



## Media Release

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### **RAM Ratings assigns P1 ratings to AmBank's and AmBank Islamic's Commercial Papers Programmes**

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RAM Ratings has assigned P1 ratings to AmBank (M) Berhad's RM4 billion Commercial Papers Programme and AmBank Islamic Berhad's RM3 billion Islamic Commercial Papers Programme. These facilities will accord the respective banks and the larger AMMB Holdings Berhad (AMMB or the Group) greater flexibility to manage funding costs.

AMMB's key credit metrics have remained largely intact since our review in May 2024. Notably, the Group's net interest margin (NIM) improved in 1Q FY Mar 2025 following active management of funding costs, rising to an annualised 1.84% from 1.76% in FY Mar 2024. In its latest strategy reveal, the Group indicated that it would tolerate a higher loans-to-deposits ratio of 96% to 99% (end-June 2024: 98%) to boost the NIM. AMMB's asset quality also remained healthy with a gross impaired loan (GIL) ratio of 1.7%, with strong loss absorption buffers as reflected in its GIL coverage (with regulatory reserves) ratio of 101% and common equity tier-1 ratio of 13.2%. The next five years under its *Winning Together* strategic roadmap will see AMMB placing a stronger emphasis on lending to mid-sized corporates and small and medium enterprises. It will also focus on enhancing its wealth and asset management franchise and digital offerings.

RAM Ratings affirmed AMMB Holdings Berhad's corporate credit ratings and the financial institution ratings of AmBank (M) Berhad and AmBank Islamic Berhad at AA<sub>2</sub>/Stable/P1 on 24 May 2024. For more details, please refer to our full credit rating rationales for these entities published in May 2024.

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