of living after subsidy rationalisation; and
2. Vulnerable borrowers/customers.

The overlays adjustments were generally made to specific borrowers/customers and at portfolio level in determining the sufficient level of ECL.

The overlays adjustments continues into financial year 2026 ("FY2026") amounting RM461.1 million as at 31 March 2025 (31 March 2024: RM673.9 million).

50. RISK MANAGEMENT (CONT'D.)

50.3 Liquidity Risk and Funding Management

Liquidity risk is the risk that the organisation either does not have sufficient financial resources available to meet all its obligations and commitments as they fall due, or can only access these financial resources at an unreasonable cost. Liquidity risk exposure arises mainly from the deposit taking and borrowing/financing activities and market disruption, and to a lesser extent, significant drawdown of funds from previously contracted financing and purchase commitments. Funding management is the ongoing ability to raise sufficient funds to finance actual and proposed business activities at a reasonable cost. Improper funding management may lead to liquidity problem. On the other hand, insufficient liquidity risk management may also give rise to funding risk.

The liquidity risk management process is depicted in the table below:

Identification	• Identify liquidity risk within existing and new business activities • Review market-related information such as market trend and economic data • Keep abreast with regulatory requirements
Assessment/Measurement	• Liquidity Coverage Ratio ("LCR") • Net Stable Funding Ratio ("NSFR") • Depositor Concentration Ratios • Other Detailed Controls
Control/Mitigation	• LCR Limits/Triggers • NSFR Limits/Triggers/Targets • Depositor Concentration Ratios • Other Detailed Triggers/Targets
Monitoring/Review	• Monitor controls • Periodical review and reporting

The liquidity risk management of the Group is aligned to the LCR policy document and NSFR policy document issued by BNM. The primary objective of the Group's liquidity risk management is to ensure the availability of sufficient funds at a reasonable cost to honour all financial commitments when they fall due. This objective is partly managed through maintenance of a portfolio of high-quality liquid assets to protect against adverse funding conditions and support day-to-day operations. The secondary objective is to ensure an optimal funding structure and to balance the key liquidity risk management objectives, which includes diversification of funding sources, customer base and maturity period.

The Board provides the liquidity risk management oversight including setting and reviewing the liquidity risk appetite while GALCO is the core management committee established by the Board to oversee the overall liquidity management of the Group.

The Group has put in place a Contingency Funding Plan which is established by Capital and Balance Sheet Management ("CBSM") to identify early warning signals of possible liquidity problem. The Contingency Funding Plan also sets out the detailed responsibilities among the relevant departments in the event of actual liquidity crises occurring to ensure orderly execution of procedures to restore the liquidity position and confidence in the organisation.

Various liquidity measurements have been put in place to support the broader strategic objectives of the Group and amongst others include the BNM LCR, BNM NSFR and other Liquidity Ratios such as Depositor Concentration Ratio. Investment Banking and Markets Risk ("IBMR") is responsible for developing and monitoring the controls and limits while the Group Treasury and Markets ("GTM") and CBSM are responsible to ensure the controls and limits are within the thresholds.

Stress testing is undertaken to assess and plan for the impact for various scenarios which may put the Group's liquidity at risk. The Group further stresses the importance of the stable funding sources to finance placement/lending and loans, advances and financing to borrowers/customers. They are monitored using the loans/financing to fund ratio, which compares loans, advances and financing to borrowers/customers as a percentage of the Group's total funds.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

50. RISK MANAGEMENT (CONT'D.)

50.3 Liquidity Risk and Funding Management (Cont'd.)

50.3.1a Analysis of Assets and Liabilities By Remaining Contractual Maturities as per requirement of BNM's policy document *Financial Reporting*

Group 31 March 2025	Up to 1 month RM'000	> 1 month to 3 months RM'000	> 3 months to 6 months RM'000	> 6 months to 12 months RM'000	> 1 year to 5 years RM'000	Over 5 years RM'000	No maturity specified RM'000	Total RM'000
Assets								
Cash and short-term funds	6,759,126	–	–	–	–	–	–	6,759,126
Derivative financial assets	118,574	81,308	45,570	27,954	271,153	107,650	–	652,209
Financial assets at fair value through profit or loss	656,907	757,226	806,677	1,730,612	1,360,054	1,080,508	1,426,461	7,818,445
Financial investments at fair value through other comprehensive income	296,509	2,263,144	1,465,696	2,572,164	12,086,511	5,891,382	872,357	25,447,763
Financial investments at amortised cost	–	97,075	1,872,205	287,865	4,576,013	5,208,145	–	12,041,303
Loans, advances and financing	948,405	311,145	413,095	33,989,959	16,910,600	84,556,864	–	137,130,068
Statutory deposits with Bank Negara Malaysia	–	–	–	–	–	2,774,414	–	2,774,414
Deferred tax assets	–	–	–	–	–	–	271,050	271,050
Investments in associates and joint ventures	–	–	–	–	–	–	1,478,914	1,478,914
Other assets	2,487,503	283,519	261,103	512,841	187,870	128,228	82,319	3,943,383
Property and equipment	–	–	–	–	–	–	141,915	141,915
Right-of-use assets	–	–	–	–	–	–	126,308	126,308
Intangible assets	–	–	–	–	–	–	458,690	458,690
Total assets	11,267,024	3,793,417	4,864,346	39,121,395	35,392,201	99,747,191	4,858,014	199,043,588
Liabilities								
Deposits from customers	78,025,483	26,306,030	17,520,389	18,941,672	753,467	–	–	141,547,041
Investment accounts of customers	12,176*	159	145	–	–	–	–	12,480
Deposits and placements of banks and other financial institutions	3,372,667	2,226,041	124,285	38,787	1,239,079	578,469	–	7,579,328
Securities sold under repurchase agreements	3,623,600	2,327,949	–	–	–	–	–	5,951,549
Recourse obligation on loans and financing sold to Cagamas Berhad	–	700,007	1,605,019	200,008	4,050,037	–	–	6,555,071
Derivative financial liabilities	56,276	50,269	38,573	66,225	280,336	116,557	–	608,236
Financial liabilities at fair value through profit or loss	3,996	20,215	77,495	77,112	–	–	–	178,818
Term funding	194,453	743,183	455,913	49,700	4,299,582	1,800,000	–	7,542,831
Debt capital	–	–	–	–	–	4,395,000	–	4,395,000
Other liabilities	1,758,510	1,070,367	107,916	525,824	476,892	112,006	–	4,051,515
Total liabilities	87,047,161	33,444,220	19,929,735	19,899,328	11,099,393	7,002,032	–	178,421,869
Net gap	(75,780,137)	(29,650,803)	(15,065,389)	19,222,067	24,292,808	92,745,159	4,858,014	20,621,719

* The balance includes current accounts without maturity as the investment accounts are available for customer redemption on-demand.

50. RISK MANAGEMENT (CONT'D.)

50.3 Liquidity Risk and Funding Management (Cont'd.)

50.3.1a Analysis of Assets and Liabilities By Remaining Contractual Maturities as per requirement of BNM's policy document *Financial Reporting* (Cont'd.)

Group 31 March 2024	Up to 1 month RM'000	> 1 month to 3 months RM'000	> 3 months to 6 months RM'000	> 6 months to 12 months RM'000	> 1 year to 5 years RM'000	Over 5 years RM'000	No maturity specified RM'000	Total RM'000
Assets								
Cash and short-term funds	6,493,099	–	–	–	–	–	–	6,493,099
Derivative financial assets	67,866	169,085	208,905	62,502	361,321	142,629	–	1,012,308
Financial assets at fair value through profit or loss	2,910,713	1,620,656	1,251,451	1,074,816	580,512	723,326	1,843,410	10,004,884
Financial investments at fair value through other comprehensive income	786,993	1,007,301	1,953,942	1,986,177	14,714,730	5,170,774	771,254	26,391,171
Financial investments at amortised cost	–	87,621	184,428	344,246	3,836,547	6,868,053	–	11,320,895
Loans, advances and financing	1,829,212	326,752	369,992	30,506,266	16,595,465	82,474,430	–	132,102,117
Statutory deposits with Bank Negara Malaysia	–	–	–	–	–	2,612,713	–	2,612,713
Deferred tax assets	–	–	–	–	–	–	275,760	275,760
Investments in associates and joint ventures	–	–	–	–	–	–	1,439,742	1,439,742
Other assets	2,651,403	235,604	230,177	800,412	164,065	272,665	10	4,354,336
Property and equipment	–	–	–	–	–	–	144,653	144,653
Right-of-use assets	–	–	–	–	–	–	180,781	180,781
Intangible assets	–	–	–	–	–	–	431,294	431,294
Total assets	14,739,286	3,447,019	4,198,895	34,774,419	36,252,640	98,264,590	5,086,904	196,763,753
Liabilities								
Deposits from customers	80,011,686	23,692,202	21,542,042	15,104,533	2,030,752	–	–	142,381,215
Investment accounts of customers	13,489*	219	351	–	–	–	–	14,059
Deposits and placements of banks and other financial institutions	2,482,515	3,623,172	568,701	594,516	998,748	634,272	–	8,901,924
Securities sold under repurchase agreements	1,776,886	4,551,449	–	–	–	–	–	6,328,335
Recourse obligation on loans and financing sold to Cagamas Berhad	–	800,002	–	1,355,001	5,325,017	–	–	7,480,020
Derivative financial liabilities	124,014	99,315	136,838	174,859	384,665	102,002	–	1,021,693
Financial liabilities at fair value through profit or loss	68,022	–	–	–	–	–	–	68,022
Term funding	101,104	32,447	30,611	146,244	2,139,562	–	–	2,449,968
Debt capital	–	–	–	–	–	4,395,000	–	4,395,000
Other liabilities	2,353,951	780,774	211,268	477,350	317,181	141,076	84	4,281,684
Total liabilities	86,931,667	33,579,580	22,489,811	17,852,503	11,195,925	5,272,350	84	177,321,920
Net gap	(72,192,381)	(30,132,561)	(18,290,916)	16,921,916	25,056,715	92,992,240	5,086,820	19,441,833

* The balance includes current accounts without maturity as the investment accounts are available for customer redemption on-demand.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

50. RISK MANAGEMENT (CONT'D.)

50.3 Liquidity Risk and Funding Management (Cont'd.)

50.3.1a Analysis of Assets and Liabilities By Remaining Contractual Maturities as per requirement of BNM's policy document *Financial Reporting* (Cont'd.)

Company 31 March 2025	Up to 1 month RM'000	> 1 month to 3 months RM'000	> 3 months to 6 months RM'000	> 6 months to 12 months RM'000	> 1 year to 5 years RM'000	Over 5 years RM'000	No maturity specified RM'000	Total RM'000
Assets								
Cash and short-term funds	14,557	–	–	–	–	–	–	14,557
Financial assets at fair value through profit or loss	–	–	–	–	–	–	1,241	1,241
Investments in subsidiaries	–	–	–	–	–	–	10,852,185	10,852,185
Other assets	9,356	–	–	–	–	–	–	9,356
Property and equipment	–	–	–	–	–	–	8	8
Total assets	23,913	–	–	–	–	–	10,853,434	10,877,347
Liability								
Other liabilities	–	–	–	27,470	–	–	–	27,470
Total liability	–	–	–	27,470	–	–	–	27,470
Net gap	23,913	–	–	(27,470)	–	–	10,853,434	10,849,877

Company 31 March 2024	Up to 1 month RM'000	> 1 month to 3 months RM'000	> 3 months to 6 months RM'000	> 6 months to 12 months RM'000	> 1 year to 5 years RM'000	Over 5 years RM'000	No maturity specified RM'000	Total RM'000
Assets								
Cash and short-term funds	80,118	–	–	–	–	–	–	80,118
Financial assets at fair value through profit or loss	–	–	–	–	–	–	1,198	1,198
Investments in subsidiaries	–	–	–	–	–	–	10,852,185	10,852,185
Other assets	10,508	–	–	–	–	–	–	10,508
Property and equipment	–	–	–	–	–	–	18	18
Total assets	90,626	–	–	–	–	–	10,853,401	10,944,027
Liability								
Other liabilities	–	–	–	34,652	–	–	–	34,652
Total liability	–	–	–	34,652	–	–	–	34,652
Net gap	90,626	–	–	(34,652)	–	–	10,853,401	10,909,375

50. RISK MANAGEMENT (CONT'D.)

50.3 Liquidity Risk and Funding Management (Cont'd.)

50.3.1b Analysis of Liabilities By Remaining Contractual Maturities on undiscounted basis

Group 31 March 2025	Up to 1 month RM'000	> 1 month to 3 months RM'000	> 3 months to 6 months RM'000	> 6 months to 12 months RM'000	> 1 year to 5 years RM'000	Over 5 years RM'000	No maturity specified RM'000	Total RM'000
Liabilities								
Deposits from customers	78,982,184	26,628,041	17,734,851	19,173,559	762,691	–	–	143,281,326
Investment accounts of customers	12,181**	161	147	–	–	–	–	12,489
Deposits and placements of banks and other financial institutions	3,329,922	2,253,301	125,819	39,267	1,342,852	585,555	–	7,676,716
Securities sold under repurchase agreements	3,642,026	2,347,589	–	–	–	–	–	5,989,615
Recourse obligation on loans and financing sold to Cagamas Berhad	27,901	735,385	1,700,428	285,624	4,201,009	–	–	6,950,347
Derivative financial liabilities	65,534	54,482	58,111	128,679	365,484	17,951	–	690,241
Financial liabilities at fair value through profit or loss	4,187	20,573	77,847	77,410	–	–	–	180,017
Term funding	198,917	812,289	470,931	104,922	4,912,684	1,973,224	–	8,472,967
Debt capital	16,075	32,685	49,297	97,523	782,856	4,887,203	–	5,865,639
Other liabilities*	1,516,793	174,171	37,547	205,840	271,291	56,106	–	2,261,748
Total undiscounted liabilities	87,795,720	33,058,677	20,254,978	20,112,824	12,638,867	7,520,039	–	181,381,105
Contingent liabilities	1,922,111	1,041,802	1,409,147	2,001,337	4,380,492	385,762	–	11,140,651
Commitments	8,091,077	1,767,028	2,936,088	4,224,118	598,782	11,260,221	–	28,877,314
Total commitments and guarantees	10,013,188	2,808,830	4,345,235	6,225,455	4,979,274	11,645,983	–	40,017,965

Group 31 March 2024	Up to 1 month RM'000	> 1 month to 3 months RM'000	> 3 months to 6 months RM'000	> 6 months to 12 months RM'000	> 1 year to 5 years RM'000	Over 5 years RM'000	No maturity specified RM'000	Total RM'000
Liabilities								
Deposits from customers	81,081,524	24,008,675	21,829,408	15,306,871	2,058,335	98	–	144,284,911
Investment accounts of customers	13,494**	221	355	–	–	–	–	14,070
Deposits and placements of banks and other financial institutions	2,535,250	3,672,726	576,388	602,770	1,013,043	643,536	–	9,043,713
Securities sold under repurchase agreements	1,790,820	4,586,025	–	–	–	–	–	6,376,845
Recourse obligation on loans and financing sold to Cagamas Berhad	6,100	851,450	92,518	1,489,605	5,556,686	–	–	7,996,359
Derivative financial liabilities	126,280	140,569	233,372	175,892	498,569	2,704	–	1,177,386
Financial liabilities at fair value through profit or loss	68,022	–	–	–	–	–	–	68,022
Term funding	101,749	43,393	82,185	978,775	1,348,170	–	–	2,554,272
Debt capital	16,075	32,685	49,152	97,667	822,479	5,043,160	–	6,061,218
Other liabilities*	1,634,685	101,984	122,650	235,816	226,614	64,396	84	2,386,229
Total undiscounted liabilities	87,373,999	33,437,728	22,986,028	18,887,396	11,523,896	5,753,894	84	179,963,025
Contingent liabilities	858,719	1,285,191	924,261	2,634,270	3,552,717	211,563	–	9,466,721
Commitments	8,117,882	1,626,974	2,352,991	4,256,423	795,004	12,157,379	–	29,306,653
Total commitments and guarantees	8,976,601	2,912,165	3,277,252	6,890,693	4,347,721	12,368,942	–	38,773,374

* The balances had included the undiscounted contractual payments for lease liabilities and excluded the non-financial liabilities. Detailed maturity analysis for lease commitments is disclosed in Note 28(d).

** The balance includes current accounts without maturity as the investment accounts are available for customer redemption on-demand.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

50. RISK MANAGEMENT (CONT'D.)

50.3 Liquidity Risk and Funding Management (Cont'd.)

50.3.1b Analysis of Liabilities By Remaining Contractual Maturities on undiscounted basis (Cont'd.)

Company 31 March 2025	Up to 1 month RM'000	> 1 month to 3 months RM'000	> 3 months to 6 months RM'000	> 6 months to 12 months RM'000	> 1 year to 5 years RM'000	Over 5 years RM'000	No maturity specified RM'000	Total RM'000
Liability								
Other liabilities	–	–	–	27,470	–	–	–	27,470
Total undiscounted liability	–	–	–	27,470	–	–	–	27,470

Company 31 March 2024	Up to 1 month RM'000	> 1 month to 3 months RM'000	> 3 months to 6 months RM'000	> 6 months to 12 months RM'000	> 1 year to 5 years RM'000	Over 5 years RM'000	No maturity specified RM'000	Total RM'000
Liability								
Other liabilities	–	–	–	34,652	–	–	–	34,652
Total undiscounted liability	–	–	–	34,652	–	–	–	34,652

50.4 Market Risk Management

Market risk is the risk of losses due to adverse changes in the level or volatility of market rates or prices, such as interest/profit rates, credit spreads, equity prices and foreign exchange rates. The Group differentiates between two categories of market risk: Traded Market Risk ("TMR") and Non-Traded Market Risk ("NTMR"). Assessment, control and monitoring of these risks are the responsibilities of IBMR.

Traded Market Risk ("TMR")

The TMR management process is depicted in the table below:

Identification	• Identify market risks within existing and new products • Review market-related information such as market trends and economic data
Assessment/Measurement	• Value-at-Risk ("VaR") • Loss Limits • Historical Stress Loss ("HSL") • Present Value of One Basis Point ("PV01") • Sensitivity to Change • Other Detailed Controls
Control/Mitigation	• VaR Limits • Loss Limits/Triggers (Annual/Monthly/Daily) • HSL Limits • PV01 Limits • Greek Limits (Delta/Gamma/Delta-Gamma/Vega/Theta) • Concentration Limits • Position Size Limits • Maximum Tenor Limits • Maximum Holding Period • Minimum Holding Period • Approved Portfolio Products • Approved Countries/Currencies • Other Detailed Limits/Triggers
Monitoring/Review	• Monitor controls • Periodical review and reporting

50. RISK MANAGEMENT (CONT'D.)

50.4 Market Risk Management (Cont'd.)

Traded Market Risk ("TMR") (Cont'd.)

TMR arises from transactions in which the Group acts as principal with clients or the market. It involves taking positions in fixed income, equity, foreign exchange, commodities and/or derivatives. The objectives of TMR management are to understand, accurately measure and work with the business to ensure exposures are managed within the Board and GMRC approved limit structures and risk appetite. This is done via robust TMR measurement, limit setting, limit monitoring, and collaboration and agreement with Business Units.

VaR, Loss Limits, HSL and other detailed management controls are used to measure, monitor and control TMR exposures. VaR is a quantitative measure which the Group applies recent historical market conditions to estimate potential losses in market value, at a certain confidence level and over a specified time horizon (i.e. holding period). Loss Limits serve to alert management on the need to take relevant and appropriate action once they are triggered.

To complement VaR, HSL is used as a measure of the potential impact on portfolio values due to more extreme, albeit plausible, market movements. In addition, HSL is used to gauge and ensure that the Group is able to absorb extreme, unanticipated market movements.

Apart from VaR, Loss Limits and HSL, additional sensitivity controls (e.g. Greek Limits/PV01 Limits) and indicators are used to monitor changes in portfolio value due to changes in risk factors under different market conditions.

IBMR independently monitors risk exposures against limits on a daily basis. Portfolio market risk positions are independently monitored and reported by IBMR to GMRC, RMC and the Board. Furthermore, policies and procedures are in place to ensure prompt action is taken in the event of non-adherence to limits. Business Units exposed to traded market risk are required to maintain risk exposures within approved risk limits and to provide an explanation for any non-adherence event to Senior Management.

The Group adopts the Standardised Approach for market risk capital charge computation. The capital charge serves as a buffer against losses from potential adverse market movements.

IBMR is committed to on-going improvements in market risk processes and systems, and allocates substantial resources to this endeavour.

Non-Traded Market Risk ("NTMR")

NTMR refers to interest rate risk/rate of return risk in the banking book including those arising from balance sheet management activities as covered under the risk appetite.

Interest Rate Risk/Rate of Return Risk in the Banking Book ("IRR/RORBB")

The IRR/RORBB risk management process is depicted in the table below:

Identification	• Identify IRR/RORBB within existing and new products • Review market-related information such as market trend and economic data
Assessment/Measurement	• ICAAP IRR/RORBB Economic Value of Equity ("EVE") • ICAAP IRR/RORBB Earnings-at-Risk ("EaR")
Control/Mitigation	• ICAAP IRR/RORBB EVE/Tier 1 Capital Triggers • ICAAP IRR/RORBB EaR/Total Net Interest/Profit Income ("NII/NPI") Triggers
Monitoring/Review	• Monitor controls • Periodical review and reporting

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

50. RISK MANAGEMENT (CONT'D.)

50.4 Market Risk Management (Cont'd.)

Non-Traded Market Risk ("NTMR") (Cont'd.)

Interest Rate Risk/Rate of Return Risk in the Banking Book ("IRR/RORBB") (Cont'd.)

IRR/RORBB arises from changes in market interest/profit rates that impact core net interest/profit income, future cash flows or fair values of financial instruments. This risk arises from mismatches between repricing dates of assets and liabilities, changes in yield curves, volatilities in interest/profit margins and implied volatilities on interest/profit rate options. The provision of retail and wholesale banking products and services (primarily lending/financing and deposit taking activities) creates interest/profit rate-sensitive positions in the Group's statement of financial position.

The principal objectives of balance sheet risk management are to manage interest/profit income sensitivity while maintaining acceptable levels of IRR/RORBB and funding risk, and to manage the economic value of the Group's capital.

The Board's oversight of IRR/RORBB is supported by the GALCO and GMRC. The Board and GMRC are responsible for the alignment of Group-wide risk appetite. GALCO reviews strategies to ensure a comfortable level of IRR/RORBB is maintained, taking into consideration the Group's business strategies and is responsible for overseeing the Group's gapping positions, asset growth and liability mix against the interest/profit rate outlook. The Group has successfully engaged long-term borrowings and written interest/profit rate swaps to manage IRR/RORBB, and maintained an acceptable gapping profile as a result. In accordance with the Group's policy, IRR/RORBB positions are monitored on a monthly basis and hedging strategies are employed to ensure risk exposures are maintained within Management-established limits.

The Group measures the IRR/RORBB exposures using EVE and EaR, which are quantitative measures to assess the impact of change in value of future cash flows or fair values of financial instruments and net interest/profit income due to movement in market interest/profit rates. The Group complements EVE and EaR by stress testing IRR/RORBB exposures to highlight potential risk that may arise from extreme market events that are rare but plausible.

Key assumptions in the gap and sensitivity analysis relate to the behaviour of interest/profit rates and spreads, changes in loans, advances and financing and deposit product balances due to behavioural characteristics under different interest/profit rate environments. Material assumptions include the repricing characteristics and the stability of indeterminate or non-maturity deposits and loans, advances and financing.

The rate scenarios may include rapid ramping of interest/profit rates, gradual ramping of interest/profit rates, and narrowing or widening of spreads. Usually each analysis incorporates what management deems the most appropriate assumptions about customer behaviour in an interest/profit rate scenario. However, in certain cases, assumptions are deliberately changed to test the Group's exposure to a specified event.

The Group's strategy seeks to optimise exposure to IRR/RORBB within Management-approved limits. This is achieved through the ability to reposition the interest/profit rate exposure of the statement of financial position using various product and funding strategies, supported by interest/profit rate hedging activities using interest/profit rate swaps and other derivatives. These approaches are governed by the Group's policies in the areas of product and liquidity management as well as the Trading Book and Banking Book Policy, hedging policies and Non-Traded Interest/Profit Rate Risk Framework.

IRR/RORBB exposures are monitored by IBMR and positions reported to the GALCO, GMRC, RMC and Board.

50. RISK MANAGEMENT (CONT'D.)

50.4 Market Risk Management (Cont'd.)

Market Risk Sensitivity

(i) Interest Rate Risk/Rate of Return Risk

Interest rate risk/rate of return risk ("IRR/ROR") is the risk that the value of a financial instrument will fluctuate due to changes in market interest/profit rate and is managed through gap and sensitivity analysis. Interest/profit rate movements also affect the Group's income and expense from assets and liabilities as well as capital fund. The Group has adopted IRR/ROR hedging measures to cushion the interest/profit rate volatility.

The following table demonstrates the sensitivity of the Group's profit before taxation and zakat and equity to a reasonable possible change in interest/profit rate with all other variables remaining constant. There is no impact to the Company for interest rate risk/rate of return risk.

	31 March 2025 IRR/ROR		31 March 2024 IRR/ROR	
Group	+100 bps RM'000	-100 bps RM'000	+100 bps RM'000	-100 bps RM'000
Traded market risk				
Impact on profit before taxation and zakat	(83,750)	89,080	(59,392)	63,142
Non-traded market risk				
Impact on profit before taxation and zakat	930,264	(930,264)	872,244	(872,229)
Impact on equity	(706,036)	752,638	(694,551)	739,914

(ii) Foreign Exchange Risk

Foreign exchange risk arises from changes in foreign exchange rates to exposure on the Group's financial instruments denominated in currencies other than the functional currency of the transacting entity. Position limits are imposed to prevent the Group from being exposed to excessive foreign exchange risk.

The following table demonstrates the sensitivity of the Group's profit before taxation and zakat and equity to a reasonable possible change in foreign exchange rates with all other variables remaining constant. There is no impact to the Company for foreign exchange risk.

	31 March 2025 Foreign exchange rate		31 March 2024 Foreign exchange rate	
Group	+10% RM'000	-10% RM'000	+10% RM'000	-10% RM'000
Impact on profit before taxation and zakat				
Currency				
USD	32,196	(32,196)	(45,116)	45,116
SGD	(2,926)	2,926	4,750	(4,750)
EUR	1,843	(1,843)	(4,066)	4,066
JPY	112	(112)	5,104	(5,104)
GBP	(117)	117	(1,887)	1,887
HKD	8,330	(8,330)	94,647	(94,647)
Others	1,024	(1,024)	(1,765)	1,765
Impact on equity				
Currency				
USD	27,852	(27,852)	29,913	(29,913)
EUR	58	(58)	85	(85)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

50. RISK MANAGEMENT (CONT'D.)

50.4 Market Risk Management (Cont'd.)

Market Risk Sensitivity (Cont'd.)

(iii) Equity Price Risk

Equity price risk arises from the adverse movements in the price of equities. Equity price risk is controlled via position size, loss limits and VaR limits.

The following table demonstrates the sensitivity of the Group's profit before taxation and zakat to a reasonable possible change in equity prices with all other variables remaining constant. There is no impact to the Company for equity price risk.

Group	31 March 2025 Equity price		31 March 2024 Equity price	
	+10% RM'000	-10% RM'000	+10% RM'000	-10% RM'000
Impact on profit before taxation and zakat	141,958	(141,958)	180,995	(180,995)

50.5 Operational Risk Management ("ORM")

The ORM process is depicted in the table below:

Identification	• Identify and analyse risks in key processes/activities within Business and Functional Lines (including new products) • Review of past operational losses and incidences data • Regulators' and Auditors' review and feedback
Assessment/Measurement	• Risk and Control Self Assessment ("RCSA") • The inherent and residual risks are assessed based on the probability and impact of activity undertaken
Control/Mitigation	Several ORM tools are used to mitigate the risks identified • Incident Management and Data Collection ("IMDC") • Key Risk Indicators ("KRI") • Key Control Testing ("KCT") • Root cause analysis • Scenario Analysis • Insurance programme
Monitoring/Review	• Monitoring and reporting of loss incidents by Event Type, Portfolio and Line of Business and entity, reporting of operational risk board and management triggers, risk profile status, key risk indicator breaches and key control testing exceptions and operational risk framework adherence • Challenging the periodical review or updating the RCSA (risk profile)/KRIs/KCTs of all Line of Business and entity • Trigger by adverse change in circumstances (trigger event review) • Change management process review

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external incidents which includes but is not limited to legal risk, outsourcing risk, technology (including cyber) risk, fraud risk and Shariah compliance risk. (Please refer to Note 50.9 for discussion on Shariah Governance Structure). It excludes strategic, systemic and reputational risk.

50. RISK MANAGEMENT (CONT'D.)

50.5 Operational Risk Management ("ORM") (Cont'd.)

Operational Risk Appetite ("ORA") is set as part of overall GRAF, which sets the acceptable tolerance levels of operational risk that the Group is willing to accept, taking into consideration of the relevant financial and non-financial risk or return attributes in order to support the achievement of the Group's strategic plan and business objectives. The ORA statements and measurements are classified based on operational risk loss event types, which are grouped into five (5) categories as below and monitored via IMDC, KRI and KCT:

- Fraud (internal and external);
- Employment Practices and Workplace Safety;
- Client, Products and Business Practices;
- Business Disruption, System Failures and Damage to Physical Assets; and
- Execution, Delivery and Process Management.

The strategy for managing operational risk in the Group is anchored on the three (3) lines of defence concept which are as follows:

- The first line of defence ("FLOD") is responsible for the management of operational risk in order for accountability and ownership to be as close as possible to the activity that creates the risk and ensuring that effective action is taken to manage them. Enhanced FLOD provides a business specific focus on the implementation of ORM activities and supports more effective day-to-day monitoring of operational risks.
- In the second line of defence, Group Operational Risk is responsible for exercising governance over operational risk through the management of the operational risk framework, policy development and communication, quality assurance of internal controls, operational risk measurement, validation of FLOD effectiveness, ORM training and reporting of operational risk triggers, breaches, KCT exceptions, operational loss incidents to GMRC, RMC and the Board.
- Group Internal Audit Department acts as the third and final line of defence by providing independent assurance on the internal control effectiveness through periodic audit programme.

Group Operational Risk maintains close working relationships with all Business and Functional Lines, continually assisting in the identification of operational risks inherent in their respective business activities, assessing the impact and significance of these risks and ensuring that satisfactory risk mitigation measures and controls are in place. Various tools and methods are employed to identify, measure, control and monitor/report operational risk issues within the Group. The ORM process contains the following ORM tools:

- The IMDC module provides a common platform for reporting operational risk incidents that fall within one of the seven Event Types as stated in Basel II. IMDC also serves as a centralised database of operational risk incidents to model the potential exposure to operational risks in future and estimate the amount of economic capital charge.
- The RCSA is a process of continual identification, assessment of risks and controls effectiveness. By using structured questionnaires to assess and measure key risk and its corresponding controls effectiveness, RCSA provides risk profiling across the Group.
- The KRI module provides early warning of increasing risk and/or control failures by monitoring the changes of the underlying risk measurements.
- The KCT is the test steps or assessment performed periodically to assure that the key controls are in place and they are operating as intended or effective in managing the operational risks.
- Root cause analysis is conducted by the Operational Risk Relationship Managers within Group Operational Risk to prevent recurrence of operational risk incidents.
- Scenario analysis is a forward-looking assessment tool to assess the severity impact on the Group's profitability and capital adequacy should the plausible and worse case scenarios materialise.

The GMRC, Risk Management Committee Director ("RMCD") and Board are the main reporting and escalation committees for operational risk matters including outsourcing risk, information technology (including cyber) risk, Shariah risk, legal risk, fraud risk and business continuity management.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

50. RISK MANAGEMENT (CONT'D.)

50.5 Operational Risk Management ("ORM") (Cont'd.)

50.5.1 Business Continuity Management ("BCM")

The BCM process is depicted in the table below:

Identification	• Identify events that potentially threaten the business operations and areas of criticality
Assessment/Measurement	• Business Impact Analysis ("BIA") • Risk Assessment • Climate-related Operational Risk Assessment
Control/Mitigation	• Policies governing the BCM implementation • BCM methodologies controlling the process flow • Implementing the Business Continuity ("BC") plan
Monitoring/Review	• BC plan testing and exercise • Review of BC Plan • BC site readiness and maintenance

The BCM function is an integral part of ORM. It places the importance of maintaining a BCM framework and policies to identify events that could potentially threaten the Group's operations and the identification of critical functions through BIA exercise, for the development of recovery strategy. BCM builds the resilience and recovery capability to safeguard the interest of the Group's stakeholders by protecting our brand and reputation.

The BCM process complements the effort of the recovery team units to ensure that the Group has the required critical capabilities and resources, such as IT system disaster recovery, alternate workspace arrangements and effective communication during interruptions.

The Group is continuously reviewing the level of business operations resiliency to enhance the BCM capability throughout all critical departments and branches across the region. Training is an integral part of the process to heighten BCM awareness and inculcate a business resiliency culture.

The Group integrates climate-related operational risk into its BCM programs and activities to ensure the continuity of its Critical Business Functions ("CBF") and Third Party Service Providers ("TPSP") in the face of climate related events. The integration shall include an objective risk assessment from credible external parties that evaluates the climate-related risk vulnerabilities of CBFs and TPSPs.

50.6 Technology and Cyber Risk Management

Technology and cyber security risks remain a persistent threat for the financial industry. The constantly evolving nature of the regulatory, digital landscape and sophistication of cyber threats and attack vectors calls for increased vigilance, readiness and ability to respond to upcoming threats. The resilience of the Group's IT infrastructure and cyber security capabilities are of paramount importance, especially with regards to safeguarding borrowers'/customers' information.

The Group continues to monitor its cyber resilience posture, enhance its cyber security controls framework, execute internal assessment reviews, build defence mechanisms and uplift governance processes alongside the Group's cyber risk management strategy - to identify threats in a timely manner, and build or enhance the right defences to mitigate risks. Creating a security mindset for employees and borrowers/customers via its Cyber Security awareness programs also remains a priority.

50. RISK MANAGEMENT (CONT'D.)

50.6 Technology and Cyber Risk Management (Cont'd.)

The Group Technology Risk team acts as a second line of defence to monitor alongside the first line of defence to ensure that risks and controls are properly managed. The Group's technology risk management capabilities include oversight over infrastructure security risk, data leakage risk, application security risk, third party security risk, governance and process robustness.

Group Technology Risk works closely with all Business and Functional Lines to identify technology and cyber risks inherent in the respective business activities, impact assessment and ensuring remedial actions are in place to mitigate risks accordingly. Various tools and methods are employed (similar to Operation Risk tools) to support the execution of these assessments. Progressive tracking and advisory are performed in parallel to execute an effective security program to combine maturity-based and risk-based programs towards proactive cyber security.

50.7 Legal Risk

In all jurisdictions that the Group conducts its business, there could be potential legal risks arising from breaches of applicable laws, unenforceability of contracts, lawsuits, adverse judgement, failure to respond to changes in regulatory requirements and failure to protect assets (including intellectual properties) owned by the Group which may lead to incurrence of losses, disruption or otherwise impact on the Group's financials or reputation.

Legal risk is overseen by GMRC/Group Management Committee ("GMC"), upon advice by internal legal counsel and, where necessary, in consultation with external legal counsel to ensure that such risks are appropriately managed.

50.8 Regulatory Compliance Risk

The Group has zero tolerance for any form of regulatory breaches (including bribery or corruption and Shariah non-compliance events). The Group is committed to always maintain the highest integrity and ethical standards by complying to the Code of Conduct and the applicable laws and regulations to ensure the protection of our business and promote operational excellence through ethical behaviour.

The Group has in place a compliance framework to promote the safety and soundness of the Group by minimising financial, reputational and operational risks arising from regulatory non-compliance.

The Group Chief Compliance Officer has a direct reporting line to the Risk Management Committee ("RMC") of the Board. A governance structure is in place for escalation and reporting of compliance risks and issues through monthly compliance reports to the RMC and Board.

The compliance framework details the roles and responsibilities for compliance with regulatory guidelines and requirements. The responsible parties are accountable for the management of compliance risks associated with the Group's processes and increasing awareness on the role of every employee to be compliant and safeguard the Group's reputation against any potential legal violations and/or regulatory non-compliance. The Senior Management team is responsible for communicating the compliance framework to all employees, as well as implementing appropriate actions for non-compliances.

The Group Management Governance and Compliance Committee, comprising the Senior Management Team from Group Compliance, Group Risk, Group Internal Audit and the Business, meets regularly to discuss and deliberate on regulatory updates, compliance issues and areas of non-compliance. The Group believes in and embraces a strong compliance culture to reflect a corporate culture of high ethical standards and integrity where the Board and Senior Management lead by example.

The Group continues to exercise and enhance its due diligence governance process and remains vigilant towards emerging risks as well as sensitive towards heightened regulatory surveillance and enforcement.

