



## Media Release

---

### **RAM Ratings affirms AA<sub>2</sub>/Stable/P1 ratings of AmBank Group entities**

---

RAM Ratings has affirmed the corporate credit ratings of AMMB Holdings Berhad (AMMB or the Group) and the financial institution ratings of its key subsidiaries at AA<sub>2</sub>/Stable/P1 (Table 1). We view AmBank (M) Berhad, AmBank Islamic Berhad and AmInvestment Bank Berhad as core operating entities, given their integral role in the execution of the Group's banking strategy.

The ratings reflect our expectation that the Group's strong pre-provision profit and capitalisation will remain sufficient to absorb higher credit losses should external uncertainties and macroeconomic conditions weaken. While AMMB's direct exposure to Middle East is limited, its comparatively larger proportion of business banking loans in its portfolio may render its asset quality and earnings more vulnerable than peers' in a domestic economic downturn.

Asset quality remains healthy despite a higher gross impaired loan ratio of 1.8% as at end-December 2025 (end-March 2025: 1.5%) and credit cost ratio of 29 bps in 9M FY Mar 2026 (9M FY Mar 2025: 17 bps). The deterioration was mainly driven by a small number of commercial accounts, the retail SME segment, and to a smaller extent, residential mortgages. The Group views the non-retail impairments as largely idiosyncratic rather than indicative of a broader systemic portfolio weakness. AMMB's loan loss coverage (with regulatory reserve) stayed below peers' at 98% as at end-December 2025 (peer average: 139%); nonetheless, this is partly mitigated by the relatively high collateral coverage of its portfolio. We remain watchful of sustained slippage in vulnerable segments or weaker-than-expected recoveries that may necessitate further provisioning.

Backed by stronger margins, loan growth and trading gains, the Group's pre-tax profit rose 6% y-o-y to RM2.0 bil in 9M fiscal 2026 (9M fiscal 2025: RM1.9 bil). Its profitability metrics also improved, with pre-tax return on assets of 1.4% now broadly in line with the peer average after previously lagging peers, while the return on risk-weighted assets edged up marginally to 2.3% (9M fiscal 2025: 1.3% and 2.2%, respectively).

Despite the 25-bp overnight policy rate cut in July 2025, net interest margin expanded to 1.98% (+4 bps) supported by the Group's liability management initiatives and is expected to be hold steady through continued funding mix optimisation. AMMB's capitalisation is robust, with a post-dividend common equity tier-1 capital ratio of

15.0% as at end-December 2025 and a target to maintain levels of above 14% even with higher dividend payouts under the current mid-term strategy.

**Table 1: Issuer and issue ratings of AMMB and core subsidiaries**

	Ratings
<b>AMMB Holdings Berhad</b>	
i. Corporate Credit Ratings	AA <sub>2</sub> /Stable/P1
<b>AmBank (M) Berhad</b>	
i. Financial Institution Ratings	AA <sub>2</sub> /Stable/P1
ii. RM7 billion Senior Notes Issuance Programme (2010/2040)	AA <sub>2</sub> /Stable
iii. RM4 billion Tier-2 Subordinated Notes Programme (2013/2043)	AA <sub>3</sub> /Stable
iv. RM8 billion Subordinated Notes Programme (2023/-)	
- RM8 billion Tier-2 Subordinated Notes Programme <sup>^</sup>	AA <sub>3</sub> /Stable
- RM8 billion Additional Tier-1 Notes Programme <sup>^</sup>	A <sub>2</sub> /Stable
( <sup>^</sup> combined limit of RM8 billion)	
v. RM4 billion Commercial Papers Programme (2024/2031)	P1
<b>AmBank Islamic Berhad</b>	
i. Financial Institution Ratings	AA <sub>2</sub> /Stable/P1
ii. RM3 billion Senior Sukuk Musyarakah Programme (2010/2040)	AA <sub>2</sub> /Stable
iii. RM3 billion Subordinated Sukuk Murabahah Programme (2014/2044)	AA <sub>3</sub> /Stable
iv. RM3 billion Islamic Commercial Papers Programme (2025/2032)	P1
<b>AmInvestment Bank Berhad</b>	
i. Financial Institution Ratings	AA <sub>2</sub> /Stable/P1

### Analytical contacts

Loh Kit Yoong  
 (603) 2708 8285  
 kityoong@ram.com.my

Wong Yin Ching, CFA  
 (603) 2708 8280  
 yinching@ram.com.my

### Media contact

Sakinah Arifin  
 (603) 2708 8212  
 sakinah@ram.com.my

**Date of release: 25 May 2026**

The credit rating is not a recommendation to purchase, sell or hold a security, inasmuch as it does not comment on the security's market price or its suitability for a particular investor, nor does it involve any audit by RAM Ratings. The credit rating also does not reflect the legality and enforceability of financial obligations.



## Media Release

RAM Ratings receives compensation for its rating services, normally paid by the issuers of such securities or the rated entity, and sometimes third parties participating in marketing the securities, insurers, guarantors, other obligors, underwriters, etc. The receipt of this compensation has no influence on RAM Ratings' credit opinions or other analytical processes. In all instances, RAM Ratings is committed to preserving the objectivity, integrity and independence of its ratings. Rating fees are communicated to clients prior to the issuance of rating opinions. While RAM Ratings reserves the right to disseminate the ratings, it receives no payment for doing so, except for subscriptions to its publications.

Similarly, the disclaimers above also apply to RAM Ratings' credit-related analyses and commentaries, where relevant.

Published by RAM Rating Services Berhad  
© Copyright 2026 by RAM Rating Services Berhad