AMBANK (M) BERHAD
Registration No. 196901000166 (8515-D)
(Incorporated in Malaysia)

Directors' Report and Audited Financial Statements
31 March 2025

Registration No. 196901000166 (8515-D)

AMBANK (M) BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

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AMBANK (M) BERHAD
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DIRECTORS' REPORT

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

PRINCIPAL ACTIVITIES

The principal activity of the Bank is to carry on the business of a licensed commercial bank.

The principal activities of its subsidiaries are disclosed in Note 17 to the financial statements.

There has been no significant change in the nature of the activities of the Bank and its subsidiaries during the financial year.

FINANCIAL RESULTS

	Group RM'000	Bank RM'000
Profit for the financial year	1,260,827	1,257,582
Attributable to:		
Equity holder of the Bank	1,260,827	1,257,582

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 (CONT'D.)

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 SUBSEQUENT EVENT

The US tariffs were announced in April 2025, subsequent to the Group's and the Bank'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 and the Bank's customers on their ability to meet financial obligations to the Group and the Bank will continue to affect the ECL allowances in the next financial year ending 31 March 2026. The Group and the Bank continue 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

(a) Performance review for financial year ended 31 March 2025

For the current financial year ended 31 March 2025, the Group's Profit After Taxation and Minority Interest ("PATMI") increased 12.6% year-on-year ("YoY"). With the absence of the one-off items, net of tax of RM141.9 million in FY2024, FY2025 reported marginal reduction by 0.1%. The one-off items in FY2024 comprise credit impairment overlay, impairment of non-financial assets and provision for restructuring expenses amounted to total of RM436.8 million (net of tax: RM339.2 million) and tax recoverable of RM481.1 million in relation to agreement with Lembaga Hasil Dalam Negeri Malaysia of tax treatment of exceptional expenses incurred in FY2021.

DIRECTORS' REPORT (CONT'D.)

BUSINESS PLAN AND STRATEGY (CONT'D.)

(a) Performance review for financial year ended 31 March 2025 (Cont'd.)

The Group reported a net income of RM1,759.7 million (2024: RM1,688.6 million). The Net Interest Income ("NII") grew 6.9% year-on-year ("YoY") to RM2,378.5 million (FY2024: RM2,225.3 million), mainly driven by a 14 basis points ("bps") net interest margin ("NIM") expansion to 1.88% (2024: 1.74%) as well as loans and advances growth of 4.0% YoY. Overall expenses increased 5.7% YoY to RM1,400.1 million, with Cost-to-Income ("CTI") at 44.3%.

Net impairment charges were lower at RM110.2 million (2024: RM593.9 million), mainly attributable improved ECL flow rates and writeback of forward-looking provision. Gross impaired loans ratio stood at 1.63% (2024: 1.78%), with loan loss coverage (including regulatory reserves) of 103.2% (2024: 110.2%).

Profit Before Taxation ("PBT") increased 13.6% YoY to RM1,649.5 million. With the absence of the one-off charges of RM436.8 million in FY2024, FY2025 reported PBT growth of 62.6%.

The Group's Foundation Internal Ratings Based ("FIRB") Common Equity Tier 1 ("CET1") Capital Ratio (post proposed dividend), remained strong at 14.401% (2024: Standardised Approach: 12.794%) while Total Capital Ratio ("TCR") stood at 18.568% (2024: 17.480%).

(b) Strategic Highlights

Guided always by our Winning Together ("WT29") strategy, we are committed to further build on our FY2025's achievements. The Group continues to focus on the three strategy pillars underpinning AMMB 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.

AMMB 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 the operations of the Group and of the Bank during 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 Bank for the current financial year in which this report is made.

DIRECTORS' REPORT (CONT'D.)

DIVIDENDS

During the current financial year:

- the final single-tier cash dividend of 47.20 sen per ordinary share on 949,927,564 ordinary shares amounting to approximately RM448,365,810 in respect of the financial year ended 31 March 2024 was paid on 28 June 2024; and

- an interim single-tier dividend of 20.00 sen per ordinary share on 949,927,564 ordinary shares amounting to approximately RM189,985,513 in respect of the current financial year was paid on 13 December 2024.

The Directors proposed the payment of a final single-tier dividend of 34.50 sen per ordinary share on 949,927,564 ordinary shares amounting to approximately RM327,725,010 in respect of the current financial year ended 31 March 2025. 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.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Bank 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 the making of allowances for doubtful debts, and have satisfied themselves that all known bad debts had been written off and that adequate allowances had been made for doubtful debts.

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

CURRENT ASSETS

Before the financial statements of the Group and of the Bank 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 Bank have been written down to their estimated realisable values.

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

VALUATION METHODS

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

No contingent or other liability of the Group and of the Bank 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 Bank 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 Bank 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 Bank:

Issuance of debt securities

(a) On 19 June 2024, the Bank issued the following tranches under 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 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 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 10 years.

(b) On 23 January 2025, the Bank 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 5 years.

Issuance of commercial paper

The Bank issued the following series under 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 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 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 6 months, which was issued at a discount of 3.80% per annum.

Other than as disclosed above and in Notes 27 and 28 to the financial statements, there were no other issuances and/or repayments of shares or debentures during the financial year.

DIRECTORS' REPORT (CONT'D.)

SHARE OPTIONS

No options have been granted by the Bank to any parties during the financial year to take up unissued shares of the Bank.

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

INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Bank through the holding company, AMMB has maintained a Directors' and Officers' Liability Insurance on a group basis 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 within AMMB Group including for the Bank. 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 AMMB for the Directors and Officers of AMMB and its subsidiaries for the current financial year was RM418,425 (2024: RM418,425).

AMMB EXECUTIVES' SHARE SCHEME

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

The awards under the ESS are up to ten percent (10%) of the total number of issued shares of AMMB (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.

DIRECTORS

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

Seow Yoo Lin (appointed on 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 on 5 March 2025)
Voon Seng Chuan (retired on 18 June 2024)
Dato' Sri Abdul Hamidy bin Abdul Hafiz (retired on 7 January 2025)

DIRECTORS' REPORT (CONT'D.)

DIRECTORS (CONT'D.)

The Directors of the Bank's subsidiaries who have served since the beginning of the current financial year to the date of this report are:

No.	Name of Subsidiary	Name of Director
1.	AmCard Services Berhad	Cheong Chee Wai (appointed on 2 January 2025) Khoo Teck Beng Loo Boon Seng (resigned on 2 January 2025)
2.	AmMortgage One Berhad	Foong Pik Yee Cheong Chee Wai (appointed on 2 January 2025) Leow Yoke Yen Loo Boon Seng (resigned on 2 January 2025)
3.	AmProperty Holdings Sdn Bhd	Lim Kien Hock Khoo Teck Beng
4.	Bougainvillaea Development Sdn Bhd	Lim Kien Hock Khoo Teck Beng
5.	MBf Information Services Sdn Bhd	Lim Kien Hock Khoo Teck Beng
6.	Teras Oak Pembangunan Sendirian Berhad	Lim Kien Hock Khoo Teck Beng
7.	AmLabuan Holdings (L) Ltd	Khoo Teck Beng (appointed on 28 March 2025) Datuk Iswaraan a/l Suppiah (resigned on 31 March 2025)
8.	Malco Properties Sdn Bhd (under members' voluntary winding-up)	Lim Kien Hock Khoo Teck Beng

DIRECTORS' INTERESTS

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

There are no interests in shares and options in the Bank, 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 Bank under Section 59 of the Companies Act 2016.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Bank has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by Directors as shown in Note 37 to the financial statements and from related corporations) by reason of a contract made by the Bank 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 44 to the financial statements.

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

DIRECTORS' REPORT (CONT'D.)

DIRECTORS' BENEFITS (CONT'D.)

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

	Group RM'000	Bank RM'000
Fees	1,155	1,135
Other emoluments	928	928
Benefits-in-kind	76	76
	2,159	2,139

CORPORATE GOVERNANCE

(a) Directors' Profiles

The following are the profiles of the Directors of the Bank:

MR SEOW YOO LIN
Independent Non-Executive Chairman

Mr Seow Yoo Lin, a Malaysian, aged 69, was appointed to the Board of AmBank with effect from 18 June 2024 as Chairman/Independent Non-Executive Director ("INED").

Mr Seow also sits on the board of AMMB as Senior INED. Mr Seow is a Member of the Group Nomination and Remuneration Committee, Group Information Technology Committee and Audit and Examination Committee of AMMB.

Mr Seow joined KPMG Malaysia in 1977 and became a qualified Certified Public Accountant in 1980. In 1983, he was seconded to KPMG United States to gain overseas experience, specialising in banking assignments. He returned in 1985 and was admitted as Partner in 1990.

He has been the audit partner of a wide range of companies including public listed and multinational companies in banking and finance, manufacturing and trading and services. In addition, he held various leadership roles such as Human Resources Partner, Partner in charge of Financial Services and a member of the KPMG Asia Pacific Board.

He was a member of Executive Committee of the Malaysian Institute of Certified Public Accountants ("MICPA") from 2009 to 2011 and a Council member of the Malaysian Institute of Accountants ("MIA") from 2007 to 2011. He was the Managing Partner of KPMG Malaysia from 2007 to 2010. He retired from the firm in 2011.

Mr Seow holds a Master of Business Administration degree from the International Management Centre in Buckingham, United Kingdom. He is a member of MIA, MICPA and Malaysian Institute of Management.

MR SOO KIM WAI
Non-Independent Non-Executive Director

Mr Soo Kim Wai, a Malaysian, aged 64, was appointed to the Board of AmBank on 2 January 2019 as Non-Independent Non-Executive Director. He is a Member of the Joint Board Credit Committee of AmBank and AmBank Islamic Berhad.

Mr Soo had stepped down as the Group Managing Director of Amcorp Group Berhad with effect from 1 April 2025 and remains as a Director and Advisor of Amcorp Group Berhad. He joined Amcorp Group Berhad in 1989 as Senior Manager, Finance and had since held various positions. Prior to that, he was with Plantation Agencies Sdn Bhd from 1985 to 1989, and in the accounting profession for 5 years with Deloitte KassimChan from 1980 to 1985.

DIRECTORS' REPORT (CONT'D.)

CORPORATE GOVERNANCE (CONT'D.)

(a) Directors' Profile (Cont'd.)

MR SOO KIM WAI (CONT'D.)
Non-Independent Non-Executive Director

Mr Soo has been a Non-Independent Non-Executive Director of AMMB for over 20 years and he is a Member of the Group Nomination and Remuneration Committee of AMMB. Mr Soo is currently the Non-Independent Non-Executive Chairman of AmREIT Managers Sdn Bhd, the Manager of AmFirst Real Estate Investment Trust and AmREIT Holdings Sdn Bhd. Apart from AMMB, his directorships in other public companies include RCE Capital Berhad (listed on Bursa Malaysia) and Amcorp Properties Berhad. Mr Soo also sits on the board of other private limited companies and foreign companies. He is currently the Non-Independent Non-Executive Chairman of Amcorp Global Limited (a company listed on the Mainboard of Singapore Exchange Limited).

Mr Soo is a Member of MIA and MICPA. He is also a Fellow of the Certified Practising Accountant ("CPA"), Australia and the Association of Chartered Certified Accountants ("ACCA"), United Kingdom.

DR VEERINDERJEET SINGH A/L TEJWANT SINGH
Independent Non-Executive Director

Dr Veerinderjeet Singh a/l Tejwant Singh, a Malaysian, aged 68, was appointed to the Board of AmBank on 1 June 2017 as INED. He is the Chairman of the Audit and Examination Committee and a Member of the Risk Management Committee of AmBank.

Dr Veerinderjeet had served as a Tax Partner/ Executive Director at Arthur Andersen and Ernst & Young in Malaysia and had also served in the Malaysian Inland Revenue Department. He has over 40 years of experience in the tax profession as an Inland Revenue Officer, academician, consultant, author and tax observer.

Dr Veerinderjeet currently serves as a council member of MICPA and was a past President of MICPA. He is also the current Chairman of the Ethics Standards Board of MIA. He was also a council member and Past President of the MIA and the Chartered Tax Institute of Malaysia ("CTIM"). Dr Veerinderjeet was appointed as ex-officio member of the Financial Reporting Foundation in conjunction with his presidentship in MIA. He is also an Adjunct Professor at the School of Business, Monash University in Malaysia.

Dr Veerinderjeet currently sits on the boards of Mesiniaga Berhad, ICC Malaysia Berhad and IBFD Asia Sdn Bhd as an INED. He was an INED on the Board of Malaysian Rating Corporation Berhad until 17 April 2025. He was also a Non-Executive Director and Chairman of MARC Data Sdn Bhd, a subsidiary of Malaysian Rating Corporation Berhad until 17 April 2025. In addition, he was appointed as a Director of ZICO Holdings Inc, a listed company on the Singapore Exchange. He is currently the Senior Advisor on Tax Policy at KPMG Malaysia. He is also a member of the ICC Global Tax Commission and has been appointed as a Vice Chair of the Commission from 1 June 2022 for a three year term. Dr Veerinderjeet also served on the Board of Trustees of the International Bureau of Fiscal Documentation (a world renowned tax research body in the Netherlands) until his term ended on 31 December 2024.

Prior to joining the Board of AmBank, Dr Veerinderjeet was on the board of the Bank of Nova Scotia Berhad. He was the Non-Executive Chairman of Tricor Services (Malaysia) Sdn Bhd until 29 February 2024. Besides, he also had been the Non-Executive Chairman of MARC Ratings Berhad and was a Board member and Senior Independent Director on the board of UMW Holdings Berhad.

As an accomplished author and tax observer, Dr Veerinderjeet has published books and numerous articles in local and international tax, law and accounting journals. Among the books he has authored are "Veerinder on Taxation", "Malaysian Taxation: Administrative and Technical Aspects", "Tax Compliance & Ethical Decision-Making: A Malaysian Perspective" and "Tax Thoughts on Today's Taxing Times". Dr Veerinderjeet has spoken at various local and international events on tax policy and tax reforms and also has a grasp of economic developments.

Dr Veerinderjeet received a first class honours degree in accounting from the University of Malaya and a Doctorate from the Universiti Putra Malaysia. Dr Veerinderjeet is a Member of MICPA, MIA and CTIM.

CORPORATE GOVERNANCE (CONT'D.)

(a) Directors' Profile (Cont'd.)

MR U CHEN HOCK
Independent Non-Executive Director

Mr U Chen Hock, a Malaysian, aged 69 was appointed to the Board of AmBank on 3 July 2018 as an INED, where he currently serves as the Chairman of the Risk Management Committee and a Member of the Audit and Examination Committee of AmBank. He also sits on the board of AMMB as an INED.

Mr U is a career banker with over 36 years of extensive experience in corporate, commercial, investment, and consumer banking. Throughout his career, Mr U has held senior leadership roles in Malaysia, Taiwan, and Hong Kong at a global banking group. He also served as the Chief Executive Officer of an investment bank and an Executive Director of a major local banking group in Malaysia prior to his retirement in April 2017.

Mr U was the Independent Non-Executive Chairman of the Board of Directors of Tokio Marine Life Insurance Malaysia Bhd and a member of its Risk Management & Compliance Committee, Audit Committee, Nomination Committee and Remuneration Committee from April 2020 until his resignation in March 2025.

Mr U's contributions to the banking industry extended beyond his professional roles. He served as the Chairman of the Financial Planning Association of Malaysia for two terms between 2005 to 2007.

He holds a Bachelor of Economics and Management (Honours) degree from the National University of Malaysia (“UKM”), as well as his accreditation as a Certified Financial Planner (“CFP”) by the Financial Planning Standards Board, USA. Mr U had also attended numerous Senior Executive Leadership Programmes at INSEAD, London Business School, Duke Corporate Education, and IMD Business School.

MR NG CHIH KAYE
Independent Non-Executive Director

Mr Ng Chih Kaye, a Malaysian, aged 69, was appointed to the Board of AmBank on 2 January 2019 as INED. He is the Chairman of the Joint Board Credit Committee of AmBank and AmBank Islamic Berhad.

Mr Ng began his career at a firm of Chartered Accountants in London and later at KPMG, Kuala Lumpur. He then served Malayan Banking Berhad (“Maybank”) for 25 years in the areas of internal audit, credit control and asset recovery until he retired as Executive Vice President in 2010.

Mr Ng has been an examiner for the Asian Institute of Chartered Bankers ("AICB") for more than 20 years and is presently the Chief Examiner for Banking Risk.

Mr Ng is currently an INED of AmFunds Management Berhad (a subsidiary of AmInvestment Bank Berhad).

Mr Ng is a Member of MIA and a Fellow of ACCA, United Kingdom.

DIRECTORS' REPORT (CONT'D.)

CORPORATE GOVERNANCE (CONT'D.)

(a) Directors' Profile (Cont'd.)

MS FOONG PIK YEE
Independent Non-Executive Director

Ms Foong Pik Yee, a Malaysian, aged 65, was appointed to the Board of AmBank on 26 September 2021 as INED. She is a Member of the Audit and Examination Committee and Risk Management Committee of AmBank.

Ms Foong has over 40 years of experience in the banking sector and the accounting profession (audit and consultancy). Her experience in the banking sector was with international banks and a Malaysian public listed bank covering all aspects of general management, finance, risk management, sales and marketing, product management and operations. She had worked in Malaysia, Hong Kong, Singapore, Australia and the Middle East.

Ms Foong returned to Malaysia under Talentcorp's Returning Expert Programme and was the Chief Financial Officer of Hong Leong Bank from January 2013 until her retirement in June 2019 where she directed and oversaw all matters relating to finance covering financial accounting, statutory and management reporting, capital management, taxation, corporate finance and investor relations.

Ms Foong is currently an INED of Prudential Assurance Malaysia Berhad, Paramount Corporation Berhad and QSR Brands (M) Holdings Bhd. She is also an INED of AmMortgage One Berhad, a wholly owned subsidiary of AmBank. Prior to joining the Board of AmBank, she was on the board of AmBank Islamic Berhad, a subsidiary of AMMB. Besides directorship in companies, Ms Foong also serves on the Industry Advisory Board of the Business school of Monash University, Malaysia from 2016 to now. She is also a mentor in Institute of Chartered Accountants in England and Wales ("ICAEW") Women in Leadership programme and in the Malaysia Australia Business Council mentoring programme.

Ms Foong is a Chartered Accountant and Chartered Banker. She obtained her Bachelor of Commerce from the University of Melbourne, Australia and Master of Business Administration from Monash University, Australia.

MR KHAW HOCK HOE
Independent Non-Executive Director

Mr Khaw Hock Hoe, Alex ("Mr Alex Khaw"), a Malaysian, aged 60, was appointed to the Board of AmBank on 5 March 2025 as INED. He is a Member of the Audit and Examination Committee of AmBank.

Mr Alex Khaw began his career as an auditor with KPMG Malaysia in July 1988 and was seconded to KPMG Seattle in the United States of America from 1993 to 1995 to gain overseas exposure especially in the knowledge of US accounting standards. He was admitted as a partner of KPMG in January 2000 and he retired from the partnership end of December 2023. In his tenure with KPMG Malaysia spanning 36 years, he has been involved principally in statutory audits and due diligence reviews in the financial services sector focusing on banking, insurance (including Islamic banks and Takaful), stock-broking, fund management and leasing entity.

Mr Alex Khaw was a member of the Executive Committee of KPMG Malaysia from January 2023 and he was the firm's Risk Management Partner. He oversaw the firm's enterprise risk management policies and compliance while dealing with brand risks and legal matters involving KPMG Malaysia.

Mr Alex Khaw is a Member of MIA and a Council Member of the MICPA. He served as a Council Member of the MIA from September 2018 to September 2020 and he was also a MICPA Council Member from the year 2014 to December 2023.

DIRECTORS' REPORT (CONT'D.)

CORPORATE GOVERNANCE (CONT'D.)

(b) Directors' Training

The Board recognised the importance of ensuring that Directors are continuously being developed to acquire or enhance the requisite knowledge and skills to discharge their duties effectively.

All new Directors appointed to the Board will attend a formal induction programme to familiarise themselves with the Bank’s strategy and aspiration, understanding of the line of businesses and corporate functions, key financial highlights, people initiatives, requirements of audit, compliance and risk management conducted by the various Managing Directors/Chief Executive Officers/Heads of the business units as well as Senior Management, and organised by the Group Learning and Development unit. The Company Secretary will also provide the new Directors with an information kit regarding disclosure obligations of a Director, Board Charter, Code of Ethics, Constitution of the Bank, Board Committees’ Terms of Reference, Schedule of Matters Reserved for the Board, amongst others.

Apart from the Financial Institutions Directors’ Education ("FIDE") Programme accredited by International Centre for Leadership In Finance ("ICLIF"), all Directors appointed to the Board have also attended other relevant training programmes and seminars organised by the regulatory authorities and professional bodies to further enhance their business acumen and professionalism in discharging their duties to the Bank. The Directors also attend offsite Strategy Meeting to have an in-depth understanding and continuous engagement with Management pertaining to AMMB Group’s strategic direction. In addition, the Directors are constantly updated on information relating to AMMB Group’s development and industry development through discussion at Board meetings with the Senior Management team.

(c) Board Responsibility and Oversight

The Board remains fully committed in ensuring that the principles and recommendations in corporate governance are applied consistently in the Bank and its subsidiaries. The Board complies with the recommendations on corporate governance as set out in the Malaysian Code on Corporate Governance.

The Board supervises the management of the Bank’s businesses, policies and affairs with the goal of long term sustainability of the Group. The Board meets nine (9) times in the 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, corporate and business developments, human resource (subject to matters reserved for shareholders’ meetings By-Laws), promote sustainability in the Group's and the Bank'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 seven (7) Directors with wide skills and experience, six (6) of whom are Independent Non-Executive Directors. The Directors participate fully in decision making on key issues regarding the Bank and its subsidiaries. The Independent Non-Executive Directors ensure strategies proposed by the Management are fully discussed and examined, as well as taking into account the long term interests of various stakeholders.

There is a clear division between the roles of Chairman and the Chief Executive Officer of the Bank. The Senior Management team of the Bank are invited to attend Board Meetings to provide presentations and detailed explanations on matters that have been tabled. The Company Secretary has been empowered by the Board to assist the Board in matters of governance and in complying with statutory duties.

(d) Committees of the Board

The Board delegates certain responsibilities to the Board Committees. The Board Committees together with the Committees established at AMMB Group level, which were created to assist the Board in certain areas of deliberations, are:

1. Audit and Examination Committee (at Bank level);
2. Risk Management Committee (at Bank level);
3. Board Credit Committee (at Bank level) [dissolved on 7 January 2025];
4. Joint Board Credit Committee (Joint Committee of AmBank and AmBank Islamic Berhad) [established on 7 January 2025];
5. Group Nomination and Remuneration Committee (at AMMB Group level); and
6. Group Information Technology Committee (at AMMB Group level).

The roles and responsibilities of each Committee are set out under their 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.

The attendance of Board members at the meetings of the Board and the various Board Committees is set out below:

Number of meetings attended in Financial Year 2025 ("FY2025")					
	Board of Directors	Audit and Examination Committee	Risk Management Committee	Board Credit Committee[e]	Joint Board Credit Committee[f]
Seow Yoo Lin (appointed on 18 June 2024)	7/7 (Chairman)[a]	N/A	N/A	N/A	N/A
Soo Kim Wai	9/9	N/A	N/A	18/19	6/6
Dr Veerinderjeet Singh a/l Tejwant Singh	7/9	7/7 (Chairman)	6/6	N/A	N/A
U Chen Hock	9/9	7/7	6/6 (Chairman)	N/A	N/A
Ng Chih Kaye	9/9	N/A	N/A	19/19	6/6
Foong Pik Yee	9/9	7/7	6/6	N/A	N/A
Khaw Hock Hoe (appointed on 5 March 2025)	1/1	1/1	N/A	N/A	N/A
Voon Seng Chuan (retired on 18 June 2024)	2/2[b]	N/A	N/A	N/A	N/A
Dato' Sri Abdul Hamidy bin Abdul Hafiz (retired on 7 January 2025)	7/7[c]	N/A	N/A	19/19 (Chairman)[d]	N/A
Number of meetings held in FY2025	9	7	6	19	6

[a] Appointed as Chairman on 18 June 2024.
[b] Ceased as Chairman on 18 June 2024 following retirement as Director.
[c] Retired on 7 January 2025.
[d] Ceased as Chairman on 7 January 2025 following retirement as Director.
[e] Dissolved on 7 January 2025.
[f] Established on 7 January 2025.

Note:
1. All attendances reflect the number of meetings attended during the respective Directors' tenure of service.
2. N/A represents non-Committee member.

CORPORATE GOVERNANCE (CONT'D.)

(d) Committees of the Board (Cont'd.)

Audit and Examination Committee ("AEC")

The Board has appointed the AEC to assist in discharging its duties of maintaining a sound system of internal controls to safeguard the Bank's assets and stakeholders' interest. The AEC comprises four (4) members, all of whom are INEDs and chaired by an INED.

The AEC met seven (7) times during the financial year ended 31 March 2025 to review the scope of work of both the internal audit function and the statutory auditors, the results arising thereafter as well as their evaluation of the system of internal controls. The AEC also followed up on the resolution of major issues raised by the internal auditors, statutory auditors as well as the regulatory authorities in their audit reports. The financial statements were reviewed by the AEC prior to their submission to the Board of the Bank for adoption.