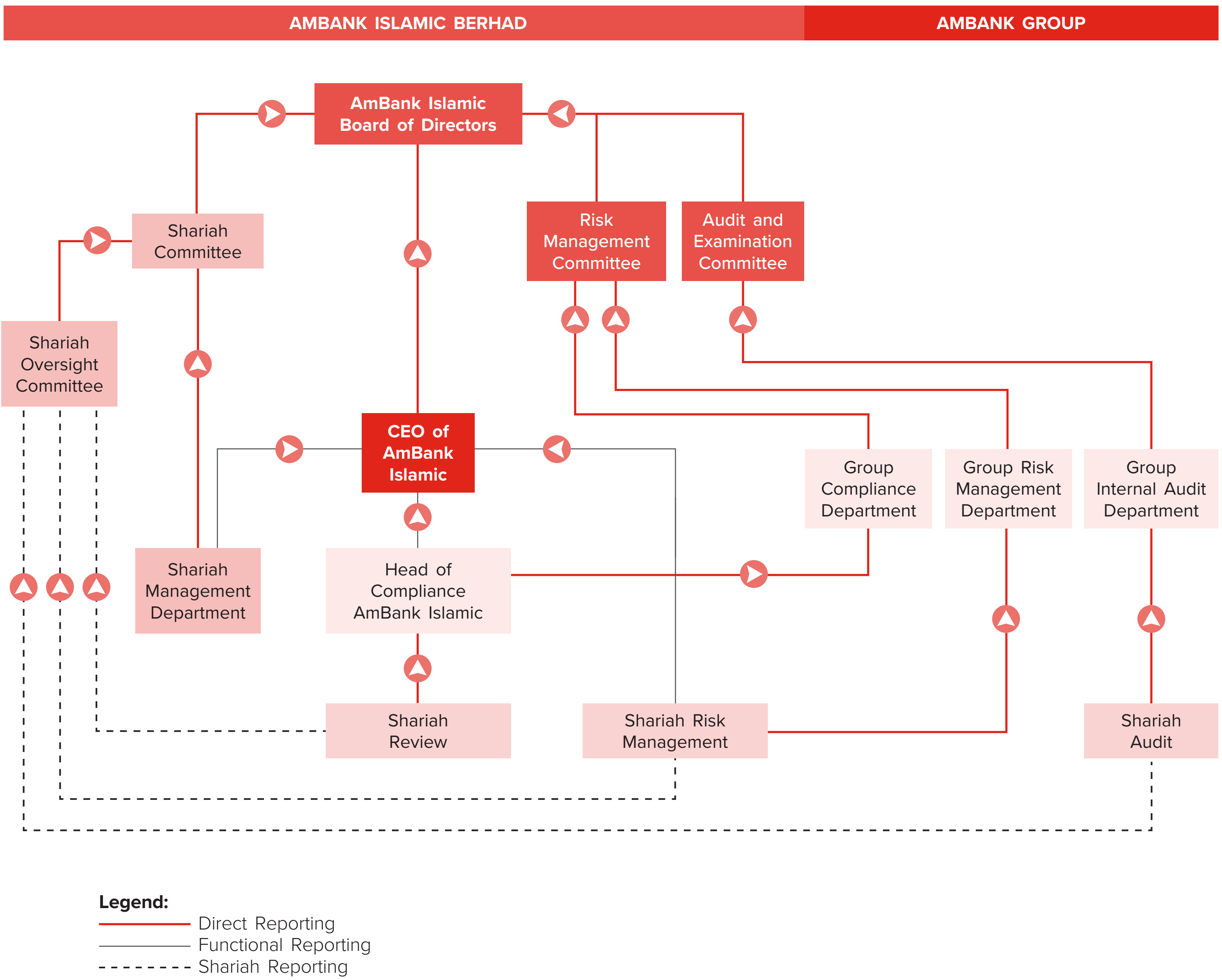
NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

50. RISK MANAGEMENT (CONT'D.)

50.9 Shariah Risk Management Control

Shariah Governance Structure



50. RISK MANAGEMENT (CONT'D.)

50.9 Shariah Risk Management Control (Cont'd.)

AmBank Islamic has established its Shariah governance structure in accordance with the requirements of the Islamic Financial Services Act 2013 ("IFSA") and BNM's Policy Document on Shariah Governance ("SGPD"). This is to ensure that the operations and business activities of AmBank Islamic comply with Shariah principles and requirements.

Apart from the Shariah Management Department, Shariah Risk Management and Shariah Review functions which reside in AmBank Islamic, AmBank Islamic's Shariah governance structure leverages on the Group Internal Audit Department for the Shariah Audit function.

Board of Directors

The Board is responsible for the overall oversight on the Shariah governance and Shariah compliance, including the appointment, remuneration, performance evaluation and reappointment of the Shariah Committee members. The Board performs its oversight role through various committees such as the Audit and Examination Committee, Risk Management Committee and the Shariah Committee.

Audit and Examination Committee ("AEC")

The AEC is a Board committee responsible for assisting the Board in ensuring that AmBank Islamic's operations are Shariah compliant through the independent assurance from the Shariah Audit function. The reports from the Shariah Review Section are also presented to the AEC for information. The AEC also provides the recommendation on the performance evaluation and reappointment of the Shariah Committee members to the Group Nomination and Remuneration Committee for onward recommendation to the Board.

Risk Management Committee ("RMC")

The RMC is a Board committee responsible for assisting the Board in ensuring that risk management (including Shariah risk management) controls and processes are in place.

Shariah Committee

The Shariah Committee is responsible on matters related to Shariah. This includes advising the Board and Senior Management on Shariah matters as well as endorsing products and services, Shariah policies and the relevant documentation in relation to AmBank Islamic's business and operations. In addition to endorsing the zakat computation mechanism and the proposed recipients for zakat distribution, the Shariah Committee provides advice and guidance on the management of the zakat fund, charity and other social programmes or activities.

Shariah Oversight Committee

The Shariah Oversight Committee, which is a sub-committee to the Shariah Committee, performs an oversight function via the Shariah Control Functions (i.e. Shariah Review, Shariah Risk Management, and Shariah Audit). The Shariah Oversight Committee provides guidance and advice on matters pertaining to Shariah non-compliant ("SNC") incidents as well as treatment of any SNC income.

Senior Management

The Chief Executive Officer ("CEO") and senior officers of AmBank Islamic and the Group are responsible to make reference to the Shariah Committee and/or Shariah Oversight Committee on Shariah matters of AmBank Islamic and to take the necessary measures for implementation. The Senior Management is also responsible in establishing the infrastructure and adequate resources to support the Shariah governance structure. This includes putting in place adequate systems and controls in order to ensure compliance with Shariah and to mitigate Shariah non-compliance risk.

Shariah Management Department

The Shariah Management Department is accountable to the Shariah Committee with functional reporting to the CEO and is responsible for providing operational support for the effective functioning of the Shariah Committee including day-to-day Shariah advisory, conducting Shariah research, formulating Shariah policies and acting as the Secretariat to the Shariah Committee and the Shariah Oversight Committee.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

50. RISK MANAGEMENT (CONT'D.)

50.9 Shariah Risk Management Control (Cont'd.)

Shariah Risk Management

The Shariah Risk Management Department is accountable to the Group Risk Management Department and the CEO of AmBank Islamic, and has Shariah reporting to the Shariah Oversight Committee. Shariah risk management is a function that systematically identifies, measures, mitigates, control, monitors and reports any Shariah non-compliance risks to prevent any SNC incidents in the businesses, operations, affairs and activities of AmBank Islamic.

The management of Shariah risk is executed through the three lines of defence, which are: 1st - The Business Units/Functional Lines and Shariah Management Department; 2nd - Shariah Risk Management and Shariah Review; 3rd - Shariah Audit.

Shariah Review

The Shariah Review Section is accountable to the Head of Compliance, AmBank Islamic with functional reporting to the CEO of AmBank Islamic, with Shariah reporting to the Shariah Oversight Committee. Shariah Review refers to a function that conducts regular assessment on the compliance of the operations, business, affairs and activities of AmBank Islamic which are predominantly transactional in nature, with Shariah requirements.

The Shariah Review Section also acts as the Shariah Non-Compliance Officer ("SNCO") of AmBank Islamic. The SNCO is responsible to assess and decide whether the reported Shariah related incidents shall be classified as Potential SNC, and also in preparing the SNC report for deliberation by the Shariah Oversight Committee in determining whether the Shariah related incident is an SNC or otherwise.

Shariah Audit

The Shariah Audit Section is accountable to the AEC with Shariah reporting to the Shariah Oversight Committee. The Shariah Audit Section is a dedicated team within the Group Internal Audit Department, and is responsible to conduct independent assessment on the quality and effectiveness of AmBank Islamic's internal control, risk management systems, governance processes as well as the overall compliance of AmBank Islamic's operations, business, affairs and activities with Shariah requirements. The scope of Shariah Audit includes but is not limited to activities undertaken by departments and functions that relate to Islamic products and services.

Shariah Non-Compliant ("SNC") Income

For the financial year ended 31 March 2025, there is one (1) SNC event relating to extending Islamic financing facility to Retail Small Medium Enterprise ("RSME") customers whose business activities fall under red area for Islamic financing, involving three (3) accounts with SNC income of approximately RM75,537 to be purified by channeling to charity. Measures to mitigate recurrence include enhancing the existing Shariah Non-Compliance Checklist ("SCCL"), enhancing training course, reminders to staff and enhancing Risk Profiling/Testing Procedures.

For the financial year ended 31 March 2024, there was one (1) SNC incident declared with SNC income of approximately RM32,505.

51. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Financial instruments are contracts that give rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than a forced or liquidated sale. The information presented herein represents best estimates of fair values of financial instruments at the reporting date.

Where available, quoted and observable market prices are used as the measure of fair values. Where such quoted and observable market prices are not available, fair values are estimated based on a number of methodologies and assumptions regarding risk characteristics of various financial instruments, discount rates, estimates of future cash flows and other factors. Changes in the assumptions could materially affect these estimates and the corresponding fair values.

In addition, fair value information for non-financial assets and liabilities such as investments in subsidiaries and taxation are excluded, as they do not fall within the scope of MFRS 7 *Financial Instruments: Disclosures*, which requires the fair value information to be disclosed.

(a) Financial instruments not measured at fair value (excluding those financial instruments where the carrying amounts are reasonable approximation of their fair values).

31 March 2025	Group	
	Carrying Amount RM'000	Fair Value RM'000
Financial Assets		
Financial investments at amortised cost	12,041,303	12,699,795
Loans, advances and financing[1]	12,736,202	11,381,484
	24,777,505	24,081,279
Financial Liabilities		
Recourse obligation on loans and financing sold to Cagamas Berhad	6,555,071	6,701,962
Term funding	7,542,831	7,344,889
Debt capital	4,395,000	4,459,899
	18,492,902	18,506,750

31 March 2024	Group	
	Carrying Amount RM'000	Fair Value RM'000
Financial Assets		
Financial investments at amortised cost	11,320,895	12,000,139
Loans, advances and financing[1]	14,556,854	12,929,891
	25,877,749	24,930,030
Financial Liabilities		
Recourse obligation on loans and financing sold to Cagamas Berhad	7,480,020	7,596,707
Term funding	2,449,968	2,332,563
Debt capital	4,395,000	4,468,366
	14,324,988	14,397,636

[1] excluding loans, advances and financing of RM124,393.9 million (2024: RM117,545.3 million) where the carrying amounts are reasonable approximation of their fair values.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

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

(b) Financial instruments measured at fair value and for which fair values are disclosed.

Group 31 March 2025	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial assets measured at fair value				
Derivative financial assets	538	651,671	–	652,209
Financial assets at fair value through profit or loss				
– Money market securities	–	4,474,781	–	4,474,781
– Quoted shares	1,391,734	–	–	1,391,734
– Unquoted shares	–	–	31	31
– Unit trusts	33,455	1,241	–	34,696
– Quoted corporate bonds and sukuk	–	10,179	–	10,179
– Unquoted corporate bonds and sukuk	–	1,907,024	–	1,907,024
Financial investments at fair value through other comprehensive income				
– Money market securities	–	11,673,940	–	11,673,940
– Quoted shares	9,715	–	–	9,715
– Unquoted shares	–	29,235	833,407	862,642
– Unquoted corporate bonds and sukuk	–	12,901,466	–	12,901,466
Financial assets for which fair values are disclosed				
Financial investments at amortised cost	–	12,699,795	–	12,699,795
Loans, advances and financing	–	11,381,484	–	11,381,484
	1,435,442	55,730,816	833,438	57,999,696
Financial liabilities measured at fair value				
Derivative financial liabilities	7,918	600,318	–	608,236
Financial liabilities at fair value through profit or loss				
– Structured deposits	–	178,818	–	178,818
Financial liabilities for which fair values are disclosed				
Recourse obligation on loans and financing sold to Cagamas Berhad	–	6,701,962	–	6,701,962
Term funding	–	7,344,889	–	7,344,889
Debt capital	–	4,459,899	–	4,459,899
	7,918	19,285,886	–	19,293,804

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

(b) Financial instruments measured at fair value and for which fair values are disclosed. (Cont'd.)

Group 31 March 2024	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial assets measured at fair value				
Derivative financial assets	1,762	1,010,546	–	1,012,308
Financial assets at fair value through profit or loss				
– Money market securities	–	6,987,375	–	6,987,375
– Quoted shares	1,796,109	–	–	1,796,109
– Unquoted shares	–	–	29	29
– Unit trusts	46,074	1,198	–	47,272
– Quoted corporate bonds and sukuk	–	10,249	–	10,249
– Unquoted corporate bonds and sukuk	–	1,163,850	–	1,163,850
Financial investments at fair value through other comprehensive income				
– Money market securities	–	11,386,362	–	11,386,362
– Quoted shares	12,740	–	–	12,740
– Unquoted shares	–	37,469	721,045	758,514
– Unquoted corporate bonds and sukuk	–	14,233,555	–	14,233,555
Financial assets for which fair values are disclosed				
Financial investments at amortised cost	–	12,000,139	–	12,000,139
Loans, advances and financing	–	12,929,891	–	12,929,891
	1,856,685	59,760,634	721,074	62,338,393
Financial liabilities measured at fair value				
Derivative financial liabilities	30,502	991,191	–	1,021,693
Financial liabilities at fair value through profit or loss				
– Quoted securities	68,022	–	–	68,022
Financial liabilities for which fair values are disclosed				
Recourse obligation on loans and financing sold to Cagamas Berhad	–	7,596,707	–	7,596,707
Term funding	–	2,332,563	–	2,332,563
Debt capital	–	4,468,366	–	4,468,366
	98,524	15,388,827	–	15,487,351

Company 31 March 2025	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial assets measured at fair value				
Financial assets at fair value through profit or loss				
– Unit trusts	–	1,241	–	1,241

Company 31 March 2024	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial assets measured at fair value				
Financial assets at fair value through profit or loss				
– Unit trusts	–	1,198	–	1,198

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

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

Determination of fair value

The following describes the methodologies and assumptions used to determine fair values for those financial instruments which are not already recorded at fair value in the financial statements.

(a) Financial assets and financial liabilities for which fair value approximates carrying amount

For financial assets and financial liabilities that have a short-term maturity (less than six months), the carrying amounts approximate to their fair value.

(b) Financial investments at amortised cost

Fair value of securities is based on observable mid prices at reporting date and where observable mid prices are not available, the fair value is based on net tangible asset backing.

(c) Loans, advances and financing

The fair value of variable rate loans, advances and financing are estimated to approximate their carrying amount. For fixed rate loans, advances and financing, the fair values are estimated based on expected future cash flows of contractual instalments discounted at prevailing indicative rates adjusted for credit risk. For impaired loans, advances and financing, the fair values are deemed to approximate the carrying amount (net of impairment losses).

(d) Term funding and debt capital

The Group uses observable mid prices to estimate the fair values and where mid prices are not available, the fair values are estimated by discounting the expected future cash flows using market indicative rates of instruments with similar risk profile.

(e) Recourse obligation on loans and financing sold to Cagamas Berhad

The fair value for recourse obligation on loans and financing sold to Cagamas Berhad is determined based on the discounted cash flows of future instalment payments at prevailing rates quoted by Cagamas Berhad as at reporting date.

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 or 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 2.5% (2024: 1.9%) 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.

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

51. 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 year. The following table shows a reconciliation of the opening and closing amounts of Level 3 financial assets which are recorded at fair value for the financial year.

Group 31 March 2025	Financial investments at FVOCI RM'000	Financial assets at FVTPL RM'000	Total RM'000
Balance at beginning of the financial year	721,045	29	721,074
Total gains recognised in other comprehensive income	112,362	–	112,362
Gain on revaluation taken up in statements of profit or loss	–	2	2
Balance at end of the financial year	833,407	31	833,438

Group 31 March 2024	Financial investments at FVOCI RM'000	Financial assets at FVTPL RM'000	Total RM'000
Balance at beginning of the financial year	682,858	33	682,891
Total gains recognised in other comprehensive income	38,187	–	38,187
Loss on revaluation taken up in statements of profit or loss	–	(4)	(4)
Balance at end of the financial year	721,045	29	721,074

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 statements of profit or loss and statements of comprehensive income for financial instruments held at the end of the reporting date:

Group	31 March 2025 RM'000	31 March 2024 RM'000
Financial investments at FVOCI:		
Total gains included in:		
– fair value reserve in statements of comprehensive income	112,362	38,187
Financial assets at FVTPL:		
Total gain/(loss) included in:		
– investment and trading income in statements of profit or loss	2	(4)

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

52. 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 and affluent customers. Retail Banking offers products and financial solutions which includes auto finance, mortgages, personal loan/financing, credit cards, priority banking services, wealth management, remittance services and deposits.

(b) Business Banking

Business Banking focuses on all sizes of businesses and enterprises by providing a range of products and solutions such as Commercial, Enterprise and SME Lending, Business Wealth, Industrial Hire Purchase and Bancassurance.

(c) Wholesale Banking

Wholesale Banking comprises Corporate Banking, Transaction Banking and Group Treasury and Markets.

(i) Corporate and Transaction Banking

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

Transaction Banking delivers tailor-made digital and cash management solutions, as well as trade financing and remittance services, to corporate and SME clients.

(ii) Group Treasury and Markets

Group Treasury and Markets manages funding and liquidity for the banking group and offers financial market and hedging solutions across all asset classes to a broad range of clients. The sales and trading activities cover fixed income, interest rates, foreign exchange, money market, equity derivatives, commodities and other derivatives.

(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) Funds Management

Funds 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. Funds 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) Others

Others comprise activities to 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 Others.

Notes:

(i) The Chief Operating Decision Maker relies primarily on the net interest and funding 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 segment.

52. BUSINESS SEGMENT ANALYSIS (CONT'D.)

	Continuing Operations								
			Wholesale banking						
Group For the financial year ended 31 March 2025	Retail banking RM'000	Business banking RM'000	Corporate and Transaction banking RM'000	Group Treasury and Markets RM'000	Investment banking RM'000	Fund management RM'000	Insurance RM'000	Others RM'000	Total RM'000
External net income	1,955,269	2,089,792	951,463	(579,728)	257,023	161,875	101,308	(8,072)	4,928,930
Intersegments net income	(535,195)	(311,928)	(452,870)	1,376,672	(29,696)	–	–	(46,983)	–
	1,420,074	1,777,864	498,593	796,944	227,327	161,875	101,308	(55,055)	4,928,930
Net interest and funding income	1,216,215	1,387,693	420,278	571,957	52,783	1,490	1	(80,857)	3,569,560
Other operating income	202,341	390,171	78,315	224,987	174,544	160,385	–	20,781	1,251,524
Share in results of associates and joint ventures	1,518	–	–	–	–	–	101,307	5,021	107,846
Net income/(loss)	1,420,074	1,777,864	498,593	796,944	227,327	161,875	101,308	(55,055)	4,928,930
Other operating expenses	(967,394)	(576,200)	(213,803)	(151,317)	(170,593)	(78,684)	(16)	(39,791)	(2,197,798)
of which:									
Depreciation of property and equipment	(16,132)	(1,519)	(969)	(472)	(789)	(151)	–	(24,255)	(44,287)
Depreciation of right-of-use assets	–	–	–	–	–	–	–	(65,175)	(65,175)
Amortisation of intangible assets	(11,442)	(883)	(3,628)	(5,789)	(443)	(321)	–	(15,752)	(38,258)
Profit/(loss) before impairment losses	452,680	1,201,664	284,790	645,627	56,734	83,191	101,292	(94,846)	2,731,132
(Allowances for)/writeback of impairment on loans, advances and financing	(223,488)	(118,520)	111,576	(1)	6,389	–	–	–	(224,044)
(Allowances for)/writeback of impairment on financial investments, other financial assets and non-financial assets	–	(1,487)	(6,496)	(3,891)	2,993	5	–	18,117	9,241
Writeback of provision/(provision) for commitments and contingencies	403	11,547	59,781	–	–	–	–	(840)	70,891
Other recoveries, net	–	–	–	–	–	–	–	32	32
Profit/(loss) before taxation and zakat	229,595	1,093,204	449,651	641,735	66,116	83,196	101,292	(77,537)	2,587,252
Taxation and zakat	(54,743)	(260,003)	(107,316)	(143,134)	(14,835)	(16,023)	(3)	10,171	(585,886)
Profit/(loss) for the financial year	174,852	833,201	342,335	498,601	51,281	67,173	101,289	(67,366)	2,001,366
Other information									
Total segment assets	68,665,959	51,039,109	25,221,620	49,544,206	2,814,825	144,399	1,383,716	229,754	199,043,588
Total segment liabilities	58,931,948	41,597,658	15,377,355	61,216,983	2,066,907	38,515	16	(807,513)	178,421,869
Cost-to-income ratio	68.1%	32.4%	42.9%	19.0%	75.0%	48.6%	0.0%	(72.3%)	44.6%
Gross loans, advances and financing	67,385,476	48,695,906	20,965,800	210	1,835,962	–	–	–	138,883,354
Net loans, advances and financing	66,323,886	48,175,776	20,811,215	209	1,818,892	–	–	–	137,130,068
Impaired loans, advances and financing	1,107,915	846,995	145,487	17	31,808	–	–	–	2,132,222
Total deposits	58,183,046	40,949,994	15,155,174	33,590,505	1,247,650	–	–	–	149,126,369
Additions to:									
Property and equipment	10,946	3,238	253	79	2,713	277	–	23,619	41,125
Intangible assets	19,927	4,050	2,390	624	1,910	817	–	18,566	48,284

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

52. BUSINESS SEGMENT ANALYSIS (CONT'D.)

	Continuing Operations									Discontinued Operation	
			Wholesale banking								
Group For the financial year ended 31 March 2024 (Restated)	Retail banking RM'000	Business banking RM'000	Corporate and Transaction banking RM'000	Group Treasury and Markets RM'000	Investment banking RM'000	Fund management RM'000	Insurance RM'000	Others RM'000	Total RM'000	Insurance RM'000	Total RM'000
External net income	2,003,788	1,810,633	1,022,372	(685,557)	265,222	157,054	36,480	(14,514)	4,595,478	51,115	4,646,593
Intersegments net income	(545,498)	(190,399)	(477,943)	1,314,207	(50,927)	–	–	(49,440)	–	–	–
	1,458,290	1,620,234	544,429	628,650	214,295	157,054	36,480	(63,954)	4,595,478	51,115	4,646,593
Net interest and funding income	1,269,563	1,258,589	458,306	355,762	50,207	1,661	99	(89,992)	3,304,195	–	3,304,195
Insurance and other operating income	189,377	361,645	86,123	272,888	164,088	155,393	(10)	21,752	1,251,256	51,115	1,302,371
Share in results of associates and joint ventures	(650)	–	–	–	–	–	36,391	4,286	40,027	–	40,027
Net income/(loss)	1,458,290	1,620,234	544,429	628,650	214,295	157,054	36,480	(63,954)	4,595,478	51,115	4,646,593
Other operating expenses	(940,106)	(577,190)	(200,583)	(151,979)	(151,256)	(75,855)	(89)	45,382	(2,051,676)	–	(2,051,676)
of which:											
Depreciation of property and equipment	(16,135)	(1,953)	(1,278)	(489)	(828)	(149)	–	(28,523)	(49,355)	–	(49,355)
Depreciation of right-of-use assets	–	–	–	–	–	–	–	(67,728)	(67,728)	–	(67,728)
Amortisation of intangible assets	(12,988)	(1,368)	(4,869)	(5,449)	(663)	(346)	–	(25,336)	(51,019)	–	(51,019)
Profit/(loss) before impairment losses and provision for restructuring expenses	518,184	1,043,044	343,846	476,671	63,039	81,199	36,391	(18,572)	2,543,802	51,115	2,594,917
(Allowances for)/writeback of impairment on loans, advances and financing	(527,616)	(270,786)	125,089	–	(23,014)	–	–	–	(696,327)	–	(696,327)
(Allowances for)/writeback of impairment on financial investments, other financial assets and non-financial assets	–	(8,488)	27,052	(24,016)	(10,684)	(123)	–	(111,019)	(127,278)	–	(127,278)
Writeback of provision for commitments and contingencies	13,282	16,356	21,421	–	–	–	–	461	51,520	–	51,520
Other recoveries, net	26	2,329	–	–	2	–	–	24	2,381	–	2,381
Provision for restructuring expenses	–	–	–	–	–	–	–	(80,000)	(80,000)	–	(80,000)
Profit/(loss) before taxation and zakat	3,876	782,455	517,408	452,655	29,343	81,076	36,391	(209,106)	1,694,098	51,115	1,745,213
Taxation and zakat	178	(187,009)	(122,658)	(92,580)	(5,771)	(18,510)	2,788	571,845	148,283	–	148,283
Profit for the financial year	4,054	595,446	394,750	360,075	23,572	62,566	39,179	362,739	1,842,381	51,115	1,893,496
Other information											
Total segment assets	69,301,224	43,929,036	23,034,047	57,639,900	3,659,950	135,755	1,346,991	(2,283,150)	196,763,753	–	196,763,753
Total segment liabilities	55,799,308	42,803,034	14,673,013	62,547,272	2,557,491	35,224	13	(1,093,435)	177,321,920	–	177,321,920
Cost-to-income ratio	64.5%	35.6%	36.8%	24.2%	70.6%	48.3%	0.2%	71.0%	44.6%	–	44.2%
Gross loans, advances and financing	68,798,115	43,326,305	19,628,763	366	2,376,733	–	–	–	134,130,282	–	134,130,282
Net loans, advances and financing	67,677,262	42,743,183	19,327,942	365	2,353,365	–	–	–	132,102,117	–	132,102,117
Impaired loans, advances and financing	1,182,326	802,705	207,427	–	43,665	–	–	–	2,236,123	–	2,236,123
Total deposits	55,057,353	42,200,806	14,425,186	38,053,349	1,546,445	–	–	–	151,283,139	–	151,283,139
Additions to:											
Property and equipment	14,592	1,071	700	134	2,208	145	–	10,289	29,139	–	29,139
Intangible assets	39,899	3,514	2,423	3,972	1,876	143	–	33,836	85,663	–	85,663

53. OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial assets and financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements excluding financial assets not subject to offset and that are only subject to collateral arrangements (e.g. loans, advances and financing) are as follows:

Group 31 March 2025	Gross amount of recognised financial assets/ liabilities RM'000	Gross amount offset in the statements of financial position RM'000	Amount presented in the statements of financial position RM'000	Amount not offset in the statements of financial position Financial instruments RM'000	Amount not offset in the statements of financial position Cash collateral received/ pledged RM'000	Net amount RM'000
Derivative financial assets	652,209	–	652,209	(282,012)	(275,274)	94,923
Other assets	3,303,597	(46,386)	3,257,211	40,548	(13,740)	3,284,019
	3,955,806	(46,386)	3,909,420	(241,464)	(289,014)	3,378,942
Derivative financial liabilities	608,236	–	608,236	(282,012)	(309,082)	17,142
Other liabilities	2,298,590	(46,386)	2,252,204	–	–	2,252,204
	2,906,826	(46,386)	2,860,440	(282,012)	(309,082)	2,269,346

Group 31 March 2024	Gross amount of recognised financial assets/ liabilities RM'000	Gross amount offset in the statements of financial position RM'000	Amount presented in the statements of financial position RM'000	Amount not offset in the statements of financial position Financial instruments RM'000	Amount not offset in the statements of financial position Cash collateral received/ pledged RM'000	Net amount RM'000
Derivative financial assets	1,012,308	–	1,012,308	(213,615)	(321,081)	477,612
Other assets	3,273,231	(36,147)	3,237,084	(52,000)	(13,873)	3,171,211
	4,285,539	(36,147)	4,249,392	(265,615)	(334,954)	3,648,823
Derivative financial liabilities	1,021,693	–	1,021,693	(213,615)	(790,167)	17,911
Other liabilities	2,406,803	(36,147)	2,370,656	–	–	2,370,656
	3,428,496	(36,147)	3,392,349	(213,615)	(790,167)	2,388,567

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

54. OPERATIONS OF ISLAMIC BANKING

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2025

	Note	Group 31 March 2025 RM'000	Group 31 March 2024 RM'000
ASSETS			
Cash and short-term funds	54(II)	2,438,112	775,179
Derivative financial assets		18,958	41,917
Financial assets at fair value through profit or loss	54(III)	2,289,309	3,235,806
Financial investments at fair value through other comprehensive income	54(IV)	5,851,313	6,713,908
Financial investments at amortised cost	54(V)	3,573,489	3,859,657
Financing and advances	54(VI)	46,652,572	44,982,387
Statutory deposit with Bank Negara Malaysia		930,000	920,000
Deferred tax assets	54(VII)	55,406	52,425
Other assets	54(VIII)	663,582	1,560,059
Property and equipment	54(IX)	323	251
Right-of-use assets	54(X)	1,679	1,981
Intangible assets	54(XI)	210	220
TOTAL ASSETS		62,474,953	62,143,790
LIABILITIES AND ISLAMIC BANKING FUNDS			
Deposits from customers	54(XII)	49,665,606	48,234,293
Investment accounts of customers	54(XIII)	12,480	14,059
Deposits and placements of banks and other financial institutions	54(XIV)	1,181,653	2,915,211
Investment account due to a licensed bank	54(XV)	1,194,172	1,366,363
Recourse obligation on financing sold to Cagamas Berhad		2,210,029	2,215,002
Derivative financial liabilities		19,944	41,030
Term funding	26(a)(ii), (b)(ii)	1,198,555	834,977
Subordinated Sukuk	27(i)	1,300,000	1,300,000
Other liabilities	54(XVI)	501,636	439,914
TOTAL LIABILITIES		57,284,075	57,360,849
Share capital/capital funds		1,387,107	1,387,107
Reserves		3,803,771	3,395,834
TOTAL ISLAMIC BANKING FUNDS		5,190,878	4,782,941
TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS		62,474,953	62,143,790
COMMITMENTS AND CONTINGENCIES	54(XXX)	12,729,503	14,330,865

The accompanying notes form an integral part of the financial statements of the operations of Islamic banking.

54. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

	Note	Group 31 March 2025 RM'000	Group 31 March 2024 RM'000
Income derived from investment of depositors' funds	54(XVII)	2,627,669	2,680,535
Income derived from investment of investment account funds	54(XVIII)	58,104	64,778
Income derived from Islamic banking funds	54(XIX)	276,305	252,173
Allowances for impairment on financing and advances – net	54(XX)	(43,503)	(198,628)
Writeback of/(allowances for) impairment on:			
– Financial investments	54(XXI)	3,098	(20,476)
– Other financial assets	54(XXII)	(4)	54,353
– Non-financial assets		–	(39)
Writeback of provision for commitments and contingencies	54(XXIII)	973	11,881
Total distributable income		2,922,642	2,844,577
Income attributable to the depositors and others	54(XXIV)	(1,506,298)	(1,661,423)
Income attributable to the investment account holders	54(XXV)	(51,941)	(57,918)
Total net income		1,364,403	1,125,236
Other operating expenses	54(XXVI)	(517,919)	(473,364)
Finance costs		(117,908)	(93,568)
Profit before taxation and zakat		728,576	558,304
Taxation and zakat	54(XXVII)	(169,270)	(127,732)
Profit for the financial year		559,306	430,572

The accompanying notes form an integral part of the financial statements of the operations of Islamic banking.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

54. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

	Group	
	31 March 2025 RM'000	31 March 2024 RM'000
Profit for the financial year	559,306	430,572
Other comprehensive (loss)/income:		
Items that will not be reclassified subsequently to statement of profit or loss		
Equity Instruments		
Financial investments at FVOCI		
– net unrealised loss on changes in fair value	(10,961)	(4,151)
– tax effect	2,631	996
	(8,330)	(3,155)
Items that may be reclassified subsequently to statement of profit or loss		
Debt Instruments		
Financial investments at FVOCI		
– net unrealised gain on changes in fair value	11,256	32,594
– changes in ECL	(1,937)	3,202
– net gain reclassified to profit or loss	(10,877)	(9,527)
– tax effect	(91)	(5,536)
	(1,649)	20,733
Other comprehensive (loss)/income for the financial year, net of tax	(9,979)	17,578
Total comprehensive income for the financial year	549,327	448,150

The accompanying notes form an integral part of the financial statements of the operations of Islamic banking.

54. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

Group	Share capital/ capital funds RM'000	Non-Distributable Regulatory reserve RM'000	Non-Distributable Fair value reserve RM'000	Distributable Retained earnings RM'000	Total Equity RM'000
At 1 April 2023	1,387,107	–	(9,188)	3,022,623	4,400,542
Profit for the financial year	–	–	–	430,572	430,572
Other comprehensive income, net	–	–	17,578	–	17,578
Total comprehensive income for the financial year	–	–	17,578	430,572	448,150
Transfer to regulatory reserve	–	43,368	–	(43,368)	–
Dividend paid	–	–	–	(65,751)	(65,751)
	–	43,368	–	(109,119)	(65,751)
At 31 March 2024	1,387,107	43,368	8,390	3,344,076	4,782,941

Group	Share capital/ capital funds RM'000	Non-Distributable Regulatory reserve RM'000	Non-Distributable Fair value reserve RM'000	Distributable Retained earnings RM'000	Total Equity RM'000
At 1 April 2024	1,387,107	43,368	8,390	3,344,076	4,782,941
Profit for the financial year	–	–	–	559,306	559,306
Other comprehensive loss, net	–	–	(9,979)	–	(9,979)
Total comprehensive (loss)/income for the financial year	–	–	(9,979)	559,306	549,327
Transfer to regulatory reserve	–	37,306	–	(37,306)	–
Dividend paid	–	–	–	(141,390)	(141,390)
	–	37,306	–	(178,696)	(141,390)
At 31 March 2025	1,387,107	80,674	(1,589)	3,724,686	5,190,878

The accompanying notes form an integral part of the financial statements of the operations of Islamic banking.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

54. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

	Note	Group	
		31 March 2025 RM'000	31 March 2024 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation and zakat		728,576	558,304
Adjustments for:			
Accretion of discount less amortisation of premium for securities		(30,032)	(94,919)
Allowances for impairment on financing and advances	54(XX)	141,351	305,470
Depreciation of right-of-use assets	54(X)	302	303
Depreciation of property and equipment	54(IX)	141	175
Amortisation of intangible assets	54(XI)	80	89
Impairment loss on intangible assets	54(XI)	–	39
Finance cost - lease liabilities	54(XVI)(a)	52	59
Net amortisation of premium on term funding		448	70
Finance cost - provision for reinstatement of leased premises	54(XVI)(b)	1	1
Gain on disposal of financial assets at fair value through profit or loss		(2,546)	(3,811)
(Gain)/loss on revaluation of financial assets at fair value through profit or loss		(384)	1,880
Loss/(gain) on revaluation of derivatives		1,874	(1,340)
Unrealised loss on revaluation of hedged item arising from fair value hedge		1,075	2,310
Shares granted under Executives' Share Scheme – charge		963	1,094
(Writeback of)/allowances for impairment on:			
– Financial investments	54(XXI)	(3,098)	20,476
– Other financial assets	54(XXII)	4	(54,353)
Writeback of provision for commitments and contingencies	54(XXIII)	(973)	(11,881)
Gain on disposal of financial investments at fair value through other comprehensive income		(10,877)	(9,527)
Net adjustments of COVID-19 relief measures		1,619	(19,521)
Operating profit before working capital changes		828,576	694,918
Increase/(decrease) operating assets:			
Financial assets at fair value through profit or loss		973,991	(596,220)
Financing and advances		(1,809,642)	(316,662)
Statutory deposit with Bank Negara Malaysia		(10,000)	(40,000)
Other assets		895,513	(1,014,949)
Increase/(decrease) in operating liabilities:			
Deposits from customers		1,431,313	2,981,783
Investment accounts of customers		(1,579)	(2,414)
Deposits and placements of banks and other financial institutions		(1,737,070)	(1,837,808)
Investment account due to a licensed bank		(172,191)	(172,157)
Recourse obligation on financing sold to Cagamas Berhad		(4,973)	(1,100,002)
Term funding		363,130	–
Other liabilities		11,690	73,118
Cash generated from/(used in) operating activities		768,758	(1,330,393)
Zakat paid		(3,994)	(4,419)
Tax paid		(114,424)	(112,732)
Net cash generated from/(used in) operating activities		650,340	(1,447,544)

54. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025 (CONT'D.)

	Note	Group	
		31 March 2025 RM'000	31 March 2024 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Disposal/(purchase) of financial investments at fair value through other comprehensive income		867,490	(126,673)
Disposal of financial investments at amortised cost		287,120	302,282
Purchase of property and equipment	54(IX)	(213)	(102)
Purchase of intangible assets	54(XI)	(70)	(50)
Net cash generated from investing activities		1,154,327	175,457
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(141,390)	(65,751)
Repayment of lease liabilities	54(XVI)(a)	(342)	(342)
Issuance of Subordinated Sukuk		–	500,000
Repayment of Subordinated Sukuk		–	(500,000)
Net cash used in financing activities		(141,732)	(66,093)
Net increase/(decrease) in cash and cash equivalents		1,662,935	(1,338,180)
Cash and cash equivalents at beginning of the financial year		775,195	2,113,375
Cash and cash equivalents at end of the financial year (Note a)		2,438,130	775,195
Note a: Cash and cash equivalents			
Cash and cash equivalents comprise:			
Cash and short-term funds	54(II)	2,438,112	775,179
Add:			
Allowances for ECL for cash and cash equivalents	54(II)	18	16
Cash and cash equivalents		2,438,130	775,195

The accompanying notes form an integral part of the financial statements of the operations of Islamic banking.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

54. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

NOTES TO THE FINANCIAL STATEMENTS OF THE OPERATIONS OF ISLAMIC BANKING

(I) ISLAMIC BANKING BUSINESS

Shariah Committee and governance

The Shariah Committee ("ShC") comprises five (5) members and is responsible and accountable for matters related to Shariah. This includes:

i. advising Board of Directors and Management of AmBank Islamic on Shariah matters;

ii. endorsing products and services, Shariah policies and the relevant documentation in relation to Islamic Banking operation; and

iii. providing advice and guidance on management of zakat fund, charity and other social programmes and activities.

The ShC members also sit in the Shariah Oversight Committee ("SOC"). The SOC is established as a sub-committee of the ShC of the Group to assist the ShC to oversee the strategies, initiatives and work carried out by the Shariah control functions namely Shariah Review, Shariah Risk Management and Shariah Audit.

