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JAMIE LING

Group Chief Executive Officer

Group Chief Executive Officer's Review

Dear Stakeholders,

We have made a good start to the first year of our Winning Together 2029 (WT29) strategy. The Group's capital and liquidity positions remain strong, we delivered record earnings, increased our dividend payout and our share price has improved significantly over the past year.

2025 will also mark a proud milestone for AmBank Group as we celebrate our 50th anniversary in August 2025. We start the new financial year with confidence despite heightened geopolitical tensions and trade conflicts, and we remain focused on executing our strategy, as summarised below:

- ▶ We established three strategy pillars – Digitalisation, Operational Excellence and Sustainability – that underpins the Group's operational resiliency
- ▶ We established three financial goals to deliver superior returns within existing financial resources and risk appetite
- ▶ We established clear segment participation strategies to integrate our strengths and capabilities across all lines of businesses
- ▶ We established a future roadmap for our current technology capabilities and are progressively building fintech capabilities while upgrading existing technology stack
- ▶ We established our people agenda, where customer and employee experience are at the heart of strategy as new ways of working

As we deliver on our forward plans, the following are the key highlights on the progress made.

1. Firstly, on our financial performance. We delivered a record profit of RM2 billion and RM1 billion in dividends in FY2025.

Our financial results have improved as we focused on higher returning segments while we continue our repositioning of certain business portfolios. The key messages on our financial performance for the year are as follows:

- We achieved good income growth of 6%, with significant net interest margin (NIM) improvement. This drove profit before provisions (PBP) higher by 5%. With net impairment charges lower as credit quality improved, PATMI grew 7% to RM2 billion, a record.
- We increased our dividend payout to 50% or approximately RM1 billion in cash. The 30.2 sen dividend per share declared represented an increase of 34% year-on-year (YoY).
- Our Return on Assets (ROA) improved to 1.02%, delivering a Return on Equity (ROE) of 10.0%.
- Our capital position remains strong at 14.82% CET1 Capital Ratio and 17.49% Total Capital Ratio. This provides adequate buffers to fund future growth as well as prudential safeguards to meet regulatory requirements.

The following are further highlights of our businesses that collectively delivered a strong set of results:

- Business Banking achieved a strong lending growth of 12% to RM48.7 billion. Overall, income grew 10% and profit grew 40%. ROA was better at 1.75% from 1.45%.

BUSINESS BANKING

RM48.7
billion in loans

INCOME
GROWTH

10%

PROFIT
GROWTH

40%

- This strong performance was led by the Commercial Banking segment where lending grew 16% to RM38.3 billion, with income growth of 14% and profit growth of 28%.
- Enterprise Banking grew loans by 11% to RM5.7 billion, with income growth of 10% and profit growth of 25%.
- We also merged Retail SME (RSME) segment into Business Banking during the year as we combined the strategy and management of the entire SME segment under one cohesive leadership and business model. Our repositioning of the RSME portfolio resulted in a decline in loans of 10%, with income declining 1%. However, we managed to offset this income decline with a 9% reduction in expenses and these derisking actions also resulted in lower impairment charge which drove a profit improvement of 15%. ROA improved to 3.33% from 2.84%.
- In Wholesale Banking, lending grew 7% to RM21.0 billion, with a 10% income growth and 11% profit improvement. ROA increased to 1.10% from 0.90%.
 - Lending in Corporate Banking increased 6% and in Transaction Banking, trade loans grew 12%.
 - In Group Treasury & Markets, overall income grew 27%. The reduction in cost of funds through deposit repricing and funding mix change drove net interest income higher to offset a lower gains realised from securities trading and investments.