In addition, the AEC has reviewed the procedures set up by the Bank to identify and report, and where necessary, seeks approval for related party transactions entered by the Bank with related parties and, with the assistance of the internal auditors, reviewed related party transactions to ensure such transactions were carried out at arms-length.

The minutes of the AEC meetings are formally tabled to the Board for notation and action, where necessary.

Internal Audit Function

The Internal Audit function is established at AMMB Group level, headed by the Group Chief Internal Auditor.

The Group Chief Internal Auditor reports to the AEC. Group Internal Audit assists the AEC in assessing and reporting on business risks and internal controls, operating within the framework defined in the Audit Charter.

The AEC approves the Group Internal Audit's annual audit plan, which covers the audit of all major business units and operations within the Bank. The results of each audit are submitted to the AEC and significant findings are discussed during the AEC meeting. The Group Chief Internal Auditor attends the AEC meeting by invitation. The AEC also holds separate meetings with the Group Chief Internal Auditor and the external auditors whenever necessary.

The scope of internal audit includes the review of risk management processes, operational controls, financial controls, compliance with laws and regulations, and information technology systems and security.

Group Internal Audit prioritises its efforts in performing audits in accordance with the audit plan, based on a comprehensive risk assessment of all areas of banking activities. The risk-based audit plan is reviewed at least semi-annually taking into account of the changing business and risk environment.

Group Internal Audit also performs investigations and special reviews, and participates actively in major system development activities and projects to advise on risk management and internal control measures.

Risk Management Committee ("RMC")

Risk management is an integral part of the Bank's strategic decision-making process which ensures that the corporate objectives are consistent with the appropriate risk-return trade-off. The Board approves the Risk Appetite Framework and sets the broad risk tolerance level and activities after considering the risk bearing capacity and readiness of the Bank.

The RMC is formed to assist the Board in discharging its duties in overseeing the overall management of all risks, covering but not limited to credit, market, funding, operational, legal, regulatory, capital, strategic reputation, sustainability (covering environmental, social and governance), climate change, shariah, information technology and cyber risks.

DIRECTORS' REPORT (CONT'D.)

CORPORATE GOVERNANCE (CONT'D.)

(d) Committees of the Board (Cont'd.)

Risk Management Committee ("RMC") (Cont'd.)

The RMC is independent from the Management and comprises three (3) members, all of whom are INEDs and chaired by an INED. The Committee ensures that the Board's risk tolerance level is effectively enforced, the risk and compliance management processes are in place and functioning and reviews high-level risk exposures to ensure that they are within the overall interests of the Bank. It also assesses the Bank's ability to accommodate risks under normal and stress scenarios.

There were six (6) meetings held during the financial year ended 31 March 2025.

Risk Management Functions

AMMB Group Risk Management is independent of the various business units and acts as the catalyst for the development and maintenance of comprehensive and sound risk management policies, strategies and procedures within AMMB Group. AMMB Group Risk Management encompasses Wholesale Credit Risk, Business Credit Risk, Retail Credit Risk, Investment Banking and Markets Risk, Operational Risk, Technology Risk and Portfolio Risk Management (which is responsible for the development of credit models and credit model validation).

AMMB Group Risk Management takes its lead from AMMB Group's Board's approved Risk Appetite Framework that forms the foundation of AMMB Group to set its risk/reward profile. The framework is reviewed and approved annually by the Board taking into account AMMB Group's desired external rating and targeted profitability/return on capital employed ("ROCE") and is also periodically reviewed throughout the financial year by the executive management and subsequently the Board to consider any fine tuning/enhancements based on the prevailing economic condition or situation that may affect the operating environment which the Group operates in.

AMMB's Group Risk Management Committee meets at least 6 times a year to review and deliberate on all risk related matters, such as framework, policies, methodologies and limits; and to review and monitor the Group's major risk exposures. It also ensures that the Group's business and operational activities are in line with the overall Group's risk appetite, strategy and profile. In addition, all frameworks, policies and guidelines are required to be reviewed at least once every 2 years to ensure they remain relevant.

Joint Board Credit Committee ("Joint BCC") [Established on 7 January 2025]

The Board has established the Joint BCC, a Joint Board Committee of the Bank and AmBank Islamic Berhad on 7 January 2025 to assist in ensuring that credit facilities and commitments, and connected party credit transactions are approved in accordance with policies approved by the Board.

The Joint BCC comprises four (4) members, two (2) from each bank, all of whom are Non-Executive Directors and is chaired by an INED.

Total number of meetings convened by the Joint BCC from the date of establishment to end of March 2025 was six (6) meetings.

DIRECTORS' REPORT (CONT'D.)

CORPORATE GOVERNANCE (CONT'D.)

(d) Committees of the Board (Cont'd.)

Group Nomination and Remuneration Committee (“GNRC”)

The Board delegated the nomination and remuneration functions to the GNRC which is established at AMMB Group level. The GNRC comprises five (5) members, all of whom are Non-Executive Directors and chaired by an INED. The Bank is represented by Mr Seow Yoo Lin and Mr Soo Kim Wai in the GNRC. The GNRC is responsible for, among others, the following:

- To oversee the overall composition of the Board, Board Committees and Shariah Committee in terms of the appropriate size, skills, experience, qualification and diversity (i.e. gender, ethnicity and age) as well as the balance between Executive Directors, Non-Executive Directors and Independent Directors;
- To assess Directors, Shariah Committee members, Group Chief Executive Officer (“GCEO”) and expatriate-filled positions for appointments and re-appointments before an application for approval is submitted to Bank Negara Malaysia, subject to the approval of the Board;
- To assess and recommend on the appointment of Senior Management positions for all banking subsidiaries within AMMB Group prior to submission to the respective banking subsidiary's Boards for approval;
- To recommend a formal and transparent procedure for developing the remuneration policy for Non-Executive Directors, Shariah Committee members, Senior Management and employees for the approval of the Board;
- To establish remuneration strategies and frameworks and to recommend remuneration packages that are:
  - Consistent with the Group’s culture, objective and strategy;
  - Competitive and equitable to attract and retain talent;
  - Reflective of responsibilities and commitments; and
  - Supports long-term performance and avoids incentives for risk-taking.
- To conduct the annual evaluation exercise to assess the performance and effectiveness of the Board, the Board Committee, individual Directors, Shariah Committee members, Senior Management and the Group Company Secretary;
- To review, on a half yearly basis, the induction and training needs of Directors, including Board induction and other training programmes to ensure that all Directors and Shariah Committee members receive appropriate continuous training in order to keep abreast with the latest developments in the industry and be able to discharge their responsibilities effectively; and
- To oversee the succession planning for the Board Chairman, Directors, Shariah Committee members, Senior Management and expatriate-filled positions in the Group.

The GNRC met eleven (11) times during the financial year ended 31 March 2025.

Group Information Technology Committee ("GITC")

The GITC is established at AMMB Group level. The GITC comprises three (3) members, a majority of whom are Independent Directors and is chaired by an INED.

The GITC assists the Board of respective entity of AMMB Group in discharging its responsibilities relating to the oversight of AMMB Group’s information technology (“IT”), digitalization and technology-related innovation strategies and ensure that the overall strategic IT direction is aligned with AMMB Group’s business objectives and strategy. The key responsibilities of the GITC include, amongst others, the following functions:

- review and recommend AMMB Group-wide IT policies, procedures and frameworks including IT security and IT risk management and e-banking services to ensure the effectiveness of internal control systems and the reliability of the management information systems;
- provide strategic oversight for IT, digital and cyber security development within AMMB Group and ensuring that IT, cyber security, digitalisation and technology-related innovation strategic plans are aligned and integrated with AMMB Group’s business objectives and strategy;
- review IT, digital and cyber security planning and strategy, including the financial, tactical and strategic benefits of proposed significant information on technology-related projects and initiatives;
- review and endorse the long term IT, digital and cyber security strategic plans and budgets and monitor the progress of the implementation;
- oversee the adequacy and utilisation of AMMB Group’s IT resources, including computer hardware, software, personnel who are involved in the development, modification and maintenance of computer programmes and related standard procedures as well as the recovery controls to mitigate disruption of operations and services;

DIRECTORS' REPORT (CONT'D.)

CORPORATE GOVERNANCE (CONT'D.)

(d) Committees of the Board (Cont'd.)

Group Information Technology Committee ("GITC") (Cont'd.)

The GITC assists the Board of respective entity of AMMB Group in discharging its responsibilities relating to the oversight of AMMB Group's IT, digitalization and technology-related innovation strategies and ensure that the overall strategic IT direction is aligned with AMMB Group's business objectives and strategy. The key responsibilities of the Committee include, amongst others, the following functions: (cont'd.)

- ensure the Senior Management regularly provides status updates on both key performance indicators and forward-looking risk indicators together with sufficient information on key technology risks and critical technology operations;
- review and recommend any deviation from Bank Negara Malaysia technology-related policies and guidelines after having carefully considered a robust assessment of related risks;
- responsible for overall oversight function on IT matters, including ex-ante risk assessments on e-banking services and the usage of cloud services; and
- advise the Board on matters within the scope of the GITC, as well as any major IT related issues that merit the attention of the Board.

The GITC met six (6) times during the financial year ended 31 March 2025.

MANAGEMENT INFORMATION

The Directors review Board papers and reports prior to the Board meeting. Information and materials, relating to the operations of the Bank 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 Bank, 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 AMMB Group policies.

HOLDING COMPANY

The Directors regard AMMB, which is incorporated in Malaysia, as the holding company.

RATING BY EXTERNAL AGENCIES

The Bank continues to maintain credit ratings with Moody's Investors Service, S&P Global Ratings and RAM Rating Services Berhad.

Details of the Bank's ratings are as follows:

Rating agency	Date accorded	Rating Classification	Ratings
Moody's Investors Service	13 November 2024	Long-term Bank deposits (Foreign) rating	A3
		Short-term Bank deposits (Foreign) rating	P-2
		Outlook	Stable
S&P Global Ratings	11 November 2024	Long-term foreign currency rating	BBB+
		Short-term foreign currency rating	A-2
		Outlook	Stable
RAM Rating Services Berhad	5 November 2024	Long-term financial institution rating	AA2
		Short-term financial institution rating	P1
		Outlook	Stable

DIRECTORS' REPORT (CONT'D.)

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 2025 RM'000	Bank 2025 RM'000
Audit services	1,975	1,938
Regulatory and assurance related	906	906
Other services	183	183

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

SEOW YOO LIN
Director

DR VEERINDERJEET SINGH A/L TEJWANT SINGH
Director

Kuala Lumpur, Malaysia
23 May 2025

Registration No. 196901000166 (8515-D)

AMBANK (M) BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, **SEOW YOO LIN** and **DR VEERINDERJEET SINGH A/L TEJWANT SINGH**, being two of the Directors of **AMBANK (M) BERHAD**, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 25 to 200 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 Bank 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.

SEOW YOO LIN
Director

DR VEERINDERJEET SINGH A/L TEJWANT SINGH
Director

Kuala Lumpur, Malaysia
23 May 2025

Registration No. 196901000166 (8515-D)

AMBANK (M) BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

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 **AMBANK (M) BERHAD**, do solemnly and sincerely declare that the accompanying financial statements set out on pages 25 to 200, 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.

Jamieling

LING FOU-TSONG @ JAMIE LING

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

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

COMMISSIONER FOR OATHS
Lodged on behalf by:
Address: 22nd Floor, Bangunan AmBank Group,
No. 55 Jalan Raja Chulan,
50200 Kuala Lumpur
Telephone Number: 03-20362633
Tingkat 20, Ambank Group Building
No. 55, Jalan Raja Chulan
50200 Kuala Lumpur

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
SST ID: W10-2002-32000062
Chartered Accountants
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Registration No. 196901000166 (8515-D)

Independent auditors' report to the member of AmBank (M) Berhad (Incorporated in Malaysia)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of AmBank (M) Berhad, which comprise the statements of financial position as at 31 March 2025 of the Group and of the Bank, 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 Bank for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 25 to 200.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Bank 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 Bank 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.

Registration No. 196901000166 (8515-D)

**Independent auditors' report to the member of
AMBANK (M) BERHAD (cont'd.)
(Incorporated in Malaysia)**

Information other than the financial statements and auditors' report thereon

The directors of the Bank are responsible for the other information. The other information comprises the Directors' report, but does not include the financial statements of the Group and of the Bank and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Bank 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 Bank, 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 Bank or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, 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.

Responsibilities of the directors for the financial statements

The directors of the Bank are responsible for the preparation of financial statements of the Group and of the Bank 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 Bank that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Bank, the directors are responsible for assessing the Group's and the Bank'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 Bank or to cease operations, or have no realistic alternative but to do so.

Shape the future
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Registration No. 196901000166 (8515-D)

Independent auditors' report to the member of
AMBANK (M) BERHAD (cont'd.)
(Incorporated in Malaysia)

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 Bank 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 Bank, 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 of the Bank's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- 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 and the Bank'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 Bank 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 Bank to cease to continue as a going concern.

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Registration No. 196901000166 (8515-D)

Independent auditors' report to the member of
AMBANK (M) BERHAD (cont'd.)
(Incorporated in Malaysia)

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.):

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Bank, including the disclosures, and whether the financial statements of the Group and of the Bank 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.

Other matters

This report is made solely to the member of the Bank, 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

AMBANK (M) BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2025

		Group		Bank	
		2025	2024	2025	2024
	Note	RM'000	RM'000	RM'000	RM'000
ASSETS					
Cash and short-term funds	6	4,375,745	6,140,967	4,331,878	6,103,853
Deposits and placements with banks and other financial institutions	8	587,545	1,784,033	587,545	1,784,033
Investment account placement	9	1,191,682	1,364,533	1,191,682	1,364,533
Derivative financial assets	10	653,815	1,010,103	653,815	1,010,103
Financial assets at fair value through profit or loss ("FVTPL")	11	5,526,655	6,766,682	5,526,623	6,766,649
Financial investments at fair value through other comprehensive income ("FVOCI")	12	19,613,816	19,700,129	19,613,816	19,700,129
Financial investments at amortised cost	13	8,396,761	7,391,293	8,396,761	7,391,293
Loans and advances	14	89,898,576	86,248,361	89,900,177	86,237,993
Statutory deposit with Bank Negara Malaysia	15	1,834,225	1,678,024	1,834,225	1,678,024
Deferred tax assets	16	197,860	192,707	197,860	192,707
Investment in subsidiaries	17	-	-	13,477	13,477
Investment in associate	18	19,263	17,745	19,598	19,598
Other assets	19	2,736,962	3,035,546	2,736,311	3,033,852
Property and equipment	20	125,776	129,645	119,068	123,472
Right-of-use assets	21	141,458	196,449	141,668	197,072
Intangible assets	22	149,252	123,528	149,252	123,528
TOTAL ASSETS		135,449,391	135,779,745	135,413,756	135,740,316
LIABILITIES AND EQUITY					
Deposits from customers	23	92,015,325	94,337,410	92,018,630	94,341,441
Deposits and placements of banks and other financial institutions	24	6,770,638	7,620,130	6,805,088	7,646,192
Securities sold under repurchase agreements	7	5,951,549	6,328,335	5,951,549	6,328,335
Financial liabilities at FVTPL	25	178,818	-	178,818	-
Recourse obligation on loans sold to Cagamas Berhad	26	4,345,043	5,265,017	4,345,043	5,265,017
Derivative financial liabilities	10	608,855	1,021,778	608,855	1,021,778
Term funding	27	6,344,276	1,614,991	6,344,276	1,614,991
Debt capital	28	3,095,000	3,095,000	3,095,000	3,095,000
Other liabilities	29	3,032,106	4,120,130	3,013,216	4,101,878
TOTAL LIABILITIES		122,341,610	123,402,791	122,360,475	123,414,632
Share capital	30	3,040,465	3,040,465	3,040,465	3,040,465
Reserves	31	10,067,190	9,336,363	10,012,816	9,285,219
Equity attributable to equity holder of the Bank		13,107,655	12,376,828	13,053,281	12,325,684
Non-controlling interests	32	126	126	-	-
TOTAL EQUITY		13,107,781	12,376,954	13,053,281	12,325,684
TOTAL LIABILITIES AND EQUITY		135,449,391	135,779,745	135,413,756	135,740,316
COMMITMENTS AND CONTINGENCIES	47	123,329,037	118,118,529	123,336,037	118,178,129
NET ASSETS PER SHARE (RM)		13.80	13.03	13.74	12.98

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

AMBANK (M) BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

STATEMENTS OF PROFIT OR LOSS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

		Group		Bank	
		2025	2024	2025	2024
	Note	RM'000	RM'000	RM'000	RM'000
Interest income	33	6,179,213	6,187,660	6,176,291	6,183,964
Interest expense	34	(3,800,755)	(3,962,374)	(3,801,327)	(3,962,472)
Net interest income		2,378,458	2,225,286	2,374,964	2,221,492
Other operating income	35	779,888	788,536	781,459	789,675
Share in results of an associate	18	1,518	(650)	-	-
Net income		3,159,864	3,013,172	3,156,423	3,011,167
Other operating expenses	36	(1,400,118)	(1,324,596)	(1,400,532)	(1,325,165)
Operating profit		1,759,746	1,688,576	1,755,891	1,686,002
Allowances for impairment on loans and advances	38	(182,634)	(485,783)	(182,748)	(485,895)
Writeback of provision for commitments and contingencies	29(d)&(e)	69,891	39,612	69,931	39,584
(Allowances for)/writeback of impairment on:					
Financial investments	39	(15,239)	(20,860)	(15,239)	(20,860)
Other financial assets	40	255	(18,564)	255	(18,526)
Non-financial assets	40	17,453	(110,717)	17,453	(110,717)
Other recoveries, net		32	2,379	32	2,379
Provision for restructuring expenses		-	(80,000)	-	(80,000)
Profit before taxation		1,649,504	1,014,643	1,645,575	1,011,967
Taxation	41	(388,677)	247,063	(387,993)	247,800
Profit for the financial year		1,260,827	1,261,706	1,257,582	1,259,767
Attributable to:					
Equity holder of the Bank		1,260,827	1,261,686	1,257,582	1,259,767
Non-controlling interests	32	-	20	-	-
Profit for the financial year		1,260,827	1,261,706	1,257,582	1,259,767
Earnings per share (sen)					
Basic/diluted earnings per share (sen)	42	132.73	132.82	132.39	132.62

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

AMBANK (M) BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

		Group		Bank	
		2025	2024	2025	2024
	Note	RM'000	RM'000	RM'000	RM'000
Profit for the financial year		1,260,827	1,261,706	1,257,582	1,259,767
Other comprehensive income:					
Items that will not be reclassified subsequently to statement of profit or loss					
Equity instruments					
Financial investments at FVOCI					
- net changes in fair value		106,826	36,473	106,826	36,473
Tax effect	16	1,320	440	1,320	440
Items that may be reclassified subsequently to statement of profit or loss					
Currency translation on offshore operations		(18,237)	19,237	(18,222)	19,221
Cash flow hedge					
- amortisation of fair value changes of terminated hedge		1,353	4,250	1,353	4,250
Tax effect	16	(324)	(1,020)	(324)	(1,020)
Debt instruments					
Financial investments at FVOCI					
- net unrealised gain on changes in fair value		36,108	103,524	36,108	103,524
- net gain reclassified to statements of profit or loss		(22,066)	(17,783)	(22,066)	(17,783)
- expected credit loss	12(b)	6,742	10,480	6,742	10,480
- foreign exchange differences		(1)	1	(1)	1
Tax effect	16	(3,370)	(20,578)	(3,370)	(20,578)
Other comprehensive income, net of tax		108,351	135,024	108,366	135,008
Total comprehensive income for the financial year, net of tax		1,369,178	1,396,730	1,365,948	1,394,775
Attributable to:					
Equity holder of the Bank		1,369,178	1,396,710	1,365,948	1,394,775
Non-controlling interests	32	-	20	-	-
		1,369,178	1,396,730	1,365,948	1,394,775

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

AMBANK (M) BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

		Attributable to equity holder of the Bank									
			Non-distributable					Distributable			
Group	Note	Share capital RM'000	Regulatory reserve RM'000	Merger reserve RM'000	Fair value reserve RM'000	Cash flow hedging deficit RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	Total attributable equity holder RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 April 2023		3,040,465	201,229	104,149	299,138	(4,259)	101,830	7,456,999	11,199,551	145	11,199,696
Profit for the financial year		-	-	-	-	-	-	1,261,686	1,261,686	20	1,261,706
Other comprehensive income		-	-	-	112,557	3,230	19,237	-	135,024	-	135,024
Total comprehensive income for the financial year		-	-	-	112,557	3,230	19,237	1,261,686	1,396,710	20	1,396,730
Transfer from regulatory reserve		-	(13,083)	-	-	-	-	13,083	-	-	-
Dissolution of a subsidiary	32	-	-	-	-	-	-	-	-	(39)	(39)
Dividends on ordinary shares	43	-	-	-	-	-	-	(219,433)	(219,433)	-	(219,433)
Transactions with owner and other equity movements		-	(13,083)	-	-	-	-	(206,350)	(219,433)	(39)	(219,472)
At 31 March 2024		3,040,465	188,146	104,149	411,695	(1,029)	121,067	8,512,335	12,376,828	126	12,376,954

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

AMBANK (M) BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025 (CONT'D.)

		Attributable to equity holder of the Bank									
			Non-distributable					Distributable			
Group	**Note**	**Share capital RM'000**	**Regulatory reserve RM'000**	**Merger reserve RM'000**	**Fair value reserve RM'000**	**Cash flow hedging deficit RM'000**	**Foreign currency translation reserve RM'000**	**Retained earnings RM'000**	**Total attributable equity holder RM'000**	**Non-controlling interests RM'000**	**Total equity RM'000**
At 1 April 2024		3,040,465	188,146	104,149	411,695	(1,029)	121,067	8,512,335	12,376,828	126	12,376,954
Profit for the financial year		-	-	-	-	-	-	1,260,827	1,260,827	-	1,260,827
Other comprehensive income/(loss)		-	-	-	125,559	1,029	(18,237)	-	108,351	-	108,351
Total comprehensive income/(loss) for the financial year		-	-	-	125,559	1,029	(18,237)	1,260,827	1,369,178	-	1,369,178
Transfer to regulatory reserve		-	72,943	-	-	-	-	(72,943)	-	-	-
Dividends on ordinary shares	43	-	-	-	-	-	-	(638,351)	(638,351)	-	(638,351)
Transactions with owner and other equity movements		-	72,943	-	-	-	-	(711,294)	(638,351)	-	(638,351)
At 31 March 2025		3,040,465	261,089	104,149	537,254	-	102,830	9,061,868	13,107,655	126	13,107,781

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

AMBANK (M) BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025 (CONT'D.)

		Attributable to equity holder of the Bank						
			Non-distributable				Distributable	
Bank	**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**	**Retained earnings RM'000**	**Total equity RM'000**
At 1 April 2023		3,040,465	201,229	299,138	(4,259)	105,630	7,508,139	11,150,342
Profit for the financial year		-	-	-	-	-	1,259,767	1,259,767
Other comprehensive income		-	-	112,557	3,230	19,221	-	135,008
Total comprehensive income for the financial year		-	-	112,557	3,230	19,221	1,259,767	1,394,775
Transfer from regulatory reserve		-	(13,083)	-	-	-	13,083	-
Dividends on ordinary shares	43	-	-	-	-	-	(219,433)	(219,433)
Transactions with owner and other equity movements		-	(13,083)	-	-	-	(206,350)	(219,433)
At 31 March 2024		3,040,465	188,146	411,695	(1,029)	124,851	8,561,556	12,325,684

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

AMBANK (M) BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025 (CONT'D.)