Shariah non-compliance incident and income

As at 31 March 2025, there is one (1) SNC event relating to extending Islamic financing facility to Retail Small Medium Enterprise ("RSME") customers whose business activities fall under red area for Islamic financing, involving three (3) accounts with SNC income of approximately RM75,537 to be purified by channeling to charity. Measures to mitigate recurrence include enhancing the existing Shariah Non-Compliance Checklist ("SCCL"), enhancing training course, reminders to staff and enhancing Risk Profiling/Testing Procedures.

For the financial year ended 31 March 2024, there was one (1) SNC incident declared with SNC income of approximately RM32,505.

(II) CASH AND SHORT-TERM FUNDS

	Group	
	31 March 2025 RM'000	31 March 2024 RM'000
Cash and bank balances	98,130	115,195
Less: Allowances for ECL	(18)	(16)
	98,112	115,179
Deposits and placements maturing within one month with original maturity of three months or less:		
Bank Negara Malaysia	2,340,000	660,000
	2,438,112	775,179

54. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

NOTES TO THE FINANCIAL STATEMENTS OF THE OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(II) CASH AND SHORT-TERM FUNDS (CONT'D.)

Movements in allowances for ECL are as follows:

Group 31 March 2025	Note	Stage 1 12-month ECL RM'000
Balance at beginning of the financial year		16
Net allowances for ECL	54(XXII)	4
Net remeasurement of allowances		4
Foreign exchange differences		(2)
Balance at end of the financial year		18

Group 31 March 2024	Note	Stage 1 12-month ECL RM'000
Balance at beginning of the financial year		8
Net allowances for ECL	54(XXII)	7
Net remeasurement of allowances		7
Foreign exchange differences		1
Balance at end of the financial year		16

The increase in allowances for ECL in Stage 1 mainly due to net remeasurement of allowances.

(III) FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group	
	31 March 2025 RM'000	31 March 2024 RM'000
At fair value		
Money Market Instruments:		
Malaysian Islamic Treasury Bills	130,082	2,511,949
Malaysian Government Investment Issues	1,516,152	374,382
Bank Negara Monetary Notes	–	289,592
	1,646,234	3,175,923
Unquoted Securities:		
In Malaysia:		
Sukuk	643,075	59,883
	2,289,309	3,235,806

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

54. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

NOTES TO THE FINANCIAL STATEMENTS OF THE OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(IV) FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	Group	
	31 March 2025 RM'000	31 March 2024 RM'000
At fair value		
Money Market Instruments:		
Malaysian Government Investment Issues	1,848,281	2,808,361
Islamic Negotiable Instruments of Deposit	992,049	–
	2,840,330	2,808,361
Quoted Securities:		
In Malaysia:		
Shares	9,715	12,740
Unquoted Securities:		
In Malaysia:		
Sukuk	2,972,033	3,855,338
Shares	29,235	37,469
	5,851,313	6,713,908

Movements in allowances for ECL are as follows:

Group 31 March 2025	Note	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Total RM'000
Balance at beginning of the financial year		5,161	1,490	6,651
Net writeback of ECL	54(XXI)	(447)	(1,490)	(1,937)
– Transfer to 12-month ECL (Stage 1)		701	(1,490)	(789)
– New financial assets originated		1,259	–	1,259
– Financial assets derecognised		(2,584)	–	(2,584)
– Net remeasurement of allowances		177	–	177
Balance at end of the financial year		4,714	–	4,714

54. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

NOTES TO THE FINANCIAL STATEMENTS OF THE OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(IV) FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONT'D.)

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

Group 31 March 2024	Note	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Total RM'000
Balance at beginning of the financial year		2,404	1,045	3,449
Net allowances for ECL	54(XXI)	2,757	445	3,202
– New financial assets originated		2,241	–	2,241
– Financial assets derecognised		(652)	–	(652)
– Net remeasurement of allowances		1,168	445	1,613
Balance at end of the financial year		5,161	1,490	6,651

The movements in allowances for ECL are mainly contributed by:

(a) Decrease in Stage 1 ECL due to financial assets derecognised offset by new financial assets originated, impact from the migration to Stage 1 and net remeasurement of allowances;

(b) Decrease in Stage 2 ECL mainly due to impact from the migration of Stage 2.

(V) FINANCIAL INVESTMENTS AT AMORTISED COST

	Group	
	31 March 2025 RM'000	31 March 2024 RM'000
At amortised cost		
Money Market Instruments:		
Malaysian Government Investment Issues	1,057,483	1,057,168
Unquoted Securities:		
In Malaysia:		
Sukuk	2,991,851	3,279,495
Less: Allowances for ECL	(475,845)	(477,006)
	3,573,489	3,859,657

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

54. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

NOTES TO THE FINANCIAL STATEMENTS OF THE OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(V) FINANCIAL INVESTMENTS AT AMORTISED COST (CONT'D.)

Movements in allowances for ECL are as follows:

Group 31 March 2025	Note	Stage 1 12-month ECL RM'000	Stage 3 Lifetime ECL credit impaired RM'000	Total RM'000
Balance at beginning of the financial year		1,919	475,087	477,006
Net allowances for/(writeback of) ECL	54(XXI)	473	(1,634)	(1,161)
– New financial assets originated		1,017	–	1,017
– Financial assets derecognised		(1,190)	–	(1,190)
– Net remeasurement of allowances		646	(1,634)	(988)
Balance at end of the financial year		2,392	473,453	475,845

Group 31 March 2024	Note	Stage 1 12-month ECL RM'000	Stage 3 Lifetime ECL credit impaired RM'000	Total RM'000
Balance at beginning of the financial year		2,169	457,563	459,732
Net (writeback of)/allowances for ECL	54(XXI)	(250)	17,524	17,274
– New financial assets originated		1,306	–	1,306
– Financial assets derecognised		(1,445)	–	(1,445)
– Net remeasurement of allowances		(111)	17,524	17,413
Balance at end of the financial year		1,919	475,087	477,006

The movements in allowances for ECL are mainly contributed by:

(a) Increase in Stage 1 ECL mainly due to new financial assets originated and net remeasurement of allowances offset by financial assets derecognised; and

(b) Decrease in Stage 3 ECL is mainly contributed by net remeasurement of allowances.

54. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

NOTES TO THE FINANCIAL STATEMENTS OF THE OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(VI) FINANCING AND ADVANCES

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

Group 31 March 2025	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
At amortised cost							
Cash lines	–	614,988	–	–	419,104	–	1,034,092
Term financing	228,357	14,892,995	6,504	–	287,958	–	15,415,814
Revolving credit	1,695	5,064,152	–	–	569,351	–	5,635,198
Housing financing	2,094,124	12,626,695	34,143	–	–	–	14,754,962
Hire purchase receivables	–	133	–	5,130,052	–	–	5,130,185
Bills receivables	–	1,702,146	–	–	–	133,902	1,836,048
Credit card receivables	–	–	–	–	–	555,645	555,645
Trust receipts	–	823,413	–	–	–	–	823,413
Staff financing	–	20,819	–	–	–	–	20,819
Claims on customers under acceptance credits	–	1,580,802	–	–	–	401,876	1,982,678
Others	–	–	–	–	–	13,629	13,629
Gross financing and advances*	2,324,176	37,326,143	40,647	5,130,052	1,276,413	1,105,052	47,202,483
Less: Allowances for ECL							
– Stage 1 – 12-month ECL (Note 54(VI)(h))							(105,174)
– Stage 2 – Lifetime ECL not credit impaired (Note 54(VI)(h))							(301,921)
– Stage 3 – Lifetime ECL credit impaired (Note 54(VI)(h))							(142,816)
Net financing and advances							46,652,572

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

54. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

NOTES TO THE FINANCIAL STATEMENTS OF THE OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(VI) FINANCING AND ADVANCES (CONT'D.)

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

Group 31 March 2024	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
At amortised cost							
Cash lines	–	622,102	–	–	459,810	–	1,081,912
Term financing	288,240	14,447,065	6,947	–	432,488	–	15,174,740
Revolving credit	1,947	4,904,320	–	–	638,926	–	5,545,193
Housing financing	2,246,277	11,721,324	36,315	–	–	–	14,003,916
Hire purchase receivables	3	–	–	5,520,834	–	–	5,520,837
Bills receivables	–	810,117	–	–	–	104,871	914,988
Credit card receivables	–	–	–	–	–	546,005	546,005
Trust receipts	–	458,832	–	–	–	–	458,832
Staff financing	–	22,921	–	–	–	–	22,921
Claims on customers under acceptance credits	–	1,996,785	–	–	–	324,271	2,321,056
Others	–	–	–	–	–	35,190	35,190
Gross financing and advances*	2,536,467	34,983,466	43,262	5,520,834	1,531,224	1,010,337	45,625,590
Less: Allowances for ECL							
– Stage 1 – 12-month ECL (Note 54(VI)(h))							(109,080)
– Stage 2 – Lifetime ECL not credit impaired (Note 54(VI)(h))							(337,673)
– Stage 3 – Lifetime ECL credit impaired (Note 54(VI)(h))							(196,450)
Net financing and advances							44,982,387

* Included in financing and advances are exposures to the Restricted Investment Account ("RA") arrangements between AmBank Islamic and AmBank amounting to RM1,197.5 million (2024: RM1,370.4 million). 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 shall account for all allowances for impairment arising from the RA financing. ECL allowances relating to the RA financing which amounting to RM2.5 million (2024: RM1.8 million) is taken up by AmBank.

54. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

NOTES TO THE FINANCIAL STATEMENTS OF THE OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(VI) FINANCING AND ADVANCES (CONT'D.)

(b) Gross financing and advances analysed by residual contractual maturity are as follows:

	Group	
	31 March 2025 RM'000	31 March 2024 RM'000
Maturing within one year	12,202,010	11,357,091
Over one year to three years	1,410,727	1,471,057
Over three years to five years	2,985,016	2,633,488
Over five years	30,604,730	30,163,954
	47,202,483	45,625,590

(c) Gross financing and advances analysed by type of customers are as follows:

	Group	
	31 March 2025 RM'000	31 March 2024 RM'000
Domestic non-bank financial institutions	2,024,004	2,122,557
Domestic business enterprises		
– Small medium enterprises	7,409,117	6,930,295
– Others	10,705,313	8,654,644
Government and statutory bodies	2,503,651	2,389,368
Individuals	24,521,977	25,015,065
Other domestic entities	90	111
Foreign individuals and entities	38,331	513,550
	47,202,483	45,625,590

(d) Gross financing and advances analysed by profit rate sensitivity are as follows:

	Group	
	31 March 2025 RM'000	31 March 2024 RM'000
Fixed rate:		
– Housing financing	166,844	170,997
– Hire purchase receivables	5,068,909	5,444,523
– Other financing	5,300,083	5,618,814
Variable rate:		
– Base rate and base financing rate plus	23,485,505	23,466,357
– Cost plus	13,062,256	10,802,097
– Other variable rates	118,886	122,802
	47,202,483	45,625,590

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

54. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

NOTES TO THE FINANCIAL STATEMENTS OF THE OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(VI) FINANCING AND ADVANCES (CONT'D.)

(e) Gross financing and advances analysed by sector are as follows:

	Group	
	31 March 2025 RM'000	31 March 2024 RM'000
Agriculture	1,319,453	1,399,818
Mining and quarrying	128,174	565,971
Manufacturing	4,768,685	4,184,847
Electricity, gas and water	895,341	717,545
Construction	954,068	915,971
Wholesale, retail trade, restaurants and hotels	3,895,350	3,521,098
Transport, storage and communication	2,436,985	2,061,239
Finance and insurance	3,561,999	3,644,704
Real estate	2,899,625	1,924,519
Business activities	1,391,103	1,200,813
Education and health	391,392	432,960
Household of which:	24,560,308	25,056,105
– Purchase of residential properties	14,818,072	14,074,406
– Purchase of transport vehicles	4,671,833	5,128,803
– Others	5,070,403	5,852,896
Gross financing and advances	47,202,483	45,625,590

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

	Group	
	31 March 2025 RM'000	31 March 2024 RM'000
Balance at beginning of the financial year	655,234	521,155
Additions during the financial year	546,352	836,529
Reclassified as non-impaired	(142,546)	(79,347)
Recoveries	(207,377)	(344,648)
Amount written off	(227,484)	(278,455)
Balance at end of the financial year	624,179	655,234
Gross impaired financing and advances as % of gross financing and advances	1.32%	1.44%
Financing loss coverage (including regulatory reserve)	104.1%	107.9%

54. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

NOTES TO THE FINANCIAL STATEMENTS OF THE OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(VI) FINANCING AND ADVANCES (CONT'D.)

(g) Impaired financing and advances analysed by sector are as follows:

	Group	
	31 March 2025 RM'000	31 March 2024 RM'000
Agriculture	8,040	392
Mining and quarrying	37,319	33,680
Manufacturing	27,445	20,729
Electricity, gas and water	869	226
Construction	38,945	53,911
Wholesale, retail trade, restaurants and hotels	50,470	102,652
Transport, storage and communication	7,013	4,136
Real estate	61,946	20,132
Business activities	5,852	8,071
Education and health	641	366
Household of which:	385,639	410,939
– Purchase of residential properties	327,921	336,654
– Purchase of transport vehicles	17,787	29,281
– Others	39,931	45,004
Impaired financing and advances	624,179	655,234

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

Group 31 March 2025	Note	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Stage 3 Lifetime ECL credit impaired RM'000	Total RM'000
Balance at beginning of the financial year		109,080	337,673	196,450	643,203
Net (writeback of)/allowances for ECL	54(XX)	(3,845)	(28,654)	173,850	141,351
– Transfer to 12-month ECL (Stage 1)		4,590	(34,126)	(5,006)	(34,542)
– Transfer to Lifetime ECL not credit impaired (Stage 2)		(5,909)	56,103	(18,347)	31,847
– Transfer to Lifetime ECL credit impaired (Stage 3)		(606)	(27,723)	77,120	48,791
– New financial assets originated		38,882	30,434	3,124	72,440
– Net remeasurement of allowances		(7,157)	(17,096)	120,295	96,042
– Changes in model assumptions and methodologies		(12,927)	1,375	–	(11,552)
– Modification of contractual cash flows of financial assets		(588)	(1,657)	115	(2,130)
– Financial assets derecognised		(20,130)	(35,964)	(3,451)	(59,545)
Foreign exchange differences		(61)	(14)	–	(75)
Amount written off		–	(7,084)	(227,484)	(234,568)
Balance at end of the financial year		105,174	301,921	142,816	549,911

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

54. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

NOTES TO THE FINANCIAL STATEMENTS OF THE OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(VI) FINANCING AND ADVANCES (CONT'D.)

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

Group 31 March 2024	Note	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Stage 3 Lifetime ECL credit impaired RM'000	Total RM'000
Balance at beginning of the financial year		74,502	441,391	163,096	678,989
Net allowances for/(writeback of) ECL	54(XX)	34,499	(40,838)	311,809	305,470
– Transfer to 12-month ECL (Stage 1)		6,995	(40,012)	(2,767)	(35,784)
– Transfer to Lifetime ECL not credit impaired (Stage 2)		(3,600)	51,324	(10,453)	37,271
– Transfer to Lifetime ECL credit impaired (Stage 3)		(426)	(21,841)	83,098	60,831
– New financial assets originated		28,374	31,314	7,306	66,994
– Net remeasurement of allowances		4,925	2,783	247,226	254,934
– Changes in model assumptions and methodologies		12,953	(15,955)	21,753	18,751
– Modification of contractual cash flows of financial assets		222	(7,007)	5,432	(1,353)
– Financial assets derecognised		(14,944)	(41,444)	(39,786)	(96,174)
Transfer to other assets	54(VIII)(c)	–	(62,900)	–	(62,900)
Foreign exchange differences		79	20	–	99
Amount written off		–	–	(278,455)	(278,455)
Balance at end of the financial year		109,080	337,673	196,450	643,203

Overall, the total allowances for ECL on financing and advances for the Group had decreased due to the following:

(a) 12-month ECL (Stage 1) – decrease of RM3.9 million mainly due to impact from financial assets derecognised, changes in model assumptions and methodologies, net remeasurement of allowances and impact from transfer to Stage 2 and Stage 3 partially offset by newly originated financial assets and impact from transfer to Stage 1;

(b) Lifetime ECL not credit impaired (Stage 2) – decrease of RM35.8 million mainly due to financial assets derecognised, impact from transfer to Stage 1 and Stage 3, net remeasurement of allowances and written off of financing and advances as a result of agreed settlement with customer, offset by impact from transfer to Stage 2 and new financial assets originated;

(c) Lifetime ECL credit-impaired (Stage 3) – decrease of RM53.6 million mainly due to the impact from financing and advances written-off and financial assets derecognised, offset by net remeasurement of allowances, change in credit risk and new financial assets originated.

54. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

NOTES TO THE FINANCIAL STATEMENTS OF THE OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(VII) DEFERRED TAX ASSETS

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The following amounts are shown in the statement of financial position, after appropriate offsetting:

	Group	
	31 March 2025 RM'000	31 March 2024 RM'000
Deferred tax assets, net	55,406	52,425
Deferred tax assets and liabilities prior to offsetting are summarised as follows:		
Deferred tax assets	77,036	78,116
Deferred tax liabilities	(21,630)	(25,691)
	55,406	52,425

The components and movements of deferred tax assets/(liabilities) prior to offsetting are as follows:

Group 31 March 2025	Balance at beginning of the financial year RM'000	Recognised in profit or loss RM'000	Recognised in other comprehensive income RM'000	Balance at end of the financial year RM'000
Other temporary differences	74,734	(4,718)	–	70,016
Fair value reserve	–	–	1,991	1,991
Deferred income	3,382	1,647	–	5,029
Deferred tax assets	78,116	(3,071)	1,991	77,036
Excess of capital allowance over depreciation	(45)	(24)	–	(69)
Deferred charges	(25,097)	3,536	–	(21,561)
Fair value reserve	(549)	–	549	–
Deferred tax liabilities	(25,691)	3,512	549	(21,630)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

54. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

NOTES TO THE FINANCIAL STATEMENTS OF THE OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(VII) DEFERRED TAX ASSETS (CONT'D.)

The components and movements of deferred tax assets/(liabilities) prior to offsetting are as follows: (Cont'd.)

Group 31 March 2024	Balance at beginning of the financial year RM'000	Recognised in profit or loss RM'000	Recognised in other comprehensive income RM'000	Balance at end of the financial year RM'000
Other temporary differences	77,979	(3,245)	–	74,734
Fair value reserve	3,991	–	(3,991)	–
Deferred income	3,721	(339)	–	3,382
Deferred tax assets	85,691	(3,584)	(3,991)	78,116
Excess of capital allowance over depreciation	(41)	(4)	–	(45)
Deferred charges	(23,578)	(1,519)	–	(25,097)
Fair value reserve	–	–	(549)	(549)
Deferred tax liabilities	(23,619)	(1,523)	(549)	(25,691)

(VIII) OTHER ASSETS

	Note	Group 31 March 2025 RM'000	Group 31 March 2024 RM'000
Other receivables, deposits and prepayments		100,949	86,547
Amount due from related companies	(a)	340,820	1,233,525
Profit receivable		131,975	135,416
Deferred charges	(b)	89,838	104,571
		663,582	1,560,059
Less: Accumulated impairment losses	(c)	–	–
		663,582	1,560,059

(a) Amount due from related companies, which related to banking operations, are unsecured, non-profit bearing and are repayable on demand.

(b) Deferred charges represent prepaid expenses for handling fees, marketing and promotion expenses relating to financing and advances.

(c) The movements of impairment on other assets are as follows:

	Note	Group 31 March 2025 RM'000	Group 31 March 2024 RM'000
Balance at beginning of the financial year		–	–
Transfer from financing and allowances	54(VI)(h)	–	62,900
Writeback of impairment loss	54(XXII)	–	(54,360)
Amount written off		–	(8,540)
Balance at end of the financial year		–	–

54. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

NOTES TO THE FINANCIAL STATEMENTS OF THE OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(IX) PROPERTY AND EQUIPMENT

Group 31 March 2025	Motor vehicles RM'000	Leasehold improvements RM'000	Computer equipment RM'000	Office equipment, furniture and fittings RM'000	Total RM'000
Cost					
At beginning of the financial year	528	446	988	173	2,135
Additions	–	93	81	39	213
Disposal	–	–	–	(1)	(1)
At end of the financial year	528	539	1,069	211	2,347
Accumulated depreciation					
At beginning of the financial year	464	446	802	172	1,884
Depreciation for the financial year	64	1	75	1	141
Disposal	–	–	–	(1)	(1)
At end of the financial year	528	447	877	172	2,024
Carrying amount					
At end of the financial year	–	92	192	39	323

Group 31 March 2024	Motor vehicles RM'000	Leasehold improvements RM'000	Computer equipment RM'000	Office equipment, furniture and fittings RM'000	Total RM'000
Cost					
At beginning of the financial year	528	446	886	173	2,033
Additions	–	–	102	–	102
At end of the financial year	528	446	988	173	2,135
Accumulated depreciation					
At beginning of the financial year	358	446	734	171	1,709
Depreciation for the financial year	106	–	68	1	175
At end of the financial year	464	446	802	172	1,884
Carrying amount					
At end of the financial year	64	–	186	1	251

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

54. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

NOTES TO THE FINANCIAL STATEMENTS OF THE OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(X) RIGHT-OF-USE ASSETS

	Group	
	31 March 2025 RM'000	31 March 2024 RM'000
Premises		
Cost		
At beginning/end of the financial year	3,423	3,423
Accumulated depreciation		
At beginning of the financial year	1,442	1,139
Depreciation for the financial year	302	303
At end of the financial year	1,744	1,442
Carrying amount		
At end of the financial year	1,679	1,981

The corresponding lease liabilities relating to the right-of-use assets is disclosed in Note 54(XVI)(a).

(XI) INTANGIBLE ASSETS

	Group	
	31 March 2025 RM'000	31 March 2024 RM'000
Computer Software		
Cost		
At beginning of the financial year	3,174	3,124
Additions	70	50
At end of the financial year	3,244	3,174
Accumulated amortisation		
At beginning of the financial year	2,915	2,826
Amortisation for the financial year	80	89
At end of the financial year	2,995	2,915
Accumulated impairment loss		
At beginning of the financial year	39	–
Impairment loss for the financial year	–	39
At end of the financial year	39	39
Carrying amount		
At end of the financial year	210	220

54. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

NOTES TO THE FINANCIAL STATEMENTS OF THE OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(XII) DEPOSITS FROM CUSTOMERS

(i) By type of deposit:

	Group	
	31 March 2025 RM'000	31 March 2024 RM'000
Savings deposits		
Commodity Murabahah	3,460,994	3,929,316
Qard	188,243	39,883
Demand deposits		
Commodity Murabahah	12,985,650	14,273,884
Qard	2,812,566	125,735
Term deposits		
Commodity Murabahah	29,904,948	29,535,968
Qard	313,205	329,507
	49,665,606	48,234,293

Included in deposits from customers are deposits of RM828.1 million (2024: RM711.9 million) held as collateral for financing and advances.

(ii) The deposits are sourced from the following types of customers:

	Group	
	31 March 2025 RM'000	31 March 2024 RM'000
Business enterprises	25,732,302	28,240,844
Government and statutory bodies	3,927,843	4,743,809
Individuals	17,954,016	14,155,295
Others	2,051,445	1,094,345
	49,665,606	48,234,293

(iii) The maturity structure of term deposits are as follows:

	Group	
	31 March 2025 RM'000	31 March 2024 RM'000
Due within six months	24,331,023	24,778,812
Over six months to one year	5,698,679	4,729,705
Over one year to three years	185,634	339,335
Over three years to five years	2,817	17,623
	30,218,153	29,865,475

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2025

54. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

NOTES TO THE FINANCIAL STATEMENTS OF THE OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(XIII) INVESTMENT ACCOUNTS OF CUSTOMERS

	Group	
	31 March 2025 RM'000	31 March 2024 RM'000
Unrestricted investment accounts:		
Without maturity		
– Wakalah	11,359	12,619
With maturity		
– Mudarabah	1,121	1,440
	12,480	14,059

(a) Movements in the investment accounts are as follows:

Group	Wakalah RM'000	Mudarabah RM'000
As at 1 April 2023	13,734	2,740
Funding (outflows)/inflows		
New placements during the financial year	–	440
Redemptions/withdrawals during the financial year	(1,122)	(1,788)
Income from investment	385	102
AmBank Islamic's share of profit		
Profit distributed to mudarib	(378)	(54)
As at 31 March 2024	12,619	1,440
Funding (outflows)/inflows		
New placements during the financial year	–	50
Redemptions/withdrawals during the financial year	(1,266)	(399)
Income from investment	371	61
AmBank Islamic's share of profit		
Profit distributed to mudarib	(365)	(31)
As at 31 March 2025	11,359	1,121
Investment asset:		
31 March 2024		
Interbank placement	12,619	–
Housing financing	–	1,440
Total investment	12,619	1,440
31 March 2025		
Interbank placement	11,359	–
Housing financing	–	1,121
Total investment	11,359	1,121

54. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

NOTES TO THE FINANCIAL STATEMENTS OF THE OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(XIII) INVESTMENT ACCOUNTS OF CUSTOMERS (CONT'D.)

(a) Movements in the investment accounts are as follows: (Cont'd.)

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

	Group	
	31 March 2025 RM'000	31 March 2024 RM'000
Business enterprises	84	55
Individuals	12,396	14,004
	12,480	14,059

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

Group 31 March 2025	Investment account holder		
	Average profit sharing ratio (%)	Average rate of return (%)	Average performance incentive fee (%)
Maturity:			
less than 3 months	47.38	0.17	2.94
over 3 months to 1 year	50.34	2.51	–

Group 31 March 2024	Investment account holder		
	Average profit sharing ratio (%)	Average rate of return (%)	Average performance incentive fee (%)
Maturity:			
less than 3 months	46.85	0.21	2.92
over 3 months to 1 year	49.95	2.48	–

(c) The maturity structure of investment accounts are as follows:

	Group	
	31 March 2025 RM'000	31 March 2024 RM'000
Unrestricted investment accounts:		
– Without maturity	11,359	12,619
– With maturity		
Due within six months	1,121	1,440
	12,480	14,059

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

54. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

NOTES TO THE FINANCIAL STATEMENTS OF THE OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(XIV) DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

		Group	
	Note	31 March 2025 RM'000	31 March 2024 RM'000
Non-Mudarabah:			
Licensed investment banks		190,458	274,495
Other financial institutions		736,712	1,355,828
Licensed Islamic banks		–	498,929
Licensed banks	(a)	87,545	650,553
Bank Negara Malaysia		166,938	135,406
		1,181,653	2,915,211

(a) Included in the deposit and placements of licensed banks is RM99.5 million (2024: RM99.5 million) of interbank placement from AmBank, a related company, at below market rate with six year (6) to eight and half year (8.5) maturities. This placement was part of the fund received by AmBank under the government financing scheme for COVID-19 relief measures, for the purpose of lending to SME at below market rate.

In the previous financial year, fair value gain amounted to RM11.8 million was reversed due to partial refund of the government scheme. Total unwinding amount of RM3.5 million (2024: RM1.6 million) was recognised as income attributable to deposits and placements of banks and other financial institutions as disclosed in Note 54(XXIV).

(XV) INVESTMENT ACCOUNT DUE TO A LICENSED BANK

		Group	
	Note	31 March 2025 RM'000	31 March 2024 RM'000
Restricted investment account ("RA")			
– Mudarabah Muqayyadah	(a)	1,194,172	1,366,363

(a) 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 2025, ECL allowance for the investment asset borne by AmBank amounted to RM2.5 million (2024: RM1.8 million).

As at 31 March 2025, the tenure of the RA contracts is for a period of 2 to 5 years (2024: 3 to 6 years).

54. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

NOTES TO THE FINANCIAL STATEMENTS OF THE OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(XV) INVESTMENT ACCOUNT DUE TO A LICENSED BANK (CONT'D.)

(b) Movements in the investment account are as follows:

	Group	
	31 March 2025 RM'000	31 March 2024 RM'000
At beginning of the financial year	1,366,363	1,538,521
Funding (outflows)/inflows		
Redemptions during the financial year, net	(172,191)	(172,157)
Income attributable to investment account holders	(51,905)	(57,862)
Income from investment	57,672	64,291
AmBank Islamic's share of profit		
Profit distributed to mudarib	(5,767)	(6,430)
At end of the financial year	1,194,172	1,366,363
Investment asset:		
Financing	1,194,172	1,366,363
Total investment	1,194,172	1,366,363

(c) 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 March 2025		31 March 2024	
Group	Average profit sharing ratio (%)	Average rate of return (%)	Average profit sharing ratio (%)	Average rate of return (%)
Maturity:				
over 2 years to 5 years	90	4.02	90	3.89
more than 5 years	90	4.38	90	4.26

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

54. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

NOTES TO THE FINANCIAL STATEMENTS OF THE OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(XVI) OTHER LIABILITIES

	Note	Group	
		31 March 2025 RM'000	31 March 2024 RM'000
Profit payable		321,537	307,347
Other creditors and accruals		65,658	76,159
Lease liabilities	(a)	1,774	2,064
Provision for reinstatement of leased premises	(b)	86	85
Deferred income		20,954	14,092
Provision for taxation and zakat		59,134	7,841
Allowances for ECL on financing commitments and financial guarantees	(c)	19,472	20,462
Advance rentals		13,021	11,864
		501,636	439,914

(a) The movements in lease liabilities are as follows:

	Group	
	31 March 2025 RM'000	31 March 2024 RM'000
Premises		
At beginning of the financial year	2,064	2,347
Finance cost charged	52	59
Payment of lease liabilities	(342)	(342)
At end of the financial year	1,774	2,064

There were no variable lease payments, subleasing, leases with residual value guarantees, leases not yet commenced, restrictions or covenants imposed to which the Group is committed.

There were no costs relating to leases for which the Group applied the practical expedient described in Note 2.5(g) for low-value assets. There was no lease with contract term of less than 12 months.

Lease liabilities analysed by undiscounted contractual payments are as follows:

	Group	
	31 March 2025 RM'000	31 March 2024 RM'000
Premises		
Up to 1 month	28	29
> 1 month to 3 months	57	57
> 3 months to 6 months	67	85
> 6 months to 12 months	134	171
> 1 year to 5 years	1,073	1,091
Over 5 years	469	737
	1,828	2,170

54. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

NOTES TO THE FINANCIAL STATEMENTS OF THE OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(XVI) OTHER LIABILITIES (CONT'D.)

(b) The movements for provision for reinstatement of leased premises are as follows:

	Group	
	31 March 2025 RM'000	31 March 2024 RM'000
At beginning of the financial year	85	84
Finance cost charged	1	1
At end of the financial year	86	85

(c) Movements in allowances for ECL on financing commitments and financial guarantees are as follows:

Group 31 March 2025	Note	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Stage 3 Lifetime ECL credit impaired RM'000	Total RM'000
Balance at beginning of the financial year		11,337	5,355	3,770	20,462
Net (writeback of)/ allowances for ECL	54(XXIII)	(320)	(1,201)	548	(973)
– Transfer to 12-month ECL (Stage 1)		149	(1,132)	–	(983)
– Transfer to Lifetime ECL not credit impaired (Stage 2)		(278)	1,195	–	917
– Transfer to Lifetime ECL credit impaired (Stage 3)		(37)	(275)	312	–
– New exposures originated		4,035	1,807	–	5,842
– Net remeasurement of allowances		(1,445)	(939)	236	(2,148)
– Financial exposures derecognised		(2,744)	(1,857)	–	(4,601)
Foreign exchange difference		(11)	(6)	–	(17)
Balance at end of the financial year		11,006	4,148	4,318	19,472

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

54. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

NOTES TO THE FINANCIAL STATEMENTS OF THE OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(XVI) OTHER LIABILITIES (CONT'D.)

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

Group 31 March 2024	Note	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Stage 3 Lifetime ECL credit impaired RM'000	Total RM'000
Balance at beginning of the financial year		11,580	7,010	13,710	32,300
Net writeback of ECL	54(XXIII)	(272)	(1,669)	(9,940)	(11,881)
– Transfer to 12-month ECL (Stage 1)		454	(3,426)	–	(2,972)
– Transfer to Lifetime ECL not credit impaired (Stage 2)		(192)	1,036	–	844
– Transfer to Lifetime ECL credit impaired (Stage 3)		(40)	(600)	640	–
– New exposures originated		4,188	2,410	–	6,598
– Net remeasurement of allowances		(1,635)	230	(10,580)	(11,985)
– Financial exposures derecognised		(3,047)	(1,319)	–	(4,366)
Foreign exchange difference		29	14	–	43
Balance at end of the financial year		11,337	5,355	3,770	20,462

The movements in allowances for ECL are as follows:

(a) 12-month ECL (Stage 1) decreased by RM0.3 million mainly due to financial exposures derecognised, net remeasurement of allowances offset by new exposures originated and changes in credit risk exposures and impact from transfer to Stage 1.

(b) Lifetime ECL not credit impaired (Stage 2) decreased by RM1.2 million mainly due to financial exposures derecognised, net remeasurement of allowances and impact from transfer to Stage 1 and 3, offset by new exposures originated.

(c) Lifetime ECL credit impaired (Stage 3) increased by RM0.5 million mainly due to impact from transfer to Stage 3 and net remeasurement of allowances.

54. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

NOTES TO THE FINANCIAL STATEMENTS OF THE OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(XVII) INCOME DERIVED FROM INVESTMENT OF DEPOSITORS' FUNDS

	Group	
	31 March 2025 RM'000	31 March 2024 RM'000
Finance income and hibah:		
Financing and advances*	2,026,774	2,030,562
Impaired financing and advances	2,056	1,159
Financial assets at fair value through profit or loss	76,069	66,998
Financial investments at amortised cost	154,189	158,303
Financial investments at fair value through other comprehensive income	231,678	250,424
Deposits and placements with banks and other financial institutions	25,035	62,883
	2,515,801	2,570,329
Gain from sale of financial investments at fair value through other comprehensive income	9,930	8,783
Gain from sale of financial assets at fair value through profit and loss	2,324	3,513
Gain/(loss) on revaluation of financial assets at fair value through profit and loss	350	(1,733)
Gain from redemption of financial investments at amortised cost	8,261	25,774
Gain/(loss) on foreign exchange	10,548	(2,098)
Loss on derivatives	(3,577)	(3,617)
Others	969	(2)
	28,805	30,620
Fee and commission income:		
Commission	20,755	24,598
Other fee income	62,308	54,988
	83,063	79,586
Total	2,627,669	2,680,535

* Included the net loss of RM99,000 (2024: net loss of RM202,000) arising from government support measures implemented in response to COVID-19 pandemic.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

54. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

NOTES TO THE FINANCIAL STATEMENTS OF THE OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(XVIII) INCOME DERIVED FROM INVESTMENT OF INVESTMENT ACCOUNT FUNDS

	Group	
	31 March 2025 RM'000	31 March 2024 RM'000
Income derived from investment of:		
(i) Restricted investment account	57,672	64,291
(ii) Unrestricted investment accounts	432	487
	58,104	64,778
(i) Income derived from investment of restricted investment account		
Finance income and hibah:		
Financing and advances	57,672	64,291
(ii) Income derived from investment of unrestricted investment accounts		
Finance income and hibah:		
Financing and advances	61	102
Deposits and placements with banks and other financial institutions	371	385
Total finance income and hibah	432	487

(XIX) INCOME DERIVED FROM ISLAMIC BANKING FUNDS

	Group	
	31 March 2025 RM'000	31 March 2024 RM'000
Finance income and hibah:		
Financing and advances*	193,345	172,033
Impaired financing and advances	196	98
Financial assets at fair value through profit or loss	7,257	5,676
Financial investments at fair value through other comprehensive income	22,101	21,216
Financial investments at amortised cost	14,709	13,412
Deposits and placements with banks and other financial institutions	2,388	5,328
	239,996	217,763
Gain from sale of financial assets at fair value through profit and loss	222	298
Gain/(loss) on revaluation of financial assets at fair value through profit and loss	34	(147)
Gain from sale of financial investments at fair value through other comprehensive income	947	744
Gain from redemption of financial investments at amortised cost	788	2,184
Gain/(loss) on foreign exchange	1,006	(178)
Loss on derivatives	(341)	(306)
Others	92	–
	2,748	2,595
Fee and commission income:		
Commission	19,344	19,586
Other fee income	14,217	12,229
	33,561	31,815
Total	276,305	252,173

* Included the net loss of RM9,000 (2024: net loss of RM17,000) arising from government support measures implemented in response to COVID-19 pandemic.

54. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

NOTES TO THE FINANCIAL STATEMENTS OF THE OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(XX) ALLOWANCES FOR IMPAIRMENT ON FINANCING AND ADVANCES – NET

	Note	Group 31 March 2025 RM'000	Group 31 March 2024 RM'000
Allowances for impairment on financing and advances:			
Allowances for ECL	54(VI)(h)	141,351	305,470
Impaired financing and advances recovered, net		(97,848)	(106,842)
		43,503	198,628

(XXI) (WRITEBACK OF)/ALLOWANCE FOR IMPAIRMENT ON FINANCIAL INVESTMENTS

	Note	Group 31 March 2025 RM'000	Group 31 March 2024 RM'000
Financial investments at amortised cost – Sukuk	54(V)	(1,161)	17,274
Financial investments at fair value through other comprehensive income – Sukuk	54(IV)	(1,937)	3,202
		(3,098)	20,476

(XXII) ALLOWANCES FOR/(WRITEBACK OF) IMPAIRMENT ON OTHER FINANCIAL ASSETS

	Note	Group 31 March 2025 RM'000	Group 31 March 2024 RM'000
Cash and short-term funds	54(II)	4	7
Other assets	54(VIII)(c)	–	(54,360)
		4	(54,353)

(XXIII) WRITEBACK OF PROVISION FOR COMMITMENTS AND CONTINGENCIES

	Note	Group 31 March 2025 RM'000	Group 31 March 2024 RM'000
Writeback of provision for ECL on financial commitments and financial guarantee contracts	54(XVI)(c)	(973)	(11,881)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

54. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

NOTES TO THE FINANCIAL STATEMENTS OF THE OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(XXIV) INCOME ATTRIBUTABLE TO THE DEPOSITORS AND OTHERS

	Note	Group	
		31 March 2025 RM'000	31 March 2024 RM'000
Non-Mudarabah Fund			
Deposits from customers		1,343,487	1,402,433
Deposits and placements of banks and other financial institutions	(a)	45,404	138,387
		1,388,891	1,540,820
Others		117,407	120,603
Total		1,506,298	1,661,423

(a) Income attributable to deposits and placements of banks and other financial institutions of the previous financial year included the fair value gain of RM18.9 million arising from the placements by AmBank from the funds received by AmBank under the government financing scheme for COVID-19 relief measures. During the previous financial year, fair value gain amounting to RM11.8 million was reversed due to partial refund of the government scheme. The total unwinding amount for the current financial year of RM3.5 million (2024: RM1.6 million), as disclosed in Note 54(XIV).