INVESTMENT BANKING

Overall Income
Profit Increasing

↑ **5%**
↑ **38%**



We ranked Top 3 in many categories of Investment Banking

- Investment Banking had a strong year, with overall income up 5% and profit increasing 38%.
 - Customer activities and corporate deal flows were strong and we ranked Top 3 in many categories of Investment Banking in Calendar Year (CY) 2024. For the investor segment, our stockbroking business benefited from increased trading volumes driving income growth of 8% as well as writeback of impairment charges. Funds Management grew income by 3% and profit by 7%, with average Assets Under Management (AUM) increasing 6% to RM51.6 billion. In Private Banking, income grew 18% while profit increased 41% with average AUM growing 6%.
- Retail Banking had a more challenging year as we reposition this business with loans declining 2% while deposits grew 6%. Income was therefore 3% lower. Offsetting this income decline was a significantly lower net impairment charge, which drove profit improvement of over 100%. ROA of Retail Banking improved to 0.26% from 0.01%.
 - The repositioning will continue into the next financial year and requires Retail Banking to be a more focused lender to improve returns and to also be a net funder for the Group as part of our strategy.
 - Retail wealth management services had a strong year, with an income growth of 22% and a profit growth of 29% and average AUM growth of 49%.

To sum up our financial performance, we achieved a broad-based growth with most of our businesses performing well and we continue to deploy our financial resources into businesses that provide better returns for our shareholders.

Group Chief Executive Officer’s Review

2. Secondly, we have made steady progress across all three pillars – Digitalisation, Operational Excellence and Sustainability.

FY2025 was a foundational year in laying the groundwork. We highlight the progress made below:

i. Digitalisation

Digitalisation is one of the backbone of WT29 – enabling us to embed intelligence, enhance customer experience, and scale impact across every part of the organisation. Structured around three priorities: (a) enhancing customer experience, (b) modernising our technology stack, and (c) equipping our people with the tools and skills to lead transformation. We appointed a Group Chief Fintech & Technology Officer (GCFTO) in June 2024, to lead the assessment of our current technology assets and the future technology roadmap, and to drive our data and analytics strategy.

A key foundation of this transformation is Project Orion, which encapsulates our overall data management approach and the foundation of our data analytics capabilities. This initiative integrates data across business lines to create a unified customer view, allowing better insights, and decision-making support. These insights help in future product design for personalisation to relationship and sales management activities.

To support this shift, we have significantly enhanced our data infrastructure – an investment we made over several years. Our upgraded data warehouse now enables more personalised, insight-driven capabilities, including cash management solutions enabled through Application Programming Interfaces (APIs), that help customers optimise liquidity and make real-time financial decisions.


We also accelerated our artificial intelligence (AI) and machine learning (ML) capabilities, moving from infrastructure building to early-stage application. Use cases being piloted include:

- Credit default prediction to enhance loan pre-screening;
- AML typology monitoring through intelligent profiling;
- Payment transaction analytics to understand cash flow patterns and deposit behaviour.

These pilots are being used to validate the potential for broader adoption. To ensure this journey is both ethical and effective, we introduced a Responsible AI and Data Policy Framework to embed transparency, governance, and accountability at every level.

In parallel, we undertook a critical assessment of our technology architecture to define the target technology roadmap required for the future. This includes evaluating cloud infrastructure, modernising core applications, and identifying best-of-whole digital solutions. Our digital bank feasibility study is also underway, reflecting our ambition to remain at the forefront of innovation while building a scalable, sustainable operating model.


DIGITAL ADOPTION ➤



86%

of Retail Transactions

completed digitally in FY2025



52,000

SMEs Onboarded

onto AmAccess Biz

ii. Operational Excellence

Operational excellence is critical in ensuring that we scale efficiently, reduce cost, and build a future-ready bank. In FY2025, we focused on improving processes to enhance our customer experience and also simplify our processing activities to improve productivity and accuracy.

In Retail Banking, we launched several end-to-end process improvements across core products covering mortgages, credit cards, hire purchase, and deposits. These were designed to reduce turnaround times, eliminate manual handoffs as much as possible, and free up internal capacity. For example, vehicle registration is now automatically lodged into the e-HakMilik system and credit initiation letters are generated through automated workflows. We also streamlined mortgage disbursements and digitised credit card

onboarding, enhancing both efficiency and customer experience.

These enhancements are not just operational fixes – they are part of a larger effort to future-proof the business. Our process re-engineering approach is to ensure solutions are intuitive, scalable, and aligned with long-term needs. Early gains include a paperless onboarding journey and reduced handoffs, and we continue refining areas like electronic Know Your Customer (eKYC) and form simplification.

We reorganised our SME operations under a unified leadership team. This re-alignment enables us to serve SMEs more cohesively across their growth lifecycle, with clearer accountability, faster decision-making, and a stronger ability to scale.