		Attributable to equity holder of the Bank						
			Non-distributable				Distributable	
Bank	**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**	**Retained earnings RM'000**	**Total equity RM'000**
At 1 April 2024		3,040,465	188,146	411,695	(1,029)	124,851	8,561,556	12,325,684
Profit for the financial year		-	-	-	-	-	1,257,582	1,257,582
Other comprehensive income/(loss)		-	-	125,559	1,029	(18,222)	-	108,366
Total comprehensive income/(loss) for the financial year		-	-	125,559	1,029	(18,222)	1,257,582	1,365,948
Transfer to regulatory reserve		-	72,943	-	-	-	(72,943)	-
Dividends on ordinary shares	43	-	-	-	-	-	(638,351)	(638,351)
Transactions with owner and other equity movements		-	72,943	-	-	-	(711,294)	(638,351)
At 31 March 2025		3,040,465	261,089	537,254	-	106,629	9,107,844	13,053,281

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

AMBANK (M) BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

	Note	Group 2025 RM'000	Group 2024 RM'000	Bank 2025 RM'000	Bank 2024 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before taxation		1,649,504	1,014,643	1,645,575	1,011,967
Adjustments for:					
Accretion of discount less amortisation of premium		(3,158)	(123,883)	(3,158)	(123,883)
Amortisation of fair value changes on terminated hedge	10(ii)	1,353	4,250	1,353	4,250
Amortisation of intangible assets	22 & 36	37,360	49,852	37,360	49,852
Amortisation of issuance costs and discounts to term funding	27(a) & (b)	6,030	583	6,030	583
Depreciation of property and equipment	20 & 36	42,383	47,242	42,165	47,106
Depreciation of right-of-use assets	21 & 36	65,694	68,344	66,107	68,757
Finance cost for lease liabilities	29(a) & 36	5,115	5,736	5,207	5,839
Finance cost for provision for reinstatement for leased premises	29(b) & 36	36	55	36	55
Loss on disposal of foreclosed properties	35	-	650	-	650
Net (gain)/loss on disposal of property and equipment	35	(1,083)	(105)	2	2
Gain on liquidation of a subsidiary		-	-	-	(26)
Loss on liquidation of an associate		-	-	-	1
Distribution income from financial investments at FVOCI	12(a) & 35	(7,213)	(6,780)	(7,213)	(6,780)
Dividend income from subsidiaries	35	-	-	(296)	-
Allowances for impairment on financial investments	12(b), 13 & 39	15,239	20,860	15,239	20,860
(Writeback of)/allowances for impairment on other financial assets	40	(255)	18,564	(255)	18,526
(Writeback of)/allowances for impairment on non-financial assets	22 & 40	(17,453)	110,717	(17,453)	110,717
Provision for restructuring expenses		-	80,000	-	80,000
Loans and advances - allowances, net of writeback	14(i) & 38	370,160	671,060	370,274	671,172
Net adjustment on COVID-19 relief measures		25,443	(2,653)	25,443	(2,653)
Net gain on revaluation of derivatives		(56,635)	(31,079)	(56,635)	(31,079)
Net loss/(gain) on revaluation of financial assets at FVTPL	35	232,360	(268,979)	232,360	(268,984)
Net gain on sale of financial assets at FVTPL	35	(98,166)	(52,581)	(98,166)	(52,581)
Net gain on sale of financial assets at FVOCI	35	(22,066)	(17,783)	(22,066)	(17,783)
Net gain on redemption of financial assets at amortised cost	35	(45,467)	(68,270)	(45,467)	(68,270)

AMBANK (M) BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025 (CONT'D.)

	Note	Group 2025 RM'000	Group 2024 RM'000	Bank 2025 RM'000	Bank 2024 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (CONT'D.)					
Gain on termination of lease arrangement	35	(3)	(358)	(3)	(358)
Property and equipment written off	20 & 36	3	7	3	7
Reversal of provision for reinstatement of leased premises	29(b)	(566)	(11)	(566)	(11)
Share of results of an associate	18(e)	(1,518)	650	-	-
Scheme shares and options granted under AMMB ESS - charge	36	24,842	24,522	24,842	24,522
Unrealised foreign exchange (gain)/loss on term funding	27	(525)	34,925	(525)	34,925
Writeback of provision for commitments and contingencies	29(d) & (e)	(69,891)	(39,612)	(69,931)	(39,584)
Operating profit before working capital changes		2,151,523	1,540,566	2,150,262	1,537,799
Decrease/(increase) in operating assets:					
Deposits and placements with banks and other financial institutions		600,000	37,190	600,000	37,190
Investment account placement		172,191	172,158	172,191	172,158
Financial assets at FVTPL		1,143,502	3,877,911	1,143,502	3,877,911
Loans and advances		(4,012,258)	(4,420,439)	(4,024,341)	(4,440,940)
Statutory deposit with Bank Negara Malaysia		(156,201)	(125,687)	(156,201)	(125,687)
Other assets		173,201	(666,900)	172,357	(666,958)
(Decrease)/increase in operating liabilities:					
Deposits from customers		(2,322,085)	8,958,865	(2,322,811)	8,950,243
Deposits and placements of banks and other financial institutions		(886,564)	(1,084,841)	(878,176)	(1,098,842)
Securities sold under repurchase agreements		(376,786)	(10,138,339)	(376,786)	(10,138,339)
Financial liabilities at FVTPL		178,818	-	178,818	-
Recourse obligation of loans sold to Cagamas Berhad		(919,974)	(1,335,019)	(919,974)	(1,335,019)
Term funding		4,723,780	242,056	4,723,780	242,056
Other liabilities		(982,540)	972,690	(982,724)	972,677
Cash used in operating activities		(513,393)	(1,969,789)	(520,103)	(2,015,751)
Net taxation paid		(293,013)	(265,901)	(292,529)	(264,522)
Net cash used in operating activities		(806,406)	(2,235,690)	(812,632)	(2,280,273)

AMBANK (M) BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025 (CONT'D.)

		Group		Bank	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES					
Dividend received from subsidiaries	35	-	-	296	-
Payment to non-controlling interest from dissolution of a subsidiary	32	-	(39)	-	-
Distribution income received from financial investments at FVOCI	12(a) & 35	7,213	6,780	7,213	6,780
Net redemption of financial investments at FVOCI		197,519	741,119	197,519	741,119
Net (purchase)/redemption of financial investments at amortised cost		(971,283)	1,879,069	(971,283)	1,879,069
Proceeds from liquidation of a subsidiary		-	-	-	36
Proceeds from liquidation of an associate		-	-	-	18
Proceeds from disposal of property and equipment		1,088	115	3	8
Proceeds from capital reduction of a subsidiary		-	-	-	9,000
Purchase of intangible assets	22	(46,063)	(83,841)	(46,063)	(83,841)
Purchase of property and equipment	20	(38,090)	(27,780)	(37,337)	(27,779)
Net cash (used in)/generated from investing activities		(849,616)	2,515,423	(849,652)	2,524,410
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid	43	(638,351)	(219,433)	(638,351)	(219,433)
Payment of lease liabilities	29(a)	(69,792)	(71,742)	(70,283)	(72,235)
Net cash used in financing activities		(708,143)	(291,175)	(708,634)	(291,668)
Net decrease in cash and cash equivalents		(2,364,165)	(11,442)	(2,370,918)	(47,531)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		7,042,260	7,053,121	7,005,146	7,052,096
Effect of exchange rate changes		(58)	581	(58)	581
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR		4,678,037	7,042,260	4,634,170	7,005,146

AMBANK (M) BERHAD
(Incorporated in Malaysia)
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STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025 (CONT'D.)

		Group		Bank	
		2025	2024	2025	2024
	Note	RM'000	RM'000	RM'000	RM'000
Cash and cash equivalents comprise:					
Cash and short-term funds	6	4,375,745	6,140,967	4,331,878	6,103,853
Deposits and placements with banks and other financial institutions	8	587,545	1,784,033	587,545	1,784,033
		4,963,290	7,925,000	4,919,423	7,887,886
Less: Deposits with original maturity more than 3 months	8	(287,545)	(884,033)	(287,545)	(884,033)
		4,675,745	7,040,967	4,631,878	7,003,853
Add back:					
Allowances for expected credit loss ("ECL") for cash and cash equivalents at end of the financial year	6 & 8	2,292	1,293	2,292	1,293
		4,678,037	7,042,260	4,634,170	7,005,146

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

AMBANK (M) BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

1. CORPORATE INFORMATION

The principal activity of AmBank (M) Berhad ("the Bank") is to carry on the business of a licensed commercial bank. The principal activities of its subsidiaries are disclosed in Note 17.

There has been no significant change in the nature of the activities of the Bank and its subsidiaries during the financial year.

The Bank is a licensed Commercial Bank under Financial Services Act, 2013, incorporated and domiciled in Malaysia. The registered office of the Bank is located at 22nd Floor, Bangunan AmBank Group, Jalan Raja Chulan, 50200 Kuala Lumpur. The principal place of business is located at Menara AmBank, Jalan Yap Kwan Seng, 50450 Kuala Lumpur and Bangunan AmBank Group, No. 55, Jalan Raja Chulan, 50200 Kuala Lumpur.

The Bank is a wholly-owned subsidiary of AMMB Holdings Berhad ("AMMB"), a company incorporated in Malaysia. AMMB is listed on the Main Market of Bursa Malaysia Securities Berhad.

The consolidated financial statements of the Bank and its subsidiaries ("the Group") and the separate financial statements of the Bank have been approved and authorised for issue by the Board of Directors on 29 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 Bank have made an assessment of the ability of the Group and the Bank 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 Bank'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 Bank 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. ACCOUNTING POLICIES (CONT'D.)

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Bank 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.

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 Bank 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. ACCOUNTING POLICIES (CONT'D.)

2.5 Summary of material accounting policies

2.5a Business combinations and goodwill

Business combinations, other than business combinations between entities under common control, 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.

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 re-measured 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 Bank 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").

2. ACCOUNTING POLICIES (CONT'D.)

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

2.5a Business combinations and goodwill (Cont'd.)

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.

The Group applies merger accounting to account for business combinations between entities under common control. Under merger accounting, assets and liabilities acquired are not restated to their respective fair values. They are recognised at the carrying amounts from the consolidated financial statements of the ultimate common control shareholder and adjusted to conform with the accounting policies adopted by the Group. The difference between any consideration given and the aggregate carrying amounts of the assets and liabilities of the acquired entity is recognised as an adjustment to equity. No additional goodwill is recognised.

The acquired entity's results, assets and liabilities are consolidated as if both the acquirer and acquiree had always been combined. Consequently, the consolidated financial statements reflect both entities' full year's results. The comparative information is restated to reflect the combined results of both entities.

2.5b Investment in subsidiaries

In the Bank'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.

2.5c Investment in associate

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.

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 associate is accounted for using the equity method.

Under the equity method, the investment in an associate 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 associate since the acquisition date. Dividends received or receivable from an associate is recognised as a reduction in the carrying amount of the investment. Goodwill relating to the associate 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 associate. 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 associate, 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 associate are eliminated to the extent of the interest in the associate.

2. ACCOUNTING POLICIES (CONT'D.)

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

2.5c Investment in associate (Cont'd.)

The aggregate of the Group's share of profit or loss of the associate 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 associate.

When the Group's share of losses in an associate 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.

The financial statements of the associate 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 investment in associate. At each reporting date, the Group determines whether there is objective evidence that the investment in associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and recognises the loss as "impairment loss on associate" in profit or loss.

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

In the Bank's separate financial statements, investment in associate is stated at cost less accumulated impairment losses. On disposal of such investment, the difference between the net disposal proceeds and its carrying amounts is recognised in profit or loss.

2.5d 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.

2. ACCOUNTING POLICIES (CONT'D.)

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

2.5e 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 Bank's separate financial statements are presented in RM, which is also the Bank'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).

2.5f 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.

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

2. ACCOUNTING POLICIES (CONT'D.)

2.5 Summary material accounting policies (Cont'd.)

2.5f Property and equipment (Cont'd.)

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	15% to 20%
Motor vehicles	20%
Computer equipment	12.5% to 33.3%
Office equipment, furniture and fittings	15% 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.

2.5g 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 the asset, even if that right is not explicitly specified in an arrangement.

The Group and the Bank 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 and the Bank.

At the commencement date of the leases, the Group and the Bank recognise 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 the Bank and payments of penalties for terminating a lease, if the lease term reflects the Group and the Bank 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.

2. ACCOUNTING POLICIES (CONT'D.)

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

2.5g Leases (Cont'd.)

The Group and the Bank as a lessee (Cont'd.)

In calculating the present value of lease payments, the Group and the Bank use 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.

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 and the Bank are 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 and the Bank are 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 and the Bank apply 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.

2.5h 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.

2. ACCOUNTING POLICIES (CONT'D.)

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

2.5h Intangible assets, other than goodwill arising from business combination (Cont'd.)

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.

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.

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 it 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 years to 10 years. During the period of development, the asset is tested for impairment annually.

2.5i Financial instruments – initial recognition and measurement

(i) Initial recognition

Financial assets and financial liabilities are recognised when the Group and the Bank 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 Bank 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 FVTPL, 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 FVTPL, net of directly attributable transaction costs.

2. ACCOUNTING POLICIES (CONT'D.)

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

2.5i Financial instruments – initial recognition and measurement (Cont'd.)

(iii) "Day 1" profit or loss

At initial measurement, if the transaction price differs from the fair value, the Group and the Bank 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 the model value is recognised in profit or loss on a systematic and rational basis that reflects the nature of the instrument over its tenure.

2.5j Financial assets – classification and subsequent measurement

The Group and the Bank classify their financial assets in the following measurement categories:

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

(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 Bank manage the financial assets in order to generate cash flows. Specifically, it considers whether the Group's and the Bank'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 Bank 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 Bank assess whether the financial assets' contractual cash flows represent solely payment of principal and interest ("SPPI"). In making this assessment, the Group and the Bank consider whether the contractual cash flows are consistent with a basic lending arrangement, i.e. interest includes only consideration for time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are SPPI.

2. ACCOUNTING POLICIES (CONT'D.)

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

2.5j Financial assets – classification and subsequent measurement (Cont'd.)

The classification requirements for debt and equity instruments are described below (Cont'd.):

(i) Debt instruments (Cont'd.)

Based on these factors, the Group and the Bank 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, and that are not designated at FVTPL, are measured at amortised cost using the effective interest method. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured using the methodology described in Note 2.5o. 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"). The EIR amortisation is included in "interest 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 and advances" for loans and advances or "doubtful receivables" for losses other than bonds, sukuk, loans and advances.

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, and are not designated at FVTPL, are measured at FVOCI. Changes in the fair value are recognised through OCI, except for interest income and foreign exchange gains or losses on the assets' amortised cost which are recognised in profit or loss. Interest earned whilst holding the assets is reported as "interest income" using the effective interest 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".

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 earned whilst holding the assets is reported as "interest income" using the effective interest 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 earned is recognised in "interest income" using the effective interest method.

2. ACCOUNTING POLICIES (CONT'D.)

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

2.5j Financial assets – classification and subsequent measurement (Cont'd.)

(ii) Reclassification of debt investments

The Group and the Bank 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 Bank 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.

2.5k Financial liabilities – classification and subsequent measurement

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

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

(i) Amortised cost

Financial liabilities issued by the Group and the Bank, 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 Bank 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 are subsequently measured at amortised cost using the effective interest 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.

2. ACCOUNTING POLICIES (CONT'D.)

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

2.5k 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.

2.5l 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 Bank 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 Bank have transferred substantially all the risks and rewards of the asset; or
    - the Group and the Bank 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 Bank 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 Bank's continuing involvement in the asset. In that case, the Group and the Bank 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 Bank have retained.

2. ACCOUNTING POLICIES (CONT'D.)

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

2.5l Derecognition of financial instruments (Cont'd.)

(ii) Modification of loans and advances

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

- if the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower 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 and advances;
- significant extension of the loans and advances term when the borrower is not in financial difficulty;
- significant change in the interest rate;
- change in the currency the loans and advances is denominated in; or
- insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loans and advances.

If the terms are substantially different, the Group and the Bank derecognise the original financial asset and recognise a "new" asset at fair value and recalculate a new EIR 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 and the Bank also assess 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 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 and the Bank recalculate the gross carrying amount based on the revised cash flows of the financial asset and recognise 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.

(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 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, 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, new conversion features attached to the instrument and changes in covenants are also taken into consideration.

2. ACCOUNTING POLICIES (CONT'D.)

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

2.5l Derecognition of financial instruments (Cont'd.)

(iii) Derecognition of financial liabilities (Cont'd.)

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.

2.5m Repurchase and reverse repurchase agreements

Securities sold under repurchase agreements at a specified future date are not derecognised from the statements of financial position as the Group and the Bank retain substantially all the risks and rewards of ownership. The corresponding cash received is recognised in the statements 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 and the Bank. 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 and the Bank reclassify those securities in the statements 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 statements of financial position. The consideration paid, including accrued interest is recorded in the statements of financial position, within "securities purchased under resale agreements", reflecting the transaction's economic substance as a loan by the Group and the Bank. The difference between the purchase and resale prices is recorded in "net 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".

2.5n Fair value measurement

The Group and the Bank measure 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 and to the Bank.

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.

2. ACCOUNTING POLICIES (CONT'D.)

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

2.5n Fair value measurement (Cont'd.)

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 and the Bank use 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 and the Bank determine whether transfers have occurred between levels in the hierarchy by reassessing 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:

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

2.5o Financial instruments – expected credit losses ("ECL")

The Group and the Bank 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 commitments and financial guarantee contracts. The Group and the Bank 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 is 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.

2. ACCOUNTING POLICIES (CONT'D.)

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

2.5o Financial instruments – expected credit losses ("ECL") (Cont'd.)

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

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

Loans and advances 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 and the Bank. The Group and the Bank 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 and advances

Where possible, the Group and the Bank seek to reschedule or restructure loans and advances rather than to take possession of collateral. This may involve extending the payment arrangements and the agreement of new loans and advances conditions. Once the terms have been rescheduled or restructured, any impairment is measured using the original EIR as calculated before the modification of terms. Management continually reviews impaired rescheduled or restructured loans and advances 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 and the Bank seek 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 and the Bank'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 and the Bank use 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(d) for further analysis of collateral).

2. ACCOUNTING POLICIES (CONT'D.)

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

2.5o Financial instruments – expected credit losses ("ECL") (Cont'd.)

(iii) Collateral repossessed

The Group's and the Bank'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 2.5n. 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.

2.5p Hedge accounting

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

At inception of the hedge relationship, the Group and the Bank formally document 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 and the Bank also assess 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 method. EIR 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.

2. ACCOUNTING POLICIES (CONT'D.)

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

2.5p Hedge accounting (Cont'd.)

(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.

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.

2.5q 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.

2.5r Impairment of non-financial assets

The Group and the Bank 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 Bank 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 Bank 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.

2. ACCOUNTING POLICIES (CONT'D.)

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

2.5r Impairment of non-financial assets (Cont'd.)

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.

2.5s Foreclosed properties

Foreclosed properties are those acquired in full or partial satisfaction of debts. The policy for the measurement of foreclosed properties is in accordance with Note 2.5o(iii) on collateral repossessed.

2.5t 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.

2.5u 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 and of the Bank are 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 and of the Bank. The Group and the Bank do not recognise contingent assets in the financial statements but disclose their existence where inflows of economic benefits are probable, but not virtually certain.

2. ACCOUNTING POLICIES (CONT'D.)

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

2.5v Financial guarantee contracts and loans commitments

Financial guarantee contracts issued by the Group and the Bank are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor 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 2.5o) and the premium received on initial recognition less income recognised in accordance with the principles of MFRS 15 *Revenue from Contract with Customers*.

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

2.5w Recognition of income and expenses

Operating revenue of the Group and of the Bank comprises all types of revenue derived from commercial banking and non-financial services rendered by the subsidiaries.

Operating revenue of the Bank comprises gross interest income, fee and commission earned and other income derived from commercial banking operations.

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

(i) Interest income and similar income and expense

For all interest-bearing financial assets and financial liabilities measured at amortised cost, interest-bearing financial investments at FVOCI and financial assets and financial liabilities at FVTPL, interest income or expense is calculated using the effective interest method. EIR 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, but not future credit losses.

The carrying amount of the financial asset or financial liability is adjusted if the Group and the Bank revise their estimates of payments or receipts. The adjusted carrying amount is calculated based on the original EIR and the change in carrying amount is recorded in profit or loss. However, for a reclassified financial asset for which the Group and the Bank subsequently increases their 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 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 continues to be recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

Loan commitment fees for loans and advances 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 on the loans and advances.

2. ACCOUNTING POLICIES (CONT'D.)

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

2.5w Recognition of income and expenses (Cont'd.)

(A) Recognition of income and expenses relating to financial instruments (Cont'd.)

(ii) Dividend income

Revenue is recognised when the Group's and the Bank's right to receive the payment is established, it is probable that the economic benefits will flow to the Group and the Bank 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.

(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 and the Bank transfer 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 the Bank and their customer have approved the contract and intend to perform their respective obligations, the Group's and the Bank'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 and the Bank 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 and the Bank assess 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 and the Bank expect 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 and the Bank estimate the amount of consideration that they expect 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 and the Bank determine 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.

2. ACCOUNTING POLICIES (CONT'D.)

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

2.5w 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:

(i) Fee and commission income

The Group and the Bank earn fee and commission income from a diverse range of services they provide to their 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 arrangement, commission income, custody and other management and advisory fees. Loan commitment fees for loans and advances 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.

(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 and the Bank estimate 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.

2. ACCOUNTING POLICIES (CONT'D.)

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

2.5x 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 the Bank 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 and the Bank make 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 and the Bank have 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 and the Bank recognise termination benefits when the Group and the Bank are 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) Shared-based payment transactions

The holding company, AMMB, operates an equity-settled share-based compensation scheme, known as the Executives' Share Scheme ("ESS") wherein shares are granted to eligible directors or employees of the AMMB Group of Companies ("AMMB Group") based on certain financial and performance criteria and such conditions as it may deem fit. The ESS, which is valid for 10 years from the implementation date, include Long term incentive Award. The fair value of the share grants awarded is based on the share price of AMMB 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.

The cost of equity-settled transactions is recognised by the Group and the Bank, together with a corresponding increase in the amount payable to, or the amount receivable from, AMMB 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 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 the end of that period.

2. ACCOUNTING POLICIES (CONT'D.)

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

2.5y Dividends on ordinary shares

Dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the Bank's shareholder. 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.

2.5z 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.

2. ACCOUNTING POLICIES (CONT'D.)

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

2.5z 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 profit 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.

2.5aa Earnings Per Share ("EPS")

The Group and the Bank present basic and diluted EPS data for its ordinary shares in Note 42. Basic EPS is calculated by dividing profit or loss attributable to ordinary shareholder of the Bank by the weighted average number of ordinary shares outstanding during the financial year. Diluted EPS is determined by adjusting the profit or loss attributable to 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.)

2.5ab 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 five operating segments: retail banking, business banking, wholesale banking, investment banking and others, as disclosed in Note 53.

2.5ac 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.

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

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

3.1a 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.

3.1b 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.

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

3.1 Adoption of Amendments to Standards (Cont'd.)

The nature of the amendments to published standards relevant to the Group and the Bank are described below (cont'd.):

3.1c 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 Bank's financial statements. The Group and the Bank 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

The nature of the new standards and amendments to published standards that are issued but not yet effective are described below. The Group and the Bank are assessing the financial effects of their adoption.

3.2a 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.

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

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

3.2b 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 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 FVOCI.

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.

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

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

3.2b 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.

3.2c 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

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

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

3.2c New standards effective for financial year ending 31 March 2028 (Cont'd.)

MFRS 18 *Presentation and Disclosure in Financial Statements* (Cont'd.)

Consequential amendments to other accounting standards include, among others: (Cont'd.)

(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.

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.

3.2d 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 REGULATOR REQUIREMENT

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 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 accounting policies, management has made the following judgements, estimates and assumptions which have significant effect on the amounts recognised in the financial statements.

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

5.1 Measurement of ECL allowances (Notes 6, 8, 9, 12, 13, 14, 19, 29, 38, 39 and 40)

The measurement of the ECL allowances for financial assets measured at amortised cost, FVOCI, loan commitments and financial guarantee contracts requires the use of complex models and significant 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 significant 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.

5.2 Lease term of agreements with renewal options (Note 21)

The Group and the Bank determine 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 and the Bank have the option, under some of their leases to lease the assets for additional terms of three to twelve years. The extension options held are exercisable only by the Group or the Bank and not by the respective lessor. In determining the lease term, the Group and the Bank consider 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 and the Bank reassess the lease term if there is a significant event or change in circumstances that is within their control and affects their ability to exercise (or not to exercise) the option to renew. The Group and the Bank included the renewal period as part of the lease term for most of their leases of premises due to the significance of these assets to their operations.

5.3 Deferred tax assets and income taxes (Notes 16, 19, 29 and 41)

The Group's and the Bank'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 significant 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. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONT'D.)

5.4 Fair value measurements of financial instruments (Notes 10, 11, 12, 25, 35 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.

5.5 Development costs (Note 22)

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.

5.6 Impairment of investments in subsidiaries and associate (Note 17 and 18)

Investments in subsidiaries and associate ("investments") are for a long-term basis and the Group and the Bank 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		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash and bank balances	3,096,252	3,549,652	3,095,385	3,548,794
Deposits and placements maturing within one month:				
Licensed banks	1,031,785	1,312,608	988,785	1,276,352
Bank Negara Malaysia	250,000	1,280,000	250,000	1,280,000
	1,281,785	2,592,608	1,238,785	2,556,352
Total cash and bank balances and deposits and placements	4,378,037	6,142,260	4,334,170	6,105,146
Less: Allowances for ECL	(2,292)	(1,293)	(2,292)	(1,293)
	4,375,745	6,140,967	4,331,878	6,103,853
Deposits and placements with original maturity of:				
Three months or less	1,281,785	2,592,608	1,238,785	2,556,352

Movements in allowances for ECL are as follows:

Group and Bank	Note	Stage 1 12-Month ECL RM'000	Stage 2 Lifetime ECL not credit-impaired RM'000	Total RM'000
2025				
Balance at beginning of the financial year		1,262	31	1,293
Net allowance for ECL:	40	416	610	1,026
Transfer from deposits and placements with banks and other financial institutions	8	696	-	696
New financial assets originated		9,887	58	9,945
Financial assets derecognised		(10,242)	-	(10,242)
Net remeasurement of allowances		75	552	627
Foreign exchange differences		(10)	(17)	(27)
Balance at end of the financial year		1,668	624	2,292
2024				
Balance at beginning of the financial year		1,448	300	1,748
Net writeback of ECL:	40	(206)	(270)	(476)
Transfer to 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		199	3	202
Foreign exchange differences		20	1	21
Balance at end of the financial year		1,262	31	1,293

The increase in allowances for ECL for the current financial year is mainly due to increase in the Group's and the Bank's foreign currencies placements at the end of the financial year which had correspondingly resulted in increase of allowance for ECL in Stage 1.