(XXV) INCOME ATTRIBUTABLE TO THE INVESTMENT ACCOUNT HOLDERS

	Group	
	31 March 2025 RM'000	31 March 2024 RM'000
Unrestricted		
Customers – investment accounts	36	56
Restricted		
Licensed bank – investment account	51,905	57,862
	51,941	57,918

(XXVI) OTHER OPERATING EXPENSES

	Group	
	31 March 2025 RM'000	31 March 2024 RM'000
Personnel costs	30,179	27,130
Establishment costs	2,970	2,409
Marketing and communication expenses	5,827	6,637
Administration and general expenses	16,357	13,964
Service transfer pricing expense, net	462,586	423,224
	517,919	473,364

54. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

NOTES TO THE FINANCIAL STATEMENTS OF THE OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(XXVII) TAXATION AND ZAKAT

	Group	
	31 March 2025 RM'000	31 March 2024 RM'000
Taxation	164,394	124,267
Zakat	4,876	3,465
Taxation and zakat	169,270	127,732

(XXVIII) NET INCOME FROM ISLAMIC BANKING

For consolidation with the conventional business, net income from the operations of Islamic banking comprises the following:

		Group	
	Note	31 March 2025 RM'000	31 March 2024 RM'000
Income derived from investment of depositors' funds	54(XVII)	2,627,669	2,680,535
Income derived from investment of investment account funds	54(XVIII)	58,104	64,778
Income derived from Islamic banking funds	54(XIX)	276,305	252,173
Less: Income attributable to the depositors and others	54(XXIV)	(1,506,298)	(1,661,423)
Income attributable to the investment account holders	54(XXV)	(51,941)	(57,918)
Income attributable to the Group		1,403,839	1,278,145
Less: Finance costs		(117,908)	(93,568)
		1,285,931	1,184,577
Consolidation adjustments		64,706	131,145
		1,350,637	1,315,722

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

54. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

NOTES TO THE FINANCIAL STATEMENTS OF THE OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(XXIX) CAPITAL ADEQUACY RATIO

(a) As of 31 March 2024, the Capital Adequacy Ratios were computed based on BNM's policy document on Capital Adequacy Framework for Islamic Banks (Capital Components) issued on 15 December 2023, where the Islamic banking operations of the Group had applied transitional arrangements on provision for ECL. Under the transitional arrangements, the Islamic banking operations of the Group are allowed to add back a portion of loss allowance for non-credit-impaired exposure (i.e. Stage 1 and Stage 2 provisions) to CET 1 Capital from financial year 2021 to financial year 2024.

The capital adequacy ratios with transitional arrangements under the Islamic banking operations of the Group are as follows:

	Group
	31 March 2024
Before deducting proposed dividends:	
CET1 Capital Ratio	13.056%
Tier 1 Capital Ratio	13.056%
Total Capital Ratio	17.711%
After deducting proposed dividends:	
CET1 Capital Ratio	13.001%
Tier 1 Capital Ratio	13.001%
Total Capital Ratio	17.655%

(b) Effective 1 April 2024, the transitional arrangements have ended.

On 29 July 2024, the Group has received approval from BNM to migrate to Foundation Internal Ratings Based ("FIRB") Approach for credit risk under Basel II Risk Weighted Capital Adequacy Framework. With effect from 1 August 2024, the following components of the capital adequacy ratios are computed in accordance with Capital Adequacy Framework from Islamic Banks (Risk Weighted Assets) based on the following approach:

- Credit Risk:
  - FIRB Approach and Supervisory Slotting Criteria for major non-retail portfolio
  - Advanced Internal Ratings Based ("AIRB") Approach for major retail portfolio
- Market Risk – remains under Standardised Approach
- Operational Risk – remains under Basic Indicator Approach

54. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

NOTES TO THE FINANCIAL STATEMENTS OF THE OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(XXIX) CAPITAL ADEQUACY RATIO (CONT'D.)

(b) Effective 1 April 2024, the transitional arrangements have ended. (Cont'd.)

The capital adequacy ratios without transitional arrangements under the Islamic banking operations of the Group are as follows:

	Group	
	31 March 2025[1]	31 March 2024[2]
Before deducting proposed dividends:		
CET1 Capital Ratio	15.652%	12.762%
Tier 1 Capital Ratio	15.652%	12.762%
Total Capital Ratio	20.276%	17.468%
After deducting proposed dividends:		
CET1 Capital Ratio	14.814%	12.707%
Tier 1 Capital Ratio	14.814%	12.707%
Total Capital Ratio	19.439%	17.412%

[1] The capital adequacy ratios of the Islamic banking operations of the Group as at 31 March 2025 are computed based on FIRB Approach and Supervisory Slotting Criteria for major non-retail portfolio and AIRB Approach for major retail portfolio for Credit Risk.

[2] Upon the first time adoption of different approach in computing the capital adequacy ratios (as mentioned above), the Islamic banking operations of the Group are exempted to disclose the comparative capital adequacy ratio as at 31 March 2024 using the same basis as at 31 March 2025. This is in accordance with paragraph 7.2(i) of the Capital Adequacy Framework for Islamic Banks ("CAFIB") – Disclosure Requirements (Pillar 3).

The comparative capital adequacy ratios presented were computed based on Standardised Approach for Credit Risk and without transitional arrangements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

54. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

NOTES TO THE FINANCIAL STATEMENTS OF THE OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(XXIX) CAPITAL ADEQUACY RATIO (CONT'D.)

(c) The components of CET1 Capital, Tier 1 and Tier 2 Capital of the Islamic banking operations of the Group are as follows:

	Group	
	31 March 2025 RM'000	31 March 2024 RM'000
CET1 Capital		
Ordinary share capital	1,387,107	1,387,107
Retained earnings	3,724,686	3,344,076
Fair value reserve	(1,589)	8,390
Regulatory reserve	80,674	43,368
Less: Regulatory adjustments applied on CET1 Capital		
Other intangibles assets	(210)	(220)
Deferred tax assets	(55,440)	(52,449)
55% of cumulative gains in fair value reserve	–	(4,615)
Regulatory reserve	(80,674)	(43,368)
Unrealised fair value gains on financial liabilities due to changes in own credit risk	(9)	(44)
Other CET1 regulatory adjustments specified by BNM[3]	–	107,754
CET1/Tier 1 Capital	5,054,545	4,789,999
Tier 2 Capital		
Tier 2 Capital instruments meeting all relevant criteria for inclusion	1,300,000	1,300,000
Surplus of total eligible provision over total expected loss	154,180	–
General provisions[4]	39,241	407,645
Tier 2 Capital	1,493,421	1,707,645
Total Capital	6,547,966	6,497,644

[3] Other CET1 regulatory adjustments specified by BNM as at 31 March 2024 refers to adjustments on transitional arrangements as mentioned in (a) above. As the transition arrangements have ended effective 1 April 2024, there are no adjustments as at 31 March 2025.

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

The breakdown of the RWA in various categories of risk are as follows:

	Group	
	31 March 2025 RM'000	31 March 2024 RM'000
Credit RWA	29,448,313	35,468,914
Less: Credit RWA absorbed by Profit Sharing Investment Account	(612,320)	(1,371,871)
Total Credit RWA[5]	28,835,993	34,097,043
Market RWA	449,684	345,524
Operational RWA	1,952,957	2,245,192
Additional RWA due to Capital Floor	1,055,516	–
Total RWA	32,294,150	36,687,759

[5] Total Credit RWA as at
- 31 March 2025 – computed based on FIRB Approach and Supervisory Slotting Criteria for major non-retail portfolio and AIRB Approach for major retail portfolio.
- 31 March 2024 – computed based on Standardised Approach.

54. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

NOTES TO THE FINANCIAL STATEMENTS OF THE OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(XXX) COMMITMENTS AND CONTINGENCIES

In the normal course of business, the operations of Islamic banking of the Group makes various commitments and incur certain contingent liabilities with legal recourse to its 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 the commitments and contingencies and notional contracted amounts of derivatives are as follows:

Group	31 March 2025 RM'000	31 March 2024 RM'000
Commitments		
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:		
– One year or less	6,143,759	6,371,330
– Over one year	635,225	888,936
Unutilised credit card lines	1,601,577	1,597,265
Forward asset purchases	173,308	213,211
	8,553,869	9,070,742
Contingent Liabilities		
Transaction-related contingent items	1,644,120	1,653,847
Short-term self-liquidating trade-related contingencies	52,545	97,000
Direct credit substitutes	145,994	262,092
	1,842,659	2,012,939

Group	31 March 2025 RM'000	31 March 2024 RM'000
Derivative Financial Instruments		
Profit rate related contracts:		
– One year or less	–	350,000
– Over one year to five years	200,000	–
Foreign exchange related contracts:		
– One year or less	1,992,481	2,501,706
– Over one year to five years	140,494	315,363
Commodity related contracts:		
– One year or less	–	80,115
	2,332,975	3,247,184
Total	12,729,503	14,330,865

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

55. DISCONTINUED OPERATION

STATEMENTS OF PROFIT OR LOSS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

	Group	
	31 March 2025 RM'000	31 March 2024 RM'000
Gain on disposal of subsidiary*, representing profit before/after taxation from discontinued operation	–	51,115
Attributable to:		
Equity holders of the Company	–	26,069
Non-controlling interests	–	25,046
	–	51,115

* Arose from the finalisation of sales consideration of disposal of AmGeneral Insurance Berhad.

56. SIGNIFICANT SUBSEQUENT EVENT

The US tariffs were announced in April 2025, subsequent to the Group's financial year-end. While the possible impacts had been anticipated earlier and had been considered in determining the ECL allowances for the current financial year ended 31 March 2025, the actual impact may be different based on the announcements made by the US.

The extent of any adverse impacts to the Group's customers on their ability to meet financial obligations to the Group will continue to affect the ECL allowances in the next financial year ending 31 March 2026. The Group continues to monitor these developments and their estimated financial impacts and to implement appropriate measures to mitigate any adverse effects on its credit portfolio.

APPENDIX

DIRECTORS OF SUBSIDIARY COMPANIES OF THE COMPANY

The following is the list of directors who have served on the boards of the subsidiary companies of the Company since the beginning of the current financial year to the date of the Directors' Report.

No	Name of Subsidiary Company	Name of Director
1	AmInvestment Group Berhad	Yap Huey Wen Lum Sing Fai (Appointed w.e.f. 20 August 2024) Tan Sri Azman Hashim (Resigned w.e.f. 21 August 2024)
2	AmREIT Holdings Sdn Bhd	Soo Kim Wai Azlan Baqee bin Abdullah Yap Huey Wen
3	AmREIT Managers Sdn Bhd	Soo Kim Wai Dato' Wong Nam Loong Dato' Abdullah Thalith bin Md Thani Azlan Baqee bin Abdullah Yap Huey Wen Jas Bir Kaur A/P Lol Singh
4	AmInvestment Management Sdn Bhd (Under Members' Voluntary Liquidation)	Pushparani a/p A Moothathamby Datin Maznah binti Mahbob Mohd Fauzi bin Mohd Tahir
5	Malaysian Ventures Management Incorporated Sdn Bhd (Under Members' Voluntary Liquidation)	Lim Kien Hock Khoo Teck Beng
6	AmPrivate Equity Sdn Bhd (Under Members' Voluntary Liquidation)	Lim Kien Hock Khoo Teck Beng
7	AmSecurities Holding Sdn Bhd	Khoo Teck Beng Ong Chin Liang
8	AMAB Holdings Sdn Bhd	Ling Fou-Tsong @ Jamie Ling Lum Sing Fai (Appointed w.e.f. 20 August 2024) Tan Sri Azman Hashim (Resigned w.e.f. 21 August 2024)
9	AmGeneral Holdings Berhad	Ling Fou-Tsong @ Jamie Ling Lum Sing Fai (Appointed w.e.f. 20 August 2024) Tan Sri Azman Hashim (Resigned w.e.f. 21 August 2024)
10	AmBank (M) Berhad	Seow Yoo Lin (Appointed w.e.f. 18 June 2024) Soo Kim Wai Dr Veerinderjeet Singh a/l Tejwant Singh U Chen Hock Ng Chih Kaye Foong Pik Yee Khaw Hock Hoe (Appointed w.e.f. 5 March 2025) Voon Seng Chuan (Retired w.e.f. 18 June 2024) Dato' Sri Abdul Hamidy bin Abdul Hafiz (Retired w.e.f. 7 January 2025)
11	AmLabuan Holdings (L) Ltd	Khoo Teck Beng (Appointed w.e.f. 28 March 2025) Datuk Iswaraan a/l Suppiah (Resigned w.e.f. 31 March 2025)
12	MBf Information Services Sdn Bhd	Khoo Teck Beng Lim Kien Hock

APPENDIX

DIRECTORS OF SUBSIDIARY COMPANIES OF THE COMPANY (CONT'D.)

The following is the list of directors who have served on the boards of the subsidiary companies of the Company since the beginning of the current financial year to the date of the Directors' Report. (Cont'd.)

No	Name of Subsidiary Company	Name of Director
13	AmProperty Holdings Sdn Bhd	Khoo Teck Beng Lim Kien Hock
14	AmCard Services Berhad	Khoo Teck Beng Loo Boon Seng (Resigned w.e.f. 2 January 2025) Cheong Chee Wai (Appointed w.e.f. 2 January 2025)
15	Teras Oak Pembangunan Sendirian Berhad	Lim Kien Hock Khoo Teck Beng
16	Bougainvillaea Development Sdn Bhd	Khoo Teck Beng Lim Kien Hock
17	Malco Properties Sdn Bhd (Under Members' Voluntary Winding-Up)	Lim Kien Hock Khoo Teck Beng
18	AmMortgage One Berhad	Foong Pik Yee Leow Yoke Yen Loo Boon Seng (Resigned w.e.f. 2 January 2025) Cheong Chee Wai (Appointed w.e.f. 2 January 2025)
19	AmInvestment Bank Berhad	Jeyaratnam a/l Tamotharam Pillai Lum Sing Fai Ramesh Pillai Chee Li Har Dato' Kong Sooi Lin Datin Hayati Aman binti Hashim Seow Yoo Lin (Resigned w.e.f. 4 July 2024)
20	AmFutures Sdn Bhd (Under Members' Voluntary Winding-Up)	StephenNoel Kwong Yong Shian Hon Chu Nyaw
21	AMMB Nominees (Tempatan) Sdn Bhd (Under Members' Voluntary Winding-Up)	Khoo Teck Beng Goh Wee Peng
22	AM Nominees (Asing) Sdn Bhd	Khoo Teck Beng Goh Wee Peng (Appointed w.e.f. 17 April 2025) Hon Chu Nyaw (Resigned w.e.f. 18 April 2025)
23	AM Nominees (Tempatan) Sdn Bhd	Khoo Teck Beng Goh Wee Peng (Appointed w.e.f. 17 April 2025) Hon Chu Nyaw (Resigned w.e.f. 18 April 2025)
24	AMSEC Nominees (Tempatan) Sdn Bhd	Ong Chin Liang Khoo Teck Beng (Appointed w.e.f. 17 April 2025) Hon Chu Nyaw (Resigned w.e.f. 18 April 2025)
25	AMSEC Nominees (Asing) Sdn Bhd	Ong Chin Liang Khoo Teck Beng (Appointed w.e.f. 17 April 2025) Hon Chu Nyaw (Resigned w.e.f. 18 April 2025)

DIRECTORS OF SUBSIDIARY COMPANIES OF THE COMPANY (CONT'D.)

The following is the list of directors who have served on the boards of the subsidiary companies of the Company since the beginning of the current financial year to the date of the Directors' Report. (Cont'd.)

No	Name of Subsidiary Company	Name of Director
26	AmFunds Management Berhad	Jas Bir Kaur a/p Lol Singh Ng Chih Kaye Lim Kheng Swee (Appointed w.e.f. 1 January 2025) Wong Weng Tuck (Appointed w.e.f. 18 April 2025) Jeyaratnam a/l Tamotharam Pillai (Resigned w.e.f. 1 January 2025) Arnold Lim Boon Lay (Resigned w.e.f. 1 January 2025) Goh Wee Peng (Resigned w.e.f. 1 April 2025)
27	AmIslamic Funds Management Sdn Bhd	Chee Li Har Zainal Abidin bin Mohd Kassim Wong Weng Tuck Azian binti Kassim Goh Wee Peng (Resigned w.e.f. 1 April 2025) Mirza Shah bin Abdul Rahim Shah (Appointed w.e.f. 18 April 2025)
28	AmResearch Sdn Bhd (Under Members' Voluntary Winding-Up)	Lee Yew Kin Khoo Teck Beng
29	AmBank Islamic Berhad	Farina binti Farikhullah Khan Hajjah Rosmah binti Ismail Azlan Baqee bin Abdullah Dr Mohd Nordin bin Mohd Zain K. Vithyatharan a/l V Karunakaran Dato' Seri Mohamed Hassan bin Md Kamil (Appointed w.e.f. 15 October 2024) Dato' Sri Abdul Hamidy bin Abdul Hafiz (Retired w.e.f. 7 January 2025)
30	MBF Cards (M'sia) Sdn Bhd (Under Members' Voluntary Winding-Up) Commenced on 29 March 2024	Loo Boon Seng Khoo Teck Beng

Pillar 3 Disclosure

1.0 SCOPE OF APPLICATION

The Risk Weighted Capital Adequacy Framework (Basel II) – Disclosure Requirements (Pillar 3) and Capital Adequacy Framework for Islamic Banks ("CAFIB") – Disclosure Requirements (Pillar 3) policy documents issued by Bank Negara Malaysia ("BNM") aim to enhance the transparency of disclosures on the risk management practices and capital adequacy of banking institutions. The two policy documents are applicable to all banking institutions licensed under the Financial Services Act 2013 ("FSA") and Islamic Financial Service Act 2013 ("IFSA").

The banking subsidiaries of AMMB Holdings Berhad ("AMMB" or "the Company") to which the policy documents apply are AmBank (M) Berhad ("AmBank"), AmInvestment Bank Berhad ("AmInvestment Bank") and AmBank Islamic Berhad ("AmBank Islamic"). AMMB is a financial holding company ("FHC") approved pursuant to Section 112(3) of the FSA.

The Pillar 3 Disclosure and regulatory capital ratio calculations are prepared at the consolidated AMMB Holdings Berhad level excluding investment in insurance entities and joint ventures ("the Group"). Investment in insurance entities is deducted from the regulatory capital. The information provided in this Pillar 3 Disclosure has been verified by the Group internal auditors and certified by the Group Chief Executive Officer.

Capital Adequacy

BNM's guidelines on capital adequacy seek to ensure that risk exposures of financial institutions are supported by adequate level of capital to withstand losses which may result from credit and other risks associated with its business operations.

The capital adequacy ratios are computed in accordance with BNM's policy documents on Capital Adequacy Framework (Capital Components), Capital Adequacy Framework for Islamic Banks ("CAFIB") (Capital Components) issued on 14 June 2024, Capital Adequacy Framework (Basel II - Risk Weighted Assets), CAFIB (Risk Weighted Assets) issued on 18 December 2023, Capital Adequacy Framework (Operational Risk) and Capital Adequacy Framework (Exposures to Central Counterparties) issued on 15 December 2023. Pursuant to BNM's policy documents on Capital Adequacy Framework (Capital Components) and CAFIB (Capital Components), financial institution is required to maintain minimum Common Equity Tier 1 ("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").

The Group adopts the following approaches in determining the capital requirements:

Credit Risk:

On 29 July 2024, the Group and its banking subsidiaries, AmBank and AmBank Islamic have received approval from BNM to migrate to Foundation Internal Ratings Based ("FIRB") Approach for credit risk under Basel II Risk Weighted Capital Adequacy Framework. With effect from 1 August 2024, the Group has adopted the FIRB Approach and Supervisory Slotting Criteria for major non-retail portfolios and the Advanced Internal Ratings Based ("AIRB") Approach for major retail portfolios. Given that the credit risk exposure of AmInvestment Bank is relatively less material, the credit risk component of capital adequacy ratios of AmInvestment Bank remains to be computed using Standardised Approach. Credit risk is computed in accordance with Capital Adequacy Framework (Basel II - Risk Weighted Assets), CAFIB (Risk Weighted Assets) and Capital Adequacy Framework (Exposures to Central Counterparties) (with effective from 1 January 2025).

Market Risk:

Market risk remains to be computed using the Standardised Approach, as per the Capital Adequacy Framework (Basel II - Risk Weighted Assets) and CAFIB (Risk Weighted Assets).

Operational Risk:

With effect from 1 January 2025, the computation of operational risk-weighted assets is in line with the Capital Adequacy Framework (Operational Risk) issued on 15 December 2023. Previously, it was computed under the Basic Indicator Approach in accordance with the Capital Adequacy Framework (Basel II - Risk Weighted Assets) and CAFIB (Risk Weighted Assets).

1.0 SCOPE OF APPLICATION (CONT'D.)

Frequency of Disclosure

Full disclosure requirements under the BNM guidelines are made on an annual and semi-annual basis except for disclosures under paragraph 10.1 of the guidelines and all qualitative disclosures which are made on an annual basis if there are no material changes in the interim reporting period.

Medium and Location of Disclosure

The Pillar 3 disclosure of the Group is available on the Group's corporate website at www.ambankgroup.com/home.

1.1 Basis of Consolidation

For statutory accounting purposes, the consolidated financial statements of AMMB comprise the financial statements of the Company and the financial statements of all its controlled entities (individually referred to as "group entities") where it is determined that there is a capacity to control. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

For purposes of this Pillar 3 Disclosure, the consolidation basis used is the same as that used for regulatory capital adequacy purposes except for the exclusion of investment in insurance entities and joint ventures. The following table shows the differences between the scope of statutory and regulatory consolidation.

	Accounting treatment	
Type of entity	**Statutory reporting**	**Basel III regulatory reporting**
Subsidiaries licensed under FSA or IFSA or engaged in financial activities	Fully consolidated	Deducted from capital at the banking subsidiary entity level; Consolidated in the calculation of capital adequacy at the banking subsidiary consolidated level and FHC level
Subsidiaries engaged in non-financial activities	Fully consolidated	Risk weighted at the banking subsidiary entity level; Consolidated in the calculation of capital adequacy at the banking subsidiary consolidated level and FHC level
Associates and jointly controlled entities which are licensed under FSA or IFSA or engaged in financial activities	Equity accounted	Deducted in the calculation of capital
Associates and jointly controlled entities which are not licensed under FSA or IFSA or engaged in financial activities	Equity accounted	Risk weighted

Apart from regulatory requirements and statutory constraints, there is no current or foreseen material, practical or legal impediments to the transfer of funds or regulatory capital within the Group.

Any such transfers would require the approvals of the respective Board of Directors ("Board"), as well as the concurrence of BNM.

Pillar 3 Disclosure

2.0 CAPITAL MANAGEMENT

The Group's capital management approach is focused on maintaining an optimal capital position that supports the Group's strategic objectives and risk appetite. In line with the Group's annual 3-year strategy plan, a capital plan is developed to ensure that adequate level of capital and an optimum capital structure is maintained to meet regulatory requirements, the Group's strategic objectives and stakeholders' expectations.

The Group uses internal models and other quantitative techniques in its internal risk and capital assessment. They help to estimate potential future losses arising from credit, market and other material risks, and supplement the regulatory formulae to simulate the amount of capital required to support them.

Stress testing is used to ensure that the Group's internal capital assessment considers the impact of extreme but probable scenarios on its risk profile and capital position. They provide an insight into the potential impact of significant adverse events on the Group and how these events could be mitigated. The Group's target capital levels are set taking into account its risk appetite and its risk profile under future expected and stressed economic scenarios.

The Group's assessment of risk appetite is closely integrated with the Group's strategy, business planning and capital assessment processes, and is used to inform senior management's views on the level of capital required to support the Group's business activities.

The capital that the Group is required to hold is determined by its risk exposures after applying collaterals and other risk mitigants.

The Group has in place processes and controls to monitor and manage capital adequacy across the organisation. The Group Assets and Liabilities Committee ("GALCO") is responsible for overseeing and managing the Group's capital and liquidity positions.

A strong governance and process framework is embedded in the capital planning and assessment methodology. Overall responsibility for the effective management of risk rests with the Board. The Risk Management Committee ("RMC") is specifically delegated the task of reviewing all risk management issues including oversight of the Group's capital position and any actions impacting the capital levels.

Table 2.1: Capital Adequacy Ratios

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

The capital adequacy ratios with transitional arrangements of the Group and the banking subsidiaries are as follows:

	31 MARCH 2024			
	AmBank	AmBank Islamic	AmInvestment Bank*	Group[1]
Before deducting proposed dividends:				
CET1 Capital Ratio	13.437%	13.103%	27.952%	13.745%
Tier 1 Capital Ratio	13.437%	13.103%	27.952%	13.746%
Total Capital Ratio	18.057%	17.774%	28.846%	16.929%
After deducting proposed dividends:				
CET1 Capital Ratio	12.927%	13.047%	27.952%	13.304%
Tier 1 Capital Ratio	12.927%	13.047%	27.952%	13.304%
Total Capital Ratio	17.547%	17.719%	28.846%	16.487%

2.0 CAPITAL MANAGEMENT (CONT'D.)

Table 2.1: Capital Adequacy Ratios (Cont'd.)

(b) Effective 1 April 2024, the transitional arrangements have ended.

The capital adequacy ratios without transitional arrangements of the Group and the banking subsidiaries are as follows:

	31 MARCH 2025[2]			
	AmBank	AmBank Islamic	AmInvestment Bank	Group[1]
Before deducting proposed dividends:				
CET1 Capital Ratio	14.692%	15.652%	45.121%	15.389%
Tier 1 Capital Ratio	14.692%	15.652%	45.121%	15.390%
Total Capital Ratio	18.847%	20.276%	45.858%	18.064%
After deducting proposed dividends:				
CET1 Capital Ratio	14.295%	14.814%	39.357%	14.818%
Tier 1 Capital Ratio	14.295%	14.814%	39.357%	14.818%
Total Capital Ratio	18.451%	19.439%	40.093%	17.493%

	31 MARCH 2024			
	AmBank[3]	AmBank Islamic[3]	AmInvestment Bank*	Group[1,3]
Before deducting proposed dividends:				
CET1 Capital Ratio	13.185%	12.808%	27.951%	13.481%
Tier 1 Capital Ratio	13.185%	12.808%	27.951%	13.482%
Total Capital Ratio	17.856%	17.530%	28.846%	16.745%
After deducting proposed dividends:				
CET1 Capital Ratio	12.675%	12.753%	27.951%	13.040%
Tier 1 Capital Ratio	12.675%	12.753%	27.951%	13.040%
Total Capital Ratio	17.346%	17.475%	28.846%	16.303%

* No final dividend proposed for the financial year ended 31 March 2024.

Notes:

1. The Company, being a 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 ordinary shares of unconsolidated financial and insurance entities as per BNM's guidelines on Capital Adequacy Framework (Capital Components) and CAFIB (Capital Components). Under the guidelines, investments in ordinary shares of unconsolidated financial and insurance entities shall be deducted in the calculation of CET1 Capital Ratio.

Pillar 3 Disclosure

2.0 CAPITAL MANAGEMENT (CONT'D.)

Table 2.1: Capital Adequacy Ratios (Cont'd.)

Notes: (Cont'd.)

2. The capital adequacy ratios of the Group, AmBank and AmBank Islamic as at 31 March 2025 are computed based on FIRB Approach and Supervisory Slotting Criteria for major non-retail portfolio and AIRB Approach for major retail portfolio for Credit Risk, Standardised Approach for Market Risk and Operational Risk; the capital adequacy ratios of AmInvestment Bank remains computed based on Standardised Approach for Credit Risk, Market Risk and Operational Risk.

3. Upon the first time adoption of different approach being used to compute the capital adequacy ratios (as mentioned above), the Group, AmBank and AmBank Islamic are exempted to disclose the comparative capital adequacy ratio as at 31 March 2024 using the same basis as at 31 March 2025. This is in accordance with paragraph 7.2(i) of the Risk Weighted Capital Adequacy Framework (Basel II) - Disclosure Requirements (Pillar 3) and CAFIB - Disclosure Requirements (Pillar 3).

The positions of each entity as presented above and Group (where applicable) are also published at www.ambankgroup.com/home.

3.0 CAPITAL STRUCTURE

Table 3.4 summarises the capital position and capital structure of the Group and its banking subsidiaries. The capital structure is made up of:

- CET1 Capital;
- Additional Tier 1 Capital; and
- Tier 2 Capital

3.1 CET1 Capital

CET1 Capital consists of the following:

(a) Ordinary Share Capital

Ordinary share capital represents the most subordinated claim in liquidation of the financial institution.

(b) Retained Earnings

Retained earnings are included in CET1 Capital net of any interim and final dividend declared, and net of any interim losses. Quarterly interim profits that are reviewed or audited by external auditors are included in the computation of CET1 Capital.

(c) Fair Value Reserve

The fair value reserve comprises fair value gains (net of fair value losses) on financial investments measured at fair value through other comprehensive income ("FVOCI"). In addition, the loss allowance arising from the recognition of expected credit losses on financial investments measured at FVOCI is accumulated in fair value reserve instead of reducing the carrying amount of the assets. To the extent the balance in the fair value reserve is a net credit position, the Group can recognise 45% of the balance as part of CET1 Capital. Where the balance is a net debit position, the entire balance is deducted from CET1 Capital.

(d) Foreign Currency Translation Reserve

Foreign currency translation reserve represents foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's functional currency.

(e) Regulatory Reserve

Regulatory reserve is maintained in accordance with paragraph 10.5 of the BNM's Policy Document on Financial Reporting and paragraph 10.9 of the BNM's Policy Document on Financial Reporting for Islamic Banking Institutions as an additional credit risk absorbent. The amount of the regulatory reserve is deducted from the calculation of CET1 Capital.

3.0 CAPITAL STRUCTURE (CONT'D.)

3.1 CET1 Capital (Cont'd.)

(f) Cash Flow Hedging Reserve/(Deficit)

Cash flow hedging reserve/(deficit) comprises the portion of the gains/(losses) on a hedging instrument in a cash flow hedge that is determined to be an effective hedge. Cash flow hedging gains as at the reporting period is classified as cash flow hedging reserve and cash flow hedging losses is classified as cash flow hedging deficit. The amount of the cash flow hedging reserve/(deficit) is derecognised in the calculation of CET1 Capital.

(g) Other disclosed reserves comprise:

(i) Executive Share Scheme reserve

Executive Share Scheme ("ESS") reserve represents the equity-settled scheme shares granted to employees. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled scheme shares and is reduced by the expiry of the scheme shares.

(ii) Treasury shares

Treasury shares represent the shares of the Company listed on the Main Market of Bursa Malaysia bought back from the open market. Shares bought back are held as treasury shares in accordance with Section 127(4)(b) of the Companies Act 2016. These shares have no rights to vote, dividends and participate in other distributions.

During the current financial year, the Company bought back 8,322,000 (2024: 5,806,950) ordinary shares of the Company for a total consideration of RM44.7 million (2024: RM22.7 million) (including transaction costs) from the open market at an average price of RM5.37 per share (2024: RM3.91 per share).

3.2 Additional Tier 1 Capital

No Additional Tier 1 issuance was made during the financial year under review.

3.3 Tier 2 Capital

The main components of Tier 2 Capital are Basel III compliant subordinated debt capital instruments, surplus eligible provisions over expected losses for IRB exposures and general provision for standardised exposures, subjects to applicable regulatory cap. Any shortfall of eligible provision over expected loss will be deducted from CET1 Capital. For AmInvestment Bank's capital adequacy ratios that are computed based on Standardised Approach, the main components of Tier 2 capital are Stage 1 and Stage 2 loss allowances and regulatory reserves (subject to a maximum of 1.25% of total credit risk-weighted assets determined under the Standardised Approach).

Basel III Subordinated Notes

On 30 December 2013, AmBank established a Basel III compliant Subordinated Notes programme of RM4.0 billion ("Tier 2 Programme") to enable the issuance of Tier 2 capital instruments from time to time. The Tier 2 Programme has a tenure of 30 years from the date of the first issuance under the Tier 2 Programme. Each issuance of Tier 2 Subordinated Notes under the Tier 2 Programme shall have a tenure of at least 5 years from the issue date, and is callable on any coupon payment date after a minimum period of 5 years from the date of issuance.

On 19 December 2018, AmBank revised the terms of the Tier 2 Programme to include the non-viability trigger event referenced to the financial group. The revision is and will be applicable to all existing and future capital instruments issued under the Tier 2 Programme.

Pillar 3 Disclosure

3.0 CAPITAL STRUCTURE (CONT'D.)

3.3 Tier 2 Capital (Cont'd.)

Basel III Subordinated Notes (Cont'd.)

The salient features of the Tier 2 Subordinated Notes issued under the RM4.0 billion Tier 2 Programme and outstanding as at 31 March 2025 are as follows:

Issue Date	First Call Date	Tenure	Interest Rate	Nominal value outstanding (RM million)
30 March 2021	30 March 2026	10 years Non-Callable 5 years	4.18% per annum	400
8 March 2022	8 March 2027	10 years Non-Callable 5 years	4.30% per annum	600
12 October 2022	12 October 2027	10 years Non-Callable 5 years	5.20% per annum	745
28 March 2023	28 March 2028	10 years Non-Callable 5 years	4.58% per annum	350
27 June 2023	27 June 2028	10 years Non-Callable 5 years	4.59% per annum	500
Total				**2,595**

On 11 October 2023, AmBank established a new Basel III compliant Subordinated Notes programme of RM8.0 billion ("AT1/Tier 2 Programme") to enable the issuance of Additional Tier 1 and Tier 2 capital instruments from time to time. This programme's tenure is perpetual.

The salient features of the Tier 2 Subordinated Notes issued under this AT1/Tier 2 Programme and outstanding as at 31 March 2025 are as follows:

Issue Date	First Call Date	Tenure	Interest Rate	Nominal value outstanding (RM million)
3 November 2023	3 November 2028	10 years Non-Callable 5 years	4.55% per annum	500

Basel III Subordinated Sukuk Murabahah

On 28 February 2014, AmBank Islamic established a Basel III compliant Subordinated Sukuk Murabahah programme of RM3.0 billion ("Sukuk Murabahah Programme") to enable the issuance of Tier 2 Capital from time to time.

The Sukuk Murabahah Programme has a tenure of 30 years from the date of the first issuance under the programme. Each issuance of Tier 2 Subordinated Sukuk under the programme shall have a tenure of at least 5 years from the issue date, and is callable on any profit payment date after a minimum period of 5 years from the date of issuance of each tranche.

On 19 December 2018, AmBank Islamic revised the terms of the Sukuk Murabahah Programme to include the non-viability trigger event referenced to the financial group. The revision is and will be applicable to all existing and future capital instruments issued under the programme.

The salient features of the Sukuk Murabahah issued under this programme and outstanding as at 31 March 2025 are as follows:

Issue Date	First Call Date	Tenure	Profit Rate	Nominal value outstanding (RM million)
8 December 2020	8 December 2025	10 years Non-Callable 5 years	3.13% per annum	400
8 March 2022	8 March 2027	10 years Non-Callable 5 years	4.25% per annum	250
28 March 2023	28 March 2028	10 years Non-Callable 5 years	4.53% per annum	150
27 June 2023	27 June 2028	10 years Non-Callable 5 years	4.53% per annum	500
Total				**1,300**

3.0 CAPITAL STRUCTURE (CONT'D.)

Table 3.4: Capital Structure

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:

	31 MARCH 2025			
	AmBank RM'000	AmBank Islamic RM'000	AmInvestment Bank RM'000	Group RM'000
CET1 Capital				
Ordinary share capital	3,040,465	1,387,107	330,000	6,376,240
Retained earnings	9,107,844	3,724,686	258,709	13,010,953
Fair value reserve	537,254	(1,589)	1,755	743,932
Foreign exchange translation reserve	106,629	–	–	113,212
Treasury shares	–	–	–	(53,522)
Regulatory reserve	261,089	80,674	10,759	352,522
Other remaining disclosed reserves	–	–	–	40,786
Less: Regulatory adjustments applied on CET1 Capital				
– Goodwill	–	–	–	(303,492)
– Other intangible assets	(149,252)	(210)	(4,198)	(155,198)
– Deferred tax assets	(205,932)	(55,440)	(29,147)	(279,333)
– 55% of cumulative gains in fair value reserve	(295,490)	–	(965)	(409,163)
– Regulatory reserve	(261,089)	(80,674)	(10,759)	(352,522)
– Investment in capital instruments of unconsolidated financial and insurance/takaful entities	(1)	–	(49,809)	(1,334,000)
– Unrealised fair value gains on financial liabilities due to changes in own credit risk	(1,189)	(9)	–	(1,185)
CET1 Capital	12,140,328	5,054,545	506,345	17,749,230
Additional Tier 1 Capital				
Qualifying CET1, Additional Tier 1 Capital instruments held by third parties	–	–	–	387
Tier 1 Capital	12,140,328	5,054,545	506,345	17,749,617
Tier 2 Capital				
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	–	–	–	2,468,304
Surplus of total eligible provision over total expected loss	227,641	154,180	–	464,683
General provisions*	111,405	39,241	8,264	151,825
Tier 2 Capital	3,434,046	1,493,421	8,264	3,084,812
Total Capital	15,574,374	6,547,966	514,609	20,834,429

Pillar 3 Disclosure

3.0 CAPITAL STRUCTURE (CONT'D.)

Table 3.4: Capital Structure (Cont'd.)