OPERATIONAL EFFICIENCY AT A GLANCE ➤

Simplify customer onboarding and lending journey across:



Mortgages



Deposits



Credit Cards



Hire Purchase

iii. Sustainability

This year, we intensified our efforts to support Malaysia's sustainability priorities such as the National Energy Transition Roadmap (NETR), the New Industrial Master Plan 2030 (NIMP 2030) and support for SMEs to adopt sustainable practices as articulated in the Financial Sector Blueprint, and Budget 2025. These national ambitions reinforce our own direction—positioning AmBank Group as a strategic enabler of the country's sustainable development agenda.

On climate action, we published our Net Zero Transition Plan (NZTP), anchored on clear financed emissions baselines, sectoral decarbonisation pathways, sector-specific targets, and a full thermal coal mining phase-out by 2030. We identified seven hard-to-abate sectors and developed position statements with emissions intensity thresholds to guide portfolio alignment and client engagement.

This year, we obtained external independent assurance on RM14.6 billion of sustainable finance mobilised in FY2025, laying the foundation for greater transparency and accountability. These included green financing, affordable and low-income financing, sustainable capital market issuances facilitated and sustainable investments.

Beyond climate, we continued driving meaningful social impact – especially in areas such as financial inclusion and community development. SME loans now represent RM29.6 billion, or 21% of our total loan portfolio, with 7%

YoY growth. To support financial resilience of SMEs we disbursed RM1.1 billion in various government financing schemes. As part of our commitment to inclusive financing, we also disbursed RM1.1 billion in affordable and low-income financing.

Our sustainability work is backed by clear governance. Climate and sustainability KPIs are reflected in senior management scorecards and overseen by dedicated committees, including the Group Sustainability and Climate Risk Council (GSCRC). As we look ahead, our responsibility is to stay the course – driving change not only through policies and products, but through consistent, measurable impact.



Malaysia's Best Bank for ESG

by Euromoney Awards for Excellence 2024



Asian Banking 50th Anniversary CSR Excellence Awards 2024

(Categories: Women's Empowerment, Inclusive Growth, Diversity, Equity and Inclusion (DEI))

3. Thirdly, we are sharpening our segment participation to improve returns

AmBank Group's segment strategy is evolving to drive stronger returns through sharper alignment of resources, differentiated propositions, and more cohesive execution across businesses. As we look to FY2029, our focus is on scaling the segments that generate long-term value, while streamlining operations to deliver with greater precision.

In line with the initiatives under Malaysia's Budget 2025 to support SMEs – including an RM3.8 billion SME fund from Bank Negara Malaysia (BNM) – we are increasing our commitment to this segment and targeting a market share increase from 7% in FY2024 to 10% by FY2029.

We continued supporting the national SME agenda through innovative financing models. Together with Credit Guarantee Corporation (CGC), we launched RM400 million in working capital financing for SMEs, alongside our Pay-As-You-Grow (PAYG) Term Loan, designed to align repayments with daily sales and ease cash flow pressures for merchants. Beyond capital, we are also building SME capacity through initiatives like BizRACE Season 4, themed "Reach New Heights, Transform Your Business".

In Wholesale Banking, we are strengthening our relationship coverage by focusing on the Next20 (N20) corporate customers, with a clear strategy to increase product penetration and diversify income streams. Our work in supply chain financing (SCF) is gaining momentum, with seven SCF programmes rolled out to improve liquidity for suppliers and enhance payment terms for buyers. In parallel, we are expanding our role in transition financing to support customers navigating climate-sensitive exposures.



↑ 8%

**Income contribution
from Next20 customers**

In Retail Banking, we are conducting a full review across products, operations, sales, technology, compliance, and collections to unlock new potential. The focus is on repositioning for sustainable profitability by deepening ecosystem plays. This includes cross-selling to existing customers, growing the mass market via AmOnline 3.0, and acquiring deposits through payroll propositions that target SME owners and their networks.

Group Chief Executive Officer's Review

Our Investment Banking franchise continues to lead the market. As of 31 March 2025, AmInvestment Bank ranked 1st in Mergers and Acquisitions (M&A) advisory by value (72.9% market share) and 2nd in Initial Public Offering (IPO) value (15.8% market share). These achievements support our aspiration to become among the Top 3 full-service investment banks in Malaysia.