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 and the Bank retain substantially all of the risks and rewards of ownership of the securities.

8. DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group and Bank 2025 RM'000	Group and Bank 2024 RM'000
Licensed Islamic bank (a related company)	87,545	84,033
Licensed investment bank (a related company)	500,000	1,700,000
	587,545	1,784,033
Less: Allowances for ECL	-	-
	587,545	1,784,033
Deposits and placements with original maturity of:		
Three months or less	300,000	900,000
More than three months	287,545	884,033
	587,545	1,784,033

Deposits and placements with licensed Islamic bank, represents net interbank placements from the Group and the Bank to a related company, AmBank Islamic at below market rate with six-year (6) to eight and half year (8.5) maturities.

In the previous financial year, the Bank received a refund of RM37.2 million from AmBank Islamic. As a result, RM11.8 million of fair value gain arose from the difference between the concession rates received and market rates.

Total unwinding amount of gain of RM3.5 million (2024: gain of RM1.6 million) was recognised as net of interest income on short term funds and deposits with financial institutions in the current year as disclosed in Note 33.

Movements in allowances for ECL are as follows:

Group and Bank	Note	Stage 1 12-Month ECL RM'000
2025		
Balance at beginning of the financial year		-
Net allowance for ECL:	40	-
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		-
2024		
Balance at beginning of the financial year		66
Net writeback of ECL:	40	(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 decrease in allowances for ECL for the current financial year is mainly due to transfer to cash and short-term fund offset by new financial assets originated.

9. INVESTMENT ACCOUNT PLACEMENT

	Group and Bank	
	2025	2024
	RM'000	RM'000
Licensed Islamic bank	1,194,172	1,366,363
Less: Allowances for ECL	(2,490)	(1,830)
	1,191,682	1,364,533

This represents investment placed under Restricted Investment Account ("RA") arrangement with AmBank Islamic. The contract is based on the Shariah concept of Mudarabah between two parties, that is, the investor ("the Bank") and the entrepreneur ("AmBank Islamic") to finance a business venture where the investor provides capital and the business venture is managed solely by the entrepreneur. The profit of the business venture is shared between both parties based on pre-agreed ratio. Losses shall be borne solely by the investor. The investment assets financed under this arrangement are financing and advances extended by AmBank Islamic to its external customers. As losses are borne solely by the investor, the related ECL allowance for financing and advances extended by AmBank Islamic is recorded by the Bank.

As at 31 March 2025, the gross exposure (inclusive interest receivable disclosed in other assets) relating to the RA financing for the Group and the Bank amounted to RM1,197.2 million (31 March 2024: RM1,370.0 million). No stage 2 and 3 ECL is provided for the RA financing as at 31 March 2025 and 31 March 2024.

Movements in allowances for ECL are as follows:

Group and Bank	Note	Stage 1 12-Month ECL RM'000
2025		
Balance at beginning of the financial year		1,830
Net allowance for ECL:	40	660
New financial assets originated		2,490
Financial assets derecognised		(1,830)
Balance at end of the financial year		2,490
2024		
Balance at beginning of the financial year		1,269
Net allowance for ECL:	40	561
New financial assets originated		1,830
Financial assets derecognised		(1,269)
Balance at end of the financial year		1,830

The increase in allowances for ECL for the current financial year for the Group and the Bank are mainly due to new financial assets originated and offset by financial assets derecognised.

10. DERIVATIVE FINANCIAL ASSETS/LIABILITIES

Group and Bank	2025 Contract/ Notional amount RM'000	2025 Fair value assets RM'000	2025 Fair value liabilities RM'000	2024 Contract/ Notional amount RM'000	2024 Fair value assets RM'000	2024 Fair value liabilities RM'000
Trading derivatives						
Interest rate related contracts:						
- One year or less	4,098,987	11,941	3,407	8,781,793	30,589	13,523
- Over one year to three years	11,124,648	55,996	46,441	5,934,903	71,306	45,658
- Over three years	29,220,025	233,482	138,032	21,026,451	273,386	124,426
Foreign exchange related contracts:						
- One year or less	42,418,797	245,621	156,718	47,126,315	452,335	455,859
- Over one year to three years	1,896,405	80,272	121,866	1,479,541	147,553	260,108
- Over three years	2,522,969	7,252	86,963	3,266,948	3,934	49,571
Equity and commodity related contracts:						
- One year or less	2,063,663	16,617	52,794	2,618,763	30,712	72,345
- Over one year to three years	176,710	2,634	2,634	18,840	288	288
Total	93,522,204	653,815	608,855	90,253,554	1,010,103	1,021,778

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

Derivative Financial Instruments and Hedge Accounting

(i) Cash flow hedge

Interest rate risk

The Group and the Bank had discontinued its cash flow hedges on its variable rate short-term treasury deposits and fixed deposits portfolio using interest rate swaps with a total notional value 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 RM1.4 million (2024: fair value loss of RM4.3 million).

(ii) The following table shows a reconciliation of cash flow hedging deficit and an analysis of other comprehensive income in relation to hedge accounting:

	Group and Bank	
	2025	**2024**
	RM'000	**RM'000**
Cash flow hedges		
Balance at beginning of the financial year	(1,029)	(4,259)
Interest rate risk:		
- amortisation of fair value	1,353	4,250
- tax effect	(324)	(1,020)
Balance at end of the financial year	-	(1,029)

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

		Group		Bank	
		2025	**2024**	**2025**	**2024**
	Note	**RM'000**	**RM'000**	**RM'000**	**RM'000**
At fair value					
Money market instruments:					
Bank Negara Monetary Notes		-	788,949	-	788,949
Malaysian Treasury Bills		105,733	636,441	105,733	636,441
Malaysian Government Investment Issues		1,944,709	476,634	1,944,709	476,634
Malaysian Government Securities		778,106	1,909,429	778,106	1,909,429
		2,828,548	3,811,453	2,828,548	3,811,453
Quoted securities:					
In Malaysia:					
Shares	(a)	613,626	780,376	613,626	780,376
Unit trusts		32,215	44,875	32,215	44,875
Sukuk		10,179	10,249	10,179	10,249
		656,020	835,500	656,020	835,500
Outside Malaysia:					
Shares	(a)	778,108	1,015,733	778,107	1,015,729
Unquoted securities:					
In Malaysia:					
Shares		31	29	-	-
Corporate bonds and sukuk		1,263,948	1,103,967	1,263,948	1,103,967
		1,263,979	1,103,996	1,263,948	1,103,967
		5,526,655	6,766,682	5,526,623	6,766,649

Note (a): Shares held for purposes of derivative transactions.

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

	Note	Group and Bank 2025 RM'000	Group and Bank 2024 RM'000
At fair value			
Money market instruments:			
Malaysian Government Investment Issues		3,475,919	3,630,267
Malaysian Government Securities		5,314,241	4,703,417
Foreign Government Investment Issues		13,113	13,931
Negotiable Instruments of Deposit		-	200,013
		8,803,273	8,547,628
Quoted securities:			
In Malaysia:			
Unit trusts		53,212	58,717
Unquoted securities:			
In Malaysia:			
Corporate bonds and sukuk		9,929,434	10,378,218
Shares	(a)	826,975	714,780
		10,756,409	11,092,998
Outside Malaysia:			
Shares	(a)	922	786
		19,613,816	19,700,129

(a) Equity investments at FVOCI comprise the following individual investments:

	Group and Bank 2025 Carrying value RM'000	Group and Bank 2025 Dividend income RM'000	Group and Bank 2024 Carrying value RM'000	Group and Bank 2024 Dividend income RM'000
Quoted securities in Malaysia:				
Unit trusts				
AmFIRST Real Estate Investment Trust ("AmFirst REIT")	53,212	4,000	58,717	4,367
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 Berhad	96,996	-	94,224	-
Financial Park (Labuan) Sdn Bhd	89,796	800	84,612	-
Payments Network Malaysia Sdn Bhd	159,562	-	117,619	-
	826,975	3,213	714,780	2,413
Unquoted securities outside Malaysia:				
Shares				
S.W.I.F.T. SCRL	922	-	786	-

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

(a) Equity investments at FVOCI comprise the following individual investments: (Cont'd.)

The Group and the Bank elected to present in OCI for 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.

The Bank owns 26.7% of AmFirst REIT. However, the Bank has restricted voting power as stated in the Trust Deed. As such, the Bank is deemed to have no significant influence and the investment is recognised as financial investments at FVOCI.

There have been no new acquisition or disposal of equity investments at FVOCI during the current and previous financial years.

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

Group and Bank	Note	Stage 1 12-Month ECL RM'000	Stage 2 Lifetime ECL not credit-impaired RM'000	Total RM'000
2025				
Balance at beginning of the financial year		17,526	3,496	21,022
Net allowances for ECL:	39	6,020	722	6,742
Transfer to Stage 2		(397)	2,205	1,808
New financial assets originated		1,764	971	2,735
Financial assets derecognised		(2,455)	(2,168)	(4,623)
Net remeasurement of allowances		7,108	(286)	6,822
Foreign exchange differences		(1)	-	(1)
Balance at end of the financial year		23,545	4,218	27,763
2024				
Balance at beginning of the financial year		8,562	1,979	10,541
Net allowances for ECL:	39	8,963	1,517	10,480
Transfer to Stage 2		(9)	146	137
New financial assets originated		7,976	1,399	9,375
Financial assets derecognised		(3,628)	(100)	(3,728)
Net remeasurement of allowances		4,624	72	4,696
Foreign exchange differences		1	-	1
Balance at end of the financial year		17,526	3,496	21,022

The increase in allowances for ECL during the current financial year for the Group and the Bank are mainly due to net remeasurement of allowances and new financial assets originated, offset by financial assets derecognised.

13. FINANCIAL INVESTMENTS AT AMORTISED COST

	Group and Bank 2025 RM'000	Group and Bank 2024 RM'000
At amortised cost		
Money market instruments:		
Malaysian Government Investment Issues	946,359	946,020
Malaysian Government Securities	792,581	795,703
	1,738,940	1,741,723
Unquoted securities:		
In Malaysia:		
Corporate bonds and sukuk	6,716,739	5,699,991
	8,455,679	7,441,714
Less: Allowances for ECL	(58,918)	(50,421)
	8,396,761	7,391,293

Movements in allowances for ECL are as follows:

Group and Bank	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
2025					
Balance at beginning of the financial year		13,787	-	36,634	50,421
Net allowances for/(writeback of) ECL:	39	8,237	386	(126)	8,497
New financial assets originated		8,529	386	-	8,915
Financial assets derecognised		(1,345)	-	-	(1,345)
Net remeasurement of allowances		1,053	-	(126)	927
Balance at end of the financial year		22,024	386	36,508	58,918
2024					
Balance at beginning of the financial year		4,758	-	35,283	40,041
Net allowances for ECL:	39	9,029	-	1,351	10,380
New financial assets originated		6,086	-	-	6,086
Financial assets derecognised		(1,043)	-	-	(1,043)
Net remeasurement of allowances		3,986	-	1,351	5,337
Balance at end of the financial year		13,787	-	36,634	50,421

The increase in allowances for ECL for the current financial year contributed by new financial assets originated and net remeasurement of allowances; offset by financial assets derecognised.

14. LOANS AND ADVANCES

	Group 2025 RM'000	Group 2024 RM'000	Bank 2025 RM'000	Bank 2024 RM'000
At amortised cost				
Loans and advances:				
Term loans	30,358,669	27,793,774	30,358,669	27,793,774
Revolving credits	7,473,648	6,919,288	7,798,192	7,261,425
Housing loan receivables	30,890,592	30,284,316	30,567,530	29,931,579
Hire purchase receivables	7,811,760	9,279,460	7,811,760	9,279,460
Card receivables	1,701,746	1,707,587	1,701,746	1,707,587
Overdrafts	2,015,263	1,973,452	2,015,263	1,973,452
Claims on customers under acceptance credits	4,281,812	4,689,444	4,281,812	4,689,444
Trust receipts	2,091,655	2,103,003	2,091,655	2,103,003
Bills receivables	4,009,262	2,598,509	4,009,262	2,598,509
Staff loans	74,633	83,286	74,633	83,286
Others	381,458	187,659	381,458	187,659
Gross loans and advances	91,090,498	87,619,778	91,091,980	87,609,178
Less: Allowances for ECL (Note 14(i)):				
- Stage 1 - 12-month ECL	(217,481)	(224,192)	(217,860)	(224,423)
- Stage 2 - Lifetime ECL not credit-impaired	(615,712)	(691,248)	(615,698)	(691,198)
- Stage 3 - Lifetime ECL credit-impaired	(358,729)	(455,977)	(358,245)	(455,564)
Net loans and advances	89,898,576	86,248,361	89,900,177	86,237,993

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

	Group 2025 RM'000	Group 2024 RM'000	Bank 2025 RM'000	Bank 2024 RM'000
Domestic banking institutions	34	-	34	-
Domestic non-bank financial institutions	1,342,897	1,086,241	1,667,441	1,428,377
Domestic business enterprises				
- Small and medium enterprises	22,133,262	20,762,827	22,133,262	20,762,827
- Others	23,099,663	20,161,392	23,099,663	20,161,392
Government and statutory bodies	-	29,289	-	29,289
Individuals	43,225,937	44,324,965	42,902,875	43,972,229
Other domestic entities	4,667	5,377	4,667	5,377
Foreign individuals and entities	1,284,038	1,249,687	1,284,038	1,249,687
	91,090,498	87,619,778	91,091,980	87,609,178

14. LOANS AND ADVANCES (CONT'D.)

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

	Group		Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
In Malaysia	90,685,627	87,469,912	90,687,109	87,459,312
Outside Malaysia	404,871	149,866	404,871	149,866
	91,090,498	87,619,778	91,091,980	87,609,178

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

	Group		Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Fixed rate				
- Housing loans	406,222	427,052	83,159	74,316
- Hire purchase receivables	7,615,465	9,001,660	7,615,465	9,001,660
- Other fixed rate loans	7,401,672	7,582,263	7,401,672	7,582,263
Variable rate				
- Base rate and base lending rate plus	49,373,672	49,031,022	49,373,672	49,031,022
- Cost plus	25,472,559	20,742,923	25,797,104	21,085,059
- Other variable rates	820,908	834,858	820,908	834,858
	91,090,498	87,619,778	91,091,980	87,609,178

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

	Group		Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Agriculture	1,206,113	1,449,173	1,206,113	1,449,173
Mining and quarrying	1,897,204	1,680,024	1,897,204	1,680,024
Manufacturing	12,279,361	11,440,034	12,279,361	11,440,034
Electricity, gas and water	1,689,513	1,100,462	1,689,513	1,100,462
Construction	3,799,220	3,912,660	3,799,220	3,912,660
Wholesale and retail trade and hotels and restaurants	10,241,769	9,569,443	10,241,769	9,569,443
Transport, storage and communication	2,307,195	2,419,231	2,307,195	2,419,231
Finance and insurance	1,758,883	1,315,485	2,083,426	1,657,621
Real estate	9,181,012	6,952,824	9,181,012	6,952,824
Business activities	1,221,077	1,878,804	1,221,077	1,878,804
Education and health	1,877,698	1,099,576	1,877,698	1,099,576
Household of which:	43,631,453	44,801,440	43,308,392	44,448,704
- Purchase of residential properties	31,102,920	30,517,032	30,779,859	30,164,296
- Purchase of transport vehicles	6,594,481	8,132,243	6,594,481	8,132,243
- Others	5,934,052	6,152,165	5,934,052	6,152,165
Others	-	622	-	622
	91,090,498	87,619,778	91,091,980	87,609,178

14. LOANS AND ADVANCES (CONT'D.)

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

	Group		Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Maturing within one year	23,329,235	21,297,533	23,651,393	21,637,055
Over one year to three years	4,660,975	5,588,329	4,657,057	5,583,611
Over three years to five years	8,071,554	7,159,736	8,065,167	7,152,626
Over five years	55,028,734	53,574,180	54,718,363	53,235,886
	91,090,498	87,619,778	91,091,980	87,609,178

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

	Group		Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Balance at beginning of the financial year	1,555,540	1,375,292	1,553,692	1,374,240
Impaired during the financial year	1,148,389	1,396,431	1,147,451	1,395,261
Reclassified as non-impaired	(250,822)	(161,446)	(250,574)	(161,134)
Recoveries	(427,215)	(450,578)	(426,710)	(450,516)
Amount written off	(537,656)	(604,699)	(537,656)	(604,699)
Foreign exchange differences	(82)	540	(82)	540
Balance at end of the financial year	1,488,154	1,555,540	1,486,121	1,553,692
Gross impaired loans and advances as % of gross loans and advances	1.63%	1.78%	1.63%	1.77%
Loan loss coverage (including regulatory reserve)	103.2%	110.2%	103.4%	110.3%

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

	Group		Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
In Malaysia	1,488,154	1,555,540	1,486,121	1,553,692

14. LOANS AND ADVANCES (CONT'D.)

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

	Group		Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Agriculture	5,218	5,633	5,218	5,633
Mining and quarrying	2,981	16,398	2,981	16,398
Manufacturing	254,446	174,602	254,446	174,602
Electricity, gas and water	17,530	50,830	17,530	50,830
Construction	136,888	162,723	136,888	162,723
Wholesale and retail trade and hotels and restaurants	209,748	237,820	209,748	237,820
Transport, storage and communication	30,469	26,587	30,469	26,587
Finance and insurance	2,099	2,898	2,099	2,898
Real estate	33,930	16,771	33,930	16,771
Business activities	32,662	35,649	32,662	35,649
Education and health	28,008	37,146	28,008	37,146
Household of which:	734,175	788,483	732,142	786,635
- Purchase of residential properties	601,884	607,337	599,851	605,489
- Purchase of transport vehicles	48,896	74,352	48,896	74,352
- Others	83,395	106,794	83,395	106,794
	1,488,154	1,555,540	1,486,121	1,553,692

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

Group	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
2025					
Balance at beginning of the financial year		224,192	691,248	455,977	1,371,417
Net (writeback of)/allowances for ECL:	38	(6,501)	(63,829)	440,490	370,160
Transfer to Stage 1		9,926	(63,923)	(8,803)	(62,800)
Transfer to Stage 2		(13,044)	110,483	(26,012)	71,427
Transfer to Stage 3		(1,344)	(27,586)	112,152	83,222
New financial assets originated		71,170	55,811	4,793	131,774
Financial assets derecognised		(43,973)	(79,713)	(6,555)	(130,241)
Net remeasurement of allowances		(3,953)	(28,349)	366,143	333,841
Modification of contractual cash flows of financial assets		(1,107)	(3,763)	(1,228)	(6,098)
Changes in model assumptions and methodologies		(24,176)	(26,789)	-	(50,965)
Foreign exchange differences		(210)	(104)	(82)	(396)
Amount written-off		-	(11,603)	(537,656)	(549,259)
Balance at end of the financial year		217,481	615,712	358,729	1,191,922

14. LOANS AND ADVANCES (CONT'D.)

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

Group	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
2024					
Balance at beginning of the financial year		160,839	719,574	423,493	1,303,906
Net allowances for/(writeback of) ECL:	38	62,803	(28,318)	636,575	671,060
Transfer to Stage 1		18,670	(108,608)	(7,955)	(97,893)
Transfer to Stage 2		(9,021)	104,169	(17,694)	77,454
Transfer to Stage 3		(1,084)	(36,337)	183,483	146,062
New financial assets originated		70,524	52,219	8,504	131,247
Financial assets derecognised		(33,514)	(63,814)	(112,170)	(209,498)
Net remeasurement of allowances		9,475	(26,179)	561,006	544,302
Modification of contractual cash flows of financial assets		197	(2,372)	(1,568)	(3,743)
Changes in model assumptions and methodologies		7,556	52,604	22,969	83,129
Foreign exchange differences		550	(8)	608	1,150
Amount written-off		-	-	(604,699)	(604,699)
Balance at end of the financial year		224,192	691,248	455,977	1,371,417

Bank	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
2025					
Balance at beginning of the financial year		224,423	691,198	455,564	1,371,185
Net (writeback of)/allowances for ECL:	38	(6,352)	(63,793)	440,419	370,274
Transfer to Stage 1		9,923	(63,882)	(8,801)	(62,760)
Transfer to Stage 2		(13,044)	110,474	(26,012)	71,418
Transfer to Stage 3		(1,343)	(27,586)	111,984	83,055
New financial assets originated		71,170	55,811	4,793	131,774
Financial assets derecognised		(43,966)	(79,709)	(6,403)	(130,078)
Net remeasurement of allowances		(3,809)	(28,349)	366,086	333,928
Modification of contractual cash flows of financial assets		(1,107)	(3,763)	(1,228)	(6,098)
Changes in model assumptions and methodologies		(24,176)	(26,789)	-	(50,965)
Foreign exchange differences		(211)	(104)	(82)	(397)
Amount written-off		-	(11,603)	(537,656)	(549,259)
Balance at end of the financial year		217,860	615,698	358,245	1,191,803

14. LOANS AND ADVANCES (CONT'D.)

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

Bank	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
2024					
Balance at beginning of the financial year		160,826	719,487	423,247	1,303,560
Net allowances for/(writeback of) ECL:	38	63,045	(28,281)	636,408	671,172
Transfer to Stage 1		18,669	(108,555)	(7,942)	(97,828)
Transfer to Stage 2		(9,019)	104,126	(17,694)	77,413
Transfer to Stage 3		(1,083)	(36,337)	183,265	145,845
New financial assets originated		70,524	52,219	8,504	131,247
Financial assets derecognised		(33,503)	(63,790)	(112,121)	(209,414)
Net remeasurement of allowances		9,704	(26,176)	560,995	544,523
Modification of contractual cash flows of financial assets		197	(2,372)	(1,568)	(3,743)
Changes in model assumptions and methodologies		7,556	52,604	22,969	83,129
Foreign exchange differences		552	(8)	608	1,152
Amount written-off		-	-	(604,699)	(604,699)
Balance at end of the financial year		224,423	691,198	455,564	1,371,185

Overall, the total allowances for ECL on loans and advances for the Group decreased by RM179.5 million due to the following:

a) 12-month ECL (Stage 1) – decrease by RM6.7 million mainly due to financial assets derecognised, changes in model assumptions and methodologies and impact from the migration of loans and advances to Stage 2; partially offset by newly originated loans and advances and transfer to Stage 1.

b) Lifetime ECL not credit-impaired (Stage 2) – decrease by RM75.5 million mainly due to financial asset derecognised, impact from the migration of loans and advances to Stage 1 and Stage 3, net remeasurement of allowances, changes in model assumptions and methodologies and loans written off as a result of agreed settlement with borrower; partially offset by impact from migration of loans and advances to Stage 2 and newly originated loans and advances.

c) Lifetime ECL credit-impaired (Stage 3) – decrease by RM97.3 million mainly due to impact from migration of loans and advances to Stage 1 and Stage 2 and financial assets derecognised; partially offset by net remeasurement of allowances, impact from migration of loans and advances to Stage 3 and newly originated loans and advances.

15. STATUTORY DEPOSIT WITH BANK NEGARA MALAYSIA

The non-interest bearing statutory deposit is 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 a set percentage of total eligible liabilities. The Statutory Reserve Requirement ("SRR") rate for banking institutions is 2.0% of eligible liabilities.

16. DEFERRED TAX ASSETS

		Group and Bank	
		2025	**2024**
	Note	**RM'000**	**RM'000**
Balance at beginning of the financial year		192,707	164,294
Recognised in profit or loss	41	7,527	49,571
Recognised in other comprehensive income		(2,374)	(21,158)
Balance at end of the financial year		197,860	192,707

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 and Bank	
	2025	**2024**
	RM'000	**RM'000**
Deferred tax assets	197,860	192,707

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

Deferred tax assets	227,932	221,180
Deferred tax liabilities	(30,072)	(28,473)
	197,860	192,707

16. DEFERRED TAX ASSETS (CONT'D.)

The components and movements of deferred tax assets/(liabilities) during the financial year are as follows:

	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
Group and Bank				
Deferred tax assets				
2025				
Provision for expenses	86,220	(804)	-	85,416
Provision for commitments and contingencies	742	200	-	942
Allowances for ECL	104,166	3,387	-	107,553
Cash flow hedging deficit	324	-	(324)	-
Fair value reserve	4,267	-	(2,050)	2,217
Other temporary differences	25,461	6,343	-	31,804
	221,180	9,126	(2,374)	227,932
2024				
Provision for expenses	90,820	(4,600)	-	86,220
Provision for commitments and contingencies	840	(98)	-	742
Allowances for ECL	84,385	19,781	-	104,166
Cash flow hedging deficit	1,344	-	(1,020)	324
Fair value reserve	24,405	-	(20,138)	4,267
Other temporary differences	18,327	7,134	-	25,461
	220,121	22,217	(21,158)	221,180
Deferred tax liabilities				
2025				
Deferred charges	(26,880)	5,561	-	(21,319)
Excess of capital allowance over depreciation and amortisation	(1,593)	(7,160)	-	(8,753)
	(28,473)	(1,599)	-	(30,072)
2024				
Deferred charges	(26,722)	(158)	-	(26,880)
Excess of capital allowance over depreciation and amortisation	(29,105)	27,512	-	(1,593)
	(55,827)	27,354	-	(28,473)

As at 31 March 2025, the Group and the Bank respectively, have unabsorbed capital allowances of approximately RM450.9 million and RM164.5 million (2024: RM450.5 million and RM164.5 million) that are available for offset against future taxable profit of leasing business. The Group's unabsorbed capital allowances that are available for offset against future taxable profit of non-leasing business for current financial year is RM0.4 million (2024: RM0.4 million). Deferred tax assets are not recognised due to uncertainty in timing of their recoverability.