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.)

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

	31 MARCH 2025			
	AmBank RM'000	AmBank Islamic RM'000	AmInvestment Bank RM'000	Group RM'000
Credit RWA	74,681,833	29,448,313	604,346	103,526,925
Exposures to Central Counterparties RWA	20,917	–	56,810	77,727
Less: Credit RWA absorbed by Profit Sharing Investment Account	–	(612,320)	–	(1,137)
Total Credit RWA[1]	74,702,750	28,835,993	661,156	103,603,515
Market RWA	2,324,013	449,684	22,450	2,779,391
Operational RWA	5,606,997	1,952,957	438,581	8,950,679
Additional RWA due to Capital Floor	–	1,055,516	–	–
Total RWA	82,633,760	32,294,150	1,122,187	115,333,585

* Consists of provision for performing assets and regulatory reserve subject to a maximum 1.25% of total credit RWA.

[1] Total Credit RWA for the Group, AmBank and AmBank Islamic are computed based on FIRB Approach and Supervisory Slotting Criteria for major non-retail portfolio and AIRB Approach for major retail portfolio. Total Credit RWA for AmInvestment Bank remains computed based on Standardised Approach.

3.0 CAPITAL STRUCTURE (CONT'D.)

Table 3.4: Capital Structure (Cont'd.)

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 MARCH 2024			
	AmBank RM'000	AmBank Islamic RM'000	AmInvestment Bank RM'000	Group RM'000
CET1 Capital				
Ordinary share capital	3,040,465	1,387,107	330,000	6,376,240
Retained earnings	8,561,556	3,344,076	191,226	12,042,847
Fair value reserve	411,695	8,390	1,912	624,239
Foreign exchange translation reserve	124,851	–	–	131,449
Treasury shares	–	–	–	(29,079)
Regulatory reserve	188,146	43,368	13,682	245,196
Cash flow hedging deficit	(1,029)	–	–	(1,029)
Other remaining disclosed reserves	–	–	–	36,504
Less: Regulatory adjustments applied on CET1 Capital				
– Goodwill	–	–	–	(303,492)
– Other intangible assets	(123,528)	(220)	(3,068)	(127,802)
– Deferred tax assets	(198,535)	(52,449)	(40,964)	(281,745)
– 55% of cumulative gains in fair value reserve	(226,432)	(4,615)	(1,052)	(343,332)
– Cash flow hedging deficit	1,029	–	–	1,029
– Regulatory reserve	(188,146)	(43,368)	(13,682)	(245,196)
– Investment in capital instruments of unconsolidated financial and insurance/takaful entities	(1)	–	(49,809)	(1,334,000)
– Unrealised fair value gains on financial liabilities due to changes in own credit risk	(1,354)	(44)	–	(1,359)
– Other CET1 regulatory adjustments specified by BNM^	221,599	107,754	9	328,783
CET1 Capital	11,810,316	4,789,999	428,254	17,119,253
Additional Tier 1 Capital				
Qualifying CET1, Additional Tier 1 Capital instruments held by third parties	–	–	–	434
Tier 1 Capital	11,810,316	4,789,999	428,254	17,119,687
Tier 2 Capital				
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	–	–	–	2,578,486
General provisions*	965,363	407,645	13,694	1,386,039
Tier 2 Capital	4,060,363	1,707,645	13,694	3,964,525
Total Capital	15,870,679	6,497,644	441,948	21,084,212

Pillar 3 Disclosure

3.0 CAPITAL STRUCTURE (CONT'D.)

Table 3.4: Capital Structure (Cont'd.)

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.)

The breakdown of the RWA in various categories of risk are as follows:

	31 MARCH 2024			
	AmBank RM'000	AmBank Islamic RM'000	AmInvestment Bank RM'000	Group RM'000
Credit RWA	80,811,594	35,468,914	1,164,364	114,352,333
Less: Credit RWA absorbed by Profit Sharing Investment Account	–	(1,371,871)	–	(1,441)
Total Credit RWA[2]	80,811,594	34,097,043	1,164,364	114,350,892
Market RWA	1,708,904	345,524	15,539	2,058,484
Operational RWA	5,370,458	2,114,545	352,208	8,136,666
Total RWA	87,890,956	36,557,112	1,532,111	124,546,042

^ Refers to adjustments on transitional arrangements as per Table 2.1(a).
* Consists of provision for performing assets and regulatory reserve subject to a maximum 1.25% of total credit RWA.
2 Total Credit RWA was computed based on Standardised Approach.

3.0 CAPITAL STRUCTURE (CONT'D.)

Table 3.5 Risk-Weighted Assets and Capital Requirements

The breakdown of risk weighted assets ("RWA") by exposures in major risk category of the Group is as follows:

	31 MARCH 2025						
Exposure class	RM'000	Gross exposures/ Exposure at default ("EAD") before credit risk mitigation ("CRM") RM'000	Net exposures/ EAD after CRM RM'000	Risk weighted assets RM'000	Risk Weighted Assets Absorbed by PSIA RM'000	Total Risk Weighted Assets after effects of PSIA RM'000	Minimum capital requirement at 8% RM'000
1. Credit risk							
1.1 Exposures under the Standardised Approach:							
On-balance sheet exposures:							
Sovereigns/Central banks		19,320,786	19,320,786	–	–	–	–
Public Sector Entities ("PSEs")		3,397	3,397	678	–	678	54
Banks, Development Financial Institutions ("DFIs") and Multilateral Development Banks ("MDBs")		6,489,143	6,489,143	1,271,761	–	1,271,761	101,741
Insurance companies, Securities firms and Fund managers		21,053	21,053	21,053	–	21,053	1,684
Corporates		12,850,998	11,908,442	3,581,868	–	3,581,868	286,550
Regulatory retail		6,402,984	3,596,432	3,107,858	–	3,107,858	248,629
Residential mortgages		170,291	170,291	69,564	–	69,564	5,565
Higher risk assets		32,037	32,037	48,056	–	48,056	3,845
Other assets		3,801,103	3,801,103	1,721,154	–	1,721,154	137,692
Securitisation exposures		2,368	2,368	29,598	–	29,598	2,368
Equity exposures		840,403	840,403	840,403	–	840,403	67,232
Defaulted exposures		76,786	76,743	89,154	–	89,154	7,132
Total on-balance sheet exposures		50,011,349	46,262,198	10,781,147	–	10,781,147	862,492
Off-balance sheet exposures:							
Over the counter ("OTC") derivatives		1,321,109	1,242,463	442,991	–	442,991	35,439
Off-balance sheet exposures other than OTC derivatives or credit derivatives		7,614,895	2,895,840	842,517	–	842,517	67,401
Defaulted exposures		1,064	1,064	1,596	–	1,596	128
Total off-balance sheet exposures		8,937,068	4,139,367	1,287,104	–	1,287,104	102,968
Total on and off-balance sheet exposures		58,948,417	50,401,565	12,068,251	–	12,068,251	965,460

Pillar 3 Disclosure

3.0 CAPITAL STRUCTURE (CONT'D.)

Table 3.5 Risk-Weighted Assets and Capital Requirements (Cont'd.)

The breakdown of risk weighted assets ("RWA") by exposures in major risk category of the Group is as follows: (Cont'd.)

Exposure class	31 MARCH 2025 RM'000	Gross exposures/ Exposure at default ("EAD") before credit risk mitigation ("CRM") RM'000	Net exposures/ EAD after CRM RM'000	Risk weighted assets RM'000	Risk Weighted Assets Absorbed by PSIA RM'000	Total Risk Weighted Assets after effects of PSIA RM'000	Minimum capital requirement at 8% RM'000
1.2 Exposures under the IRB Approach:							
On-balance sheet exposures:							
Corporates		73,450,259	73,450,259	55,430,189	–	55,430,189	4,434,415
(a) Corporate (excluding Specialised Lending and firm-size adjustment)		45,337,125	45,337,125	34,370,812	–	34,370,812	2,749,665
(b) Corporate (with firm-size adjustment)		16,077,391	16,077,391	11,934,189	–	11,934,189	954,735
(c) Qualifying Purchased Corporate Receivables		30,643	30,643	26,703	–	26,703	2,136
(d) Specialised Lending (Slotting Approach)		12,005,100	12,005,100	9,098,485	–	9,098,485	727,879
– Project Finance		4,453,490	4,453,490	2,902,764	–	2,902,764	232,221
– Object Finance		586,695	586,695	390,190	–	390,190	31,215
– Income Producing Real Estate		6,350,445	6,350,445	5,017,078	–	5,017,078	401,367
– High Volatility Commercial Real Estate		614,470	614,470	788,453	–	788,453	63,076
Retail Exposures		64,198,749	64,198,749	17,155,091	1,073	17,154,018	1,372,322
(a) Residential Mortgages		39,991,354	39,991,354	9,260,031	1,073	9,258,958	740,717
(b) Qualifying Revolving Retail Exposures		2,060,508	2,060,508	1,513,243	–	1,513,243	121,060
(c) Hire Purchase Exposures		11,204,390	11,204,390	3,671,553	–	3,671,553	293,724
(d) Other Retail Exposures		10,942,497	10,942,497	2,710,264	–	2,710,264	216,821
Defaulted exposures		3,100,508	3,100,508	1,418,136	–	1,418,136	113,451
Total on-balance sheet exposures		140,749,516	140,749,516	74,003,416	1,073	74,002,343	5,920,188
Off-balance sheet exposures:							
Over the counter ("OTC") derivatives		306,556	306,556	203,364	–	203,364	16,269
Off-balance sheet exposures other than OTC derivatives or credit derivatives		23,169,823	23,169,823	11,866,235	–	11,866,235	949,299
Defaulted exposures		104,906	104,906	208,753	–	208,753	16,700
Total off-balance sheet exposures		23,581,285	23,581,285	12,278,352	–	12,278,352	982,268
Total on and off-balance sheet exposures		164,330,801	164,330,801	86,281,768	1,073	86,280,695	6,902,456
Total IRB Approach after Scaling Factor of 1.06				91,458,674	1,137	91,457,537	7,316,603
Total Standardised and IRB Approaches		223,279,218	214,732,366	103,526,925	1,137	103,525,788	8,282,063
2. Exposures to Central Counterparties RWA				77,727	–	77,727	6,218
3. Market risk	**Long Position**	**Short Position**					
Interest rate risk/rate of return risk							
– General interest rate risk/rate of return risk	96,204,637	89,799,450		2,111,442	–	2,111,442	168,915
– Specific interest rate risk/rate of return risk	6,947,297	441,322		57,991	–	57,991	4,639
Foreign currency risk	126,708	397,494		397,494	–	397,494	31,800
Equity risk							
– General risk	61,724	8,983		53,035	–	53,035	4,243
– Specific risk	61,510	8,896		59,443	–	59,443	4,756
Option risk	972,935	493,307		99,986	–	99,986	7,999
Total	104,374,811	91,149,452		2,779,391	–	2,779,391	222,352
4. Operational risk				8,950,679	–	8,950,679	716,054
5. Total RWA and capital requirements				115,334,722	1,137	115,333,585	9,226,687

3.0 CAPITAL STRUCTURE (CONT'D.)

Table 3.5 Risk-Weighted Assets and Capital Requirements (Cont'd.)

The breakdown of risk weighted assets ("RWA") by exposures in major risk category of the Group is as follows: (Cont'd.)

	31 MARCH 2024						
Exposure class	RM'000	Gross exposures/ Exposure at default ("EAD") before credit risk mitigation ("CRM") RM'000	Net exposures/ EAD after CRM RM'000	Risk weighted assets RM'000	Risk Weighted Assets Absorbed by PSIA RM'000	Total Risk Weighted Assets after effects of PSIA RM'000	Minimum capital requirement at 8% RM'000
1. Credit risk							
1.1 Exposures under the Standardised Approach:							
On-balance sheet exposures:							
Sovereigns/Central banks		18,987,266	18,987,266	–	–	–	–
Public Sector Entities ("PSEs")		6,587	6,587	1,318	–	1,318	105
Banks, Development Financial Institutions ("DFIs") and Multilateral Development Banks ("MDBs")		6,846,800	6,846,800	1,350,084	–	1,350,084	108,007
Insurance companies, Securities firms and Fund managers		816	816	815	–	815	65
Corporates		80,277,608	77,443,419	58,312,066	–	58,312,066	4,664,965
Regulatory retail		39,415,435	35,548,581	27,187,512	1,441	27,186,071	2,174,886
Residential mortgages		33,150,016	33,147,148	12,958,540	–	12,958,540	1,036,683
Higher risk assets		50,000	50,000	75,001	–	75,001	6,000
Other assets		3,276,330	3,276,330	1,718,983	–	1,718,983	137,519
Securitisation exposures		90	90	1,125	–	1,125	90
Equity exposures		731,157	731,157	731,157	–	731,157	58,493
Defaulted exposures		1,692,258	1,681,285	1,525,562	–	1,525,562	122,045
Total on-balance sheet exposures		184,434,363	177,719,479	103,862,163	1,441	103,860,722	8,308,858
Off-balance sheet exposures:							
Over the counter ("OTC") derivatives		2,134,424	1,869,505	1,119,100	–	1,119,100	89,528
Off-balance sheet exposures other than OTC derivatives or credit derivatives		19,657,341	11,448,264	9,290,620	–	9,290,620	743,250
Defaulted exposures		61,934	54,143	80,450	–	80,450	6,436
Total off-balance sheet exposures		21,853,699	13,371,912	10,490,170	–	10,490,170	839,214
Total on and off-balance sheet exposures		206,288,062	191,091,391	114,352,333	1,441	114,350,892	9,148,072
2. Market risk	**Long Position**	**Short Position**					
Interest rate risk/rate of return risk							
– General interest rate risk/rate of return risk	93,750,524	85,260,571		1,585,995	–	1,585,995	126,880
– Specific interest rate risk/rate of return risk	8,795,330	372,098		35,807	–	35,807	2,865
Foreign currency risk	112,635	279,452		279,452	–	279,452	22,356
Equity risk							
– General risk	63,969	9,220		54,749	–	54,749	4,380
– Specific risk	63,969	9,220		45,006	–	45,006	3,600
Option risk	585,440	403,939		57,475	–	57,475	4,598
Total	103,371,867	86,334,500		2,058,484	–	2,058,484	164,679
3. Operational risk				8,136,666	–	8,136,666	650,933
4. Total RWA and capital requirements				124,547,483	1,441	124,546,042	9,963,684

Pillar 3 Disclosure

4.0 GENERAL RISK MANAGEMENT

The Risk Management Framework takes its lead from the Board's Approved Risk Appetite Framework that forms the foundation of the Group to set its risk/reward profile.

The Risk Appetite Framework is reviewed and approved annually by the Board taking into account the Group's desired external rating and targeted profitability/return on capital employed ("ROCE") and is reviewed periodically throughout the financial year by both the executive management and the Board to consider any fine tuning/enhancements taking into consideration the prevailing or in anticipation of challenges to the environment that the Group operates in.

The Risk Appetite Framework provides portfolio limits/triggers for Credit Risk, Traded Market Risk, Non-Traded Market Risk, Operational Risk and Technology Risk incorporating, inter alia, limits/triggers for countries, industries, single counterparty group, products, value at risk, stop loss, stable funding ratio, liquidity and Operational Risk Management ("ORM") tools.

The Group Risk Direction

The Group's financial year ("FY") 2025 to FY2029 Winning Together Strategy blueprint is to focus and reconstruct on 8 key areas, namely, (1) Path to Return on Equity ("ROE") of ≥10%, (2) Sharpening Segment Play, (3) Holistic Customer Value Proposition ("CVP") Leveraging A Collaboration Culture and Partnerships, (4) Pushing Capital-Light Revenue, (5) Ramping Up the Next Wave of Digital Initiatives, (6) Future Proofing The Workforce, (7) Integrating Environmental, Social, and Governance ("ESG") Considerations and (8) The Digital Bank.

1. The Group aspires to have a minimum financial institution external rating of AA2 based on reference ratings by RAM Rating Services Berhad ("RAM").
2. The Group aims to maintain a minimum ROCE of 12% and RWA efficiency ("CRWA/EAD") in the range of 40% to 50%, both based on FIRB.
3. The Group aims to maintain its Capital Ratios at the Group's Internal Capital Target under normal conditions.
4. The Group aims to maintain Available Financial Resources in excess of the capital requirements as estimated in the Internal Capital Adequacy Assessment Process ("ICAAP").
5. The Group recognises the importance of funding its own business. It aims to maintain the following:
   a. Liquidity Coverage Ratio ("LCR") (both consolidated and entity level) at least 10 percentage points above prevailing regulatory minimum;
   b. Stressed LCR (both consolidated and entity level) above the regulatory requirement; and
   c. Net Stable Funding Ratio ("NSFR") (FHC level) above the prevailing regulatory minimum (effective July 2020).
6. The Group aims to maintain adequate controls for all key operational risks (including but not limited to regulatory, compliance, technology, conduct and reputational risks).
   a. Keep operational losses and regulatory penalties below 0.8% of profit after taxation, zakat and minority interest ("PATMI"); and
   b. Remain vigilant in risk identification and management to protect its reputation and business franchise.
7. The Group aims for at least 70% of its non-retail loan/financing portfolio (applicable for limit at least RM10 million) to constitute exposures with low ESG Risk Rating by FY2030.
8. The Group aims to manage its exposures to Green House Gas ("GHG") emission intensive sectors while continuing to engage and assist our customers onto sustainability pathways toward the Group's ultimate target of net zero, in line with the country aspiration by FY2050.

4.0 GENERAL RISK MANAGEMENT (CONT'D.)

Risk Management Governance

The Board is ultimately accountable for the management of risks within the Group. The RMC is formed to assist the Board in discharging its duties in overseeing the overall management of all risks including but not limited to market risk, liquidity risk, credit risk, operational risk, technology and cyber risk.

The Board has also established Management Committees to assist in managing the risks and businesses of the Group. The Management Committees address all classes of risk within its Board delegated mandate: credit risk, legal risk, operational risk, technology risk, market risk, liquidity risk, Shariah risk, compliance risk, reputational risk, product and business risk, Information Technology ("IT") risk, climate related risk and sustainability (covering ESG) risk.

The Group has an independent risk management function, headed by the Group Chief Risk Officer who:

- is responsible for establishing an enterprise wide risk management framework in all areas including credit, market, liquidity, operational, reputational, security, technology, emerging risks, climate related risk and sustainability risk;
- essentially champions and embeds a positive risk culture across the Group to ensure that risk taking activities across the Group are aligned to the Group's risk appetite and strategies; and
- through the RMC, has access to the Board and the Boards of the respective banking subsidiaries to facilitate suitable escalation of issues of concern across the organisation.

Potential impact of Emerging Risk from Subsidy Rationalisation

Emerging risks, such as increasing living costs due to subsidy rationalisation would potentially impact the asset quality of the Group's receivables. Mitigation actions such as comprehensive assessment through thorough review of the existing portfolio to identify the potentially impacted segment and thereafter allocate reasonable provisions to cushion the potential impacts.

4.1 Internal Capital Adequacy Assessment Process

The core objectives of the Group's Internal Capital Adequacy Assessment Process ("ICAAP") Policy are:

- To protect the interests of depositors, creditors and shareholders;
- To ensure the safety and soundness of the Group's capital position; and
- To ensure that the capital base supports the Group's Risk Appetite and strategic business objectives, in an efficient and effective manner.

The requirements of the ICAAP Policy are consistent and calibrated with the Group's Risk Appetite as set and approved by the Board.

The following key principles underpin the ICAAP:

4.1.1 The Group shall maintain an approved, documented, risk based and auditable ICAAP. The aim is to ensure the Group maintains, on a continuous basis, an adequate level of capitalisation which is sized following the identification, measurement, monitoring, and effective management and oversight of material risks across the Group, consistent with:

- The Group Risk Appetite, including the Group's target credit rating category;
- Regulatory Capital requirements;
- The Board and Management's targeted financial performance; and
- The Group's planned asset growth and strategic business objectives.

Pillar 3 Disclosure

4.0 GENERAL RISK MANAGEMENT (CONT'D.)

4.1 Internal Capital Adequacy Assessment Process (Cont'd.)

4.1.2 Board and Senior Management Oversight

The ICAAP must be subject to Board and senior management oversight, forms an integral part of the Group's capital management and decision making processes, and will:

- Ensure all elements of the ICAAP are established and functioning effectively and subject to independent review on a periodic basis; and
- Ensure comprehensive assessment of capital adequacy conducted annually.

4.1.3 Capital Management Framework

The ICAAP shall include an approved Capital Management Framework which contains:

- A strategy for maintaining capital resources over time;
- Measures that would be taken in the event capital falls below a targeted level; and
- Measures to ensure that the Group is in compliance with minimum regulatory standards.

4.1.4 The Group's quality and level of capital shall commensurate with the level of risks exposures. Sufficient capital shall be maintained to:

- Meet minimum prudential requirements (including capital buffer requirements) in all jurisdictions in which the Group operates, and any requirements that may be imposed by the stakeholders of the Group;
- Be consistent with the Group's overall risk profile and financial positions, taking into account its strategic focus and business plan; and
- Achieve or maintain the Group's desired long term credit rating.

4.1.5 Capital allocation:

- Capital allocation shall be consistent with the Group's regulatory capital measurement framework and risk adjusted performance requirements.

4.1.6 Material Risks

- The Group shall identify and assess the risk materiality on an annual basis;
- Risk assessments shall be conducted at banking subsidiaries' level and incorporate both quantitative and qualitative elements; and
- Methodologies to identify and determine the materiality of current risk types, changes to existing risk types and new risk types must be established.

4.0 GENERAL RISK MANAGEMENT (CONT'D.)

4.1 Internal Capital Adequacy Assessment Process (Cont'd.)

ICAAP Framework

Requirements of the Banks

Principal 1:

- Banks have an ICAAP in relation to their risk profile and a strategy for maintaining capital levels

Principal 3:

- Banks are expected to operate above the minimum regulatory capital ratios and should have the ability to hold capital in excess of the minimum

Requirements of the Regulator

Principal 2:

- Regulators to review and evaluate the Bank's ICAAP strategies
- Regulators to monitor and ensure Bank's compliance with regulatory capital ratios
- Regulators undertake appropriate supervisory action if unsatisfactory results

Principal 4:

- Early intervention by the Regulator to prevent capital from falling below the required minimum levels

Internal Capital Adequacy Assessment Process

Board and Management Oversight

- Material Risks identified
- Material thresholds
- Group Risk Appetite
- Sufficient Capital Adequacy
- Targeted Financial Performance
- Planned Asset Growth and Strategic business objectives
- Policy/Frameworks

Sound Capital Assessment

- Identification, Measurement and Reporting of Material Risks
- Compliance with minimum regulatory standards
- Clear linkage between risks and capital
- Capital Plan

Comprehensive Risk Assessment and Management Processes

- Credit Risk
- Market Risk
- Operational Risk
- Rate Risk in the Banking Book
- Credit Concentration Risk
- Large exposure risk requirements

Monitoring and Reporting

- Level and Trend of Material Risks
- Sensitivity Analysis of key assumptions
- Regulatory Reporting to Board and Senior Management

Internal Control and Review

- Independent reviews of ICAAP (internal audit)
- Ongoing compliance monitoring
- Stress Testing
- Documented processes/ frameworks

Overview of ICAAP process and setting Internal Capital Targets

Pillar 3 Disclosure

5.0 CREDIT RISK MANAGEMENT

The credit risk management process is depicted in the table below:

Identification	• Identify/recognise credit risk on transactions and/or positions • Select asset and portfolio mix
Assessment/Measurement	• Internal credit rating system • Probability Of Default ("PD") • Loss Given Default ("LGD") • Exposure At Default ("EAD") • Expected Loss ("EL") • Gross Impaired Loan/Financing ("GIL"/"GIF")
Control/Mitigation	• Portfolio Limits, Counterparty Limits • Non-Retail Pricing and Risk-based pricing for Retail • Collateral and tailored facility structures (discretionary lending) • Pre-set assessment criteria and acceptance criteria (program lending)
Monitoring/Review	• Monitor and report portfolio mix • Review Classified Accounts • Review Rescheduled and Restructured Accounts • Undertake post mortem credit review • Annual refresh of borrowers'/customers' credit risk rating

Credit risk is the risk of loss due to the inability or unwillingness of a counterparty to meet its payment obligations. Exposure to credit risk arises from lending/financing, securities and derivative exposures. The identification of credit risk is done by assessing the potential impact of internal and external factors on the Group's transactions and/or positions as well as Shariah compliance risk (please refer to section 12 for discussion on Shariah Governance Structure).

The primary objective of credit risk management is to maintain accurate risk recognition - identification and measurement, to ensure that credit risk exposure is in line with the Group's Risk Appetite Framework ("GRAF") and related credit policies.

For non-retail credit, risk assessment is a combination of both qualitative and quantitative assessment (including the financial standing of the customer or counterparty using the banking subsidiaries' credit rating model where the scores are translated into rating grade) on the customer or counterparty. The assigned credit rating grade forms a crucial part of the credit analysis undertaken for each of the banking subsidiaries' credit exposures and the overall credit assessment is conducted either through a program lending or discretionary lending approach.

For retail credit, credit-scoring systems to better differentiate the quality of borrowers/customers are being used to complement the credit assessment and approval processes.

To support credit risk management, rating models for major portfolios have been continuously monitored and implemented to facilitate:

- improvement in the accuracy of individual obligor risk ratings;
- enhancement to pricing models;
- credit decisioning process;
- loan/financing loss provision calculation;
- stress-testing; and
- enhancement to portfolio management.

5.0 CREDIT RISK MANAGEMENT (CONT'D.)

Lending/financing activities are guided by internal credit policies and GRAF that are approved by the Board supplemented by credit guidelines and Management-level GRAF settings approved by the Management. The GRAF is refreshed at least annually and with regard to credit risk, provides direction as to portfolio management strategies and internal limits designed to deliver the Group's optimal portfolio mix. Credit risk portfolio management strategies include, amongst others:

- Concentration threshold/review triggers:
  - single counterparty credit exposure;
  - industry sector exposure; and
  - country risk exposure;
- Non-Retail Credit Policy ("NRCP") and Retail Credit Policy ("RCP") which sets out the credit principles and requirements for managing credit risk in the Wholesale Banking ("WB"), Business Banking ("BB") and Retail Banking ("RB") portfolios;
- Classified Account Management requirements are in place for the non-retail model related portfolio, this sets out the identification and management (including monitoring requirements) of borrowers/customers that exhibit significant increase in credit risk or show symptoms of potential credit issues;
- Rescheduled and Restructured ("R&R") Account Management (embedded within the NRCP for WB and BB, and RCP for RB) sets out the controls in managing R&R loans/financing; and
- Setting Retail and BB-SME risk controls capping for higher risk segment to ensure credit approval practice is aligned with the credit policies and GRAF.

Exposure outside the approval discretions of individual Credit Approval Delegation ("CAD") holders are escalated to higher approving authority or Credit and Commitments Committee ("CACC") for approval. In the event such exposure exceeds a stipulated customer group threshold within the Group, the letter of offer shall not be issued until the credit is reviewed by the Joint Board Credit Committee ("Joint BCC"). Portfolio credit risk is reported to the relevant management and board committees.

The Group Management Risk Committee ("GMRC") regularly meets to review the quality and diversification of the Group's loan/financing portfolio and review the portfolio risk profile against the GRAF and recommend or approve new and amended credit risk policies or guidelines.

Group Risk Management prepares monthly Risk Reports which detail important portfolio composition and trend analysis incorporating asset growth, asset quality, impairment, flow rates of loan/financing delinquency buckets and exposures by industry sectors are reported monthly to executive management and to all meetings of the Board.

Pillar 3 Disclosure

5.0 CREDIT RISK MANAGEMENT (CONT'D.)

Table 5.0.1: Distribution of gross credit exposures by sector

The distribution of credit exposures by sector of the Group is as follows:

	31 MARCH 2025														
	Agriculture RM'000	Mining and Quarrying RM'000	Manufacturing RM'000	Electricity, Gas and Water RM'000	Construction RM'000	Wholesale and Retail Trade and Hotels and Restaurants RM'000	Transport, Storage and Communication RM'000	Finance and Insurance RM'000	Government and Central Banks RM'000	Real Estate RM'000	Business Activities RM'000	Education and Health RM'000	Household RM'000	Others RM'000	Total RM'000
Exposures under the Standardised Approach:															
On-balance sheet exposures:															
Sovereigns/Central banks	–	–	–	–	–	–	–	–	19,320,786	–	–	–	–	–	19,320,786
PSEs	–	–	–	–	–	–	–	2,837	560	–	–	–	–	–	3,397
Banks, DFIs and MDBs	–	–	–	–	–	–	–	6,489,143	–	–	–	–	–	–	6,489,143
Insurance companies, Securities firms and Fund managers	–	–	–	–	–	–	–	21,053	–	–	–	–	–	–	21,053
Corporates	684,319	24,473	78,306	80	1,607,658	234,895	725,283	6,620,878	–	579,213	844,884	530,001	920,997	11	12,850,998
Regulatory retail	34	73	2,275	–	28	23,476	1,019	–	–	2	1	483	6,375,593	–	6,402,984
Residential mortgages	–	–	–	–	–	–	–	–	–	–	–	–	170,291	–	170,291
Higher risk assets	–	–	29,234	–	–	–	–	–	–	–	–	–	–	2,803	32,037
Other assets	–	14	–	–	–	–	–	87,131	145,000	1,396	20,090	–	79,573	3,467,899	3,801,103
Securitisation exposures	–	–	–	–	–	–	–	2,368	–	–	–	–	–	–	2,368
Equity exposures	–	–	9,715	–	–	–	–	–	–	–	–	–	–	830,688	840,403
Defaulted exposures	–	–	15	19	–	53	–	–	–	–	–	–	76,699	–	76,786
Total on-balance sheet exposures	684,353	24,560	119,545	99	1,607,686	258,424	726,302	13,223,410	19,466,346	580,611	864,975	530,484	7,623,153	4,301,401	50,011,349
Off-balance sheet exposures:															
OTC derivatives	–	–	10,306	–	1,799	–	–	1,101,446	182,070	–	2,204	123	23,161	–	1,321,109
Off-balance sheet exposures other than OTC derivatives or credit derivatives	4,030	125	349,807	711	2,730	9,534	46,215	5,029,419	1,536,175	1,662	61,346	20,334	552,807	–	7,614,895
Defaulted exposures	–	–	–	–	–	–	–	–	–	–	–	–	1,064	–	1,064
Total off-balance sheet exposures	4,030	125	360,113	711	4,529	9,534	46,215	6,130,865	1,718,245	1,662	63,550	20,457	577,032	–	8,937,068
Total on and off-balance sheet exposures (Standardised Approach)	688,383	24,685	479,658	810	1,612,215	267,958	772,517	19,354,275	21,184,591	582,273	928,525	550,941	8,200,185	4,301,401	58,948,417

5.0 CREDIT RISK MANAGEMENT (CONT'D.)

Table 5.0.1: Distribution of gross credit exposures by sector (Cont'd.)

The distribution of credit exposures by sector of the Group is as follows: (Cont'd.)

	31 MARCH 2025														
	Agriculture RM'000	Mining and Quarrying RM'000	Manufacturing RM'000	Electricity, Gas and Water RM'000	Construction RM'000	Wholesale and Retail Trade and Hotels and Restaurants RM'000	Transport, Storage and Communication RM'000	Finance and Insurance RM'000	Government and Central Banks RM'000	Real Estate RM'000	Business Activities RM'000	Education and Health RM'000	Household RM'000	Others RM'000	Total RM'000
Exposures under the IRB Approach:															
On-balance sheet exposures:															
Corporates	2,630,862	1,938,258	16,883,270	3,648,268	5,700,217	12,074,300	6,765,881	5,413,042	–	12,168,968	4,196,800	2,010,821	19,572	–	73,450,259
(a) Corporate (excluding Specialised Lending and firm-size adjustment)	2,248,448	839,788	11,449,518	2,603,648	2,690,391	5,877,451	4,854,511	4,755,846	–	5,317,736	3,257,937	1,428,169	13,682	–	45,337,125
(b) Corporate (with firm-size adjustment)	382,414	168,867	4,183,147	200,486	1,319,382	5,759,663	1,040,897	368,424	–	1,405,815	901,173	341,979	5,144	–	16,077,391
(c) Qualifying Purchased Corporate Receivables	–	–	–	–	–	30,643	–	–	–	–	–	–	–	–	30,643
(d) Specialised Lending (Slotting Approach)	–	929,603	1,250,605	844,134	1,690,444	406,543	870,473	288,772	–	5,445,417	37,690	240,673	746	–	12,005,100
– Project Finance	–	372,362	1,247,498	802,508	1,630,746	–	365,126	–	–	–	35,236	–	14	–	4,453,490
– Object Finance	–	557,241	–	24,930	–	–	–	–	–	–	–	4,489	35	–	586,695
– Income Producing Real Estate	–	–	3,107	16,696	50,265	406,543	505,347	283,020	–	4,846,410	2,282	236,184	591	–	6,350,445
– High Volatility Commercial Real Estate	–	–	–	–	9,433	–	–	5,752	–	599,007	172	–	106	–	614,470
Retail Exposures	59,132	30,659	816,369	22,810	455,533	1,534,449	320,946	46,441	–	188,196	282,323	203,638	60,238,253	–	64,198,749
(a) Residential Mortgages	–	–	–	–	–	–	–	–	–	–	–	–	39,991,354	–	39,991,354
(b) Qualifying Revolving Retail Exposures	–	–	–	–	–	–	–	–	–	–	–	–	2,060,508	–	2,060,508
(c) Hire Purchase Exposures	–	–	–	–	–	–	–	–	–	–	–	–	11,204,390	–	11,204,390
(d) Other Retail Exposures	59,132	30,659	816,369	22,810	455,533	1,534,449	320,946	46,441	–	188,196	282,323	203,638	6,982,001	–	10,942,497
Defaulted exposures	14,105	788,598	379,959	6,155	219,661	291,461	50,474	3,269	–	100,310	49,375	29,643	1,167,498	–	3,100,508
Total on-balance sheet exposures	2,704,099	2,757,515	18,079,598	3,677,233	6,375,411	13,900,210	7,137,301	5,462,752	–	12,457,474	4,528,498	2,244,102	61,425,323	–	140,749,516
Off-balance sheet exposures:															
OTC derivatives	5,459	36,345	163,645	5,843	1,772	82,005	4,079	351	–	3,438	3,592	27	–	–	306,556
Off-balance sheet exposures other than OTC derivatives or credit derivatives	386,702	558,903	4,513,372	579,444	4,565,875	2,649,806	1,324,583	730,245	–	1,262,902	260,109	117,399	6,220,483	–	23,169,823
Defaulted exposures	1,050	7,742	33,610	–	32,183	302	345	–	–	1,899	–	–	27,775	–	104,906
Total off-balance sheet exposures	393,211	602,990	4,710,627	585,287	4,599,830	2,732,113	1,329,007	730,596	–	1,268,239	263,701	117,426	6,248,258	–	23,581,285
Total on and off-balance sheet exposures (IRB Approach)	3,097,310	3,360,505	22,790,225	4,262,520	10,975,241	16,632,323	8,466,308	6,193,348	–	13,725,713	4,792,199	2,361,528	67,673,581	–	164,330,801
Total Standardised and IRB Approaches	3,785,693	3,385,190	23,269,883	4,263,330	12,587,456	16,900,281	9,238,825	25,547,623	21,184,591	14,307,986	5,720,724	2,912,469	75,873,766	4,301,401	223,279,218

Pillar 3 Disclosure

5.0 CREDIT RISK MANAGEMENT (CONT'D.)

Table 5.0.1: Distribution of gross credit exposures by sector (Cont'd.)

The distribution of credit exposures by sector of the Group is as follows: (Cont'd.)