Finally, in relation to wealth management services, we are reorganising the way sales and product distribution and advisory functions are coordinated across Private Banking and Priority Banking and also integrating asset management business to serve both individual and institutional customers more cohesively. This reorganisation will strengthen our value proposition to drive higher wealth management income through enhanced productivity of relationship managers, joint product development and platform expansion and more integrated product offerings.

As these strategies take shape, we remain focused on disciplined growth – deploying capital where we can scale, deepen relationships, and drive sustainable returns across our core segments.

AVERAGE ASSETS UNDER MANAGEMENT (AUM):

RM62.8
billion

↑ **6%**



4. Getting Fit for Growth: A People-First Approach

AmBank Group's transformation is driven by our employees. In FY2025, we focused on strengthening our talent foundation to meet the demands of a more digital, data-led, and sustainability-conscious future. This effort is deeply aligned with the Future Skills Framework released by BNM in 2024.

We conducted a comprehensive capability mapping exercise, identifying five core skill areas: data, operational excellence, user experience, cybersecurity, and artificial intelligence/machine learning (AI/ML). We increased our training investment by 21% and introduced targeted learning pathways across all levels, including new modules on sustainability and leadership development.

Beyond skills, we focused on shaping an organisation with a strong performance and ethics culture. Our P2ACE values and culture programmes were rolled out across the Group, forming the behavioural foundation on the way we work. Employee surveys helped us assess organisational readiness for change, employee engagement levels, and the effectiveness of our culture initiatives – ensuring our people strategy is both responsive and grounded in feedback.

We also took critical steps to renew our leadership bench strength. FY2025 saw key appointments in Retail Banking, Finance, Technology & Operations, and Human Resources – reflecting our commitment to succession planning and long-term leadership development. We honour the contributions of outgoing colleagues and are actively nurturing a high-performing, empowered next generation of AmBank leaders – recognising that a motivated workforce is essential to building trust, enhancing customer experience, and sustaining growth.

Over the past year, we strengthened our access to future talent pool through strategic partnerships such as 42KL, Malaysia's first free computer science school. This three-year partnership helps build the national technology talent pipeline by connecting academic learning with practical industry exposures.

Our efforts are already yielding recognition: AmBank Group was ranked 9th in Malaysia's Top 100 Leading Graduate Employers and placed in the Top 10 of the 2025 TalentBank Graduates' Choice Award. Furthermore, we received the 2025 Engagement Winner recognition within the Gallup Exceptional Workplace Award, demonstrating the Group's strength in fostering a highly engaged, motivated, and performance-driven workforce.

These recognitions reflect more than reputation; they affirm that our people strategy is working, helping us attract, retain and develop the talent we need to grow.



9th

**Malaysia's Top 100
Leading Graduate Employers**



TOP 10

**2025 TalentBank
Graduates' Choice Award**



**2025
Engagement Winner**

**Gallup Exceptional
Workplace Award**

5. Outlook: Accelerating Execution

With the groundwork laid, our focus now shifts to accelerating execution and delivering measurable outcomes across every part of the business.

We are moving with intent. The SME business has been reorganised to facilitate better quality growth, while our wealth management services are being integrated to better serve a broader customer base. Supply chain financing initiatives are being fast-tracked, unlocking new growth opportunities across our customers ecosystems. These are not isolated efforts, but a cohesive shift towards delivering outcomes as part of our strategy.

Operationally, we continue to improve our processes through automation tools, enhance service delivery and improve productivity. Across the Group, data analytics is driving faster and better decisions and we are exploring the use of AI with several use cases established as part of our experimentation to learn this new and disruptive capability.

As we move forward, I am confident in our ability to deliver with purpose – powered by the people and partnerships that make it possible. I thank our Board for their guidance, our AmBankers for their dedication, and our customers, regulators, and shareholders for their continued trust.

Together, we will continue delivering positive and sustainable impact, embodying the spirit of: **Winning Together – Your Bank. Malaysia's Bank. AmBank.**

JAMIE LING

Group Chief Executive Officer