17. INVESTMENT IN SUBSIDIARIES

	Bank 2025 RM'000	Bank 2024 RM'000
Unquoted shares:		
Cost		
Balance at beginning of the financial year	67,550	76,560
Capital reduction of a subsidiary (Note c)	-	(9,000)
Dissolution of subsidiaries (Note d)	-	(10)
Balance at end of the financial year	67,550	67,550
Accumulated impairment losses		
Balance at beginning/end of the financial year	54,073	54,073
Carrying amount		
Balance at end of the financial year	13,477	13,477

All subsidiaries are incorporated in Malaysia.

a) Details of the subsidiaries are as follows:

Name of subsidiaries	Principal activities	Effective equity interest 2025 %	Effective equity interest 2024 %
AmCard Services Berhad	Outsourcing mortgage	100.0	100.0
AmMortgage One Berhad	Securitisation of mortgage loans	100.0	100.0
AmProperty Holdings Sdn Bhd	Property investment	100.0	100.0
Bougainvillaea Development Sdn Bhd	Property investment	100.0	100.0
MBf Information Services Sdn Bhd	Property investment	100.0	100.0
Teras Oak Pembangunan Sendirian Berhad	Dormant	100.0	100.0
Malco Properties Sdn Bhd #	Dormant	81.5	81.5
AmLabuan Holdings (L) Ltd @	Investment holding	100.0	100.0

@ Incorporated under the Labuan Companies Act 1990.
# Subsidiaries under member's voluntary liquidation.

b) 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 Bank depends on their financial and operating performance.

c) In the previous financial year, Bougainvillaea Development Sdn Bhd received Capital Reduction Order from the High Court pursuant to Section 116 of Companies Act 2016 and subsequent made capital repayment to the Bank on 29 May 2023.

The capital repayment did not have any effect on the reported cash flows from operations, financial position and performance of the Group for the previous financial year.

d) Dissolution of subsidiaries under member's voluntary winding up in the previous financial year

The following dissolved wholly-owned subsidiaries were dormant and there were no significant impact on the Group's and Bank's statements of comprehensive income or statements of financial position arising from the dissolution.

Subsidiaries	Dissolution date
MBf Trustees Berhad*	26 January 2024
MBf Nominees (Tempatan) Sdn Bhd	1 March 2024

* The investment in MBf Trustees Berhad was classified as investment in subsidiary at Group level through additional equity interests held by two other subsidiaries of the Bank. MBf Trustees Berhad was dissolved on 26 January 2024.

17. INVESTMENT IN SUBSIDIARIES (CONT'D.)

e) The subsidiaries which are not wholly-owned are not material individually or in aggregate to the financial position or performance of the Group. Hence the disclosure requirements under MFRS 12 *Disclosure of Interests in Other Entities* paragraph 12 are not presented.

18. INVESTMENT IN ASSOCIATE

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Unquoted shares:				
At cost at the beginning of the financial year	32,280	32,280	32,280	32,330
Dissolution of an associate (Note a)	-	-	-	(50)
At cost at end of the financial year	32,280	32,280	32,280	32,280
Share of post acquisition reserves	(13,017)	(14,535)	-	-
Less: Accumulated impairment losses	-	-	(12,682)	(12,682)
Balance at end of the financial year	19,263	17,745	19,598	19,598

The movements in accumulated impairment losses for the Bank are as follows:

	Bank	
	2025 RM'000	2024 RM'000
Balance at beginning of the financial year	12,682	12,713
Reversal of impairment loss during the financial year	-	(31)
Balance at end of the financial year	12,682	12,682

Details of the associate, which is incorporated and with principal place of business in Malaysia, are as follows:

Name of associate	Principal activity	Bank Effective equity interest	
		2025 %	2024 %
Bonuskad Loyalty Sdn Bhd ("Bonuskad")[1]	Managing customer loyalty schemes	33.3	33.3

1 The financial year end of Bonuskad is 31 December 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 Bank's financial reporting date.

18. INVESTMENT IN ASSOCIATE (CONT'D.)

(b) The following table summarises the information of the associate at the Group:

	2025 RM'000	2024 RM'000
Operating revenue	31,146	23,538
Profit/(loss) after tax from continuing operations/Total comprehensive income/(loss)	4,556	(1,949)
Total assets	198,046	196,544
Total liabilities	(129,804)	(132,858)
Net assets	68,242	63,686

(c) The above profit/(loss) after tax from continuing operations/total comprehensive income/(loss) for the associate includes the following:

	2025 RM'000	2024 RM'000
Interest income	787	748
Fee and other operating income	30,359	22,790
Depreciation of property and equipment	(949)	(2,344)
Taxation	1,239	(340)

(d) The above amounts of assets and liabilities for the associate include the following:

	2025 RM'000	2024 RM'000
Cash and cash equivalents	162,886	154,728
Current financial liabilities (excluding trade, other payables and provisions)	(12,748)	(5,542)

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

	2025 RM'000	2024 RM'000
Proportion of net assets at date of recognition	33.3%	33.3%
Carrying amount at beginning of the financial year	17,745	18,395
Share of net results for the financial year	1,518	(650)
Carrying amount at the end of the financial year	19,263	17,745

19. OTHER ASSETS

	Note	Group 2025 RM'000	Group 2024 RM'000	Bank 2025 RM'000	Bank 2024 RM'000
Other receivables, deposits and prepayments	(a)	1,363,709	1,043,858	1,363,339	1,042,553
Interest receivable	(b)	431,230	447,627	431,215	447,619
Amount due from subsidiaries and related companies	(c)	29,556	26,863	29,583	26,932
Collateral pledged for derivative transactions	52	309,082	790,167	309,082	790,167
Foreclosed properties	(d)	307	307	-	-
Deferred charges		88,828	111,996	88,828	111,996
Tax recoverable		534,245	636,729	533,810	636,094
		2,756,957	3,057,547	2,755,857	3,055,361
Less: Accumulated impairment losses	(a)(i) & (d)	(19,995)	(22,001)	(19,546)	(21,509)
		2,736,962	3,035,546	2,736,311	3,033,852

(a) As at 31 March 2025, the impairment for other receivables, deposits and prepayments of the Group and of the Bank are RM19.8 million (2024: RM21.8 million) and RM19.5 million (2024: RM21.5 million) respectively.

The movements of Lifetime ECL/allowances for impairment for other receivables, deposits and prepayments using simplified approach are as follows:

(i) The movements in accumulated impairment losses of other receivables, deposits and prepayments are as follows:

	Group 2025 RM'000	Group 2024 RM'000	Bank 2025 RM'000	Bank 2024 RM'000
Balance at beginning of the financial year	21,844	3,297	21,509	2,999
(Writeback of)/allowances for impairment loss during the financial year, net	(1,941)	18,545	(1,941)	18,507
Amount written off	(43)	(22)	-	(21)
Foreign exchange differences	(22)	24	(22)	24
Balance at end of the financial year	19,838	21,844	19,546	21,509

(b) Interest receivable includes interest receivable of investment account of RM3.0 million (2024: RM3.7 million).

(c) Amounts due from subsidiaries and related companies are unsecured, non-interest bearing and are repayable on demand.

(d) The accumulated impairment losses on foreclosed properties is as follows:

	Group 2025 RM'000	Group 2024 RM'000	Bank 2025 RM'000	Bank 2024 RM'000
Balance at beginning and end of the financial year	157	157	-	-

20. PROPERTY AND EQUIPMENT

Group	Freehold land RM'000	Long term leasehold land RM'000	Short term leasehold land RM'000	Buildings RM'000	Leasehold improve-ments RM'000	Office equipment, furniture and fittings RM'000	Computer equipment RM'000	Motor vehicles RM'000	Work-in-progress RM'000	Total RM'000
2025										
Cost										
Balance at beginning of the financial year	2,095	4,904	534	23,330	214,809	150,616	641,610	4,645	23,029	1,065,572
Additions	-	-	-	754	13,113	4,471	5,422	222	14,108	38,090
Disposals	-	-	-	-	-	(3,822)	(52)	-	-	(3,874)
Written off (Note 36)	-	-	-	-	-	-	(3)	(707)	-	(710)
Transfer from intangible assets (Note 22)	-	-	-	-	-	-	-	-	432	432
Reclassification/adjustments	-	-	-	-	396	15	11,453	-	(11,864)	-
Balance at end of the financial year	2,095	4,904	534	24,084	228,318	151,280	658,430	4,160	25,705	1,099,510
Accumulated depreciation										
Balance at beginning of the financial year	-	2,387	349	11,921	200,352	141,105	575,032	3,641	-	934,787
Depreciation for the financial year (Note 36)	-	90	91	447	6,791	4,159	30,368	437	-	42,383
Disposals	-	-	-	-	-	(3,817)	(52)	-	-	(3,869)
Written off (Note 36)	-	-	-	-	-	-	-	(707)	-	(707)
Balance at end of the financial year	-	2,477	440	12,368	207,143	141,447	605,348	3,371	-	972,594
Accumulated impairment losses										
Balance at beginning and end of the financial year	-	254	-	886	-	-	-	-	-	1,140
Carrying amount										
Balance at end of the financial year	2,095	2,173	94	10,830	21,175	9,833	53,082	789	25,705	125,776

20. PROPERTY AND EQUIPMENT (CONT'D.)

Group	Freehold land RM'000	Long term leasehold land RM'000	Short term leasehold land RM'000	Buildings RM'000	Leasehold improve-ments RM'000	Office equipment, furniture and fittings RM'000	Computer equipment RM'000	Motor vehicles RM'000	Work-in-progress RM'000	Total RM'000
2024										
Cost										
Balance at beginning of the financial year	2,095	4,904	534	23,330	208,458	154,940	624,252	4,064	24,114	1,046,691
Additions	-	-	-	-	7,333	5,566	11,090	656	3,135	27,780
Disposals	-	-	-	-	-	(7,550)	-	-	-	(7,550)
Written off (Note 36)	-	-	-	-	(1,041)	(2,377)	(274)	-	-	(3,692)
Transfer from intangible assets (Note 22)	-	-	-	-	-	1	36	-	2,276	2,313
Reclassification/adjustments	-	-	-	-	-	-	6,496	-	(6,496)	-
Foreign exchange differences	-	-	-	-	59	36	10	(75)	-	30
Balance at end of the financial year	2,095	4,904	534	23,330	214,809	150,616	641,610	4,645	23,029	1,065,572
Accumulated depreciation										
Balance at beginning of the financial year	-	2,297	341	11,474	194,222	146,845	541,173	3,186	-	899,538
Depreciation for the financial year (Note 36)	-	90	8	447	7,112	4,139	34,916	530	-	47,242
Disposals	-	-	-	-	-	(7,540)	-	-	-	(7,540)
Written off (Note 36)	-	-	-	-	(1,041)	(2,375)	(269)	-	-	(3,685)
Reclassification/adjustments	-	-	-	-	-	-	(798)	-	-	(798)
Foreign exchange differences	-	-	-	-	59	36	10	(75)	-	30
Balance at end of the financial year	-	2,387	349	11,921	200,352	141,105	575,032	3,641	-	934,787
Accumulated impairment losses										
Balance at beginning and end of the financial year	-	254	-	886	-	-	-	-	-	1,140
Carrying amount										
Balance at end of the financial year	2,095	2,263	185	10,523	14,457	9,511	66,578	1,004	23,029	129,645

20. PROPERTY AND EQUIPMENT (CONT'D.)

Bank	Freehold land RM'000	Long term leasehold land RM'000	Short term leasehold land RM'000	Buildings RM'000	Leasehold improve-ments RM'000	Office equipment, furniture and fittings RM'000	Computer equipment RM'000	Motor vehicles RM'000	Work-in-progress RM'000	Total RM'000
2025										
Cost										
Balance at beginning of the financial year	90	3,806	303	16,663	214,807	150,615	641,610	4,646	23,029	1,055,569
Additions	-	-	-	-	13,113	4,472	5,423	221	14,108	37,337
Disposals	-	-	-	-	-	(3,822)	(52)	-	-	(3,874)
Written off (Note 36)	-	-	-	-	-	-	(3)	(707)	-	(710)
Transfer from intangible assets (Note 22)	-	-	-	-	-	-	-	-	432	432
Reclassification/adjustments	-	-	-	-	396	15	11,453	-	(11,864)	-
Balance at end of the financial year	90	3,806	303	16,663	228,316	151,280	658,431	4,160	25,705	1,088,754
Accumulated depreciation										
Balance at beginning of the financial year	-	1,975	205	8,648	200,351	141,105	575,032	3,641	-	930,957
Depreciation for the financial year (Note 36)	-	79	3	326	6,791	4,161	30,368	437	-	42,165
Disposals	-	-	-	-	-	(3,817)	(52)	-	-	(3,869)
Written off (Note 36)	-	-	-	-	-	-	-	(707)	-	(707)
Balance at end of the financial year	-	2,054	208	8,974	207,142	141,449	605,348	3,371	-	968,546
Accumulated impairment losses										
Balance at beginning and end of the financial year	-	254	-	886	-	-	-	-	-	1,140
Carrying amount										
Balance at end of the financial year	90	1,498	95	6,803	21,174	9,831	53,083	789	25,705	119,068

20. PROPERTY AND EQUIPMENT (CONT'D.)

Bank	Freehold land RM'000	Long term leasehold land RM'000	Short term leasehold land RM'000	Buildings RM'000	Leasehold improve-ments RM'000	Office equipment, furniture and fittings RM'000	Computer equipment RM'000	Motor vehicles RM'000	Work-in-progress RM'000	Total RM'000
2024										
Cost										
Balance at beginning of the financial year	90	3,806	303	16,663	207,475	154,312	624,020	3,888	24,114	1,034,671
Additions	-	-	-	-	7,333	5,566	11,089	656	3,135	27,779
Transfer from related companies, net	-	-	-	-	-	-	-	102	-	102
Disposals	-	-	-	-	-	(7,550)	-	-	-	(7,550)
Written off (Note 36)	-	-	-	-	(1)	(1,714)	(31)	-	-	(1,746)
Transfer from intangible assets (Note 22)	-	-	-	-	-	1	36	-	2,276	2,313
Reclassification/adjustments	-	-	-	-	-	-	6,496	-	(6,496)	-
Balance at end of the financial year	90	3,806	303	16,663	214,807	150,615	641,610	4,646	23,029	1,055,569
Accumulated depreciation										
Balance at beginning of the financial year	-	1,899	202	8,318	193,240	146,216	540,942	3,009	-	893,826
Depreciation for the financial year (Note 36)	-	76	3	330	7,112	4,140	34,915	530	-	47,106
Transfer from related companies, net	-	-	-	-	-	-	-	102	-	102
Disposals	-	-	-	-	-	(7,540)	-	-	-	(7,540)
Written off (Note 36)	-	-	-	-	(1)	(1,711)	(27)	-	-	(1,739)
Reclassification/adjustments	-	-	-	-	-	-	(798)	-	-	(798)
Balance at end of the financial year	-	1,975	205	8,648	200,351	141,105	575,032	3,641	-	930,957
Accumulated impairment losses										
Balance at beginning and end of the financial year	-	254	-	886	-	-	-	-	-	1,140
Carrying amount										
Balance at end of the financial year	90	1,577	98	7,129	14,456	9,510	66,578	1,005	23,029	123,472

21. RIGHT-OF-USE ASSETS

	Note	Premises RM'000	Computer equipment RM'000	Total RM'000
Group				
2025				
Cost				
Balance at beginning of the financial year		521,786	8,858	530,644
Additions		9,905	-	9,905
Remeasurements		798	-	798
Derecognition of expired lease		-	(8,858)	(8,858)
Termination		(261)	-	(261)
Balance at end of the financial year		532,228	-	532,228
Accumulated depreciation				
Balance at beginning of the financial year		326,100	8,095	334,195
Depreciation for the financial year	36	64,931	763	65,694
Derecognition of expired lease		-	(8,858)	(8,858)
Termination		(261)	-	(261)
Balance at end of the financial year		390,770	-	390,770
Carrying amount				
Balance at end of the financial year		141,458	-	141,458
2024				
Cost				
Balance at beginning of the financial year		490,248	8,858	499,106
Additions		45,417	-	45,417
Remeasurements		1,628	-	1,628
Derecognition of expired lease		(1,729)	-	(1,729)
Termination		(13,778)	-	(13,778)
Balance at end of the financial year		521,786	8,858	530,644
Accumulated depreciation				
Balance at beginning of the financial year		267,559	6,951	274,510
Depreciation for the financial year	36	67,200	1,144	68,344
Derecognition of expired lease		(1,729)	-	(1,729)
Termination		(6,930)	-	(6,930)
Balance at end of the financial year		326,100	8,095	334,195
Carrying amount				
Balance at end of the financial year		195,686	763	196,449

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

Bank	Note	Premises RM'000	Computer equipment RM'000	Total RM'000
2025				
Cost				
Balance at beginning of the financial year		524,089	8,858	532,947
Additions		9,905	-	9,905
Remeasurements		798	-	798
Derecognition of expired lease		-	(8,858)	(8,858)
Termination		(261)	-	(261)
Balance at end of the financial year		534,531	-	534,531
Accumulated depreciation				
Balance at beginning of the financial year		327,780	8,095	335,875
Depreciation for the financial year	36	65,344	763	66,107
Derecognition of expired lease		-	(8,858)	(8,858)
Termination		(261)	-	(261)
Balance at end of the financial year		392,863	-	392,863
Carrying amount				
Balance at end of the financial year		141,668	-	141,668
2024				
Cost				
Balance at beginning of the financial year		492,551	8,858	501,409
Additions		45,417	-	45,417
Remeasurements		1,628	-	1,628
Termination		(15,507)	-	(15,507)
Balance at end of the financial year		524,089	8,858	532,947
Accumulated depreciation				
Balance at beginning of the financial year		268,826	6,951	275,777
Depreciation for the financial year	36	67,613	1,144	68,757
Termination		(8,659)	-	(8,659)
Balance at end of the financial year		327,780	8,095	335,875
Carrying amount				
Balance at end of the financial year		196,309	763	197,072

As at 31 March 2025, the carrying amount of the right-of-use assets of the Group and of the Bank includes carrying amount of estimated cost for reinstatement amounted to RM0.8 million (2024: RM1.3 million).

The right-of-use on leasehold land and buildings are disclosed in Note 20.

The corresponding lease liabilities relating to the right-of-use assets is disclosed in Note 29(a).

The Group and the Bank have 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 and the Bank are not subjected to any covenants or restrictions by entering into the leases.

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 and twelve years. These options, which are exercisable only by the Group and the Bank 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 and of the Bank. 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 and the Bank. As such, substantially all of the future cash outflows that the Group and the Bank are exposed in relation to leases, have been reflected in the measurement of lease liabilities.

22. INTANGIBLE ASSETS

Group	Note	Computer software RM'000	Work-in-progress RM'000	Total RM'000
2025				
Cost				
Balance at beginning of the financial year		1,240,225	91,805	1,332,030
Additions		7,230	38,833	46,063
Transfer to property and equipment	20	-	(432)	(432)
Reclassification/adjustments		46,265	(46,265)	-
Balance at end of the financial year		1,293,720	83,941	1,377,661
Accumulated amortisation				
Balance at beginning of the financial year		1,097,785	-	1,097,785
Amortisation for the financial year	36	37,360	-	37,360
Balance at end of the financial year		1,135,145	-	1,135,145
Accumulated impairment loss				
Balance at beginning of the financial year		65,965	44,752	110,717
Writeback of impairment loss	40	(772)	(16,681)	(17,453)
Reclassification/adjustments		5,121	(5,121)	-
Balance at end of the financial year		70,314	22,950	93,264
Carrying amount				
Balance at end of the financial year		88,261	60,991	149,252
2024				
Cost				
Balance at beginning of the financial year		1,209,903	40,668	1,250,571
Additions		13,208	70,633	83,841
Transfer to related companies, net		-	(54)	(54)
Transfer from/(to) property and equipment	20	1,176	(3,489)	(2,313)
Written off		(16)	-	(16)
Reclassification/adjustments		15,953	(15,953)	-
Foreign exchange differences		1	-	1
Balance at end of the financial year		1,240,225	91,805	1,332,030
Accumulated amortisation				
Balance at beginning of the financial year		1,048,502	-	1,048,502
Amortisation for the financial year	36	49,852	-	49,852
Written off		(16)	-	(16)
Reclassification/adjustments		(554)	-	(554)
Foreign exchange differences		1	-	1
Balance at end of the financial year		1,097,785	-	1,097,785
Accumulated impairment loss				
Balance at beginning of the financial year		-	-	-
Impairment loss	40	65,965	44,752	110,717
Balance at end of the financial year		65,965	44,752	110,717
Carrying amount				
Balance at end of the financial year		76,475	47,053	123,528

22. INTANGIBLE ASSETS (CONT'D.)

Bank

	Note	Computer software RM'000	Work-in-progress RM'000	Total RM'000
2025				
Cost				
Balance at beginning of the financial year		1,240,224	91,805	1,332,029
Additions		7,230	38,833	46,063
Transfer to property and equipment	20	-	(432)	(432)
Reclassification/adjustments		46,265	(46,265)	-
Balance at end of the financial year		1,293,719	83,941	1,377,660
Accumulated amortisation				
Balance at beginning of the financial year		1,097,784	-	1,097,784
Amortisation for the financial year	36	37,360	-	37,360
Balance at end of the financial year		1,135,144	-	1,135,144
Accumulated impairment loss				
Balance at beginning of the financial year		65,965	44,752	110,717
Writeback of impairment loss	40	(772)	(16,681)	(17,453)
Reclassification/adjustments		5,121	(5,121)	-
Balance at end of the financial year		70,314	22,950	93,264
Carrying amount				
Balance at end of the financial year		88,261	60,991	149,252
2024				
Cost				
Balance at beginning of the financial year		1,209,887	40,668	1,250,555
Additions		13,208	70,633	83,841
Transfer to related companies, net		-	(54)	(54)
Transfer from/(to) property and equipment	20	1,176	(3,489)	(2,313)
Reclassification/adjustments		15,953	(15,953)	-
Balance at end of the financial year		1,240,224	91,805	1,332,029
Accumulated amortisation				
Balance at beginning of the financial year		1,048,486	-	1,048,486
Amortisation for the financial year	36	49,852	-	49,852
Reclassification/adjustments		(554)	-	(554)
Balance at end of the financial year		1,097,784	-	1,097,784
Accumulated impairment loss				
Balance at beginning of the financial year		-	-	-
Impairment loss	40	65,965	44,752	110,717
Balance at end of the financial year		65,965	44,752	110,717
Carrying amount				
Balance at end of the financial year		76,475	47,053	123,528

23. DEPOSITS FROM CUSTOMERS

	Group 2025 RM'000	Group 2024 RM'000	Bank 2025 RM'000	Bank 2024 RM'000
Demand deposits	27,457,728	29,883,483	27,460,288	29,886,682
Savings deposits	4,232,323	4,702,766	4,232,323	4,702,766
Term/investment deposits	60,325,274	59,751,161	60,326,019	59,751,993
	92,015,325	94,337,410	92,018,630	94,341,441

Included in deposits from customers of the Group and of the Bank are deposits of RM1,672.5 million (2024: RM1,503.3 million for the Group and the Bank) held as collateral for loans and advances.

(i) The deposits are sourced from the following types of customers:

	Group 2025 RM'000	Group 2024 RM'000	Bank 2025 RM'000	Bank 2024 RM'000
Government and statutory bodies	1,432,966	1,816,922	1,432,966	1,816,922
Business enterprises	46,908,869	48,161,069	46,912,174	48,165,100
Individuals	40,242,516	40,666,138	40,242,516	40,666,138
Others	3,430,974	3,693,281	3,430,974	3,693,281
	92,015,325	94,337,410	92,018,630	94,341,441

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

	Group 2025 RM'000	Group 2024 RM'000	Bank 2025 RM'000	Bank 2024 RM'000
Due within six months	46,517,265	47,702,539	46,518,010	47,703,371
Over six months to one year	13,242,993	10,374,828	13,242,993	10,374,828
Over one year to three years	535,309	1,637,745	535,309	1,637,745
Over three years to five years	29,707	36,049	29,707	36,049
	60,325,274	59,751,161	60,326,019	59,751,993

24. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Note	Group 2025 RM'000	Group 2024 RM'000	Bank 2025 RM'000	Bank 2024 RM'000
Licensed banks		3,170,056	3,309,711	3,170,056	3,309,711
Licensed investment banks		618,137	1,243,378	618,137	1,243,378
Other financial institutions		1,314,612	1,546,435	1,349,062	1,572,497
Bank Negara Malaysia	(a)	1,667,833	1,520,606	1,667,833	1,520,606
		6,770,638	7,620,130	6,805,088	7,646,192

(a) A total amount of RM1,072.5 million (2024: RM1,072.5 million) received by the Group and the Bank 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.