	31 MARCH 2024														
	Agriculture RM'000	Mining and Quarrying RM'000	Manufacturing RM'000	Electricity, Gas and Water RM'000	Construction RM'000	Wholesale and Retail Trade and Hotels and Restaurants RM'000	Transport, Storage and Communication RM'000	Finance and Insurance RM'000	Government and Central Banks RM'000	Real Estate RM'000	Business Activities RM'000	Education and Health RM'000	Household RM'000	Others RM'000	Total RM'000
Exposures under the Standardised Approach:															
On-balance sheet exposures:															
Sovereigns/Central banks	–	–	–	–	–	–	–	–	18,987,266	–	–	–	–	–	18,987,266
PSEs	–	–	–	–	–	–	–	5,369	1,218	–	–	–	–	–	6,587
Banks, DFIs and MDBs	–	–	–	–	–	–	–	6,846,800	–	–	–	–	–	–	6,846,800
Insurance companies, Securities firms and Fund managers	–	–	–	–	–	–	–	816	–	–	–	–	–	–	816
Corporates	3,541,382	2,539,203	15,522,965	3,427,069	7,917,520	12,973,768	6,148,684	11,072,497	–	10,081,572	2,999,768	2,687,266	1,305,281	60,633	80,277,608
Regulatory retail	63,759	18,426	853,174	28,097	511,599	1,697,045	319,409	32,278	–	186,258	531,010	109,844	35,046,528	18,008	39,415,435
Residential mortgages	–	–	–	–	–	–	–	–	–	–	–	–	33,150,016	–	33,150,016
Higher risk assets	–	–	37,469	–	–	–	–	–	–	–	–	–	9,814	2,717	50,000
Other assets	–	–	–	–	–	–	–	230,461	145,000	8	25,967	–	83,610	2,791,284	3,276,330
Securitisation exposures	–	–	–	–	–	–	–	90	–	–	–	–	–	–	90
Equity exposures	–	–	12,740	–	–	–	–	–	–	–	–	–	–	718,417	731,157
Defaulted exposures	8,907	117,409	136,772	1,173	80,479	234,472	23,499	3,492	–	33,893	36,274	32,679	981,555	1,654	1,692,258
Total on-balance sheet exposures	3,614,048	2,675,038	16,563,120	3,456,339	8,509,598	14,905,285	6,491,592	18,191,803	19,133,484	10,301,731	3,593,019	2,829,789	70,576,804	3,592,713	184,434,363
Off-balance sheet exposures:															
OTC derivatives	5,239	205,698	405,996	125	6,680	12,291	3,395	1,313,262	138,317	1,099	12,378	984	28,700	260	2,134,424
Off-balance sheet exposures other than OTC derivatives or credit derivatives	217,096	110,047	2,535,291	392,922	2,634,669	1,249,699	743,425	7,128,663	510,874	621,691	221,206	142,978	3,145,519	3,261	19,657,341
Defaulted exposures	–	630	11,687	–	31,840	362	–	–	–	2,182	28	–	15,205	–	61,934
Total off-balance sheet exposures	222,335	316,375	2,952,974	393,047	2,673,189	1,262,352	746,820	8,441,925	649,191	624,972	233,612	143,962	3,189,424	3,521	21,853,699
Total on and off-balance sheet exposures	3,836,383	2,991,413	19,516,094	3,849,386	11,182,787	16,167,637	7,238,412	26,633,728	19,782,675	10,926,703	3,826,631	2,973,751	73,766,228	3,596,234	206,288,062

5.0 CREDIT RISK MANAGEMENT (CONT'D.)

Table 5.0.2: Geographical distribution of credit exposures

The geographic distribution of credit exposures of the Group is as follows:

	31 MARCH 2025		
	In Malaysia RM'000	Outside Malaysia RM'000	Total RM'000
Exposures under the Standardised Approach:			
On-balance sheet exposures:			
Sovereigns/Central banks	19,320,786	–	19,320,786
PSEs	3,397	–	3,397
Banks, DFIs and MDBs	3,806,922	2,682,221	6,489,143
Insurance companies, Securities firms and Fund managers	21,053	–	21,053
Corporates	12,837,830	13,168	12,850,998
Regulatory retail	6,402,984	–	6,402,984
Residential mortgages	170,291	–	170,291
Higher risk assets	32,035	2	32,037
Other assets	3,787,915	13,188	3,801,103
Securitisation exposures	2,368	–	2,368
Equity exposures	839,448	955	840,403
Defaulted exposures	76,786	–	76,786
Total on-balance sheet exposures	47,301,815	2,709,534	50,011,349
Off-balance sheet exposures:			
OTC derivatives	1,141,990	179,119	1,321,109
Off-balance sheet exposures other than OTC derivatives or credit derivatives	7,602,398	12,497	7,614,895
Defaulted exposures	1,064	–	1,064
Total off-balance sheet exposures	8,745,452	191,616	8,937,068
Total on and off-balance sheet exposures (Standardised Approach)	56,047,267	2,901,150	58,948,417
Exposures under the IRB Approach:			
On-balance sheet exposures:			
Corporates	73,362,528	87,731	73,450,259
(a) Corporate (excluding Specialised Lending and firm-size adjustment)	45,337,125	–	45,337,125
(b) Corporate (with firm-size adjustment)	16,077,391	–	16,077,391
(c) Qualifying Purchased Corporate Receivables	30,643	–	30,643
(d) Specialised Lending (Slotting Approach)	11,917,369	87,731	12,005,100
– Project Finance	4,453,490	–	4,453,490
– Object Finance	498,964	87,731	586,695
– Income Producing Real Estate	6,350,445	–	6,350,445
– High Volatility Commercial Real Estate	614,470	–	614,470
Retail Exposures	64,198,749	–	64,198,749
(a) Residential Mortgages	39,991,354	–	39,991,354
(b) Qualifying Revolving Retail Exposures	2,060,508	–	2,060,508
(c) Hire Purchase Exposures	11,204,390	–	11,204,390
(d) Other Retail Exposures	10,942,497	–	10,942,497
Defaulted exposures	3,100,508	–	3,100,508
Total on-balance sheet exposures	140,661,785	87,731	140,749,516
Off-balance sheet exposures:			
OTC derivatives	298,961	7,595	306,556
Off-balance sheet exposures other than OTC derivatives or credit derivatives	23,150,932	18,891	23,169,823
Defaulted exposures	104,906	–	104,906
Total off-balance sheet exposures	23,554,799	26,486	23,581,285
Total on and off-balance sheet exposures (IRB Approach)	164,216,584	114,217	164,330,801
Total Standardised and IRB Approaches	220,263,851	3,015,367	223,279,218

Pillar 3 Disclosure

5.0 CREDIT RISK MANAGEMENT (CONT'D.)

Table 5.0.2: Geographical distribution of credit exposures (Cont'd.)

The geographic distribution of credit exposures of the Group is as follows: (Cont'd.)

	31 MARCH 2024		
	In Malaysia RM'000	Outside Malaysia RM'000	Total RM'000
Exposures under the Standardised Approach:			
On-balance sheet exposures:			
Sovereigns/Central banks	18,987,266	–	18,987,266
PSEs	6,587	–	6,587
Banks, DFIs and MDBs	3,579,591	3,267,209	6,846,800
Insurance companies, Securities firms and Fund managers	816	–	816
Corporates	80,138,515	139,093	80,277,608
Regulatory retail	39,412,140	3,295	39,415,435
Residential mortgages	33,150,016	–	33,150,016
Higher risk assets	49,996	4	50,000
Other assets	3,255,332	20,998	3,276,330
Securitisation exposures	90	–	90
Equity exposures	730,343	814	731,157
Defaulted exposures	1,692,258	–	1,692,258
Total on-balance sheet exposures	181,002,950	3,431,413	184,434,363
Off-balance sheet exposures:			
OTC derivatives	1,571,150	563,274	2,134,424
Off-balance sheet exposures other than OTC derivatives or credit derivatives	19,631,920	25,421	19,657,341
Defaulted exposures	61,934	–	61,934
Total off-balance sheet exposures	21,265,004	588,695	21,853,699
Total on and off-balance sheet exposures	202,267,954	4,020,108	206,288,062

5.0 CREDIT RISK MANAGEMENT (CONT'D.)

Table 5.0.3: Residual contractual maturity by major types of credit exposures

The residual contractual maturity by major types of gross credit exposures of the Group is as follows:

	31 MARCH 2025								
	Up to 1 month RM'000	>1 month to 3 months RM'000	>3 months to 6 months RM'000	>6 months to 12 months RM'000	>1 year to 3 years RM'000	>3 years to 5 years RM'000	> 5 years RM'000	No maturity specified RM'000	Total RM'000
Exposures under the Standardised Approach:									
On-balance sheet exposures:									
Sovereigns/Central banks	2,885,806	–	323,108	462,708	3,088,227	2,036,397	10,524,540	–	19,320,786
PSEs	2,841	8	8	540	–	–	–	–	3,397
Banks, DFIs and MDBs	3,531,901	700,036	357,234	323,714	1,082,921	142,370	350,967	–	6,489,143
Insurance companies, Securities firms and Fund managers	5,755	–	–	–	–	15,298	–	–	21,053
Corporates	3,986,863	1,199,339	857,675	1,479,384	2,453,277	1,314,759	1,559,701	–	12,850,998
Regulatory retail	148,374	16,412	45,633	699,596	192,005	171,041	5,129,923	–	6,402,984
Residential mortgages	–	–	–	–	–	–	170,291	–	170,291
Higher risk assets	–	–	–	–	–	–	–	32,037	32,037
Other assets	1,812,195	–	–	–	–	–	–	1,988,908	3,801,103
Securitisation exposures	–	–	–	–	–	–	2,368	–	2,368
Equity exposures	–	–	–	–	–	–	–	840,403	840,403
Defaulted exposures	63,299	16	24	7,294	1,306	966	3,881	–	76,786
Total on-balance sheet exposures	12,437,034	1,915,811	1,583,682	2,973,236	6,817,736	3,680,831	17,741,671	2,861,348	50,011,349
Off-balance sheet exposures:									
OTC derivatives	3,683	35,922	67,955	185,410	117,175	155,314	755,650	–	1,321,109
Off-balance sheet exposures other than OTC derivatives or credit derivatives	3,934,604	2,593,710	379,614	420,584	1,100	150	285,133	–	7,614,895
Defaulted exposures	957	–	–	81	–	–	26	–	1,064
Total off-balance sheet exposures	3,939,244	2,629,632	447,569	606,075	118,275	155,464	1,040,809	–	8,937,068
Total on and off-balance sheet exposures (Standardised Approach)	16,376,278	4,545,443	2,031,251	3,579,311	6,936,011	3,836,295	18,782,480	2,861,348	58,948,417

Pillar 3 Disclosure

5.0 CREDIT RISK MANAGEMENT (CONT'D.)

Table 5.0.3: Residual contractual maturity by major types of credit exposures (Cont'd.)

The residual contractual maturity by major types of gross credit exposures of the Group is as follows: (Cont'd.)

	31 MARCH 2025								
	Up to 1 month RM'000	>1 month to 3 months RM'000	>3 months to 6 months RM'000	>6 months to 12 months RM'000	>1 year to 3 years RM'000	>3 years to 5 years RM'000	> 5 years RM'000	No maturity specified RM'000	Total RM'000
Exposures under the IRB Approach:									
On-balance sheet exposures:									
Corporates	28,129,923	8,819,935	7,160,846	7,943,749	8,107,045	4,767,126	8,521,635	–	73,450,259
(a) Corporate (excluding Specialised Lending and firm-size adjustment)	18,968,449	6,272,520	5,161,141	3,894,650	5,479,985	3,112,946	2,447,434	–	45,337,125
(b) Corporate (with firm-size adjustment)	3,967,265	1,933,533	1,537,791	2,656,873	453,725	792,649	4,735,555	–	16,077,391
(c) Qualifying Purchased Corporate Receivables	–	30,643	–	–	–	–	–	–	30,643
(d) Specialised Lending (Slotting Approach)	5,194,209	583,239	461,914	1,392,226	2,173,335	861,531	1,338,646	–	12,005,100
– Project Finance	2,022,203	41,919	131,240	736,206	865,567	409,683	246,672	–	4,453,490
– Object Finance	113,622	–	–	2,034	244,885	226,154	–	–	586,695
– Income Producing Real Estate	2,729,011	491,213	286,469	621,574	928,548	203,356	1,090,274	–	6,350,445
– High Volatility Commercial Real Estate	329,373	50,107	44,205	32,412	134,335	22,338	1,700	–	614,470
Retail Exposures	69,421	85,835	79,428	2,705,313	1,689,996	3,793,448	55,775,308	–	64,198,749
(a) Residential Mortgages	997	300	925	3,622	52,921	120,938	39,811,651	–	39,991,354
(b) Qualifying Revolving Retail Exposures	25,364	9,100	19,037	2,007,007	–	–	–	–	2,060,508
(c) Hire Purchase Exposures	1,889	4,703	17,492	81,726	1,171,734	2,664,030	7,262,816	–	11,204,390
(d) Other Retail Exposures	41,171	71,732	41,974	612,958	465,341	1,008,480	8,700,841	–	10,942,497
Defaulted exposures	420,865	6,938	24,258	192,399	122,946	889,258	1,443,844	–	3,100,508
Total on-balance sheet exposures	28,620,209	8,912,708	7,264,532	10,841,461	9,919,987	9,449,832	65,740,787	–	140,749,516
Off-balance sheet exposures:									
OTC derivatives	24,939	47,517	20,266	32,702	10,726	36,923	133,483	–	306,556
Off-balance sheet exposures other than OTC derivatives or credit derivatives	5,652,921	1,362,445	1,272,329	12,569,829	1,822	7,620	2,302,857	–	23,169,823
Defaulted exposures	74,780	8,033	6,873	14,428	25	655	112	–	104,906
Total off-balance sheet exposures	5,752,640	1,417,995	1,299,468	12,616,959	12,573	45,198	2,436,452	–	23,581,285
Total on and off-balance sheet exposures (IRB Approach)	34,372,849	10,330,703	8,564,000	23,458,420	9,932,560	9,495,030	68,177,239	–	164,330,801
Total Standardised and IRB Approaches	50,749,127	14,876,146	10,595,251	27,037,731	16,868,571	13,331,325	86,959,719	2,861,348	223,279,218

5.0 CREDIT RISK MANAGEMENT (CONT'D.)

Table 5.0.3: Residual contractual maturity by major types of credit exposures (Cont'd.)

The residual contractual maturity by major types of gross credit exposures of the Group is as follows: (Cont'd.)

	31 MARCH 2024								
	Up to 1 month RM'000	>1 month to 3 months RM'000	>3 months to 6 months RM'000	>6 months to 12 months RM'000	>1 year to 3 years RM'000	>3 years to 5 years RM'000	> 5 years RM'000	No maturity specified RM'000	Total RM'000
Exposures under the Standardised Approach:									
On-balance sheet exposures:									
Sovereigns/Central banks	2,207,900	141,825	945,881	1,174,519	3,350,229	2,201,118	8,965,794	–	18,987,266
PSEs	–	–	–	–	1,218	–	–	5,369	6,587
Banks, DFIs and MDBs	4,925,477	50,704	–	10,093	1,184,865	178,354	497,307	–	6,846,800
Insurance companies, Securities firms and Fund managers	–	–	–	–	–	–	816	–	816
Corporates	27,714,689	8,231,706	6,805,471	7,164,545	10,324,443	6,364,261	13,672,493	–	80,277,608
Regulatory retail	198,806	106,888	162,265	3,226,430	1,905,118	3,769,271	30,046,657	–	39,415,435
Residential mortgages	912	230	515	2,602	48,221	115,164	32,982,372	–	33,150,016
Higher risk assets	25	38	80	40	97	423	9,111	40,186	50,000
Other assets	1,680,943	–	–	–	–	–	–	1,595,387	3,276,330
Securitisation exposures	–	–	–	–	–	–	90	–	90
Equity exposures	–	–	–	–	–	–	–	731,157	731,157
Defaulted exposures	200,637	1,573	2,506	84,786	85,151	194,358	1,094,856	28,391	1,692,258
Total on-balance sheet exposures	36,929,389	8,532,964	7,916,718	11,663,015	16,899,342	12,822,949	87,269,496	2,400,490	184,434,363
Off-balance sheet exposures:									
OTC derivatives	41,819	195,201	297,305	243,829	40,823	294,430	1,021,017	–	2,134,424
Off-balance sheet exposures other than OTC derivatives or credit derivatives	3,723,272	5,826,699	911,915	7,360,476	72,624	43,675	1,718,680	–	19,657,341
Defaulted exposures	22,748	179	4,392	19,331	109	204	14,971	–	61,934
Total off-balance sheet exposures	3,787,839	6,022,079	1,213,612	7,623,636	113,556	338,309	2,754,668	–	21,853,699
Total on and off-balance sheet exposures	40,717,228	14,555,043	9,130,330	19,286,651	17,012,898	13,161,258	90,024,164	2,400,490	206,288,062

Pillar 3 Disclosure

5.0 CREDIT RISK MANAGEMENT (CONT'D.)

5.1 Impairment

The relevant governance for the respective Line of Businesses are established to align with the MFRS Accounting Standards and related BNM's standards/guidelines. In general, an asset is considered impaired when:

a. The obligor has breached its contractual payment obligations and past due for more than 90 days; or

b. As soon as default occurs where the principal and/or interest/profit repayments/payments are scheduled on intervals of 3 months or longer; or

c. Other impairment indicators stipulated in the relevant guidelines.

Impaired accounts which undergo restructuring/rescheduling will continue to be impaired for at least 6 months.

5.1.1 Group Provisioning Methodology

The Group's provisioning methodology complies with MFRS 9 where the Group recognises ECL at all times to reflect changes in the credit risk of a financial instrument. The methodology incorporates historical, current and forecasted information into ECL estimation. Consequently, more timely information is required to be provided about ECL.

MFRS 9 applies to all financial assets classified as amortised cost and FVOCI, lease receivables, trade receivables, and commitments to lend money and financial guarantee contracts.

Under MFRS 9, financial instruments are segregated into 3 stages depending on the changes in credit quality since initial recognition. The Group calculates 12-month ECL for Stage 1 and Lifetime ECL for Stage 2 and Stage 3 exposures.

i. Stage 1: For performing financial instruments which credit risk had not been significantly increased since initial recognition.

ii. Stage 2: For underperforming financial instruments which credit risk had significantly increased since initial recognition.

iii. Stage 3: For financial instruments which are credit impaired.

The following diagram summarises the impairment requirements under MFRS 9 (other than purchased or originated credit-impaired financial assets):

← Changes in credit quality since initial recognition →

Stage 1	Stage 2	Stage 3
(Initial recognition)	(Significant increase in credit risk since initial recognition)	(Credit-impaired assets)
12-month ECL	Lifetime ECL	Lifetime ECL

ECL can be assessed individually or collectively. Financial assets that are not individually significant or not individually credit impaired are collectively assessed. For financial assets that are individually significant, an assessment is performed to determine whether objective evidence of impairment exists individually.

Individual assessment is divided into two main processes - trigger assessment and measurement of impairment loss. Financial assets which are triggered by the impairment triggers will be measured for evidence of high likelihood of impairment, i.e. estimated recoveries (based on the discounted cash flow projection method and taking into account economic conditions) is less than carrying value.

5.0 CREDIT RISK MANAGEMENT (CONT'D.)

Table 5.1.2: Impaired and past due loans, advances and financing, and impairment allowances by sector

The impaired and past due loans, advances and financing, impairment allowances, charges for individual impairment allowances and write offs during the financial year by sector of the Group are as follow:

	31 MARCH 2025													
	Agriculture RM'000	Mining and Quarrying RM'000	Manufacturing RM'000	Electricity, Gas and Water RM'000	Construction RM'000	Wholesale and Retail Trade and Hotels and Restaurants RM'000	Transport, Storage and Communication RM'000	Finance and Insurance RM'000	Real Estate RM'000	Business Activities RM'000	Education and Health RM'000	Household RM'000	Others RM'000	Total RM'000
Impaired loans, advances and financing	13,258	40,300	281,891	18,399	175,833	260,218	37,482	2,099	95,877	38,514	28,649	1,139,702	–	2,132,222
Past due but not impaired loans/financing	72,204	10,202	102,535	41,211	145,405	804,151	112,209	11,122	114,013	64,388	33,811	7,008,692	–	8,519,943
Allowances for expected credit losses														
– Individual allowance	711	722	72,104	1,658	73,515	38,168	2,861	–	7,362	13,560	–	17,076	–	227,737
– Collective allowance	7,236	6,293	90,161	10,229	32,363	119,156	17,479	9,287	43,784	26,376	18,471	1,144,219	495	1,525,549
Charges for/(Writeback of) individual allowance	1,011	(840)	63,567	3,748	63,735	37,083	4,505	–	6,878	(9,493)	(3,682)	(9,717)	–	156,795
Write-offs against individual allowance and other movements	300	10,745	77,885	34,021	41,960	60,006	8,427	–	2,006	4,592	–	–	–	239,942

	31 MARCH 2024													
	Agriculture RM'000	Mining and Quarrying RM'000	Manufacturing RM'000	Electricity, Gas and Water RM'000	Construction RM'000	Wholesale and Retail Trade and Hotels and Restaurants RM'000	Transport, Storage and Communication RM'000	Finance and Insurance RM'000	Real Estate RM'000	Business Activities RM'000	Education and Health RM'000	Household RM'000	Others RM'000	Total RM'000
Impaired loans, advances and financing	6,025	50,078	195,332	51,056	216,634	340,472	30,723	2,899	36,903	43,720	37,512	1,224,769	–	2,236,123
Past due but not impaired loans/financing	85,326	10,226	166,843	23,502	159,639	546,324	61,128	6,684	240,618	86,810	22,791	6,827,240	–	8,237,131
Allowances for expected credit losses														
– Individual allowance	–	13,490	63,058	33,965	53,759	95,870	7,000	–	2,491	15,060	2,100	24,090	–	310,883
– Collective allowance	9,201	8,074	169,507	4,956	122,622	64,814	134,354	24,547	32,741	17,963	7,695	1,119,847	961	1,717,282
(Writeback of)/Charges for individual allowance	(1,946)	14,577	33,225	1,062	9,076	102,105	9,373	(1,001)	2,507	15,034	2,857	24,066	–	210,935
Write-offs against individual allowance and other movements	–	3,481	38,354	–	41,360	79,392	3,438	–	16	10,404	1,742	–	–	178,187

Pillar 3 Disclosure

5.0 CREDIT RISK MANAGEMENT (CONT'D.)

Table 5.1.3: Geographical distribution of impaired and past due loans, advances and financing and impairment allowances

The impaired and past due loans, advances and financing and impairment allowances by geographic distribution of the Group are as follows:

	31 MARCH 2025		
	In Malaysia RM'000	Outside Malaysia RM'000	Total RM'000
Impaired loans, advances and financing	2,132,222	–	2,132,222
Past due but not impaired loans/financing	8,519,943	–	8,519,943
Allowances for expected credit losses			
– Individual allowance	227,737	–	227,737
– Collective allowance	1,524,028	1,521	1,525,549

	31 MARCH 2024		
	In Malaysia RM'000	Outside Malaysia RM'000	Total RM'000
Impaired loans, advances and financing	2,236,123	–	2,236,123
Past due but not impaired loans/financing	8,237,131	–	8,237,131
Allowances for expected credit losses			
– Individual allowance	310,883	–	310,883
– Collective allowance	1,717,183	99	1,717,282

Table 5.1.4: Reconciliation of changes to loans/financing impairment allowances

The disclosure on reconciliation of loan/financing loss allowances can be found in Note 13 of the financial statements. Charge offs and recoveries that have been taken up directly to the statement of profit or loss are as follows:

FINANCIAL YEAR ENDED 31 MARCH 2025	(Charge off)/ Recoveries RM'000
Individual allowance written off during the financial year	(53,848)
Individual allowance recoveries during the financial year	339,221

FINANCIAL YEAR ENDED 31 MARCH 2024	(Charge off)/ Recoveries RM'000
Individual allowance written off during the financial year	(54,396)
Individual allowance recoveries during the financial year	346,873

5.0 CREDIT RISK MANAGEMENT (CONT'D.)

5.2 Credit Risk Exposure under the IRB Approach

Adoption of IRB Basel II

The Group has on 29 July 2024 obtained BNM's approval to adopt FIRB Approach, i.e. to apply internal models to determine risk-weight for the majority of its credit portfolios in AmBank and AmBank Islamic. For AmInvestment Bank, given the relatively less material size of credit exposures, it remains under Standardised Approach.

For RWA computation of retail portfolios, the Group adopts the AIRB Approach using own internal estimates of PD, LGD and EAD. For non-retail portfolios, the Group adopts FIRB Approach, which uses own internal PD estimates and applies supervisory estimates of LGD and EAD.

The key measures generated by the internal models to quantify regulatory capital are:

(i) PD

This measures the likelihood that a borrower/customer defaults on its credit obligation over a period of one year.

(ii) LGD

This is a measure of the economic loss the Group would incur in the event a borrower/customer defaults taking into account also the time value of money when measuring recovery cash flows.

(iii) EAD

EAD is the expected amount that a borrower/customer is expected to be owing at time of default. This takes into account potential additional drawdown that may be incurred by the borrower/customer facing financial difficulties prior to default.

Various models are developed, tuned to the specific risk characteristics of each portfolio, to achieve these measurements.

In general, default risk estimates approach for Retail and Non-Retail portfolios are similar for PD, EAD and LGD models.

- Nevertheless, PD model for Retail segment is further segmented by Application Scorecard ("Ascore") and Behavioural Scorecard ("Bscore"). Ascore is generally developed by using internal and external (e.g. CCRIS) information for new application decisioning. Bscore is used primarily for account management and business strategy.
- Non-retail exposures under FIRB Approach for capital computation allows the Group to use its internal PD estimates, but use supervisory LGD and EAD estimates to compute the risk weights for corporate exposures. For specialised lending exposures, the Group adopts Supervisory Slotting Criteria approach with supervisory prescribed risk weights.

Model Risk Management

To ensure a robust model risk management, the Group has established a Board-approved model risk management framework and its related guidelines on the operational structure, minimum thresholds and standards, and risk management requirements for governing the controls and processes relating to model development, model validation and on-going model monitoring.

Internal models are developed, or co-developed with external consultants, by a dedicated internal modelling team functionally separate from risk origination. All new models and subsequent material changes to the models are subject to independent validation prior to implementation, and thereafter re-validated annually, by an internal validation team or external consultants who are independent from model ownership, development, monitoring and use. All models used for regulatory purposes are approved by the Board.

Internal Audit also reviews the adequacy and effectiveness of model-related governance, risk management and internal control processes and provides value-added assurance to assist the Board in the discharge of its oversight responsibilities.

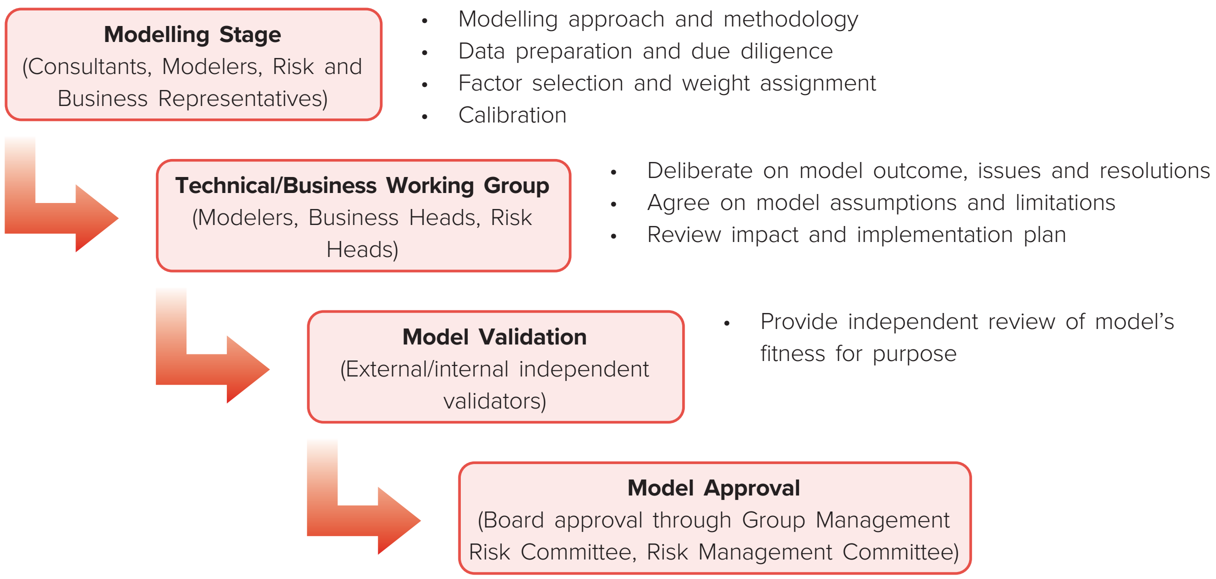
Pillar 3 Disclosure

5.0 CREDIT RISK MANAGEMENT (CONT'D.)

5.2 Credit Risk Exposure under the IRB Approach (Cont'd.)

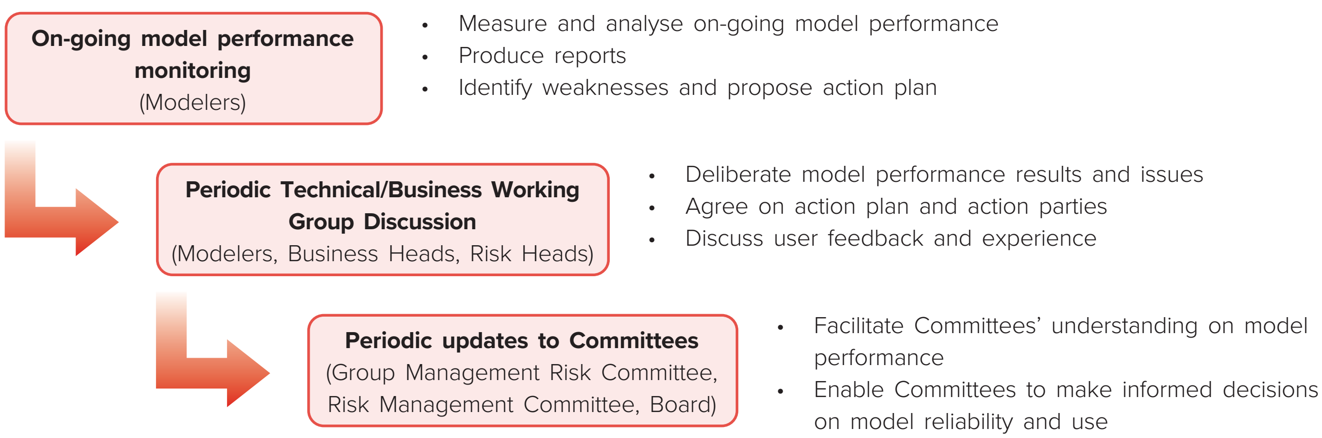
Model Risk Management (Cont'd.)

The model development, validation and governance process is depicted in the diagram below:



Subsequent to model implementation, the performance of the models is monitored regularly by the modelling team; deliberated at the Technical Working Group; and reported to Group Management Risk Committee, Risk Management Committee and the Board for oversight.

The on-going model performance reporting process is depicted in the diagram below:



All Credit Models are being monitored on a quarterly basis and presented to:

1 Technical Working Group which comprises representatives from both risk and business.

2 GMRC, RMC and Board.

The scope of monitoring covers various quantitative tests on model discrimination, calibration and stability; highlights model weaknesses and ensure prompt action is taken by responsible parties.

5.0 CREDIT RISK MANAGEMENT (CONT'D.)

5.2 Credit Risk Exposure under the IRB Approach (Cont'd.)

Model Risk Management (Cont'd.)

Independent Model Validation

All models used for regulatory RWA computations are subjected to validation by an independent party not involved in model ownership, development, monitoring and use to ascertain whether the models are fit-for-purpose and meeting regulatory and/or internal policy requirements.

The scope of validation covers:

a. Model Validation
- Quantitative Tests – Discrimination, Calibration, Stability
- Data
- Methodology
- Governance
- Documentation

b. System Validation
- Input to Output Accuracy
- System and Data Governance
- User Acceptance Test
- Functional Specifications

All models used for regulatory RWA computations are validated annually, and the model validation results are reported to GMRC, RMC and Board.

Use of Internal Models

The internal risk ratings are used not only for regulatory capital purposes, but also in various management of credit risk within the Group and its banking subsidiaries.

The basic credit risk measurement metrics of PD, LGD and EAD are transformed into measures of EL, capital consumption (RWA capital), and together with profitability to determine ROCE. These are used in the following applications within AmBank and AmBank Islamic.

1 Credit underwriting approval

All borrowers/customers are required to be rated at credit origination/annual review or rating refreshed to facilitate credit analysis and decision.

Credit approval matrix for a loan/financing application is determined based on EL and quantum of exposure. Retail cutoff score for credit acceptance takes EL into consideration.

2 Risk Governance

Risk grade/EL are used in risk appetite setting, such as setting of limits to manage credit concentration risk and setting of portfolio risk controls.

3 Capital management

ROCE is used in influencing lending growth/direction and capital allocation.

4 Policy

Internal ratings are consistently applied and used in the basis for credit risk policy/guidelines.

Pillar 3 Disclosure

5.0 CREDIT RISK MANAGEMENT (CONT'D.)

5.2 Credit Risk Exposure under the IRB Approach (Cont'd.)

Model Risk Management (Cont'd.)

Use of Internal Models (Cont'd.)

5 Reporting

Regular reporting relating to credit like distribution of credit/sectorial exposures, rating migration, estimation of relevant parameters per grade and relating to profitability areas.

6 Pricing

EL are used/considered in loan/financing pricing. Setting minimum hurdle rate for retail portfolio and ROCE for individual wholesale borrower/customer pricing.

7 Provisions and account management

The base PD, LGD and EAD are used for ECL provisioning estimates with modification to meet accounting standard.

Retail behavioural scores and PD segmentation model are used for account management and collection strategy.

5.2.1 Retail Portfolio

Retail PD models

Each account is assigned to a risk pool, of similar risk characteristics or drivers. The PD estimation is developed using historical data spanning a minimum 5 years, with each pool (or PD segment) calibrated to long run average which cover at least one business cycle.

Retail LGD models

All of the Retail LGD models are built using data spanning a minimum 5 years. For Basel II purposes, LGD is estimated to reflect downturn conditions. Similar to PD segmentation model, homogenous risk profile accounts will be segmented into same LGD pool.

Retail EAD models

For on-balance sheet exposures (e.g. term loans/financing or mortgage loans/financing), EAD is equal to the current outstanding of the facility. For off-balance sheet exposures, (e.g. undrawn amount for revolving and non-revolving facility), EAD consist of current outstanding and the expected utilisation of committed (Cash Conversion Factor ("Cash CF") (where applicable)) and undrawn amount (Credit Conversion Factor ("CCF")) at the time of default. All EAD models are built using data spanning a minimum 5 years. For Basel II purposes, EAD is estimated to reflect downturn conditions. Similar to PD segmentation model, homogenous risk profile accounts will be segmented into same EAD pool.

Cash CF refers to how much of an off-balance sheet exposure will actually be called upon and become an on-balance sheet item.

5.0 CREDIT RISK MANAGEMENT (CONT'D.)

Table 5.2.1a: Exposures under the IRB Approach by Risk Grade or PD Band

The disclosure on exposures by PD Band (IRB Approach) for Retail of the Group is as follows:

	31 MARCH 2025				
PD Range %	Exposures post CRM RM'000	Exposure Weighted Average LGD %	Exposure Weighted Average Risk Weight %	Undrawn Commitments RM'000	RWA RM'000
Retail Exposures:					
Residential Mortgages					
0.0001 - 0.0737	–	–	–	–	–
0.0738 - 0.5942	26,091,486	17.30	12.56	17,770	3,277,695
0.5943 - 1.0159	5,730,927	16.49	20.56	3,845	1,178,213
1.0160 - 2.2722	2,367,699	17.23	36.07	1,828	854,068
2.2723 - 4.1028	1,706,204	17.27	48.50	1,002	827,432
4.1029 - 8.2931	13,397	16.95	61.14	–	8,190
8.2932 - 99.9999	4,108,341	17.55	75.96	2,255	3,120,666
Default or 100	940,956	17.78	46.28	195	435,427
Total Residential Mortgages	40,959,010			26,895	9,701,691
Qualifying Revolving Retail Exposures					
0.0001 - 0.0737	–	–	–	–	–
0.0738 - 0.5942	1,935,205	87.48	14.33	1,732,349	277,315
0.5943 - 1.0159	1,810,935	84.10	28.33	1,483,623	513,001
1.0160 - 2.2722	905,790	82.40	49.67	433,778	449,938
2.2723 - 4.1028	783,432	83.30	79.43	295,087	622,308
4.1029 - 8.2931	415,640	77.27	106.74	93,316	443,642
8.2932 - 99.9999	297,685	66.72	159.56	50,027	474,997
Default or 100	41,512	69.38	579.31	26,651	240,485
Total Qualifying Revolving Retail Exposures	6,190,199			4,114,831	3,021,686
Hire Purchase Exposures					
0.0001 - 0.0737	–	–	–	–	–
0.0738 - 0.5942	7,447,958	35.99	22.49	–	1,674,822
0.5943 - 1.0159	76,398	36.04	33.41	–	25,526
1.0160 - 2.2722	1,756,916	37.14	41.70	–	732,627
2.2723 - 4.1028	654,111	37.12	52.88	–	345,903
4.1029 - 8.2931	504,549	36.91	55.78	–	281,445
8.2932 - 99.9999	764,458	37.61	79.96	–	611,230
Default or 100	66,718	37.91	144.26	–	96,247
Total Hire Purchase Exposures	11,271,108			–	3,767,800
Other Retail Exposures					
0.0001 - 0.0737	–	–	–	–	–
0.0738 - 0.5942	6,662,332	20.49	13.59	1,608,867	905,638
0.5943 - 1.0159	2,374,431	22.33	21.86	344,612	519,005
1.0160 - 2.2722	605,881	25.93	33.88	95,383	205,258
2.2723 - 4.1028	554,859	26.75	37.54	92,193	208,291
4.1029 - 8.2931	1,951,912	31.59	39.70	13,909	774,873
8.2932 - 99.9999	1,111,914	25.46	46.06	87,348	512,142
Default or 100	498,903	27.78	171.32	705	854,730
Total Other Retail Exposures	13,760,232			2,243,017	3,979,937
Total Retail Exposures	72,180,549			6,384,743	20,471,114

Pillar 3 Disclosure

5.0 CREDIT RISK MANAGEMENT (CONT'D.)

Table 5.2.1b: Exposures under the IRB Approach by Expected Loss Range Band

The disclosure on exposures by Expected Loss Range Band (IRB Approach) for Retail of the Group is as follows:

	31 MARCH 2025				
Expected Loss Range %	**Exposures post CRM RM'000**	**Exposure Weighted Average LGD %**	**Exposure Weighted Average Risk Weight %**	**Undrawn Commitments RM'000**	**RWA RM'000**
Retail Exposures:					
Residential Mortgages					
0.0001 - 0.0737	8,925,233	14.55	9.78	4,104	872,464
0.0738 - 0.5942	25,821,156	17.98	18.02	19,466	4,652,680
0.5943 - 1.0159	1,151,127	18.77	52.59	876	605,373
1.0160 - 2.2722	987,668	14.98	71.08	261	702,081
2.2723 - 4.1028	982,221	19.58	95.66	1,154	939,554
4.1029 - 8.2931	605,130	15.17	82.55	78	499,527
8.2932 - 99.9999	1,545,519	19.07	64.35	761	994,585
Default or 100	940,956	17.78	46.28	195	435,427
Total Residential Mortgages	40,959,010			26,895	9,701,691
Qualifying Revolving Retail Exposures					
0.0001 - 0.0737	7	33.19	3.46	6	–**
0.0738 - 0.5942	2,291,497	83.24	15.13	1,981,987	346,729
0.5943 - 1.0159	1,537,896	87.57	30.19	1,293,991	464,239
1.0160 - 2.2722	908,979	82.38	51.56	422,628	468,625
2.2723 - 4.1028	834,680	82.95	82.47	291,683	688,333
4.1029 - 8.2931	381,457	80.00	122.58	67,072	467,577
8.2932 - 99.9999	194,171	69.11	178.04	30,813	345,698
Default or 100	41,512	69.38	579.31	26,651	240,485
Total Qualifying Revolving Retail Exposures	6,190,199			4,114,831	3,021,686
Hire Purchase Exposures					
0.0001 - 0.0737	–	–	–	–	–
0.0738 - 0.5942	8,712,214	36.09	24.74	–	2,155,801
0.5943 - 1.0159	606,670	37.69	48.44	–	293,869
1.0160 - 2.2722	939,013	37.23	53.77	–	504,895
2.2723 - 4.1028	182,784	37.08	58.04	–	106,085
4.1029 - 8.2931	343,625	37.35	72.25	–	248,252
8.2932 - 99.9999	420,084	37.84	86.33	–	362,651
Default or 100	66,718	37.91	144.26	–	96,247
Total Hire Purchase Exposures	11,271,108			–	3,767,800
Other Retail Exposures					
0.0001 - 0.0737	1,023,278	14.72	9.27	78,696	94,811
0.0738 - 0.5942	8,490,094	21.51	16.98	1,961,510	1,441,700
0.5943 - 1.0159	522,497	29.19	38.83	83,405	202,867
1.0160 - 2.2722	2,191,984	31.22	39.81	29,561	872,718
2.2723 - 4.1028	296,947	27.30	46.19	53,916	137,158
4.1029 - 8.2931	203,040	27.89	53.74	2,329	109,119
8.2932 - 99.9999	533,489	27.95	50.02	32,895	266,834
Default or 100	498,903	27.78	171.32	705	854,730
Total Other Retail Exposures	13,760,232			2,243,017	3,979,937
Total Retail Exposures	72,180,549			6,384,743	20,471,114

** The RWA amount is not nil but has been rounded down to zero in this disclosure due to presentation in thousands.

5.0 CREDIT RISK MANAGEMENT (CONT'D.)

5.2 Credit Risk Exposure under the IRB Approach (Cont'd.)

5.2.2 Non-Retail PD Model

PDs for wholesale borrowers/customers are generated by wholesale models differentiated by turnover size, specialised lending segments, contracting business and real estate activities. The methods used to develop models for risk quantification are summarised as follows:

I. Statistical method - Built and tested with data statistically;

II. Hybrid method - Built judgementally and tested with limited data;

III. Expert method - Built on expert judgement; or

IV. Slotting method - Slot credit based on supervisory slotting criteria.

A hybrid rating model of point in time and through the cycle is generally adopted in wholesale rating models. The models allow expert judgement by credit evaluation officers to be reflected as the final rating for consideration of some model inputs not captured by the models. The internal risk grades are calibrated to the long run average default rates with upward adjustments made to the downturn period of year 2008 and 2009 to reflect 2000/2001 recession such that the PD increases exponentially at each higher risk grades. For models such as income-producing real estate, project finance and object finance (i.e. specialised lending models) which are difficult to model due to low default portfolio, these segments are developed using the supervisory slotting criteria. Similar default definition as per Basel II requirement is adopted across all non-retail exposures.