25. FINANCIAL LIABILITIES AT FVTPL

	Group and Bank	
	2025	2024
	RM'000	RM'000
Structured deposits	178,818	-

The Group and the Bank have 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 and the Bank on a fair value basis.

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

26. RECOURSE OBLIGATION ON LOANS SOLD TO CAGAMAS BERHAD

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

27. TERM FUNDING

		Group and Bank	
		2025	2024
	Note	RM'000	RM'000
Senior Notes/Euro Medium Term Note ("EMTN")	(a)	3,424,716	500,000
Commercial papers	(b)	968,193	-
Other borrowings	(c)	1,951,367	1,114,991
		6,344,276	1,614,991

(a) The breakdown is as follows:

		Group and Bank	
		2025	2024
	Note	RM'000	RM'000
Senior Notes Programme	(i)	2,100,000	500,000
EMTN Programme	(ii)	1,324,716	-
(net of unamortised issuance expenses of RM 5.1 million (2024: RM Nil))			
		3,424,716	500,000

(i) Senior Notes Programme

The movements in Senior Notes Programme are as follows:

	Group and Bank	
	2025	2024
	RM'000	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

The Senior Notes issued by the Bank is under a Senior Notes Programme ("SNP") of up to RM7.0 billion nominal value. The proceeds from the issuance of the Senior Notes are to be utilised for the Bank'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, the Bank 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.

27. TERM FUNDING (CONT'D.)

(a) Senior Notes/EMTN comprise of the following (Cont'd.):

(i) Senior Notes Programme (Cont'd.)

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

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

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

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

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

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

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

(ii) EMTN Programme

The movements in EMTN Programme are as follows:

	Group and Bank	
	2025	**2024**
	RM'000	**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, the Bank 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 the Bank for its working capital, general funding requirements and other corporate purposes.

On 23 January 2025, the Bank 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 and has a maturity of 5 years from issuance date. 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.

(b) Commercial papers

The movements in commercial papers are as follows:

	Group and Bank	
	2025	**2024**
	RM'000	**RM'000**
Balance at beginning of the financial year	-	-
Issuance during the financial year	980,000	-
Unamortised discounts	(17,651)	-
Amortisation of discounts	5,844	-
Balance at end of the financial year	968,193	-

The Bank issued the following series under 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 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 4 months, which was issued at a discount of 3.73% per annum.

27. TERM FUNDING (CONT'D.)

(b) Commercial paper (Cont'd.):

The Bank issued the following tranches under its RM4.0 billion Commercial Papers Programme (Cont'd.):

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

(c) Other borrowings comprise of the following:

	Group and Bank	
	2025	2024
	RM'000	RM'000
Structured Deposit	1,951,367	1,114,991

This includes non-principal guaranteed deposit placed by customers and structured products that are only principal guaranteed on maturity. The structured products include investment products with an embedded derivative, where the embedded derivative is normally linked to the performance of an underlying asset such as interest rates, equities, commodities and foreign currency rates. Upon maturity, the customer will receive either cash payment or pre-determined units of the underlying asset. The structured products will mature from 1 month to 5 years (2024: 1 month to 5 years).

The movements are as follows:

	Group and Bank	
	2025	2024
	RM'000	RM'000
Balance at beginning of the financial year	1,114,991	496,335
Net issuance during the financial year	836,376	618,656
Balance at end of the financial year	1,951,367	1,114,991

28. DEBT CAPITAL

		Group and Bank	
		2025	2024
	Note	RM'000	RM'000
Subordinated notes	(a)	3,095,000	3,095,000

(a) Subordinated notes

The movements in Subordinated notes are as follows:

	Group and Bank	
	2025	2024
	RM'000	RM'000
Balance at beginning of the financial year	3,095,000	3,095,000
Issuance during the financial year	-	1,000,000
Redemption during the financial year	-	(1,000,000)
Balance at end of the financial year	3,095,000	3,095,000

28. DEBT CAPITAL (CONT'D.)

(a) Subordinated notes (Cont'd.)

Subordinated Notes Programme of RM4.0 billion:

On 30 December 2013, the Bank established a new 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 the Bank’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 the Subordinated notes issued and outstanding are as follows:

(i) 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.

(ii) 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.

(iii) 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.

(iv) 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.

(v) 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.

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.

Subordinated Notes Programme of RM8.0 billion:

On 11 October 2023, the Bank 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 instruments 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.

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.

The above tranche is for a tenure of 10 years (callable in the 5th year).

The full amount of this tranche issued qualify for recognition as Tier 2 Capital in the capital adequacy ratio computation.

29. OTHER LIABILITIES

	Note	Group 2025 RM'000	Group 2024 RM'000	Bank 2025 RM'000	Bank 2024 RM'000
Other payables and accruals		1,294,448	1,214,820	1,275,344	1,195,578
Lease liabilities	(a)	148,562	202,540	148,902	203,279
Provision for reinstatement of leased premises	(b)	5,721	6,251	5,721	6,251
Interest payable		753,514	878,459	753,200	878,459
Amounts due to holding company and other related companies	(c)	340,825	1,233,487	341,005	1,233,690
Collateral received for derivative transactions	52	275,274	321,081	275,274	321,081
Lease deposits and advance rentals		46,262	42,333	46,262	42,333
Provision for commitments and contingencies	(d)	3,925	3,097	3,925	3,097
Allowances for ECL on loan commitments and financial guarantees	(e)	83,221	154,030	83,229	154,078
Provision for taxation		693	885	693	885
Deferred income		79,661	63,147	79,661	63,147
		3,032,106	4,120,130	3,013,216	4,101,878

(a) The movements for lease liabilities are as follows:

Group	Note	Premises RM'000
2025		
Balance at beginning of the financial year		202,540
Additions		9,904
Remeasurements		798
Finance cost charged	36	5,115
Payment of lease liabilities		(69,792)
Termination		(3)
Balance at end of the financial year		148,562
2024		
Balance at beginning of the financial year		228,707
Additions		45,417
Remeasurements		1,628
Finance cost charged	36	5,736
Payment of lease liabilities		(71,742)
Termination		(7,206)
Balance at end of the financial year		202,540
Bank		
2025		
Balance at beginning of the financial year		203,279
Additions		9,904
Remeasurements		798
Finance cost charged	36	5,207
Payment of lease liabilities		(70,283)
Termination		(3)
Balance at end of the financial year		148,902
2024		
Balance at beginning of the financial year		229,836
Additions		45,417
Remeasurements		1,628
Finance cost charged	36	5,839
Payment of lease liabilities		(72,235)
Termination		(7,206)
Balance at end of the financial year		203,279

29. OTHER LIABILITIES (CONT'D.)

(a) The movements for lease liabilities are as follows (Cont'd.):

There were no variable lease payments, subleasing, leases with residual value guarantees, leases not yet commenced, restrictions or covenants imposed to which the Group and the Bank are committed.

Payment of lease liabilities to related parties during the financial year for the Group and the Bank were RM45.3 million and RM44.8 million (2024: RM44.3 million and RM44.8 million) respectively.

The costs relating to leases for which the Group and the Bank applied the practical expedient described in Note 2.5g for the current financial year end amounted to RM0.5 million (2024: RM0.6 million) for low-value assets and RM44,036 (2024: RM54,500) for short-term leases with contract term of less than 12 months.

Lease liabilities analysed by undiscounted contractual payments are as follows:

Group	**Premises RM'000**
2025	
Up to 1 month	3,887
>1 month to 3 months	7,750
>3 months to 6 months	9,915
>6 months to 12 months	12,971
>1 year to 5 years	73,979
Over 5 years	54,500
	163,002
2024	
Up to 1 month	5,838
>1 month to 3 months	11,621
>3 months to 6 months	17,379
>6 months to 12 months	34,215
>1 year to 5 years	89,330
Over 5 years	63,140
	221,523
Bank	
2025	
Up to 1 month	3,927
>1 month to 3 months	7,832
>3 months to 6 months	10,037
>6 months to 12 months	13,214
>1 year to 5 years	75,487
Over 5 years	55,897
	166,394
2024	
Up to 1 month	5,878
>1 month to 3 months	11,702
>3 months to 6 months	17,501
>6 months to 12 months	34,459
>1 year to 5 years	90,998
Over 5 years	64,864
	225,402

29. OTHER LIABILITIES (CONT'D.)

(b) The movements in provision for reinstatement of leased premises are as follows:

	Note	Group and Bank 2025 RM'000	2024 RM'000
Balance at beginning of the financial year		6,251	6,207
Reversal of provision during the financial year		(566)	(11)
Finance cost charged	36	36	55
Balance at end of the financial year		5,721	6,251

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 a related party.

(c) Amounts due to holding company and other related companies relate to normal operating activities which are unsecured, non-interest bearing and repayable on demand.

(d) The movement in provision for commitments and contingencies are as follows:

	Group and Bank 2025 RM'000	2024 RM'000
Balance at beginning of the financial year	3,097	3,502
Provision/(reversal of provision) during the year	828	(405)
Balance at end of the financial year	3,925	3,097

(e) Movements in allowances for ECL on loan commitments and financial guarantees which reflect the ECL model on impairment are as follows:

Group	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
2025				
Balance at beginning of the financial year	32,717	12,499	108,814	154,030
Net writeback of ECL:	(756)	(4,065)	(65,898)	(70,719)
Transfer to Stage 1	364	(2,576)	-	(2,212)
Transfer to Stage 2	(597)	2,510	-	1,913
Transfer to Stage 3	(63)	(1,044)	12	(1,095)
New exposure originated	15,321	4,048	-	19,369
Financial exposure derecognised	(11,220)	(4,836)	(1,991)	(18,047)
Net remeasurement of allowances	(4,561)	(2,167)	(63,919)	(70,647)
Foreign exchange differences	(62)	(30)	2	(90)
Balance at end of the financial year	31,899	8,404	42,918	83,221
2024				
Balance at beginning of the financial year	31,057	26,808	135,220	193,085
Net allowances for/(writeback of) ECL:	1,503	(14,306)	(26,404)	(39,207)
Transfer to Stage 1	1,442	(9,796)	-	(8,354)
Transfer to Stage 2	(726)	3,037	-	2,311
Transfer to Stage 3	(54)	(468)	9	(513)
New exposure originated	14,933	6,754	-	21,687
Financial exposure derecognised	(8,297)	(8,881)	(80)	(17,258)
Net remeasurement of allowances	(5,795)	(4,952)	(26,333)	(37,080)
Foreign exchange differences	157	(3)	(2)	152
Balance at end of the financial year	32,717	12,499	108,814	154,030

29. OTHER LIABILITIES (CONT'D.)

(e) Movements in allowances for ECL on loan commitments and financial guarantees which reflect the ECL model on impairment are as follows (Cont'd.):

Bank	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
2025				
Balance at beginning of the financial year	32,765	12,499	108,814	154,078
Net writeback of ECL:	(796)	(4,065)	(65,898)	(70,759)
Transfer to Stage 1	364	(2,576)	-	(2,212)
Transfer to Stage 2	(597)	2,510	-	1,913
Transfer to Stage 3	(63)	(1,044)	12	(1,095)
New exposure originated	15,321	4,048	-	19,369
Financial exposure derecognised	(11,220)	(4,836)	(1,991)	(18,047)
Net remeasurement of allowances	(4,601)	(2,167)	(63,919)	(70,687)
Foreign exchange differences	(62)	(30)	2	(90)
Balance at end of the financial year	31,907	8,404	42,918	83,229
2024				
Balance at beginning of the financial year	31,077	26,808	135,220	193,105
Net allowances for/(writeback of) ECL:	1,531	(14,306)	(26,404)	(39,179)
Transfer to Stage 1	1,442	(9,796)	-	(8,354)
Transfer to Stage 2	(726)	3,037	-	2,311
Transfer to Stage 3	(54)	(468)	9	(513)
New exposure originated	14,933	6,754	-	21,687
Financial exposure derecognised	(8,297)	(8,881)	(80)	(17,258)
Net remeasurement of allowances	(5,767)	(4,952)	(26,333)	(37,052)
Foreign exchange differences	157	(3)	(2)	152
Balance at end of the financial year	32,765	12,499	108,814	154,078

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

a) Overall 12-month ECL (Stage 1) decreased due to derecognition or withdrawn, net remeasurement of allowances and transfer to stage 2; partly offset by new exposure originated;

b) Overall Lifetime ECL not credit-impaired (Stage 2) decreased due to financial exposures derecognised, transfer to 12-month ECL (Stage 1), net remeasurement of allowances and transfer to Stage 3; partially offset by new exposure originated and transfer to stage 2 due to deterioration of credit quality; and

c) Lifetime ECL credit-impaired (Stage 3) decreased mainly due to net remeasurement of allowances and financial exposures derecognised.

30. SHARE CAPITAL

	Number of ordinary shares Group and Bank		Group and Bank	
	2025	2024	2025	2024
	Units'000	Units'000	RM'000	RM'000
Issued and fully paid				
Balance at beginning and end of the financial year	949,927	949,927	3,040,465	3,040,465

31. RESERVES

		Group		Bank	
		2025	2024	2025	2024
	Note	RM'000	RM'000	RM'000	RM'000
Regulatory reserve	(a)	261,089	188,146	261,089	188,146
Merger reserve	(b)	104,149	104,149	-	-
Fair value reserve	(c)	537,254	411,695	537,254	411,695
Cash flow hedging deficit	(d)	-	(1,029)	-	(1,029)
Foreign currency translation reserve	(e)	102,830	121,067	106,629	124,851
Retained earnings	(f)	9,061,868	8,512,335	9,107,844	8,561,556
		10,067,190	9,336,363	10,012,816	9,285,219

(a) Regulatory reserve is maintained in accordance with paragraph 10.5 of the BNM's Policy Document on *Financial Reporting* as an additional credit risk absorbent.

(b) Merger reserve represents reserve arising from the acquisitions of AmLabuan Holdings (L) Ltd and AmCard Services Berhad which were accounted for using the merger accounting method.

(c) 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 ECL on financial investments measured at FVOCI are accumulated in fair value reserve instead of reducing the carrying amount of the assets.

(d) Cash flow hedging deficit comprises the portion of the losses on hedging instruments in a cash flow hedge that is determined to be an effective hedge.

(e) 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 and the Bank's functional currency.

(f) The Bank can distribute dividends out of its entire retained earnings under the single-tier system.

32. NON-CONTROLLING INTERESTS

	Group 2025 RM'000	Group 2024 RM'000
Balance at beginning of the financial year	126	145
Dissolution of a subsidiary	-	(39)
Share in net results of subsidiaries	-	20
Balance at end of the financial year	126	126

33. INTEREST INCOME

	Note	Group 2025 RM'000	Group 2024 RM'000	Bank 2025 RM'000	Bank 2024 RM'000
Short-term funds and deposits with financial institutions	(a)	179,201	376,311	178,256	375,615
Financial assets at FVTPL		155,485	231,160	155,485	231,160
Financial investments at FVOCI		722,075	699,645	722,075	699,645
Financial investments at amortised cost		384,045	333,051	384,045	333,051
Loans and advances	(b)	4,619,028	4,439,606	4,617,051	4,436,606
Investment account placement		51,905	57,862	51,905	57,862
Impaired loans and advances		11,762	9,362	11,762	9,362
Others		55,712	40,663	55,712	40,663
		6,179,213	6,187,660	6,176,291	6,183,964

Note:

(a) Included in the interest income on short-term funds and deposits with financial institution in the previous financial year was the fair value gain of RM11.8 million arose from the differential between the concession rates received and market rates of the placements made to AmBank Islamic and its unwinding amount for the financial year of gain of RM3.5 million (2024: gain of RM1.6 million) as disclosed in Note 8.

(b) Included in the interest income of loans and advances of the Group and of the Bank are the net loss of RM0.2 million (2024: loss of RM8.1 million) arising from government support measures implemented in response to COVID-19 pandemic.

34. INTEREST EXPENSE

	Group 2025 RM'000	Group 2024 RM'000	Bank 2025 RM'000	Bank 2024 RM'000
Deposits from customers	2,777,335	2,829,697	2,777,351	2,829,731
Deposits and placements of banks and other financial institutions	241,353	295,425	241,909	295,489
Securities sold under repurchase agreements	247,117	359,027	247,117	359,027
Recourse obligation on loans sold to Cagamas Berhad	188,651	230,597	188,651	230,597
Term funding	184,972	74,726	184,972	74,726
Debt capital	142,742	155,475	142,742	155,475
Others	18,585	17,427	18,585	17,427
	3,800,755	3,962,374	3,801,327	3,962,472

35. OTHER OPERATING INCOME

	Group		Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Fee and commission income:				
Bancassurance commission	34,258	39,669	34,258	39,669
Brokerage fees, commission and rebates	1,487	1,318	1,487	1,318
Fees on loans, advances and securities	108,277	126,692	108,277	126,692
Fees, service and commission charges	33,212	27,123	34,481	28,535
Unit trust fees, commission and charges	59,742	47,353	59,742	47,353
Guarantee fees	58,200	52,239	58,200	52,239
Remittances	22,383	25,442	22,383	25,442
Other fee and commission income	10,153	11,477	10,153	11,477
	327,712	331,313	328,981	332,725
Investment and trading income:				
Foreign exchange gain	147,132	334,725	147,130	334,727
Dividend income/distribution from:				
Financial assets at FVTPL	56,960	36,592	56,960	36,592
Financial investments at FVOCI	7,213	6,780	7,213	6,780
Subsidiaries	-	-	296	-
Net gain on sale/redemption of:				
Financial assets at FVTPL	98,166	52,581	98,166	52,581
Financial investments at FVOCI	22,066	17,783	22,066	17,783
Financial investments at amortised cost	45,467	68,270	45,467	68,270
Net (loss)/gain on revaluation of financial assets at FVTPL	(232,360)	268,979	(232,360)	268,984
Net gain/(loss) on derivatives	278,426	(360,134)	278,426	(360,134)
Others	2,937	957	3,835	956
	426,007	426,533	427,199	426,539
Other income:				
Gain on termination of lease arrangement	3	358	3	358
Loss on disposal of foreclosed properties	-	(650)	-	(650)
Net gain/(loss) on disposal of property and equipment	1,083	105	(2)	(2)
Non-trading foreign exchange (loss)/gain, net	(80)	141	(80)	141
Profit from sale of goods and services	15,815	16,024	15,815	16,024
Rental income	8,097	8,356	8,385	8,645
Others	1,251	6,356	1,158	5,895
	26,169	30,690	25,279	30,411
	779,888	788,536	781,459	789,675

36. OTHER OPERATING EXPENSES

		Group		Bank	
		2025	2024	2025	2024
	Note	RM'000	RM'000	RM'000	RM'000
Personnel costs:					
Medical		29,887	28,240	29,887	28,240
Insurance		32,942	34,281	32,942	34,281
Contributions to EPF/private retirement schemes		157,176	143,524	157,176	143,524
Salaries, bonuses, allowances and incentives		979,709	921,517	979,709	921,517
Shares granted under AMMB's ESS - charge		24,842	24,522	24,842	24,522
Social security cost		8,276	7,865	8,276	7,865
Recruitment costs		11,589	2,465	11,589	2,465
Training		9,531	16,367	9,531	16,367
Other staff benefits		22,084	1,970	22,084	1,970
		1,276,036	1,180,751	1,276,036	1,180,751
Establishment costs:					
Amortisation of intangible assets	22	37,360	49,852	37,360	49,852
Cleaning, maintenance and security		36,595	31,813	36,405	31,646
Computerisation cost		246,889	217,947	246,889	217,947
Depreciation of property and equipment	20	42,383	47,242	42,165	47,106
Depreciation of right-of-use assets	21	65,694	68,344	66,107	68,757
Finance costs:					
Lease liabilities	29(a)	5,115	5,736	5,207	5,839
Provision for reinstatement of leased premises	29(b)	36	55	36	55
Others		36,339	35,017	36,826	35,513
		470,411	456,006	470,995	456,715
Marketing and communication expenses:					
Advertising and marketing		19,043	15,502	19,043	15,502
Commission		3,103	2,497	3,103	2,497
Communication		31,701	36,029	31,701	36,029
Others		6,283	6,827	6,283	6,827
		60,130	60,855	60,130	60,855
Administration and general expenses:					
Bank charges		15,725	12,766	15,725	12,766
Insurance		9,267	9,476	9,206	9,442
Professional services		65,086	56,623	65,003	56,542
Travelling		1,174	1,563	1,174	1,563
Subscriptions and periodical		1,929	1,786	1,929	1,786
Others		32,085	34,642	32,059	34,617
		125,266	116,856	125,096	116,716
Service transfer pricing recovery, net		(531,725)	(489,872)	(531,725)	(489,872)
		1,400,118	1,324,596	1,400,532	1,325,165

Included in operating expenses are the following:

	Note	Group 2025 RM'000	Group 2024 RM'000	Bank 2025 RM'000	Bank 2024 RM'000
Directors' remuneration	37	2,159	2,167	2,139	2,147
Auditors' remuneration:					
- Audit		1,975	1,845	1,938	1,809
- Regulatory and assurance related		906	1,675	906	1,675
- Other services		183	109	183	109
Property and equipment written off	20	3	7	3	7

37. CHIEF EXECUTIVE OFFICER'S AND DIRECTORS' REMUNERATION

The total remuneration (including benefits-in-kind ("BIK")) of the Chief Executive Officer ("CEO") and Directors of the Group and of the Bank are as follows:

Group and Bank	Salary RM'000	Bonus [3] RM'000	Long term incentive ("LTI") [3] RM'000	Other emoluments [4] RM'000	BIK RM'000	Total RM'000
2025						
CEO - Ling Fou-Tsong @ Jamie Ling	2,880	3,251	1,700	1,163	201	9,195
2024						
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

1 Appointed on 23 November 2023.

2 Retired on 22 November 2023.

3 The bonus and LTI have been duly approved by AMMB Group's 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 totaling 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 Chief Executive Officer of RM3,384,000 million (2024: RM2,992,000 million) was charged to holding company and a related company under Service Transfer Pricing ("STP") recovery.

Group	Fees RM'000	Other emoluments RM'000	BIK RM'000	Total RM'000
2025				
Non-Executive Directors:				
Seow Yoo Lin	157	206	2	365
Soo Kim Wai	160	105	20	285
Dr Veerinderjeet Singh a/l Tejwant Singh	160	120	7	287
U Chen Hock	160	122	4	286
Ng Chih Kaye	160	115	22	297
Foong Pik Yee	180	112	6	298
Khaw Hock Hoe	12	7	4	23
Voon Seng Chuan	43	56	1	100
Dato' Sri Abdul Hamidy bin Abdul Hafiz	123	85	10	218
	1,155	928	76	2,159
2024				
Non-Executive Directors:				
Soo Kim Wai	160	112	20	292
Dr Veerinderjeet Singh a/l Tejwant Singh	160	115	2	277
U Chen Hock	160	120	5	285
Ng Chih Kaye	160	118	9	287
Foong Pik Yee	170	110	11	291
Voon Seng Chuan	170	273	2	445
Dato' Sri Abdul Hamidy bin Abdul Hafiz	160	120	-	280
Dato' Ng Mann Cheong[6]	10	-	-	10
	1,150	968	49	2,167

6 Retired on 1 October 2023.

37. CHIEF EXECUTIVE OFFICER'S AND DIRECTORS' REMUNERATION (CONT'D.)

The total remuneration (including benefits-in-kind) of the Chief Executive Officer and Directors of the Group and of the Bank are as follows: (Cont'd.)

	Fees RM'000	Other emoluments RM'000	Benefits-in-kind RM'000	Total RM'000
Bank				
2025				
Non-Executive Directors:				
Seow Yoo Lin	157	206	2	365
Soo Kim Wai	160	105	20	285
Dr Veerinderjeet Singh a/l Tejwant Singh	160	120	7	287
U Chen Hock	160	122	4	286
Ng Chih Kaye	160	115	22	297
Foong Pik Yee	160	112	6	278
Khaw Hock Hoe	12	7	4	23
Voon Seng Chuan	43	56	1	100
Dato' Sri Abdul Hamidy bin Abdul Hafiz	123	85	10	218
	1,135	928	76	2,139
2024				
Non-Executive Directors:				
Soo Kim Wai	160	112	20	292
Dr Veerinderjeet Singh a/l Tejwant Singh	160	115	2	277
U Chen Hock	160	120	5	285
Ng Chih Kaye	160	118	9	287
Foong Pik Yee	160	110	11	281
Voon Seng Chuan	170	273	2	445
Dato' Sri Abdul Hamidy bin Abdul Hafiz	160	120	-	280
	1,130	968	49	2,147

38. ALLOWANCES FOR IMPAIRMENT ON LOANS AND ADVANCES

		Group		Bank	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Allowance for impairment on loans and advances	14(i)	370,160	671,060	370,274	671,172
Impaired loans and advances recovered, net		(187,526)	(185,277)	(187,526)	(185,277)
		182,634	485,783	182,748	485,895

39. ALLOWANCES FOR IMPAIRMENT ON FINANCIAL INVESTMENTS

		Group		Bank	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Financial investments at FVOCI	12(b)	6,742	10,480	6,742	10,480
Financial investments at amortised cost	13	8,497	10,380	8,497	10,380
		15,239	20,860	15,239	20,860

40. (WRITEBACK OF)/ALLOWANCES FOR IMPAIRMENT ON OTHER FINANCIAL ASSETS AND NON-FINANCIAL ASSETS

		Group		Bank	
		2025	2024	2025	2024
	Note	RM'000	RM'000	RM'000	RM'000
Other financial assets:					
Cash and short-term funds	6	1,026	(476)	1,026	(476)
Deposits and placements with banks and other financial institutions	8	-	(66)	-	(66)
Investment account placement	9	660	561	660	561
Other assets		(1,941)	18,545	(1,941)	18,507
		(255)	18,564	(255)	18,526
Non-financial assets:					
Computer software	22	(17,453)	110,717	(17,453)	110,717

41. TAXATION

	Group		Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Current tax:				
- Estimated tax payable	397,574	293,519	396,924	292,732
- Overprovision in prior financial years	(1,370)	(491,011)	(1,404)	(490,961)
	396,204	(197,492)	395,520	(198,229)
Deferred tax (Note 16):				
- Origination and reversal of temporary differences	(5,916)	(47,811)	(5,916)	(47,811)
- Overprovision of deferred tax in prior financial years	(1,611)	(1,760)	(1,611)	(1,760)
	(7,527)	(49,571)	(7,527)	(49,571)
Taxation	388,677	(247,063)	387,993	(247,800)

A reconciliation of taxation applicable to profit before taxation at the statutory tax rate to taxation at the effective tax rate of the Group and of the Bank is as follows:

	Group		Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Profit before taxation	1,649,504	1,014,643	1,645,575	1,011,967
Taxation at Malaysian statutory tax rate of 24% (2024: 24%)	395,881	243,514	394,938	242,872
Effect of different tax rates in Labuan	(4,994)	(6,050)	(4,994)	(6,050)
Restricted and non-deductibility of expenses for tax purposes	7,908	18,189	7,432	18,175
Income not subject to tax	(6,302)	(9,709)	(5,897)	(9,684)
Tax on share in results of associates	(364)	156	-	-
Tax recoverable recognised on income subject to tax remission	(471)	(392)	(471)	(392)
Overprovision of current tax in prior financial years	(1,370)	(491,011)	(1,404)	(490,961)
Overprovision of deferred tax in prior financial years	(1,611)	(1,760)	(1,611)	(1,760)
Taxation for the financial year	388,677	(247,063)	387,993	(247,800)

42. EARNINGS PER SHARE

	Group		Bank	
	2025	2024	2025	2024
Net profit attributable to equity holder of the Bank (RM'000)	1,260,827	1,261,686	1,257,582	1,259,767
Number of ordinary shares at beginning and end of the financial year representing weighted average number of ordinary shares in issue ('000)	949,927	949,927	949,927	949,927
Basic/diluted earnings per share (sen)	132.73	132.82	132.39	132.62

43. DIVIDENDS

	Group and Bank	
	2025 RM'000	2024 RM'000
Recognised during the financial year:		
Final single-tier cash dividend of 47.20 sen per ordinary share in respect of the financial year ended 31 March 2024	448,366	-
First interim single-tier cash dividend of 20.00 sen per ordinary share in respect of the financial year ended 31 March 2025	189,985	-
Final single-tier cash dividend of 17.30 sen per ordinary share in respect of the financial year ended 31 March 2023	-	164,337
First interim single-tier cash dividend of 5.80 sen per ordinary share in respect of the financial year ended 31 March 2024	-	55,096
	638,351	219,433
Proposed but not recognised as a liability:		
Final single-tier cash dividend of 34.50 sen per ordinary share in respect of the financial year ended 31 March 2025	327,725	-
Final single-tier cash dividend of 47.20 sen per ordinary share in respect of the financial year ended 31 March 2024	-	448,366
	327,725	448,366

The financial statements for the current financial year do not reflect the proposed final dividend in respect of the financial year ended 31 March 2025 and will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 March 2026.

44. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

(a) For the purpose of these financial statements, parties are considered to be related to the Group or the Bank 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 Bank 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 of the Bank are:

(i) Subsidiaries

Transactions between the Bank and its subsidiaries have been eliminated on consolidation. Details of subsidiaries are disclosed in Note 17.

(ii) Related companies

These are the holding company and subsidiaries of the holding company.

(iii) Associates and joint ventures of the holding company ("Associates and joint ventures")

Details of the associate of the Bank are disclosed in Note 18.

Other associates of the holding company are AmFirst REIT and Liberty Global Holdings Sdn Bhd.

The joint ventures of the holding company are AmMetlife Takaful Berhad and AmMetlife Insurance Berhad.

(iv) 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 Bank, either directly or indirectly. The KMP of the Group and of the Bank include the Chief Executive Officer, Executive and Non-Executive Directors of the Bank and of the holding company and certain members of the senior management of the Group (including close members of their families).

The remuneration of the Chief Executive Officer and the Directors, who are also the key management personnel, during the year is disclosed in Note 37.

(v) Companies in which certain KMP have substantial financial interest

These are entities in which significant voting power in such entities, either directly or indirectly, resides with certain KMP of the Bank.

(vi) Companies which have significant influence over the holding company

These are entities who are substantial shareholders (including its related parties) of the holding company of the Bank.

(b) There were no granting of loans and advances to the Directors of the Bank other than in the normal course of business of the Group and of the Bank. Loans and advances made to Directors and other KMP 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 given to Directors and KMP.

(c) The Bank incurs intercompany charges for shared operating costs for Wholesale Banking's operations of a related company in Malaysia, included under service transfer pricing recovery, net.

(d) The transactions between the Bank and related parties were executed at terms agreed between the parties during the financial year.

44. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONT'D.)

(e) In addition to the transactions detailed elsewhere in the financial statements, the Group and of the Bank had the following transactions with related parties during the financial year:

	Holding company		Related companies		Associates and joint ventures		KMP		Companies in which certain KMP have substantial financial interest	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Group	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Income										
Bancassurance commission	-	-	-	-	33,924	39,044	-	-	-	-
Fee income	-	-	-	-	4,652	5,024	1	3	-	-
Interest on deposits *	-	-	53,062	114,290	-	-	-	-	-	-
Interest on investment account placement	-	-	51,905	57,862	-	-	-	-	-	-
Interest on financial investments at FVOCI	-	-	-	10,785	-	-	-	-	-	-
Interest on loans and advances	-	-	186	63	13,133	13,166	171	125	-	-
Interest on derivatives	-	-	1,430	2,502	-	-	-	-	-	-
Gain on derivatives	-	-	-	1,713	-	-	-	-	-	-
Foreign exchange loss	-	-	-	(8,307)	-	-	-	-	-	-
Rental income	-	-	7,149	7,337	-	-	-	-	-	-
Service transfer pricing income	32,009	31,706	500,863	458,992	-	-	-	-	-	-
	32,009	31,706	614,595	645,237	51,709	57,234	172	128	-	-
Expenses										
Interest on deposits	617	1,507	9,483	25,200	748	622	572	658	-	-
Insurance premium	-	-	-	-	36,579	33,806	-	-	-	-
Rental	-	-	61	45	-	-	-	-	-	-
Service transfer pricing expense	-	-	1,147	826	-	-	-	-	-	-
Storage	-	-	-	-	3	15	-	-	-	-
Training	-	-	-	-	-	-	-	-	439	350
Marketing	-	-	-	-	54	79	-	-	429	311
Motor vehicle expenses	-	-	-	-	53	71	-	-	-	-
Travelling	-	-	-	-	-	-	-	-	1,030	681
Customer loyalty awards	-	-	-	-	4,790	3,619	-	-	-	-
Depreciation of right-of-use assets	-	-	1,788	1,885	41,182	41,148	-	-	-	-
Finance cost for lease liabilities	-	-	612	437	873	1,661	-	-	-	-
	617	1,507	13,091	28,393	84,282	81,021	572	658	1,898	1,342

* Included fair value gain of RM11.8 million in the previous financial year arose from the differential between the concession rates received and market rates of the placements made to AmBank Islamic and its unwinding amount for the financial year of gain of RM3.5 million (2024: gain of RM1.6 million) (Note 33).

44. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONT'D.)

(e) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Bank had the following transactions with related parties during the financial year (Cont'd.):

	Holding company		Subsidiaries		Related companies		Associates and joint ventures		KMP		Companies in which certain KMP have substantial financial interest	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Bank	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Income												
Bancassurance commission	-	-	-	-	-	-	33,924	39,044	-	-	-	-
Fee income	-	-	-	-	-	-	4,652	5,024	1	3	-	-
Interest on deposits *	-	-	-	-	51,544	113,497	-	-	-	-	-	-
Interest on investment account placement	-	-	-	-	51,905	57,862	-	-	-	-	-	-
Interest on financial investments at FVOCI	-	-	-	-	-	10,785	-	-	-	-	-	-
Interest on loans and advances	-	-	19,989	20,444	186	63	13,133	13,166	171	125	-	-
Interest on derivatives	-	-	-	-	1,430	2,502	-	-	-	-	-	-
Gain on derivatives	-	-	-	-	-	1,713	-	-	-	-	-	-
Foreign exchange loss	-	-	-	-	-	(8,307)	-	-	-	-	-	-
Rental income	-	-	-	-	7,149	7,337	-	-	-	-	-	-
Service fee	-	-	1,823	1,955	-	-	-	-	-	-	-	-
Service transfer pricing income	32,009	31,706	-	-	500,863	458,992	-	-	-	-	-	-
	32,009	31,706	21,812	22,399	613,077	644,444	51,709	57,234	172	128	-	-
Expenses												
Interest on deposits	617	1,507	16	80	9,483	25,200	748	622	572	658	-	-
Insurance premium	-	-	-	-	-	-	36,579	33,806	-	-	-	-
Rental	-	-	487	487	61	45	-	-	-	-	-	-
Service transfer pricing expense	-	-	-	-	1,147	826	-	-	-	-	-	-
Storage	-	-	-	-	-	-	3	15	-	-	-	-
Training	-	-	-	-	-	-	-	-	-	-	439	350
Marketing	-	-	-	-	-	-	54	79	-	-	429	311
Motor vehicle expenses	-	-	-	-	-	-	53	71	-	-	-	-
Travelling	-	-	-	-	-	-	-	-	-	-	1,030	681
Customer loyalty awards	-	-	-	-	-	-	4,790	3,619	-	-	-	-
Depreciation of right-of-use assets	-	-	409	409	1,788	1,885	41,182	41,148	-	-	-	-
Finance cost for lease liabilities	-	-	90	102	612	437	873	1,661	-	-	-	-
	617	1,507	1,002	1,078	13,091	28,393	84,282	81,021	572	658	1,898	1,342

* Included fair value gain of RM11.8 million in the previous financial year arose from the differential between the concession rates received and market rates of the placements made to AmBank Islamic and its unwinding amount for the financial year of gain of RM3.5 million (2024: gain of RM1.6 million) (Note 33).

44. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONT'D.)

(f) In addition to the transactions detailed elsewhere in the financial statements, the significant outstanding balances of the Group and of the Bank with its related parties are as follows:

	Holding company		Related companies		Associates and joint ventures		KMP		Companies in which certain KMP have substantial financial interest	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Group	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Assets:										
Cash and short-term funds	-	-	200,000	566,520	-	-	-	-	-	-
Deposits and placements	-	-	587,545	1,784,033	-	-	-	-	-	-
Investment account placement	-	-	1,191,682	1,364,533	-	-	-	-	-	-
Derivative financial assets	-	-	15,062	35,607	-	-	-	-	-	-
Financial investments at fair value through other comprehensive income	-	-	53,212	58,717	-	-	-	-	-	-
Loans and advances	-	-	23,720	15,677	304,212	297,518	4,300	5,745	-	-
Interest receivable	-	-	9,632	42,804	-	-	-	-	-	-
Right-of-use assets	-	-	18,634	20,266	18,667	58,114	-	-	-	-
Amounts due from subsidiaries and related companies	2,895	8,605	16,850	9,593	9,811	19,598	-	-	-	-
	2,895	8,605	2,116,337	3,897,750	332,690	375,230	4,300	5,745	-	-
Liabilities:										
Deposits and placements	4,167	33,683	53,387	823,993	5,701	121,144	19,836	20,574	-	-
Derivative financial liabilities	-	-	5,516	5,547	-	-	-	-	-	-
Interest payable	-	-	10	12,558	-	-	-	-	-	-
Lease liabilities	-	-	18,932	20,463	17,961	59,770	-	-	-	-
Amounts due to subsidiaries and related companies	-	-	340,825	1,233,489	-	-	-	-	-	-
	4,167	33,683	418,670	2,096,050	23,662	180,914	19,836	20,574	-	-
Commitments and contingencies:										
Commitments	-	-	-	280,323	-	-	3,284	3,021	-	-
Contract/notional amount for derivatives	-	-	1,291,740	1,815,699	-	-	-	-	-	-
	-	-	1,291,740	2,096,022	-	-	3,284	3,021	-	-

44. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONT'D.)

(f) In addition to the transactions detailed elsewhere in the financial statements, the significant outstanding balances of the Group and of the Bank with its related parties are as follows (Cont'd.):

	Holding company		Subsidiaries		Related companies		Associates and joint ventures		KMP		Companies in which certain KMP have substantial financial interest	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Bank	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Assets:												
Cash and short-term funds	-	-	-	-	200,000	566,520	-	-	-	-	-	-
Deposits and placements	-	-	-	-	587,545	1,784,033	-	-	-	-	-	-
Investment account placement	-	-	-	-	1,191,682	1,364,533	-	-	-	-	-	-
Derivative financial assets	-	-	-	-	15,062	35,607	-	-	-	-	-	-
Financial investments at fair value through other comprehensive income	-	-	-	-	53,212	58,717	-	-	-	-	-	-
Loans and advances	-	-	323,935	341,674	23,720	15,677	304,212	297,518	4,300	5,745	-	-
Interest receivable	-	-	-	-	9,632	42,804	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-	-	-
Right-of-use assets	-	-	2,849	3,226	18,634	20,266	18,667	58,114	-	-	-	-
Amounts due from subsidiaries and related companies	2,895	8,605	27	38	16,850	9,593	9,811	19,598	-	-	-	-
	2,895	8,605	326,811	344,938	2,116,337	3,897,750	332,690	375,230	4,300	5,745	-	-
Liabilities:												
Deposits and placements	4,167	33,683	35,194	26,894	53,387	823,993	5,701	121,144	19,836	20,574	-	-
Derivative financial liabilities	-	-	-	-	5,516	5,547	-	-	-	-	-	-
Interest payable	-	-	1	1	10	12,558	-	-	-	-	-	-
Lease liabilities	-	-	3,027	3,424	18,932	20,463	17,961	59,770	-	-	-	-
Amounts to from subsidiaries and related companies	-	-	180	201	340,825	1,233,489	-	-	-	-	-	-
	4,167	33,683	38,402	30,520	418,670	2,096,050	23,662	180,914	19,836	20,574	-	-
Commitments and contingencies:												
Commitments	-	-	-	-	-	280,323	-	-	3,284	3,021	-	-
Contract/notional amount for derivatives	-	-	-	-	1,291,740	1,815,699	-	-	-	-	-	-
	-	-	-	-	1,291,740	2,096,022	-	-	3,284	3,021	-	-

44. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONT'D.)

(g) KMP compensation

The remuneration of Directors and other KMP of the Group and the Bank during the financial year are as follows:

	Note	Group 2025 RM'000	Group 2024 RM'000	Bank 2025 RM'000	Bank 2024 RM'000
Directors:					
Fees	37	1,155	1,150	1,135	1,130
Other short-term employee benefits (including estimated monetary value of benefits-in-kind)	37	1,004	1,017	1,004	1,017
Total short-term employee benefits		2,159	2,167	2,139	2,147
Other KMP:					
Salary		17,803	15,552	17,803	15,552
Bonus [1]		12,848	8,301	12,848	8,301
LTI [1]		6,154	8,286	6,154	8,286
Other emoluments and BIK[2]		9,121	8,517	9,121	8,517
Total employee benefits		45,926	40,656	45,926	40,656

1 The bonus and LTI have been duly approved by AMMB Group's 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 RM7,844,864 (2024: RM5,296,179) in shares in relation to the LTI vesting.

2 Include statutory contributions and allowances.

The remuneration for other key management personnel of RM12,972,000 million (2024: RM12,354,000 million) was charged to holding company and a related company under STP recovery.

45. CREDIT TRANSACTIONS AND EXPOSURE WITH CONNECTED PARTIES

	Group 2025	Group 2024	Bank 2025	Bank 2024
Outstanding credit exposures with connected parties (RM'000)	1,657,181	3,538,755	1,657,181	3,538,755
Percentage of outstanding credit exposures to connected parties as a proportion of total credit exposures (%)	1.42	3.36	1.42	3.36
Percentage of outstanding credit exposures to connected parties which is impaired or in default	0.44	0.01	0.44	0.01

The disclosure on Credit Transactions and Exposure with Connected Parties above is presented in accordance with paragraph 9.1 of Bank Negara Malaysia's revised Guidelines on Credit Transactions and Exposures with Connected Parties issued on 16 July 2014. Based on these guidelines, a connected party refers to the following:

(a) directors of the Bank and their close relatives;

(b) controlling shareholder and his close relatives;

(c) influential shareholder and his close relatives;

(d) executive officer, being a member of management having authority and responsibility for planning, directing and/or controlling the activities of the Bank and his close relatives;

45. CREDIT TRANSACTIONS AND EXPOSURE WITH CONNECTED PARTIES (CONT'D.)

The disclosure on Credit Transactions and Exposure with Connected Parties above is presented in accordance with paragraph 9.1 of Bank Negara Malaysia's revised Guidelines on Credit Transactions and Exposures with Connected Parties issued on 16 July 2014. Based on these guidelines, a connected party refers to the following (Cont'd.):

(e) 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;

(f) firms, partnerships, companies or any legal entities which control, or are controlled by, any person listed in (a) to (e) above, or in which they have interest as a Director, partner, executive officer, agent or guarantor, and their subsidiaries or entities controlled by them;

(g) any person for whom the persons listed in (a) to (e) above is a guarantor; or

(h) subsidiary of or an entity controlled by the Bank and its connected parties.

Credit transactions and exposures to connected parties as disclosed 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 are all transacted on an arm's length basis and on terms and conditions not more favourable than those entered with other counterparties with similar circumstances and creditworthiness. Due care has been taken to ensure that the credit worthiness of the connected parties is not less than that normally required of other persons.

46. CAPITAL COMMITMENTS

	Group and Bank	
	2025	2024
	RM'000	RM'000
Authorised and contracted for:		
Purchase of computer equipment and software	29,266	25,846
Leasehold improvements	8,049	5,954
	37,315	31,800
Authorised but not contracted for:		
Purchase of computer equipment and software	105,578	116,781
	142,893	148,581

47. COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Group and the Bank make various commitments and incur certain contingent liabilities with legal recourse to 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 and the Bank's assets.

As at the reporting date, the principal amounts of the commitments and contingencies and notional contracted amounts of derivatives of the Group and of the Bank are as follows:

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Commitments				
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:				
- One year or less	13,191,776	12,719,151	13,198,776	12,778,751
- Over one year	2,148,020	2,876,245	2,148,020	2,876,245
Unutilised credit card lines	4,457,897	4,017,609	4,457,897	4,017,609
Forward asset purchases	589,170	691,518	589,170	691,518
	20,386,863	20,304,523	20,393,863	20,364,123
Contingent liabilities				
Direct credit substitutes	1,335,081	1,398,711	1,335,081	1,398,711
Transaction related contingent items	6,967,036	5,447,644	6,967,036	5,447,644
Short-term self-liquidating trade related contingencies	1,117,853	714,097	1,117,853	714,097
	9,419,970	7,560,452	9,419,970	7,560,452
Derivative financial instruments				
Foreign exchange related contracts				
- One year or less	42,418,797	47,126,315	42,418,797	47,126,315
- Over one year to five years	3,018,862	3,573,320	3,018,862	3,573,320
- Over five years	1,400,512	1,173,169	1,400,512	1,173,169
Interest rate related contracts				
- One year or less	4,098,987	8,781,793	4,098,987	8,781,793
- Over one year to five years	28,146,421	21,252,894	28,146,421	21,252,894
- Over five years	12,198,252	5,708,460	12,198,252	5,708,460
Equity and commodity related contracts				
- One year or less	2,063,663	2,618,763	2,063,663	2,618,763
- Over one year to five years	176,710	18,840	176,710	18,840
	93,522,204	90,253,554	93,522,204	90,253,554
Total	123,329,037	118,118,529	123,336,037	118,178,129

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	Up to 12 months RM'000	Over 12 months RM'000	Total RM'000
2025			
ASSETS			
Cash and short-term funds	4,375,745	-	4,375,745
Deposits and placements with banks and other financial institutions	500,000	87,545	587,545
Investment account placement	-	1,191,682	1,191,682
Derivative financial assets	274,179	379,636	653,815
Financial assets at FVTPL	2,223,963	3,302,692	5,526,655
Financial investments at FVOCI	4,445,019	15,168,797	19,613,816
Financial investments at amortised cost	2,138,356	6,258,405	8,396,761
Loans and advances	23,023,971	66,874,605	89,898,576
Statutory deposit with Bank Negara Malaysia	-	1,834,225	1,834,225
Deferred tax assets	-	197,860	197,860
Investment in associate	-	19,263	19,263
Other assets	2,509,099	227,863	2,736,962
Property and equipment	-	125,776	125,776
Right-of-use assets	-	141,458	141,458
Intangible assets	-	149,252	149,252
TOTAL ASSETS	39,490,332	95,959,059	135,449,391
LIABILITIES			
Deposits from customers	91,450,309	565,016	92,015,325
Deposits and placements of banks and other financial institutions	5,112,353	1,658,285	6,770,638
Securities sold under repurchase agreements	5,951,549	-	5,951,549
Financial liabilities at FVTPL	178,818	-	178,818
Recourse obligation on loans sold to Cagamas Berhad	1,900,021	2,445,022	4,345,043
Derivative financial liabilities	212,919	395,936	608,855
Term funding	1,244,694	5,099,582	6,344,276
Debt capital	-	3,095,000	3,095,000
Other liabilities	2,499,815	532,291	3,032,106
TOTAL LIABILITIES	108,550,478	13,791,132	122,341,610

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	Up to 12 months RM'000	Over 12 months RM'000	Total RM'000
2024			
ASSETS			
Cash and short-term funds	6,140,967	-	6,140,967
Deposits and placements with banks and other financial institutions	1,700,000	84,033	1,784,033
Investment account placement	-	1,364,533	1,364,533
Derivative financial assets	513,636	496,467	1,010,103
Financial assets at FVTPL	3,846,005	2,920,677	6,766,682
Financial investments at FVOCI	4,244,510	15,455,619	19,700,129
Financial investments at amortised cost	506,946	6,884,347	7,391,293
Loans and advances	20,964,188	65,284,173	86,248,361
Statutory deposit with Bank Negara Malaysia	-	1,678,024	1,678,024
Deferred tax assets	-	192,707	192,707
Investment in associate	-	17,745	17,745
Other assets	2,775,446	260,100	3,035,546
Property and equipment	-	129,645	129,645
Right-of-use assets	-	196,449	196,449
Intangible assets	-	123,528	123,528
TOTAL ASSETS	40,691,698	95,088,047	135,779,745
LIABILITIES			
Deposits from customers	92,663,616	1,673,794	94,337,410
Deposits and placements of banks and other financial institutions	6,115,824	1,504,306	7,620,130
Securities sold under repurchase agreements	6,328,335	-	6,328,335
Recourse obligation on loans sold to Cagamas Berhad	1,550,003	3,715,014	5,265,017
Derivative financial liabilities	541,727	480,051	1,021,778
Term funding	310,406	1,304,585	1,614,991
Debt capital	-	3,095,000	3,095,000
Other liabilities	3,717,862	402,268	4,120,130
TOTAL LIABILITIES	111,227,773	12,175,018	123,402,791

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.).

Bank	Up to 12 months RM'000	Over 12 months RM'000	Total RM'000
2025			
ASSETS			
Cash and short-term funds	4,331,878	-	4,331,878
Deposits and placements with banks and other financial institutions	500,000	87,545	587,545
Investment account placement	-	1,191,682	1,191,682
Derivative financial assets	274,179	379,636	653,815
Financial assets at FVTPL	2,223,963	3,302,660	5,526,623
Financial investments at FVOCI	4,445,019	15,168,797	19,613,816
Financial investments at amortised cost	2,138,356	6,258,405	8,396,761
Loans and advances	23,341,951	66,558,226	89,900,177
Statutory deposit with Bank Negara Malaysia	-	1,834,225	1,834,225
Deferred tax assets	-	197,860	197,860
Investment in subsidiaries	-	13,477	13,477
Investment in associate	-	19,598	19,598
Other assets	2,508,448	227,863	2,736,311
Property and equipment	-	119,068	119,068
Right-of-use assets	-	141,668	141,668
Intangible assets	-	149,252	149,252
TOTAL ASSETS	39,763,794	95,649,962	135,413,756
LIABILITIES			
Deposits from customers	91,453,614	565,016	92,018,630
Deposits and placements of banks and other financial institutions	5,146,803	1,658,285	6,805,088
Securities sold under repurchase agreements	5,951,549	-	5,951,549
Financial liabilities at FVTPL	178,818	-	178,818
Recourse obligation on loans sold to Cagamas Berhad	1,900,021	2,445,022	4,345,043
Derivative financial liabilities	212,919	395,936	608,855
Term funding	1,244,694	5,099,582	6,344,276
Debt capital	-	3,095,000	3,095,000
Other liabilities	2,499,411	513,805	3,013,216
TOTAL LIABILITIES	108,587,829	13,772,646	122,360,475

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.).