The rating is determined at customer level and translated into PD based on the calibration parameters that mapped to AmBank Masterscale. For regulatory RWA computation, a minimum floor PD of 0.03% is applied for conservativeness.

Corporate borrower/customer risk grade can be mapped to external agency ratings. Table below depicts AmBank Masterscale and mapping of internal risk grades of corporate borrowers/customers with Rating Agency of Malaysia ("RAM") rating grades. The external agency ratings recognise transaction structure and collateral, whereas internal rating reflects that in combination of PD (Risk Grade) and LGD, where PD (Risk Grade) is strictly borrower/customer default while transaction mitigation and collateral is reflected in LGD.

Category	Risk Grade	PD Range	RAM Equivalent
Exceptionally	1 to 6	0.0001% - 0.0737%	AAA
Very Strong	7 to 12	0.0738% - 0.5942%	AA1-A3
Strong	13 to 14	0.5943% - 1.0159%	BBB1 to BBB2
Satisfactory	15 to 16	1.0160% - 2.2722%	BBB3 to BB2
Moderate	17 to 18	2.2723% - 4.1028%	BB3
Marginal	19 to 20	4.1029% - 8.2931%	B1 to B3
Substandard	21 to 24	8.2932% - 99.9999%	C1 to C3

Securitisation and Equity Exposures (Banking Book) are disclosed under the Standardised Approach under section 7 and 10 respectively.

Pillar 3 Disclosure

5.0 CREDIT RISK MANAGEMENT (CONT'D.)

Table 5.2.2a: Exposures under the IRB Approach by Risk Grade or PD Band

The disclosure on exposures by PD Band (IRB Approach) for Non-Retail of the Group is as follows:

	31 MARCH 2025				
PD Range %	Exposures post CRM RM'000	Exposure Weighted Average LGD %	Exposure Weighted Average Risk Weight %	Undrawn Commitments RM'000	RWA RM'000
Non-Retail Exposures:					
Corporate (excluding Specialised Lending and firm-size adjustment)					
0.0001 - 0.0737	1,662,526	44.97	15.09	264,941	250,924
0.0738 - 0.5942	26,400,185	43.06	48.72	3,157,462	12,863,432
0.5943 - 1.0159	12,785,460	42.01	77.81	1,156,668	9,948,673
1.0160 - 2.2722	8,208,024	41.03	95.80	1,038,896	7,863,127
2.2723 - 4.1028	4,045,361	41.00	116.40	373,629	4,708,899
4.1029 - 8.2931	1,679,332	40.40	136.28	46,891	2,288,674
8.2932 - 99.9999	1,745,091	38.77	185.65	88,339	3,239,783
Default or 100	1,236,947	44.20	–	226	–
Total Corporate (excluding Specialised Lending and firm-size adjustment)	57,762,926			6,127,052	41,163,512
Corporate (with firm-size adjustment)					
0.0001 - 0.0737	1,649	45.00	15.34	96	253
0.0738 - 0.5942	3,919,648	38.93	40.31	801,378	1,579,959
0.5943 - 1.0159	3,145,392	36.11	56.49	659,849	1,776,777
1.0160 - 2.2722	6,603,420	37.55	70.96	1,265,238	4,686,093
2.2723 - 4.1028	4,299,635	37.34	84.28	483,763	3,623,728
4.1029 - 8.2931	1,717,869	36.27	87.02	123,270	1,494,893
8.2932 - 99.9999	1,068,907	37.08	134.80	47,706	1,440,913
Default or 100	395,001	39.02	–	5,429	–
Total Corporate (with firm-size adjustment)	21,151,521			3,386,729	14,602,616
Qualifying Purchased Corporate Receivables					
0.0001 - 0.0737	–	–	–	–	–
0.0738 - 0.5942	–	–	–	–	–
0.5943 - 1.0159	42,280	45.00	87.14	11,637	36,844
1.0160 - 2.2722	–	–	–	–	–
2.2723 - 4.1028	–	–	–	–	–
4.1029 - 8.2931	–	–	–	–	–
8.2932 - 99.9999	–	–	–	–	–
Default or 100	–	–	–	–	–
Total Qualifying Purchased Corporate Receivables	42,280			11,637	36,844
Total Non-Retail Exposures (excluding Specialised Lending (Slotting Approach))	78,956,727			9,525,418	55,802,972

5.0 CREDIT RISK MANAGEMENT (CONT'D.)

Table 5.2.2b Specialised Lending Exposures under Supervisory Slotting Criteria

Specialised Lending Exposures under Supervisory Slotting Criteria of the Group is as follows:

Supervisory Categories/Risk-Weights	31 MARCH 2025					
	Strong RM'000	Good RM'000	Satisfactory RM'000	Weak RM'000	Default RM'000	Total RM'000
Specialised Lending Exposures (Slotting Approach)						
Project Finance	1,475,188	3,328,131	157,928	–	–	4,961,247
Object Finance	114,544	625,892	5,302	–	–	745,738
Income Producing Real Estate	1,033,287	4,392,080	1,285,359	108,732	23,653	6,843,111
	2,623,019	8,346,103	1,448,589	108,732	23,653	12,550,096
Risk-Weighted Assets	1,316,295	5,928,916	1,665,877	271,830	–	9,182,918

Supervisory Categories/Risk-Weights	31 MARCH 2025					
	Strong RM'000	Good RM'000	Satisfactory RM'000	Weak RM'000	Default RM'000	Total RM'000
Specialised Lending Exposures (Slotting Approach)						
High Volatility Commercial Real Estate	–	372,064	268,559	922	1,885	643,430
Risk-Weighted Assets	–	446,477	375,982	2,305	–	824,764

5.3 Credit Risk Mitigation

Collateral taken by the Group

Collateral is generally taken as security for credit exposures as a secondary source of repayment in case the counterparty cannot meet its contractual repayment obligations from cash flow generation. The collateral accepted for credit risk mitigation comprises financial collateral, real estate, other physical asset and guarantees.

In the case of the Group's Islamic Banking operations, only Shariah approved assets can be accepted as permissible collateral. Notwithstanding, for specific products, a collateral that becomes non-Shariah compliant during the tenure of financing may continue to be maintained as collateral.

The Credit Risk Mitigation Policy is the internally recognised collateral framework for the Group. Any collateral that does not conform to the requirements outlined in that policy may be considered by the relevant approval authority to be accepted and approved as an exception. For capital relief purposes, Basel FIRB requirements set out in BNM's Capital Adequacy Framework are to be met, failing which no capital relief is to be accorded.

Processes for collateral management

The concept of legal enforceability and certainty are central to collateral management. In order to achieve legal enforceability and certainty, the Group has standard collateral instruments, and where applicable, security interests are registered.

Pillar 3 Disclosure

5.0 CREDIT RISK MANAGEMENT (CONT'D.)

5.3 Credit Risk Mitigation (Cont'd.)

Guarantee support

Guarantee support for lending/financing proposals are an integral component in transaction structuring for the Group. For Non-Retail portfolio, where a counterparty's corporate guarantor guarantees 100% of the credit facility, the credit risk rating of the counterparty is able to be substituted, subject to fulfilling certain stipulated conditions. Otherwise, if the stipulated conditions are met but the guarantee is less than 100%, the weighted-average method is able to be employed.

Under the FIRB Approach for non-retail, the Group adopts the PD substitution approach whereby the exposure guaranteed by an eligible guarantor will substitute the PD of the counterparty in the computation of capital if the guarantor is internally rated and associated with a PD equivalent to BBB- or better. For retail exposures, guarantor is being considered as part of PD assessment.

Use of credit derivatives and netting for risk mitigation

Currently, the Group does not use credit derivatives and netting for risk mitigation.

Transaction structuring to mitigate credit risk

Besides tangible security and guarantee support described above, credit risk mitigation techniques are used in structuring transactions. These include duration limits managing the tenure of the loans/financing, amortisation schedules and loan/financing covenants. These assist in managing credit risk and providing early warning signals to enable pre-emptive actions to protect the quality or recoverability of loan/financing assets.

Concentrations of credit risk mitigation

The Group carefully monitors collateral concentrations via portfolio management reporting and amendments as necessary to its Risk Appetite Framework.

5.0 CREDIT RISK MANAGEMENT (CONT'D.)

Table 5.3.1a: Credit Risk Mitigation

The total exposures and eligible guarantees and collateral of the Group under Standardised Approach are as follows:

Exposure class	31 MARCH 2025		
	Exposures before CRM RM'000	Exposures covered by Guarantees RM'000	Exposures covered by Eligible Financial Collateral RM'000
Credit risk			
Exposures under the Standardised Approach:			
On-balance sheet exposures:			
Sovereigns/Central banks	19,320,786	–	–
PSEs	3,397	–	–
Banks, DFIs and MDBs	6,489,143	–	–
Insurance companies, Securities firms and Fund managers	21,053	–	–
Corporates	12,850,998	1,707,864	942,556
Regulatory retail	6,402,984	1,549	2,806,552
Residential mortgages	170,291	–	–
Higher risk assets	32,037	–	–
Other assets	3,801,103	–	–
Securitisation exposures	2,368	–	–
Equity exposures	840,403	–	–
Defaulted exposures	76,786	–	43
Total on-balance sheet exposures	50,011,349	1,709,413	3,749,151
Off-balance sheet exposures:			
OTC derivatives	1,321,109	–	78,646
Off-balance sheet exposures other than OTC derivatives or credit derivatives	7,614,895	60,173	4,719,055
Defaulted exposures	1,064	–	–
Total off-balance sheet exposures	8,937,068	60,173	4,797,701
Total on and off-balance sheet exposures	58,948,417	1,769,586	8,546,852

Pillar 3 Disclosure

5.0 CREDIT RISK MANAGEMENT (CONT'D.)

Table 5.3.1a: Credit Risk Mitigation (Cont'd.)

The total exposures and eligible guarantees and collateral of the Group under Standardised Approach are as follows: (Cont'd.)

	31 MARCH 2024		
Exposure class	Exposures before CRM RM'000	Exposures covered by Guarantees RM'000	Exposures covered by Eligible Financial Collateral RM'000
Credit risk			
Exposures under the Standardised Approach:			
On-balance sheet exposures:			
Sovereigns/Central banks	18,987,266	–	–
PSEs	6,587	–	–
Banks, DFIs and MDBs	6,846,800	–	–
Insurance companies, Securities firms and Fund managers	816	–	–
Corporates	80,277,608	4,392,900	8,064,582
Regulatory retail	39,415,435	2,044,126	4,941,512
Residential mortgages	33,150,016	–	15,346
Higher risk assets	50,000	–	–
Other assets	3,276,330	–	–
Securitisation exposures	90	–	–
Equity exposures	731,157	–	–
Defaulted exposures	1,692,258	183,754	20,816
Total on-balance sheet exposures	184,434,363	6,620,780	13,042,256
Off-balance sheet exposures:			
OTC derivatives	2,134,424	–	538,283
Off-balance sheet exposures other than OTC derivatives or credit derivatives	19,657,341	416,195	9,333,745
Defaulted exposures	61,934	218	11,294
Total off-balance sheet exposures	21,853,699	416,413	9,883,322
Total on and off-balance sheet exposures	206,288,062	7,037,193	22,925,578

5.0 CREDIT RISK MANAGEMENT (CONT'D.)

Table 5.3.1b: Credit Risk Mitigation

The total exposures and eligible guarantees and collateral of the Group under IRB Approach are as follows:

Exposure class	31 MARCH 2025			
	Exposures before CRM RM'000	Exposures covered by Guarantees RM'000	Exposures covered by Eligible Financial Collateral RM'000	Exposures covered by Other Eligible Collateral RM'000
Credit risk				
Exposures under the IRB Approach:				
On-balance sheet exposures:				
Corporates	73,450,259	1,403,840	1,793,549	14,936,016
(a) Corporate (excluding Specialised Lending and firm-size adjustment)	45,337,125	298,912	1,081,837	8,239,540
(b) Corporate (with firm-size adjustment)	16,077,391	1,104,928	711,712	6,696,476
(c) Qualifying Purchased Corporate Receivables	30,643	–	–	–
(d) Specialised Lending (Slotting Approach)	12,005,100	–	–	–
– Project Finance	4,453,490	–	–	–
– Object Finance	586,695	–	–	–
– Income Producing Real Estate	6,350,445	–	–	–
– High Volatility Commercial Real Estate	614,470	–	–	–
Retail Exposures	64,198,749	648,669	–	–
(a) Residential Mortgages	39,991,354	–	–	–
(b) Qualifying Revolving Retail Exposures	2,060,508	–	–	–
(c) Hire Purchase Exposures	11,204,390	–	–	–
(d) Other Retail Exposures	10,942,497	648,669	–	–
Defaulted Exposures	3,100,508	–	9,077	334,336
Total on-balance sheet exposures	140,749,516	2,052,509	1,802,626	15,270,352
Off-balance sheet exposures:				
OTC derivatives	306,556	–	2,310	–
Off-balance sheet exposures other than OTC derivatives or credit derivatives	23,169,823	178,594	2,190,335	1,669,039
Defaulted exposures	104,906	–	18,428	230
Total off-balance sheet exposures	23,581,285	178,594	2,211,073	1,669,269
Total on and off-balance sheet exposures	164,330,801	2,231,103	4,013,699	16,939,621

5.4 Credit Risk Exposure under the Standardised Approach

The Group uses external ratings for credit exposures to assign risk weights under the Standardised Approach where relevant. The ratings from the following external credit assessment institutions ("ECAIs") are used:

- Moody's Investors Service ("Moody's")
- Fitch Rating ("Fitch")
- RAM Rating Services Berhad ("RAM")
- Malaysian Rating Corporation Berhad ("MARC")

Pillar 3 Disclosure

5.0 CREDIT RISK MANAGEMENT (CONT'D.)

Table 5.4.1: Credit exposures by risk weights under the Standardised Approach

The breakdown of credit risk exposures by risk weights of the Group is as follows:

Risk Weights	31 MARCH 2025												
	Exposures after Netting and Credit Risk Mitigation											Total Exposures after Netting and Credit Risk Mitigation RM'000	Total Risk Weighted Assets RM'000
	Sovereigns and Central Banks RM'000	PSEs RM'000	Banks, DFIs and MDBs RM'000	Insurance Companies, Securities Firms and Fund Managers RM'000	Corporates RM'000	Regulatory Retail RM'000	Residential Mortgages RM'000	Higher Risk Assets RM'000	Other Assets RM'000	Securitisation Exposures RM'000	Equity Exposures RM'000		
0%	20,861,211	–	198,272	–	5,331,768	1,549	–	–	1,416,735	–	–	27,809,535	–
20%	–	181,217	7,341,064	–	3,819,724	–	–	–	829,017	–	–	12,171,022	2,434,205
35%	–	–	–	–	–	–	120,945	–	–	–	–	120,945	42,331
50%	–	–	354,159	–	2,708	6,657	66,802	–	–	–	–	430,326	215,163
75%	–	–	–	–	–	2,216,231	–	–	–	–	–	2,216,231	1,662,173
100%	–	–	167	40,010	3,457,660	1,690,260	–	–	1,555,351	–	840,403	7,583,851	7,583,851
150%	–	–	–	–	27,867	7,383	–	32,037	–	–	–	67,287	100,930
1250%	–	–	–	–	–	–	–	–	–	2,368	–	2,368	29,598
Total	20,861,211	181,217	7,893,662	40,010	12,639,727	3,922,080	187,747	32,037	3,801,103	2,368	840,403	50,401,565	12,068,251

Risk Weights	31 MARCH 2024												
	Exposures after Netting and Credit Risk Mitigation											Total Exposures after Netting and Credit Risk Mitigation RM'000	Total Risk Weighted Assets RM'000
	Sovereigns and Central Banks RM'000	PSEs RM'000	Banks, DFIs and MDBs RM'000	Insurance Companies, Securities Firms and Fund Managers RM'000	Corporates RM'000	Regulatory Retail RM'000	Residential Mortgages RM'000	Higher Risk Assets RM'000	Other Assets RM'000	Securitisation Exposures RM'000	Equity Exposures RM'000		
0%	19,506,698	–	101,377	–	10,108,910	1,462,990	–	–	910,931	–	–	32,090,906	–
20%	–	199,981	7,772,459	–	11,873,385	722,272	–	–	808,020	–	–	21,376,117	4,275,224
35%	–	–	–	–	–	–	24,149,677	–	–	–	–	24,149,677	8,452,387
50%	129,760	–	241,044	–	282,333	26,723	9,265,510	–	–	–	–	9,945,370	4,972,685
75%	–	–	–	–	–	28,579,553	–	–	–	–	–	28,579,553	21,434,665
100%	–	–	–	23,049	63,743,943	8,063,471	297,539	–	1,557,378	–	731,157	74,416,537	74,416,537
150%	–	–	–	–	249,441	223,272	–	60,427	–	–	–	533,140	799,710
1250%	–	–	–	–	–	–	–	–	–	90	–	90	1,125
Total	19,636,458	199,981	8,114,880	23,049	86,258,012	39,078,281	33,712,726	60,427	3,276,329	90	731,157	191,091,390	114,352,333

5.0 CREDIT RISK MANAGEMENT (CONT'D.)

Table 5.4.2: Rated Exposures according to Ratings by ECAIs

	31 MARCH 2025				
	Ratings of Corporate by Approved ECAIs				
Moody's Fitch RAM MARC	RM'000	Aaa to Aa3 AAA to AA- AAA to AA3 AAA to AA- RM'000	A1 to A3 A+ to A- A to A3 A+ to A- RM'000	Baa1 to Ba3 BBB+ to BB- BBB1 to BB3 BBB+ to BB- RM'000	Unrated Unrated Unrated Unrated RM'000
Group					
Exposure class					
On and off-balance sheet exposures					
Credit exposures (using corporate risk weights)					
PSEs (applicable for entities risk weighted based on their external ratings as corporates)	181,221	–	–	–	181,221
Insurance companies, Securities firms and Fund managers	40,010	–	–	–	40,010
Corporates	13,706,582	3,818,101	–	13,168	9,875,313
Total	13,927,813	3,818,101	–	13,168	10,096,544

	31 MARCH 2024				
	Ratings of Corporate by Approved ECAIs				
Moody's Fitch RAM MARC	RM'000	Aaa to Aa3 AAA to AA- AAA to AA3 AAA to AA- RM'000	A1 to A3 A+ to A- A to A3 A+ to A- RM'000	Baa1 to Ba3 BBB+ to BB- BBB1 to BB3 BBB+ to BB- RM'000	Unrated Unrated Unrated Unrated RM'000
Group					
Exposure class					
On and off-balance sheet exposures					
Credit exposures (using corporate risk weights)					
PSEs (applicable for entities risk weighted based on their external ratings as corporates)	199,981	–	–	–	199,981
Insurance companies, Securities firms and Fund managers	26,144	–	–	–	26,144
Corporates	90,741,675	11,958,153	139,545	15,262	78,628,715
Total	90,967,800	11,958,153	139,545	15,262	78,854,840

Pillar 3 Disclosure

5.0 CREDIT RISK MANAGEMENT (CONT'D.)

Table 5.4.2: Rated Exposures according to Ratings by ECAIs (Cont'd.)

	31 MARCH 2025	
	Short term Ratings of Banking Institutions and Corporate by Approved ECAIs	
Moody's Fitch RAM MARC	RM'000	P-1 F1+ F1 P-1 MARC-1 RM'000
Group		
Exposure class		
Rated Credit Exposures		
Corporates	–	–
Total	–	–

	31 MARCH 2024	
	Short term Ratings of Banking Institutions and Corporate by Approved ECAIs	
Moody's Fitch RAM MARC	RM'000	P-1 F1+ F1 P-1 MARC-1 RM'000
Group		
Exposure class		
Rated Credit Exposures		
Corporates	476,883	476,883
Total	476,883	476,883

5.0 CREDIT RISK MANAGEMENT (CONT'D.)

Table 5.4.2: Rated Exposures according to Ratings by ECAIs (Cont'd.)

	31 MARCH 2025	
	Ratings of Sovereigns and Central Banks by Approved ECAIs	
Moody's Fitch	RM'000	Baa1 to Baa3 BBB+ to BBB- RM'000
Group		
Exposure class		
On and off-balance sheet exposures		
Sovereigns and Central banks	20,861,211	20,861,211
Total	20,861,211	20,861,211

	31 MARCH 2024	
	Ratings of Sovereigns and Central Banks by Approved ECAIs	
Moody's Fitch	RM'000	Baa1 to Baa3 BBB+ to BBB- RM'000
Group		
Exposure class		
On and off-balance sheet exposures		
Sovereigns and Central banks	19,636,458	19,636,458
Total	19,636,458	19,636,458

Pillar 3 Disclosure

5.0 CREDIT RISK MANAGEMENT (CONT'D.)

Table 5.4.2: Rated Exposures according to Ratings by ECAIs (Cont'd.)

	31 MARCH 2025					
	Ratings of Banking Institutions by Approved ECAIs					
Moody's Fitch RAM MARC	RM'000	Aaa to Aa3 AAA to AA- AAA to AA3 AAA to AA- RM'000	A1 to A3 A+ to A- A1 to A3 A+ to A- RM'000	Baa1 to Baa3 BBB+ to BBB- BBB1 to BBB3 BBB+ to BBB- RM'000	Ba1 to B3 BB+ to B- BB1 to B3 BB+ to B- RM'000	Unrated Unrated Unrated Unrated RM'000
Group						
Exposure class						
On and off-balance sheet exposures						
Banks, DFIs and MDBs	12,400,109	7,981,764	2,401,617	14,863	1,082	2,000,783
Total	12,400,109	7,981,764	2,401,617	14,863	1,082	2,000,783

	31 MARCH 2024					
	Ratings of Banking Institutions by Approved ECAIs					
Moody's Fitch RAM MARC	RM'000	Aaa to Aa3 AAA to AA- AAA to AA3 AAA to AA- RM'000	A1 to A3 A+ to A- A1 to A3 A+ to A- RM'000	Baa1 to Baa3 BBB+ to BBB- BBB1 to BBB3 BBB+ to BBB- RM'000	Ba1 to B3 BB+ to B- BB1 to B3 BB+ to B- RM'000	Unrated Unrated Unrated Unrated RM'000
Group						
Exposure class						
On and off-balance sheet exposures						
Banks, DFIs and MDBs	14,187,215	10,652,102	2,658,605	13,214	1,507	861,787
Total	14,187,215	10,652,102	2,658,605	13,214	1,507	861,787

5.0 CREDIT RISK MANAGEMENT (CONT'D.)

Table 5.4.3: Securitisation according to Ratings by ECAIs

	31 MARCH 2025	
	Ratings of Securitisation by Approved ECAIs	
Moody's Fitch RAM MARC	RM'000	Unrated Unrated Unrated Unrated RM'000
Group		
Exposure class		
On and off-balance sheet exposures		
Securitisation exposures	2,368	2,368
Total	2,368	2,368

	31 MARCH 2024	
	Ratings of Securitisation by Approved ECAIs	
Moody's Fitch RAM MARC	RM'000	Unrated Unrated Unrated Unrated RM'000
Group		
Exposure class		
On and off-balance sheet exposures		
Securitisation exposures	90	90
Total	90	90

Pillar 3 Disclosure

6.0 OFF-BALANCE SHEET EXPOSURES AND COUNTERPARTY CREDIT RISK

6.1 Off-Balance Sheet Exposures

The Group's off-balance sheet exposures consist of 3 main categories as follows:

(1) Credit-related exposures, e.g. direct credit substitute, guarantees given on behalf of borrowers/customers, certain transaction-related contingent items, obligation under underwriting agreement, short-term self-liquidating trade-related contingencies, irrevocable commitment to extend credit and unutilised credit card line.

(2) Derivative financial instruments, e.g. forward exchange contracts (forward exchange contracts and cross currency swaps), interest/profit rate related contracts (interest/profit rates futures and interest/profit rates swap), equity related contracts (option and futures) and commodity related contract (option).

(3) Other treasury-related exposures, e.g. forward purchase commitment.

Off-balance sheet exposure is mitigated by setting of credit limit for the respective counterparty and exposure limit for industry sectors which are governed under the GRAF.

6.2 Counterparty Credit Risk

Market-related credit risk is present in market instruments (derivatives and forward contracts), and comprises counterparty risk (default at the end of contract) and pre-settlement risk (default at any time during the life of contract). Market-related credit risk requires a different method in calculating the pre-settlement risk because actual and potential market movements impact the Group's exposure. The market-related credit risk covered by this treatment for transactions entered by the Group include interest/profit rates, foreign exchange and equities.

For each individual contract, the pre-settlement risk exposure is normally calculated based on the sum of the marked-to-market ("MTM") value of the exposure, plus the notional principal multiplied by the potential credit risk exposure ("PCRE") factor; if the sum of each individual contract is negative, the pre-settlement risk exposure for this contract is deemed to be zero.

Pre-settlement risk exposure = MTM + PCRE factor (or known as add-on factor) x Notional Principal

- The MTM is essentially the current replacement cost of the contract, and can be positive or negative. Where it is positive, i.e. in the money, the Group has credit exposure against the counterparty; if it is negative, i.e. out of the money, the negative value will be used.
- The PCRE factors recognise that prices change over the remaining period to maturity, and that risk increases with time. The PCRE factors are mandated for regulatory capital purposes.
- Variation to the above generic methodology is allowed for specific product.

Maximum pay out method is used for back to back and structured products where the underlying instrument structures are dynamic i.e. not confined to a standardised underlying instrument. Where the maximum payout is known, it is taken as the pre-settlement risk amount. However, in situations where the maximum payout is not observable, a Monte Carlo simulation method is used.

Exposure to the counterparty is governed by the counterparty credit limit under the GRAF.

Other than credit limit setting and related duration setting of such limits, the Group's primary tool to mitigate counterparty credit risk is by taking collateral.

For derivative exposures, collateral is generally managed via standard market documentation which governs the amount of collateral required and the re-margining frequency between counterparties, including the impact on collateral requirements should either the banking subsidiary's or the counterparty's credit risk rating be upgraded or downgraded.

6.0 OFF-BALANCE SHEET EXPOSURES AND COUNTERPARTY CREDIT RISK (CONT'D.)

Table 6.3: Off-Balance Sheet Exposures

The off-balance sheet exposures and counterparty credit risk of the Group are as follows:

	31 MARCH 2025			
	Principal Amount RM'000	Positive Fair Value of Derivative Contracts RM'000	Credit Equivalent Amount RM'000	Risk Weighted Assets RM'000
Direct Credit Substitutes	1,381,075		1,352,974	802,033
Transaction-related contingent Items	8,593,579		4,310,840	2,518,632
Short-term self-liquidating trade-related contingencies	1,152,135		234,438	195,908
Forward Asset Purchases	762,478		43,893	20,708
Obligations under on-going underwriting agreements	13,862		–	–
Lending of banks' securities or the posting of securities as collateral by banks, including instances where these arise out of repo-style transactions	6,246,434		6,357,671	74,612
Foreign exchange related contracts				
One year or less	9,536,863	50,631	123,574	92,875
Over five years	398,880	2,572	69,298	35,347
Interest/Profit rate related contracts				
One year or less	108,584	538	–	–
Over one year to five years	2,197,159	10,334	15,903	13,518
Over five years	508,459	435	20,638	10,319
Equity and commodity related contracts				
One year or less	2,008,222	16,017	9,767	4,402
Over one year to five years	176,710	2,634	9,703	1,941
Gold and Other Precious Metal Contracts				
One year or less	55,441	600	2,548	2,143
OTC Derivative transactions and credit derivative contracts subject to valid bilateral netting agreements	78,282,725	568,448	1,376,234	485,810
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	2,783,244		2,448,074	609,905
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	19,272,118		11,959,693	7,165,673
Unutilised credit card lines	6,059,474		4,183,105	1,531,630
Total	139,537,442	652,209	32,518,353	13,565,456

Pillar 3 Disclosure

6.0 OFF-BALANCE SHEET EXPOSURES AND COUNTERPARTY CREDIT RISK (CONT'D.)

Table 6.3: Off-Balance Sheet Exposures (Cont'd.)

The off-balance sheet exposures and counterparty credit risk of the Group are as follows: (Cont'd.)

	31 MARCH 2024			
	Principal Amount RM'000	Positive Fair Value of Derivative Contracts RM'000	Credit Equivalent Amount RM'000	Risk Weighted Assets RM'000
Direct Credit Substitutes	1,644,803		1,565,721	1,331,966
Transaction-related contingent Items	7,000,448		3,455,219	2,836,208
Short-term self-liquidating trade-related contingencies	811,097		138,438	124,147
Forward Asset Purchases	904,729		38,721	7,955
Obligations under on-going underwriting agreements	10,373		–	–
Lending of banks' securities or the posting of securities as collateral by banks, including instances where these arise out of repo-style transactions	6,645,141		6,760,919	82,148
Foreign exchange related contracts				
One year or less	18,770,742	133,013	295,294	192,953
Over one year to five years	318,988	711	22,113	11,057
Interest/Profit rate related contracts				
One year or less	1,165,106	8,146	10,169	600
Over one year to five years	1,881,250	13,868	43,135	23,840
Over five years	39,000	652	2,998	1,499
Equity and commodity related contracts				
One year or less	2,540,990	27,966	19,313	10,265
Over one year to five years	18,840	288	719	144
Gold and Other Precious Metal Contracts				
One year or less	64,278	1,719	6,219	5,472
Other Commodity Contracts				
One year or less	80,115	2,406	6,440	1,288
OTC Derivative transactions and credit derivative contracts subject to valid bilateral netting agreements	65,056,991	823,539	1,728,024	871,982
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	3,765,181		1,872,499	1,427,537
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	19,021,868		4,764,783	2,728,362
Unutilised credit card lines	5,614,875		1,122,975	832,747
Total	135,354,815	1,012,308	21,853,699	10,490,170

6.4: Credit Derivatives Counterparty Credit Risk ("CCR")

The Group did not have any counterparty credit risk exposure as at 31 March 2025 and 31 March 2024.

7.0 SECURITISATION

7.1 Objectives, roles and involvement

The Group has undertaken securitisations of its own originated assets, as well as advised on securitisations of third party assets as part of its structured finance/debt markets services for its clients. The Group's objectives in relation to securitisation activity include the following:

- increase the availability of different sources of funding;
- facilitate prudential balance sheet management;
- transfer of credit and market risk;
- obtain regulatory capital relief, if applicable;
- earn management fees on assets under management; and
- earn other fees for products and services provided, e.g. liquidity, funding and credit support, structuring, arranging and underwriting services.

The Group is involved in the following types of securitisation activities:

- Securitisation of assets originated by the Group. Such transactions provide diversity in the funding base for the Group entities. Such securitisations may or may not involve the transfer of credit risk and as such, may or may not provide regulatory capital relief;
- Securitisation of third party-originated assets;
- Facilities and services provided to securitisations - the Group provides various facilities to securitisations which include liquidity, funding and credit support as well as services such as structuring and arranging; and
- Investment in securities - the Group may purchase bonds issued from securitisation programmes and also purchases such bonds in the secondary markets.

7.2 Regulatory capital approaches used in the Group's securitisation activities

Securitisation exposures held in the trading books of the Group are subjected to market risk capital charge using the FIRB Approach.

For securitisation exposures held in the banking books, the Group applies the FIRB Approach related to banking book exposures to determine the credit risk capital charge.

7.3 Governance

The Group's Debt Markets team is tasked with the structuring of securitisation transactions whilst the governance of these securitisation activities is overseen by the Board and Executive Committees, and managed in accordance with the credit risk and market risk frameworks.

The exposures held in the trading book and banking book are governed by the limits set by the respective books (Trading & Banking Book Policy) and the Credit Committee (CACC members) for credit limit approvals.

For non-retail, the use of credit risk mitigation to mitigate the risks retained through securitisation exposures shall be guided by the Credit Risk Mitigation Policy/Guideline (refer to section 5.3 on 'Credit Risk Mitigation'), unless there are specific collateral acceptance criteria set out for specific products.

7.4 Risk measurement and reporting of securitisation exposures

The Group relies on the external ratings assigned by recognised external credit assessment institutions in determining the capital charge requirement for rated securitisation exposures. The Group also assesses the performance information of the underlying pool on an ongoing basis e.g. 30/60/90 days past due, default rates, prepayment rates, etc, to gauge the stability of the model parameters to determine sufficiency of the buffers. The reporting for such exposures is dependent on the Group's ultimate position, whether acting as a third party investor to both on or off-balance sheet exposures.

7.5 Special Purpose Vehicle ("SPV") used in securitisation exercises

Third party exposures that have been securitised via SPVs include civil servant loans/financing, personal loans/financing and government-linked companies' staff housing loans/financing.

Pillar 3 Disclosure

7.0 SECURITISATION (CONT'D.)

7.6 Accounting Policies for Securitisation

The Group has sponsored SPVs involving assets of the Group. Such SPVs are consolidated where the Group has control as determined in accordance with MFRS 10 *Consolidated Financial Statements*.

Assets that have been transferred wholly or proportionately to an unconsolidated entity remain on the Group's statement of financial position, with a liability recognised for the proceeds received, unless:

(a) substantially all risks and rewards associated with the assets have been transferred, in which case, they are derecognised in full; or

(b) if a significant portion, but not all, of the risks and rewards have been transferred, the asset is derecognised entirely if the transferee has the ability to sell the financial asset, otherwise the asset continues to be recognised to the extent of the Group's continuing involvement.

7.7 Use of external rating agencies

The Group uses the services of both RAM and MARC and where applicable, international rating agency (Fitch) for securitisation transaction purposes.

Table 7.8: Securitisation (Trading and Banking Book)

The securitised exposures of the Group are as follows:

	31 MARCH 2025			
Underlying Asset	Total Exposures Securitised RM'000	Past Due RM'000	Impaired RM'000	Gains/Losses recognised during the financial year RM'000
Traditional Securitisation				
Originated by the Group				
Banking Book				
Mortgage loans	1,217,947	–	1,206,071	–
Total Traditional Securitisation	1,217,947	–	1,206,071	–

	31 MARCH 2024			
Underlying Asset	Total Exposures Securitised RM'000	Past Due RM'000	Impaired RM'000	Gains/Losses recognised during the financial year RM'000
Traditional Securitisation				
Originated by the Group				
Banking Book				
Mortgage loans	1,170,679	–	1,159,141	–
Total Traditional Securitisation	1,170,679	–	1,159,141	–

The Group did not have any exposures under synthetic securitisation as at 31 March 2025 and 31 March 2024.

7.0 SECURITISATION (CONT'D.)

Table 7.9: Securitisation under the Standardised Approach for Banking Book Exposures

Group Securitisation Exposures by Exposure Type	31 MARCH 2025				
	Exposure Value of Positions Purchased or Retained RM'000	Exposure after CRM RM'000	Exposures subject to deduction RM'000	Distribution of Exposures after CRM according to Applicable Risk Weights Rated Securitisation Exposures or Risk Weights of Guarantees/ Credit Derivatives 1250% RM'000	Risk Weighted Assets RM'000
Traditional Securitisation					
Originated by the Group					
On-Balance Sheet Exposures	2,368	2,368	–	2,368	29,598
Total Traditional Securitisation	2,368	2,368	–	2,368	29,598

Group Securitisation Exposures by Exposure Type	31 MARCH 2024				
	Exposure Value of Positions Purchased or Retained RM'000	Exposure after CRM RM'000	Exposures subject to deduction RM'000	Distribution of Exposures after CRM according to Applicable Risk Weights Rated Securitisation Exposures or Risk Weights of Guarantees/ Credit Derivatives 1250% RM'000	Risk Weighted Assets RM'000
Traditional Securitisation					
Originated by the Group					
On-Balance Sheet Exposures	90	90	–	90	1,125
Total Traditional Securitisation	90	90	–	90	1,125

There is no securitisation exposure under trading book as at 31 March 2025 and 31 March 2024.

Pillar 3 Disclosure

8.0 OPERATIONAL RISK

The operational risk management process is depicted in the table below:

Identification	»	• Identify and analyse risks in key processes/activities within Business and Functional Lines (including new products) • Review of past operational losses and incidences data • Regulators' and Auditors' review and feedback
Assessment/Measurement	»	• Risk and Control Self Assessment ("RCSA") • The inherent and residual risks are assessed based on the probability and impact of activity undertaken
Control/Mitigation	»	Several Operational Risk Management tools are used to mitigate the risk identified: • Incident Management and Data Collection ("IMDC") • Key Risk Indicators ("KRI") • Key Control Testing ("KCT") • Root cause analysis • Scenario Analysis • Insurance programme
Monitoring/Review	»	• Monitoring and reporting of loss incidents by Event Type, Portfolio and Line of Business and entity, reporting of operational risk board and management triggers, risk profile status, key risk indicator breaches and key control testing exceptions and operational risk framework adherence • Challenging the periodical review or updating the RCSA (risk profile)/KRIs/KCTs of all Line of Business and entity • Trigger by adverse change in circumstances (trigger event review) • Change management process review

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external incidents which includes but is not limited to legal risk, outsourcing risk, technology (including cyber) risk, fraud risk and Shariah compliance risk (Please refer to section 12 for discussion on Shariah Governance Structure). It excludes strategic, systemic and reputational risk.

Operational Risk Appetite ("ORA") is set as part of overall GRAF, which sets the acceptable tolerance levels of operational risk that the Group is willing to accept, taking into consideration of the relevant financial and non-financial risk or return attributes in order to support the achievement of the Group's strategic plan and business objectives. The ORA statements and measurements are classified based on operational risk loss event types, which are grouped into five (5) categories as below and monitored via IMDC, KRI and KCT:

- Fraud (internal and external);
- Employment Practices and Workplace Safety;
- Client, Products and Business Practices;
- Business Disruption, System Failures and Damage to Physical Assets; and
- Execution, Delivery and Process Management.

The strategy for managing operational risk in the Group is anchored on the three (3) lines of defence concept which are as follows:

- The first line of defence ("FLOD") is responsible for the management of operational risk in order for accountability and ownership to be as close as possible to the activity that creates the risk and ensuring that effective action is taken to manage them. Enhanced FLOD provides a business specific focus on the implementation of operational risk management activities and supports more effective day-to-day monitoring of operational risks.
- In the second line of defence, Group Operational Risk is responsible for exercising governance over operational risk through the management of the operational risk framework, policy development and communication, quality assurance of internal controls, operational risk measurement, validation of FLOD effectiveness, ORM training and reporting of operational risk triggers, breaches, KCT exceptions, operational loss incidents to GMRC, RMC and the Board.
- Group Internal Audit Department ("GIAD") acts as the third and final line of defence by providing independent assurance on the internal control effectiveness through periodic audit programme.

8.0 OPERATIONAL RISK (CONT'D.)

Group Operational Risk maintains close working relationships with all Business and Functional Lines, continually assisting in the identification of operational risks inherent in their respective business activities, assessing the impact and significance of these risks and ensuring that satisfactory risk mitigation measures and controls are in place. Various tools and methods are employed to identify, measure, control and monitor/report operational risk issues within the Group. The ORM process contains the following ORM tools:

- The IMDC module provides a common platform for reporting operational risk incidents that fall within one of the seven Event Types as stated in Basel II. IMDC also serves as a centralised database of operational risk incidents to model the potential exposure to operational risks in future and estimate the amount of economic capital charge.
- The RCSA is a process of continual identification, assessment of risks and controls effectiveness. By using structured questionnaires to assess and measure key risk and its corresponding controls effectiveness, RCSA provides risk profiling across the Group.
- The KRI module provides early warning of increasing risk and/or control failures by monitoring the changes of the underlying risk measurements.
- The KCT is the test steps or assessment performed periodically to assure that the key controls are in place and they are operating as intended or effective in managing the operational risks.
- Root cause analysis is conducted by the Operational Risk Relationship Managers within Group Operational Risk to prevent recurrence of operational risk incidents.
- Scenario analysis is a forward-looking assessment tool to assess the severity impact on the Group's profitability and capital adequacy should the plausible and worse case scenarios materialise.

The GMRC, Risk Management Committee Director ("RMCD") and Board are the main reporting and escalation committees for operational risk matters including outsourcing risk, information technology (including cyber) risk, Shariah risk, legal risk, fraud risk and business continuity management.

8.1 Business Continuity Management

The Business Continuity Management ("BCM") process is depicted in the table below:

Identification	»	• Identify events that potentially threaten the business operations and areas of criticality
Assessment/Measurement	»	• Business Impact Analysis ("BIA") • Risk Assessment • Climate-related Operational Risk Assessment
Control/Mitigation	»	• Policies governing the BCM implementation • BCM methodologies controlling the process flow • Implementing the Business Continuity ("BC") plan
Monitoring/Review	»	• BC plan testing and exercise • Review of BC Plan • BC site readiness and maintenance

The BCM function is an integral part of ORM. It places the importance of maintaining a BCM framework and policies to identify events that could potentially threaten the Group's operations and the identification of critical functions through BIA exercise, for the development of recovery strategy. BCM builds the resilience and recovery capability to safeguard the interest of the Group's stakeholders by protecting our brand and reputation.

The BCM process complements the effort of the recovery team units to ensure that the Group has the required critical capabilities and resources, such as IT system disaster recovery, alternate workspace arrangements and effective communication during interruptions.

The Group is continuously reviewing the level of business operations resiliency to enhance the BCM capability throughout all critical departments and branches across the region. Training is an integral part of the process to heighten BCM awareness and inculcate a business resiliency culture.

The Group integrates climate-related operational risk into its BCM programs and activities to ensure the continuity of its Critical Business Functions ("CBF") and Third Party Service Providers ("TPSP") in the face of climate related events. The integration shall include an objective risk assessment from credible external parties that evaluates the climate-related risk vulnerabilities of CBFs and TPSPs.

Pillar 3 Disclosure

8.0 OPERATIONAL RISK (CONT'D.)

8.2 Technology and Cyber Risk Management

Technology and cyber security risks remain a persistent threat for the financial industry. The constantly evolving nature of the regulatory, digital landscape and sophistication of cyber threats and attack vectors calls for increased vigilance, readiness and ability to respond to upcoming threats. The resilience of the Group's IT infrastructure and cyber security capabilities are of paramount importance, especially with regards to safeguarding borrowers'/customers' information.

The Group continues to monitor its cyber resilience posture, enhance its cyber security controls framework, execute internal assessment reviews, build defence mechanisms and uplift governance processes alongside the Group's cyber risk management strategy - to identify threats in a timely manner, and build or enhance the right defences to mitigate risks. Creating a security mindset for employees and borrowers/customers via its Cyber Security awareness programs also remains a priority.

The Group Technology Risk team acts as a second line of defence to monitor alongside the first line of defence to ensure that risks and controls are properly managed. The Group's technology risk management capabilities include oversight over infrastructure security risk, data leakage risk, application security risk, third party security risk, governance and process robustness.

Group Technology Risk works closely with all Business and Functional Lines to identify technology and cyber risks inherent in the respective business activities, impact assessment and ensuring remedial actions are in place to mitigate risks accordingly. Various tools and methods are employed (similar to Operation Risk tools) to support the execution of these assessments. Progressive tracking and advisory are performed in parallel to execute an effective security program to combine maturity-based and risk-based programs towards proactive cyber security.

8.3 Legal Risk

In all jurisdictions that the Group conducts its business, there could be potential legal risks arising from breaches of applicable laws, unenforceability of contracts, lawsuits, adverse judgement, failure to respond to changes in regulatory requirements and failure to protect assets (including intellectual properties) owned by the Group which may lead to incurrence of losses, disruption or otherwise impact on the Group's financials or reputation.

Legal risk is overseen by GMRC/Group Management Committee ("GMC"), upon advice by internal legal counsel and, where necessary, in consultation with external legal counsel to ensure that such risks are appropriately managed.

8.4 Regulatory Compliance Risk

The Group has zero tolerance for any form of regulatory breaches (including bribery or corruption and Shariah non-compliance events). The Group is committed to always maintain the highest integrity and ethical standards by complying to the Code of Conduct and the applicable laws and regulations to ensure the protection of our business and promote operational excellence through ethical behaviour.

The Group has in place a compliance framework to promote the safety and soundness of the Group by minimising financial, reputational and operational risks arising from regulatory non-compliance.

The Group Chief Compliance Officer has a direct reporting line to the Risk Management Committee ("RMC") of the Board. A governance structure is in place for escalation and reporting of compliance risks and issues through monthly compliance reports to the RMC and Board.

The compliance framework details the roles and responsibilities for compliance with regulatory guidelines and requirements. The responsible parties are accountable for the management of compliance risks associated with the Group's processes and increasing awareness on the role of every employee to be compliant and safeguard the Group's reputation against any potential legal violations and/or regulatory non-compliance. The Senior Management team is responsible for communicating the compliance framework to all employees, as well as implementing appropriate actions for non-compliances.

8.0 OPERATIONAL RISK (CONT'D.)

8.4 Regulatory Compliance Risk (Cont'd.)

The Group Management Governance and Compliance Committee ("GMGCC"), comprising the Senior Management Team from Group Compliance, Group Risk, Group Internal Audit and the Business, meets regularly to discuss and deliberate on regulatory updates, compliance issues and areas of non-compliance. The Group believes in and embraces a strong compliance culture to reflect a corporate culture of high ethical standards and integrity where the Board and Senior Management lead by example.

The Group continues to exercise and enhance its due diligence governance process and remains vigilant towards emerging risks as well as sensitive towards heightened regulatory surveillance and enforcement.

9.0 MARKET RISK MANAGEMENT

Market risk is the risk of losses due to adverse changes in the level or volatility of market rates or prices, such as interest/profit rates, credit spreads, equity prices and foreign exchange rates. The Group differentiates between two categories of market risk: Traded Market Risk ("TMR") and Non-Traded Market Risk ("NTMR"). Assessment, control and monitoring of these risks are the responsibilities of Investment Banking and Markets Risk ("IBMR").

9.1 Traded Market Risk ("TMR")

The TMR management process is depicted in the table below:

Identification	• Identify market risks within existing and new products • Review market-related information such as market trends and economic data
Assessment/Measurement	• Value-at-Risk ("VaR") • Loss Limits • Historical Stress Loss ("HSL") • Present Value of One Basis Point ("PV01") • Sensitivity to Change • Other Detailed Controls
Control/Mitigation	• VaR Limits • Loss Limits/Triggers (Annual/Monthly/Daily) • HSL Limits • PV01 Limits • Greek Limits (Delta/Gamma/Delta-Gamma/Vega/Theta) • Concentration Limits • Position Size Limits • Maximum Tenor Limits • Maximum Holding Period • Minimum Holding Period • Approved Portfolio Products • Approved Countries/Currencies • Other Detailed Limits/Triggers
Monitoring/Review	• Monitor controls • Periodical review and reporting

TMR arises from transactions in which the Group acts as principal with clients or the market. It involves taking positions in fixed income, equity, foreign exchange, commodities and/or derivatives. The objectives of TMR management are to understand, accurately measure and work with the business to ensure exposures are managed within the Board and GMRC approved limit structures and risk appetite. This is done via robust TMR measurement, limit setting, limit monitoring, and collaboration and agreement with Business Units.

Pillar 3 Disclosure

9.0 MARKET RISK MANAGEMENT (CONT'D.)

9.1 Traded Market Risk ("TMR") (Cont'd.)

VaR, Loss Limits, HSL and other detailed management controls are used to measure, monitor and control TMR exposures. VaR is a quantitative measure which the Group applies recent historical market conditions to estimate potential losses in market value, at a certain confidence level and over a specified time horizon (i.e. holding period). Loss Limits serve to alert management on the need to take relevant and appropriate action once they are triggered.

To complement VaR, HSL is used as a measure of the potential impact on portfolio values due to more extreme, albeit plausible, market movements. In addition, HSL is used to gauge and ensure that the Group is able to absorb extreme, unanticipated market movements.

Apart from VaR, Loss Limits and HSL, additional sensitivity controls (e.g. Greek Limits/PV01 Limits) and indicators are used to monitor changes in portfolio value due to changes in risk factors under different market conditions.

IBMR independently monitors risk exposures against limits on a daily basis. Portfolio market risk positions are independently monitored and reported by IBMR to GMRC, RMC and the Board. Furthermore, policies and procedures are in place to ensure prompt action is taken in the event of non-adherence to limits. Business Units exposed to traded market risk are required to maintain risk exposures within approved risk limits and to provide an explanation for any non-adherence event to Senior Management.

The Group adopts the Standardised Approach for market risk capital charge computation. The capital charge serves as a buffer against losses from potential adverse market movements.

IBMR is committed to on-going improvements in market risk processes and systems, and allocates substantial resources to this endeavour.

9.2 Non-Traded Market Risk ("NTMR")

NTMR refers to interest rate risk/rate of return risk in the banking book including those arising from balance sheet management activities as covered under the risk appetite.

Interest Rate Risk/Rate of Return Risk in the Banking Book ("IRR/RORBB")

The IRR/RORBB risk management process is depicted in the table below:

Identification	»	• Identify IRR/RORBB within existing and new products • Review market-related information such as market trend and economic data
Assessment/Measurement	»	• ICAAP IRR/RORBB Economic Value of Equity ("EVE") • ICAAP IRR/RORBB Earnings-at-Risk ("EaR")
Control/Mitigation	»	• ICAAP IRR/RORBB EVE/Tier 1 Capital Triggers • ICAAP IRR/RORBB EaR/Total Net Interest/Profit Income ("NII/NPI") Triggers
Monitoring/Review	»	• Monitor controls • Periodical review and reporting

IRR/RORBB arises from changes in market interest/profit rates that impact core net interest/profit income, future cash flows or fair values of financial instruments. This risk arises from mismatches between repricing dates of assets and liabilities, changes in yield curves, volatilities in interest/profit margins and implied volatilities on interest/profit rate options. The provision of retail and wholesale banking products and services (primarily lending/financing and deposit taking activities) creates interest/profit rate-sensitive positions in the Group's statement of financial position.

The principal objectives of balance sheet risk management are to manage interest/profit income sensitivity while maintaining acceptable levels of IRR/RORBB and funding risk, and to manage the economic value of the Group's capital.

9.0 MARKET RISK MANAGEMENT (CONT'D.)

9.2 Non-Traded Market Risk ("NTMR") (Cont'd.)

Interest Rate Risk/Rate of Return Risk in the Banking Book ("IRR/RORBB") (Cont'd.)

The Board's oversight of IRR/RORBB is supported by the GALCO and GMRC. The Board and GMRC are responsible for the alignment of Group-wide risk appetite. GALCO reviews strategies to ensure a comfortable level of IRR/RORBB is maintained, taking into consideration the Group's business strategies and is responsible for overseeing the Group's gapping positions, asset growth and liability mix against the interest/profit rate outlook. The Group has successfully engaged long-term borrowings and written interest/profit rate swaps to manage IRR/RORBB, and maintained an acceptable gapping profile as a result. In accordance with the Group's policy, IRR/RORBB positions are monitored on a monthly basis and hedging strategies are employed to ensure risk exposures are maintained within Management-established limits.

The Group measures the IRR/RORBB exposures using EVE and EaR, which are quantitative measures to assess the impact of change in value of future cash flows or fair values of financial instruments and net interest/profit income due to movement in market interest/profit rates. The Group complements EVE and EaR by stress testing IRR/RORBB exposures to highlight potential risk that may arise from extreme market events that are rare but plausible.

Key assumptions in the gap and sensitivity analysis relate to the behaviour of interest/profit rates and spreads, changes in loans/financing and deposit product balances due to behavioural characteristics under different interest/profit rate environments. Material assumptions include the repricing characteristics and the stability of indeterminate or non-maturity deposits and loans/financing.

The rate scenarios may include rapid ramping of interest/profit rates, gradual ramping of interest/profit rates, and narrowing or widening of spreads. Usually each analysis incorporates what management deems the most appropriate assumptions about customer behaviour in an interest/profit rate scenario. However, in certain cases, assumptions are deliberately changed to test the Group's exposure to a specified event.

The Group's strategy seeks to optimise exposure to IRR/RORBB within Management-approved limits. This is achieved through the ability to reposition the interest/profit rate exposure of the statement of financial position using various product and funding strategies, supported by interest/profit rate hedging activities using interest/profit rate swaps and other derivatives. These approaches are governed by the Group's policies in the areas of product and liquidity management as well as the Trading Book and Banking Book Policy, hedging policies and Non-Traded Interest/Profit Rate Risk Framework.

IRR/RORBB exposures are monitored by IBMR and positions reported to the GALCO, GMRC, RMC and Board.

Table 9.3: Interest Rate Risk/Rate of Return Risk Sensitivity in the Banking Book

The IRR/RORBB sensitivity for the Group is as follows:

	31 MARCH 2025	
	Interest Rate/ Rate of Return +100 bps RM'000	Interest Rate/ Rate of Return -100 bps RM'000
Impact on Profit Before Taxation and Zakat	207,520	(207,520)
Impact on Equity	(1,179,316)	1,304,392

	31 MARCH 2024	
	Interest Rate/ Rate of Return +100 bps RM'000	Interest Rate/ Rate of Return -100 bps RM'000
Impact on Profit Before Taxation and Zakat	89,017	(89,017)
Impact on Equity	(1,476,671)	1,630,390

Pillar 3 Disclosure

10.0 EQUITIES (BANKING BOOK POSITIONS)

Equity risk is the potential loss that may be incurred on equity investments in the banking book. The Group's equity exposures in the banking book are equity investments that are taken for strategic and other objectives. Where an equity investment is undertaken for a strategic purpose, such investment will be made only after extensive analysis and due diligence. Equity investments undertaken for other business objectives are principally in conjunction with initiatives or measures promoted by the relevant regulatory authorities or trade bodies in which the Group will jointly with other financial institutions invest in such entities to attain various objectives, such as socio-economic development, promoting the further development of the financial market, the provision of facilities to improve customer service, and support for human capital development for the betterment of the Malaysian banking industry. The Board's approvals are required prior to committing to all forms of equity investment under this category and, where relevant, the necessary regulatory approval or notification will be obtained or met.

10.1 Valuation for and accounting of equity investments in the banking book

Measurement of equity securities - management has elected at initial recognition to irrevocably designate certain equity investment not held for trading at financial assets at fair value through profit or loss ("FVTPL") and FVOCI. When this election is used, fair value gains and losses for equity investment at FVTPL are recognised in profit or loss and equity investment at FVOCI are recognised in other comprehensive income.

Table 10.1: Equity investments and capital requirement

An analysis of equity investments by appropriate equity groupings and risk weighted assets of the Group is as follows:

	31 MARCH 2025 RM'000	31 MARCH 2024 RM'000
Non-traded equity investments		
Value of quoted (publicly traded) equities	11,007	13,996
Value of unquoted (privately held) equities	862,674	758,546
Total	873,681	772,542
Net unrealised gains		
Total unrealised gains	102,632	35,012
Risk Weighted Assets		
Equity investments subject to a 100% risk weight	841,643	732,356
Equity investments subject to a 150% risk weight	48,056	60,280
Total	889,699	792,636
Total minimum capital requirement (8%)	71,176	63,411

11.0 LIQUIDITY RISK AND FUNDING MANAGEMENT

Liquidity risk is the risk that the organisation either does not have sufficient financial resources available to meet all its obligations and commitments as they fall due, or can only access these financial resources at an unreasonable cost. Liquidity risk exposure arises mainly from the deposit taking and borrowing/financing activities and market disruption, and to a lesser extent, significant drawdown of funds from previously contracted financing and purchase commitments. Funding management is the ongoing ability to raise sufficient funds to finance actual and proposed business activities at a reasonable cost. Improper funding management may lead to liquidity problem. On the other hand, insufficient liquidity risk management may also give rise to funding risk.

The liquidity risk management process is depicted in the table below:

Identification	• Identify liquidity risk within existing and new business activities • Review market-related information such as market trend and economic data • Keep abreast with regulatory requirements
Assessment/Measurement	• Liquidity Coverage Ratio ("LCR") • Net Stable Funding Ratio ("NSFR") • Depositor Concentration Ratios • Other Detailed Controls
Control/Mitigation	• LCR Limits/Triggers • NSFR Limits/Triggers/Targets • Depositor Concentration Ratios • Other Detailed Triggers/Targets
Monitoring/Review	• Monitor controls • Periodical review and reporting

The liquidity risk management of the Group is aligned to the LCR policy document and NSFR policy document issued by BNM. The primary objective of the Group's liquidity risk management is to ensure the availability of sufficient funds at a reasonable cost to honour all financial commitments when they fall due. This objective is partly managed through maintenance of a portfolio of high-quality liquid assets to protect against adverse funding conditions and support day-to-day operations. The secondary objective is to ensure an optimal funding structure and to balance the key liquidity risk management objectives, which includes diversification of funding sources, customer base and maturity period.

The Board provides the liquidity risk management oversight including setting and reviewing the liquidity risk appetite while GALCO is the core management committee established by the Board to oversee the overall liquidity management of the Group.

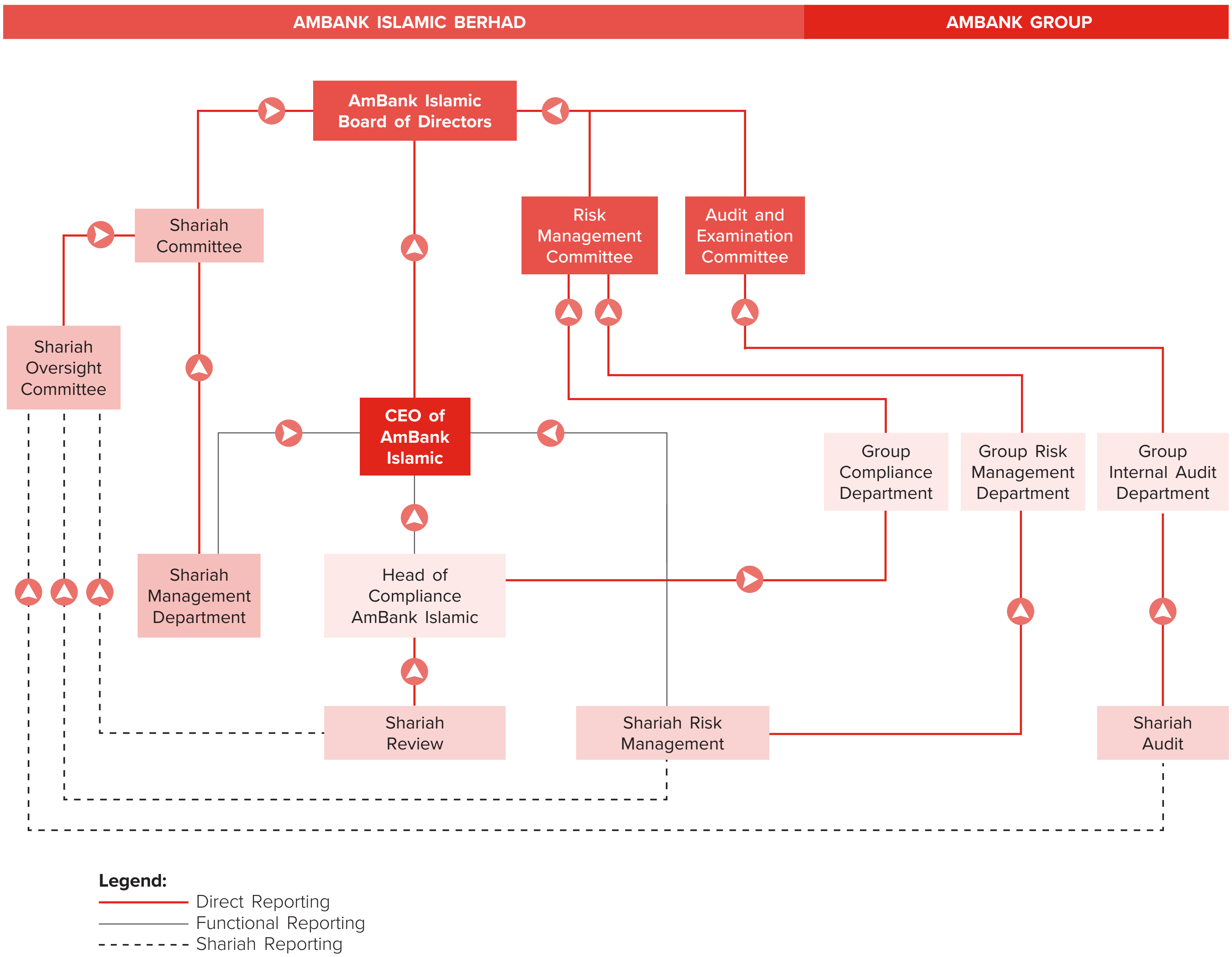
The Group has put in place a Contingency Funding Plan which is established by Capital and Balance Sheet Management ("CBSM") to identify early warning signals of possible liquidity problem. The Contingency Funding Plan also sets out the detailed responsibilities among the relevant departments in the event of actual liquidity crises occurring to ensure orderly execution of procedures to restore the liquidity position and confidence in the organisation.

Various liquidity measurements have been put in place to support the broader strategic objectives of the Group and amongst others include the BNM LCR, BNM NSFR and other Liquidity Ratios such as Depositor Concentration Ratio. IBMR is responsible for developing and monitoring the controls and limits while the Group Treasury and Markets ("GTM") and CBSM are responsible to ensure the controls and limits are within the thresholds.

Stress testing is undertaken to assess and plan for the impact for various scenarios which may put the Group's liquidity at risk. The Group further stresses the importance of the stable funding sources to finance placement/lending and loans, advances and financing to borrowers/customers. They are monitored using the loans/financing to fund ratio, which compares loans/financing and advances to borrowers/customers as a percentage of the Group's total funds.

Pillar 3 Disclosure

12.0 SHARIAH GOVERNANCE STRUCTURE



12.0 SHARIAH GOVERNANCE STRUCTURE (CONT'D.)

AmBank Islamic has established its Shariah governance structure in accordance with the requirements of the Islamic Financial Services Act 2013 ("IFSA") and BNM's Policy Document on Shariah Governance ("SGPD"). This is to ensure that the operations and business activities of AmBank Islamic comply with Shariah principles and requirements.

Apart from the Shariah Management Department, Shariah Risk Management and Shariah Review functions which reside in AmBank Islamic, AmBank Islamic's Shariah governance structure leverages on the Group Internal Audit Department for the Shariah Audit function.

Board of Directors

The Board is responsible for the overall oversight on the Shariah governance and Shariah compliance, including the appointment, remuneration, performance evaluation and reappointment of the Shariah Committee members. The Board performs its oversight role through various committees such as the Audit and Examination Committee, Risk Management Committee and the Shariah Committee.

Audit and Examination Committee ("AEC")

The AEC is a Board committee responsible for assisting the Board in ensuring that AmBank Islamic's operations are Shariah compliant through the independent assurance from the Shariah Audit function. The reports from the Shariah Review Section are also presented to the AEC for information. The AEC also provides the recommendation on the performance evaluation and reappointment of the Shariah Committee members to the Group Nomination and Remuneration Committee for onward recommendation to the Board.

Risk Management Committee ("RMC")

The RMC is a Board committee responsible for assisting the Board in ensuring that risk management (including Shariah risk management) controls and processes are in place.

Shariah Committee

The Shariah Committee is responsible on matters related to Shariah. This includes advising the Board and Senior Management on Shariah matters as well as endorsing products and services, Shariah policies and the relevant documentation in relation to AmBank Islamic's business and operations. In addition to endorsing the zakat computation mechanism and the proposed recipients for zakat distribution, the Shariah Committee provides advice and guidance on the management of the zakat fund, charity and other social programmes or activities.

Shariah Oversight Committee

The Shariah Oversight Committee, which is a sub-committee to the Shariah Committee, performs an oversight function via the Shariah Control Functions (i.e. Shariah Review, Shariah Risk Management, and Shariah Audit). The Shariah Oversight Committee provides guidance and advice on matters pertaining to Shariah non-compliant ("SNC") incidents as well as treatment of any SNC income.

Senior Management

The Chief Executive Officer ("CEO") and senior officers of AmBank Islamic and the Group are responsible to make reference to the Shariah Committee and/or Shariah Oversight Committee on Shariah matters of AmBank Islamic and to take the necessary measures for implementation. The Senior Management is also responsible in establishing the infrastructure and adequate resources to support the Shariah governance structure. This includes putting in place adequate systems and controls in order to ensure compliance with Shariah and to mitigate Shariah non-compliance risk.

Shariah Management Department

The Shariah Management Department is accountable to the Shariah Committee with functional reporting to the CEO and is responsible for providing operational support for the effective functioning of the Shariah Committee including day-to-day Shariah advisory, conducting Shariah research, formulating Shariah policies and acting as the Secretariat to the Shariah Committee and the Shariah Oversight Committee.

Pillar 3 Disclosure

12.0 SHARIAH GOVERNANCE STRUCTURE (CONT'D.)

Shariah Risk Management

The Shariah Risk Management Department is accountable to the Group Risk Management Department and the CEO of AmBank Islamic, and has Shariah reporting to the Shariah Oversight Committee. Shariah risk management is a function that systematically identifies, measures, mitigates, control, monitors and reports any Shariah non-compliance risks to prevent any SNC incidents in the businesses, operations, affairs and activities of AmBank Islamic.

The management of Shariah risk is executed through the three lines of defence, which are: 1st - The Business Units/Functional Lines and Shariah Management Department; 2nd - Shariah Risk Management and Shariah Review; 3rd - Shariah Audit.

Shariah Review

The Shariah Review Section is accountable to the Head of Compliance, AmBank Islamic with functional reporting to the CEO of AmBank Islamic, with Shariah reporting to the Shariah Oversight Committee. Shariah Review refers to a function that conducts regular assessment on the compliance of the operations, business, affairs and activities of AmBank Islamic which are predominantly transactional in nature, with Shariah requirements.

The Shariah Review Section also acts as the Shariah Non-Compliance Officer ("SNCO") of AmBank Islamic. The SNCO is responsible to assess and decide whether the reported Shariah related incidents shall be classified as Potential SNC, and also in preparing the SNC report for deliberation by the Shariah Oversight Committee in determining whether the Shariah related incident is an SNC or otherwise.

Shariah Audit

The Shariah Audit Section is accountable to the AEC with Shariah reporting to the Shariah Oversight Committee. The Shariah Audit Section is a dedicated team within the Group Internal Audit Department, and is responsible to conduct independent assessment on the quality and effectiveness of AmBank Islamic's internal control, risk management systems, governance processes as well as the overall compliance of AmBank Islamic's operations, business, affairs and activities with Shariah requirements. The scope of Shariah Audit includes but is not limited to activities undertaken by departments and functions that relate to Islamic products and services.

12.1 Shariah Non-Compliant ("SNC") Income

For the financial year ended 31 March 2025, there is one (1) SNC event relating to extending Islamic financing facility to Retail Small Medium Enterprise ("RSME") customers whose business activities fall under red area for Islamic financing, involving three (3) accounts with SNC income of approximately RM75,537 to be purified by channeling to charity. Measures to mitigate recurrence include enhancing the existing Shariah Non-Compliance Checklist ("SCCL"), enhancing training course, reminders to staff and enhancing Risk Profiling/Testing Procedures.

For the financial year ended 31 March 2024, there was one (1) SNC incident declared with SNC income of approximately RM32,505.

13.0 INVESTMENT ACCOUNT ("IA")

The Group via AmBank Islamic offers two types of Investment Account ("IA") namely, Restricted Investment Account ("RA") which refers to a type of IA where the Investment Account Holder ("IAH") provides a specific investment to AmBank Islamic and Unrestricted Investment Account ("UA") which refers to a type of IA where the customer provides AmBank Islamic with mandate to make the ultimate investment decision without specifying any particular restriction or condition. Both RA and UA are based on the Shariah concept of Mudarabah. Currently, the RA arrangement undertaken by AmBank Islamic is with a subsidiary of the Group and is eliminated upon consolidation.

Mudarabah means a profit sharing contract between the IAH as the fund provider and AmBank Islamic as the fund manager in which the IAH provides capital to be managed by AmBank Islamic. Any profit generated from the capital is shared between the IAH and AmBank Islamic in accordance with a mutually agreed Profit Sharing Ratio ("PSR"), whilst financial losses (if any) are solely borne by the IAH provided that such losses are not due to AmBank Islamic's misconduct, negligence or breach of specified terms. The IA is not covered by PIDM.

As part of the measures to further support the growth in financing or assets of AmBank Islamic, AmBank Islamic is allowed to recognise the placement of Investment accounts for the purpose of:

a. Computation of Single Customer Exposure Limit ("SCEL"); where the RA placement maintained by AmBank Islamic shall be captured via look-through approach whereby the exposure to the counterparty in relation to the underlying asset invested by AmBank Islamic. The exposure shall be aggregated with all other exposure to such counterparty which in this case AmBank;

b. Credit and market risk weighted assets funded by RA and UA are allowed to be excluded from AmBank Islamic's calculation of Risk Weighted Capital Ratio ("RWCR"). Hence, allowing AmBank Islamic to enhance its financing capacity.

The IA is structured based on application of Shariah contracts terms which do not create an obligation for AmBank Islamic to repay in full the money accepted from the IAH. The structure and term of the IA provide sufficient legal enforceability to affect the loss bearing or loss transfer arrangement to IAH in accordance with Shariah.

Although the risk will be borne by the investor, AmBank Islamic will ensure the assets portfolio tagged to the investment accounts are being monitored diligently by specific team set up by AmBank Islamic. For RA, the selection of financing assets among others will take into consideration the Risk Grade ("RG"), arrears position, tenor of the facility and also collateral value. The return will also be determined based on the Investment account holders' risk appetite. For UA, AmBank Islamic will invest in low risk investment portfolios which comprise of pool of good quality mortgages accounts.

Restricted Investment Account ("RA")

The RA is an arrangement between AmBank Islamic and AmBank (act as IAH) to finance a specific business venture whereby AmBank solely provides capital and the business ventures are managed solely by AmBank Islamic as the fund manager. AmBank records its exposure in the arrangement as "Investment Account", whereas AmBank Islamic records its exposure as "financing and advances".

The RA exposes AmBank to the risks and rewards of the financing, and accordingly, AmBank accounts for all impairment allowances and risk weighted assets arising from the RA arrangement.

The RA placement will be limited to a cap agreed and approved by the management and Board of Directors for both AmBank Islamic and AmBank. In addition, the identified assets funded by RA shall be based on the criteria that has been agreed and approved by the relevant committees of AmBank Islamic and AmBank.

AmBank Islamic conducts regular review of the disclosure policies to ensure reliable, relevant and timely information to AmBank Islamic to facilitate the evaluation of RA performance and the risks associated with the assets portfolio.

Pillar 3 Disclosure

13.0 INVESTMENT ACCOUNT ("IA") (CONT'D.)

Restricted Investment Account ("RA") (Cont'd.)

The contract or Aqad encompassed terms and conditions including but not limited to the followings:

i. The description of the shariah concept used the RA arrangement
ii. Placement amount
iii. Tenor in months or days (whichever applicable)
iv. Profit Sharing Ratio ("PSR") for Mudarabah
v. Description of Assets/Investments matched with the funding

In managing the liquidity risk for RA, the redemption conditions imposed on AmBank would significantly mitigate the liquidity risk exposure of AmBank Islamic.

Mudarabah Term Investment Account ("MTIA-i")

AmBank Islamic has widened the scope of business beyond credit intermediation by acting as an investment intermediation role via the introduction of UA product.

The investment mandate, strategy and parameters for UA are in accordance with the governance set up by AmBank Islamic to ensure effective and efficient oversight on business activities and operations of UA in safeguarding the IAH's interest.

AmBank Islamic had established proper governance to facilitate effective monitoring and control of the overall management and conduct of the investment account. A dedicated unit was established to ensure management, development and implementation of operational policies that govern the conduct of IA are observed. On a periodic basis, a Fund Performance Report shall be made available in AmBank Islamic's website disclosing the performance of the underlying assets which in turn facilitates the IAH in making their investment decision.

MTIA-i fund is invested in investment asset with competitive pricing and good asset quality. The investment asset subscribes to AmBank Islamic's internal credit controls as regulated by BNM. Investment asset allocated is Shariah compliant retail mortgage portfolio of AmBank Islamic. AmBank Islamic manages the investment return in a manner consistent with IAH investment objective and the related governing rules and regulations.

Valuation methodology employed is in accordance with sound industry practice and consistent with the MFRS Accounting Standards. AmBank Islamic monitored the performance of the investment asset on monthly basis. The net return/loss on the MTIA-i are published on AmBank Islamic's website.

MTIA-i Performance

As at 31 March 2025, balance of MTIA-i stood at RM1.1 million (31 March 2024: RM1.4 million). The performance of the MTIA-i is as described in the table below:

As at 31 MARCH 2025	%
Return on Assets ("ROA")	4.99
Average Net Distributable Income Attributable to the IAH	2.43
Average Profit Sharing Ratio to the IAH	48.72

As at 31 MARCH 2024	%
Return on Assets ("ROA")	4.96
Average Net Distributable Income Attributable to the IAH	2.41
Average Profit Sharing Ratio to the IAH	48.52

AMMB Holdings Berhad
Registration No. 199101012723 (223035-V)
(Incorporated in Malaysia)

22nd Floor, Bangunan AmBank Group
No. 55, Jalan Raja Chulan
50200 Kuala Lumpur, Malaysia

ambankgroup.com