Bank	Up to 12 months RM'000	Over 12 months RM'000	Total RM'000
2024			
ASSETS			
Cash and short-term funds	6,103,853	-	6,103,853
Deposits and placements with banks and other financial institutions	1,700,000	84,033	1,784,033
Investment account placement	-	1,364,533	1,364,533
Derivative financial assets	513,636	496,467	1,010,103
Financial assets at FVTPL	3,846,005	2,920,644	6,766,649
Financial investments at FVOCI	4,244,510	15,455,619	19,700,129
Financial investments at amortised cost	506,946	6,884,347	7,391,293
Loans and advances	21,298,411	64,939,582	86,237,993
Statutory deposit with Bank Negara Malaysia	-	1,678,024	1,678,024
Deferred tax assets	-	192,707	192,707
Investment in subsidiaries	-	13,477	13,477
Investment in associate	-	19,598	19,598
Other assets	2,773,752	260,100	3,033,852
Property and equipment	-	123,472	123,472
Right-of-use assets	-	197,072	197,072
Intangible assets	-	123,528	123,528
TOTAL ASSETS	40,987,113	94,753,203	135,740,316
LIABILITIES			
Deposits from customers	92,667,647	1,673,794	94,341,441
Deposits and placements of banks and other financial institutions	6,141,886	1,504,306	7,646,192
Securities sold under repurchase agreements	6,328,335	-	6,328,335
Recourse obligation on loans sold to Cagamas Berhad	1,550,003	3,715,014	5,265,017
Derivative financial liabilities	541,727	480,051	1,021,778
Term funding	310,406	1,304,585	1,614,991
Debt capital	-	3,095,000	3,095,000
Other liabilities	3,718,027	383,851	4,101,878
TOTAL LIABILITIES	111,258,031	12,156,601	123,414,632

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.

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 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) issued on 14 June 2024, Capital Adequacy Framework (Basel II - 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 the BNM's policy document on Capital Adequacy Framework (Capital Components), the minimum capital adequacy ratios to be maintained under the guideline are at 4.5% for CET1 capital, 6.0% for Tier1 capital and 8.0% for Total Capital Ratio at all times. In addition, financial institutions are 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").

49. CAPITAL MANAGEMENT (CONT'D.)

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

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

	2024	
	Group	**Bank**
Before deducting proposed dividends:		
CET1 Capital Ratio	13.559%	13.437%
Tier 1 Capital Ratio	13.559%	13.437%
Total Capital Ratio	18.201%	18.057%
After deducting proposed dividends:		
CET1 Capital Ratio	13.047%	12.927%
Tier 1 Capital Ratio	13.047%	12.927%
Total Capital Ratio	17.688%	17.547%

(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 Bank received approval from BNM to migrate to FIRB Approach for credit risk under Capital Adequacy Framework (Basel II - Risk Weighted Assets). With effect from 1 August 2024, the Bank 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. Credit risk is computed in accordance with Capital Adequacy Framework (Basel II - 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).

- 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).

49. CAPITAL MANAGEMENT (CONT'D.)

(b) Effective 1 April 2024, the transitional arrangements have ended. (Cont'd.)

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

	2025[1]		2024[2, 3]	
	Group	Bank	Group	Bank
Before deducting proposed dividends:				
CET1 Capital Ratio	14.799%	14.692%	13.306%	13.185%
Tier 1 Capital Ratio	14.799%	14.692%	13.306%	13.185%
Total Capital Ratio	18.966%	18.847%	17.993%	17.856%
After deducting proposed dividends:				
CET1 Capital Ratio	14.401%	14.295%	12.794%	12.675%
Tier 1 Capital Ratio	14.401%	14.295%	12.794%	12.675%
Total Capital Ratio	18.568%	18.451%	17.480%	17.346%

[1] The capital adequacy ratios of the Group and the Bank 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 Group and the Bank 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).

[3] The comparative capital adequacy ratios presented were computed based on Standardised Approach for Credit Risk and without transitional arrangement.

(c) The components of CET1, Additional Tier 1, Tier 2 and Total Capital of the Group and the Bank are as follows:

	Group		Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
CET1 Capital				
Share capital	3,040,465	3,040,465	3,040,465	3,040,465
Retained earnings	9,061,868	8,512,335	9,107,844	8,561,556
Fair value reserve	537,254	411,695	537,254	411,695
Foreign currency translation reserve	102,830	121,067	106,629	124,851
Regulatory reserve	261,089	188,146	261,089	188,146
Merger reserve	104,149	104,149	-	-
Cash flow hedging deficit	-	(1,029)	-	(1,029)
Less : Regulatory adjustments applied on CET1 Capital				
- Intangible assets	(149,252)	(123,528)	(149,252)	(123,528)
- Deferred tax assets	(205,932)	(198,535)	(205,932)	(198,535)
- 55% of cumulative gains of fair value reserve	(295,490)	(226,432)	(295,490)	(226,432)
- Cash flow hedging deficit	-	1,029	-	1,029
- Regulatory reserve	(261,089)	(188,146)	(261,089)	(188,146)
- Investments in ordinary shares of unconsolidated financial entities	-	-	(1)	(1)
- Unrealised fair value gains on financial liabilities due to changes in own credit risk	(1,189)	(1,354)	(1,189)	(1,354)
- Other CET1 regulatory adjustments specified by the BNM[4]	-	221,507	-	221,599
Total CET1 Capital	12,194,703	11,861,369	12,140,328	11,810,316

49. CAPITAL MANAGEMENT (CONT'D.)

(c) The components of CET1, Additional Tier 1, Tier 2 and Total Capital of the Group and the Bank are as follows: (Cont'd.)

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Additional Tier 1 Capital				
Qualifying CET1, Additional Tier 1 capital instruments held by third parties	3	2	-	-
Total Tier 1 Capital	12,194,706	11,861,371	12,140,328	11,810,316
Tier 2 Capital				
Tier 2 Capital instruments meeting all relevant criteria for inclusion	3,095,000	3,095,000	3,095,000	3,095,000
Qualifying CET1, Additional Tier 1 and Tier 2 capital instruments held by third parties	1	1	-	-
Surplus of eligible provisions to expected losses	230,650	-	227,641	-
General provisions[5]	108,439	965,228	111,405	965,363
Total Tier 2 Capital	3,434,090	4,060,229	3,434,046	4,060,363
Total Capital	15,628,796	15,921,600	15,574,374	15,870,679

[4] Other CET1 regulatory adjustments specified by BNM as at 31 March 2024 refers to adjustments on transitional arrangement as mentioned in (a) above. As the transition arrangement has ended effective 1 April 2024, there are no adjustments as at 31 March 2025.

[5] Consists of provision for performing assets and regulatory reserve subject to a maximum 1.25% of total credit risk-weighted assets ("RWA").

The breakdown of the RWA in various categories of risk are as follows:

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Credit RWA	74,444,561	80,388,525	74,681,833	80,811,594
Exposures to Central Counterparties RWA	20,917	-	20,917	-
Total Credit RWA[6]	74,465,478	80,388,525	74,702,750	80,811,594
Market RWA	2,324,047	1,708,940	2,324,013	1,708,904
Operational RWA	5,615,245	5,379,189	5,606,997	5,370,458
Total RWA	82,404,770	87,476,654	82,633,760	87,890,956

[6] 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.

50. RISK MANAGEMENT

50.1 GENERAL RISK MANAGEMENT

Risk Management Framework

The Risk Management Framework takes its lead from the Board's Approved Risk Appetite Framework that forms the foundation for AMMB Group to set its risk/reward profile.

The Risk Appetite Framework ("RAF") is reviewed and approved annually by the Board taking into account AMMB 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 AMMB Group operates in.

The RAF 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.

AMMB Group Risk Direction

AMMB Group's Financial Year 2025 to Financial Year 2029 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. AMMB Group aspires to have a minimum financial institution external rating of AA2 based on reference ratings by RAM Rating Services Berhad ("RAM").

2. AMMB 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. AMMB Group aims to maintain its Capital Ratios at the AMMB Group's Internal Capital Target under normal conditions.

4. AMMB Group aims to maintain Available Financial Resources in excess of the capital requirements as estimated in the Internal Capital Adequacy Assessment Process ("ICAAP").

5. AMMB Group recognises the importance of funding its own business. It aims to maintain the following:

   - Liquidity Coverage Ratio ("LCR") (both consolidated and entity level) at least 10 percentage points above prevailing regulatory minimum;
   - Stressed LCR (both consolidated and entity level) above the regulatory requirement; and
   - Net Stable Funding Ratio ("NSFR") (Financial Holding Company level) above the prevailing regulatory minimum (effective July 2020).

6. AMMB Group aims to maintain adequate controls for all key operational risks (including but not limited to regulatory, compliance, technology, conduct and reputational risks).

   - Keep operational losses and regulatory penalties below 0.8% of Profit After Taxation and Non-Controlling Interest ("PATMI"); and
   - Remain vigilant in risk identification and management to protect its reputation and business franchise.

7. AMMB Group aims for at least 70% of its non-retail loan portfolio (applicable for limit at least RM10 million) to constitute exposures with low ESG Risk Rating by Financial Year 2030.

8. AMMB 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 bank'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 AMMB 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 the Management Committees to assist in managing the risks and businesses of AMMB 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, compliance risk, reputational risk, product and business risk, Information Technology ("IT") risk, climate related risk and sustainability (covering ESG) risk.

AMMB 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 AMMB Group to ensure that risk taking activities across AMMB Group are aligned to AMMB Group’s risk appetite and strategies; and
- through the RMC, has access to AMMB Group's Board and the Boards of the respective banking entities 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 Bank'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. RISK MANAGEMENT (CONT'D.)

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 ("GIL")
Control/ Mitigation	• Portfolio Limits, Counterparty Limits • Non-Retail Pricing and Risk base 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 Reschedule and Restructured Accounts • Undertake post mortem credit review • Annual refresh of borrowers' 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, 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.

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 Risk Appetite Framework ("GRAF") and related credit policies.

For non-retail credits, risk assessment is a combination of both qualitative and quantitative assessment (including the financial standing of the customer or counterparty using the Bank's 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 the Bank’s credit exposures and the overall credit assessment is conducted either through a program lending or discretionary lending approach.

For retail credits, credit-scoring systems to better differentiate the quality of borrowers 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 loss provision calculation;
- stress-testing; and
- enhancement to portfolio management.

50. RISK MANAGEMENT (CONT'D.)

50.2 CREDIT RISK MANAGEMENT (CONT'D.)

Lending 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;
- Setting Loan to Value limits for asset backed loans;
- 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 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; 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 the higher approving authority or Credit and Commitments Committee (“CACC”) for approval. In the event such exposure exceeds a stipulated customer group threshold within AMMB Group, the letter of offer shall not be issued until the credit is reviewed by the 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 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, impairments, flow rates of loan 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 and the Bank's concentration of risk are managed by industry sector, risk grade asset quality and single name limit ("SNL"). The Group and the Bank apply 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 and the Bank 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 account of any collateral held or other credit enhancements.

The comparatives for loans and advances have been restated to conform with the current business realignment between the business segments. It applies to Notes 50.2 (a), 50.2 (b), 50.2 (d) and 50.2 (f).

50. RISK MANAGEMENT (CONT'D.)

50.2 CREDIT RISK MANAGEMENT (CONT'D.)

(a) Industry Analysis

Group	Agriculture	Mining and Quarrying	Manufacturing	Electricity, Gas and Water	Construction	Wholesale and Retail Trade and Hotel and Restaurants	Transport, Storage and Communication	Subtotal
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2025								
Cash and short-term funds	-	-	-	-	-	-	-	-
Deposits and placements with banks and other financial institutions	-	-	-	-	-	-	-	-
Investment account placement	-	-	-	-	-	-	-	-
Derivative financial assets	12,349	-	41,524	1,603	1,657	10,564	1,156	68,853
Financial assets at FVTPL								
Money Market Securities	-	-	-	-	-	-	-	-
Quoted Sukuk	-	-	-	-	10,179	-	-	10,179
Unquoted Corporate bonds and sukuk	-	-	-	199,551	10,001	173,592	74,361	457,505
Total financial assets at FVTPL	-	-	-	199,551	20,180	173,592	74,361	467,684
Financial investments at FVOCI								
Money Market Securities	-	-	-	-	-	-	-	-
Unquoted Corporate bonds and sukuk	464,165	8,317	135,906	989,361	1,425,259	179,733	724,168	3,926,909
Total financial investments at FVOCI	464,165	8,317	135,906	989,361	1,425,259	179,733	724,168	3,926,909
Financial investments at amortised cost								
Money Market Securities	-	-	-	-	-	-	-	-
Unquoted Corporate bonds and sukuk	25,010	41,439	250,000	210,474	516,202	-	1,425,966	2,469,091
Allowances for ECL	-	-	-	-	-	-	-	-
Total financial investments at amortised cost	25,010	41,439	250,000	210,474	516,202	-	1,425,966	2,469,091
Loans and advances								
Retail banking	3,264	2,016	51,177	4,400	41,351	117,831	64,448	284,487
Wholesale banking	243,941	1,529,995	3,057,936	798,678	772,065	1,280,324	754,048	8,436,987
Business banking	958,907	365,193	9,116,066	886,435	2,970,435	8,838,669	1,488,699	24,624,404
Others	-	-	54,183	-	15,369	4,945	-	74,497
Allowances for ECL	-	-	-	-	-	-	-	-
Total loans and advances	1,206,112	1,897,204	12,279,362	1,689,513	3,799,220	10,241,769	2,307,195	33,420,375
Statutory deposit with Bank Negara Malaysia	-	-	-	-	-	-	-	-
Other financial assets	10,671	1,335	11,011	27,037	46,554	7,748	21,463	125,819
Commitments	293,869	346,318	3,970,220	195,842	2,965,624	2,448,949	274,284	10,495,106
Contingent liabilities	84,599	197,175	2,224,408	654,106	3,318,276	399,827	261,077	7,139,468
Total commitments and contingent liabilities	378,468	543,493	6,194,628	849,948	6,283,900	2,848,776	535,361	17,634,574

50. RISK MANAGEMENT (CONT'D.)

50.2 CREDIT RISK MANAGEMENT (CONT'D.)

(a) Industry Analysis (Cont'd.)

Group	Subtotal from previous page	Finance and Insurance	Government and Central Banks	Real Estate	Business Activities	Education and Health	Household	Others	Allowances for ECL	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2025										
Cash and short-term funds	-	4,029,349	348,688	-	-	-	-	-	(2,292)	4,375,745
Deposits and placements with banks and other financial institutions	-	587,545	-	-	-	-	-	-	-	587,545
Investment account placement	-	1,194,172	-	-	-	-	-	-	(2,490)	1,191,682
Derivative financial assets	68,853	580,550	-	672	2,303	2	861	574	-	653,815
Financial assets at FVTPL										
Money Market Securities	-	-	2,828,548	-	-	-	-	-	-	2,828,548
Quoted Sukuk	10,179	-	-	-	-	-	-	-	-	10,179
Unquoted Corporate bonds and sukuk	457,505	763,497	-	27,810	-	-	-	15,136	-	1,263,948
Total financial assets at FVTPL	467,684	763,497	2,828,548	27,810	-	-	-	15,136	-	4,102,675
Financial investments at FVOCI										
Money Market Securities	-	-	8,803,273	-	-	-	-	-	-	8,803,273
Unquoted Corporate bonds and sukuk	3,926,909	5,100,628	-	417,922	-	142,842	-	341,133	-	9,929,434
Total financial investments at FVOCI	3,926,909	5,100,628	8,803,273	417,922	-	142,842	-	341,133	-	18,732,707
Financial investments at amortised cost										
Money Market Securities	-	-	1,738,940	-	-	-	-	-	-	1,738,940
Unquoted Corporate bonds and sukuk	2,469,091	4,207,189	-	-	10,000	10,433	-	20,026	-	6,716,739
Allowances for ECL	-	-	-	-	-	-	-	-	(58,918)	(58,918)
Total financial investments at amortised cost	2,469,091	4,207,189	1,738,940	-	10,000	10,433	-	20,026	(58,918)	8,396,761
Loans and advances										
Retail banking	284,487	3,228	-	54,271	43,287	17,783	42,402,253	-	-	42,805,309
Wholesale banking	8,436,987	854,558	-	2,667,251	28,764	825,284	78,375	-	-	12,891,219
Business banking	24,624,404	895,827	-	6,369,687	1,124,128	1,031,245	126,805	-	-	34,172,096
Others	74,497	5,270	-	89,803	24,898	3,386	1,024,020	-	-	1,221,874
Allowances for ECL	-	-	-	-	-	-	-	-	(1,191,922)	(1,191,922)
Total loans and advances	33,420,375	1,758,883	-	9,181,012	1,221,077	1,877,698	43,631,453	-	(1,191,922)	89,898,576
Statutory deposit with Bank Negara Malaysia	-	-	1,834,225	-	-	-	-	-	-	1,834,225
Other financial assets	125,819	1,355,596	241,046	8,261	629	1,242	42,084	87,686	(19,838)	1,842,525
Commitments	10,495,106	646,340	496,024	589,308	154,934	569,745	7,435,406	-	-	20,386,863
Contingent liabilities	7,139,468	891,821	-	1,128,533	94,563	163,579	2,006	-	-	9,419,970
Total commitments and contingent liabilities	17,634,574	1,538,161	496,024	1,717,841	249,497	733,324	7,437,412	-	-	29,806,833

50. RISK MANAGEMENT (CONT'D.)

50.2 CREDIT RISK MANAGEMENT (CONT'D.)

(a) Industry Analysis (Cont'd.)

Group	Agriculture	Mining and Quarrying	Manufacturing	Electricity, Gas and Water	Construction	Wholesale and Retail Trade and Hotel and Restaurants	Transport, Storage and Communication	Subtotal
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2024								
Cash and short-term funds	-	-	-	-	-	-	-	-
Deposits and placements with banks and other financial institutions	-	-	-	-	-	-	-	-
Investment account placement	-	-	-	-	-	-	-	-
Derivative financial assets	18,892	145,119	88,483	149	290	8,487	1,798	263,218
Financial assets at FVTPL								
Money Market Securities	-	-	-	-	-	-	-	-
Quoted Sukuk	-	-	-	-	10,249	-	-	10,249
Unquoted Corporate bonds and sukuk	-	-	-	2,332	4,074	-	197,616	204,022
Total financial assets at FVTPL	-	-	-	2,332	14,323	-	197,616	214,271
Financial investments at FVOCI								
Money Market Securities	-	-	-	-	-	-	-	-
Unquoted Corporate bonds and sukuk	411,891	8,674	111,088	1,397,610	1,600,275	273,328	725,477	4,528,343
Total financial investments at FVOCI	411,891	8,674	111,088	1,397,610	1,600,275	273,328	725,477	4,528,343
Financial investments at amortised cost								
Money Market Securities	-	-	-	-	-	-	-	-
Unquoted Corporate bonds and sukuk	25,019	41,439	300,000	266,020	880,087	1,805,000	568,402	3,885,967
Allowances for ECL	-	-	-	-	-	-	-	-
Total financial investments at amortised cost	25,019	41,439	300,000	266,020	880,087	1,805,000	568,402	3,885,967
Loans and advances								
Retail banking	7,085	1,933	62,146	3,373	52,316	153,970	26,357	307,180
Wholesale banking	254,836	1,466,943	2,904,254	453,471	973,823	873,055	754,785	7,681,167
Business banking	1,181,872	211,148	8,414,706	643,618	2,886,371	8,542,418	1,629,497	23,509,630
Others	5,381	-	58,927	-	150	-	8,592	73,050
Allowances for ECL	-	-	-	-	-	-	-	-
Total loans and advances	1,449,174	1,680,024	11,440,033	1,100,462	3,912,660	9,569,443	2,419,231	31,571,027
Statutory deposit with Bank Negara Malaysia	-	-	-	-	-	-	-	-
Other financial assets	1,233	3,687	13,733	37,415	47,409	19,936	18,526	141,939
Commitments	386,150	147,308	4,054,989	117,329	2,549,667	2,328,572	478,132	10,062,147
Contingent liabilities	89,534	163,589	1,444,276	362,878	2,877,545	421,217	409,075	5,768,114
Total commitments and contingent liabilities	475,684	310,897	5,499,265	480,207	5,427,212	2,749,789	887,207	15,830,261

50. RISK MANAGEMENT (CONT'D.)

50.2 CREDIT RISK MANAGEMENT (CONT'D.)

(a) Industry Analysis (Cont'd.)

Group	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
2024										
Cash and short-term funds	-	4,779,031	1,363,229	-	-	-	-	-	(1,293)	6,140,967
Deposits and placements with banks and other financial institutions	-	1,784,033	-	-	-	-	-	-	-	1,784,033
Investment account placement	-	1,366,363	-	-	-	-	-	-	(1,830)	1,364,533
Derivative financial assets	263,218	740,904	-	1,749	2,950	6	784	492	-	1,010,103
Financial assets at FVTPL										
Money Market Securities	-	-	3,811,453	-	-	-	-	-	-	3,811,453
Quoted Sukuk	10,249	-	-	-	-	-	-	-	-	10,249
Unquoted Corporate bonds and sukuk	204,022	833,032	-	66,913	-	-	-	-	-	1,103,967
Total financial assets at FVTPL	214,271	833,032	3,811,453	66,913	-	-	-	-	-	4,925,669
Financial investments at FVOCI										
Money Market Securities	-	200,013	8,347,615	-	-	-	-	-	-	8,547,628
Unquoted Corporate bonds and sukuk	4,528,343	4,831,634	-	400,933	-	93,386	-	523,922	-	10,378,218
Total financial investments at FVOCI	4,528,343	5,031,647	8,347,615	400,933	-	93,386	-	523,922	-	18,925,846
Financial investments at amortised cost										
Money Market Securities	-	-	1,741,723	-	-	-	-	-	-	1,741,723
Unquoted Corporate bonds and sukuk	3,885,967	1,247,190	-	40,129	15,000	10,482	-	501,223	-	5,699,991
Allowances for ECL	-	-	-	-	-	-	-	-	(50,421)	(50,421)
Total financial investments at amortised cost	3,885,967	1,247,190	1,741,723	40,129	15,000	10,482	-	501,223	(50,421)	7,391,293
Loans and advances										
Retail banking	307,180	1,585	-	60,534	93,381	17,848	43,266,751	622	-	43,747,901
Wholesale banking	7,681,167	584,046	-	2,325,246	228,738	175,683	82,025	-	-	11,076,905
Business banking	23,509,630	697,841	-	4,407,979	1,524,359	902,453	264,866	-	-	31,307,128
Others	73,050	32,013	-	159,065	32,326	3,592	1,187,798	-	-	1,487,844
Allowances for ECL	-	-	-	-	-	-	-	-	(1,371,417)	(1,371,417)
Total loans and advances	31,571,027	1,315,485	-	6,952,824	1,878,804	1,099,576	44,801,440	622	(1,371,417)	86,248,361
Statutory deposit with Bank Negara Malaysia	-	-	1,678,024	-	-	-	-	-	-	1,678,024
Other financial assets	141,939	1,650,832	259,133	13,847	512	587	50,811	11,792	(21,844)	2,107,609
Commitments	10,062,147	524,851	561,518	676,570	291,239	366,044	7,805,302	16,852	-	20,304,523
Contingent liabilities	5,768,114	903,226	-	564,629	229,764	93,843	876	-	-	7,560,452
Total commitments and contingent liabilities	15,830,261	1,428,077	561,518	1,241,199	521,003	459,887	7,806,178	16,852	-	27,864,975

50. RISK MANAGEMENT (CONT'D.)

50.2 CREDIT RISK MANAGEMENT (CONT'D.)

(a) Industry Analysis (Cont'd.)

Bank	Agriculture	Mining and Quarrying	Manufacturing	Electricity, Gas and Water	Construction	Wholesale and Retail Trade and Hotel and Restaurants	Transport, Storage and Communication	Subtotal
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2025								
Cash and short-term funds	-	-	-	-	-	-	-	-
Deposits and placements with banks and other financial institutions	-	-	-	-	-	-	-	-
Investment account placement	-	-	-	-	-	-	-	-
Derivative financial assets	12,349	-	41,524	1,603	1,657	10,564	1,156	68,853
Financial assets at FVTPL								
Money Market Securities	-	-	-	-	-	-	-	-
Quoted Sukuk	-	-	-	-	10,179	-	-	10,179
Unquoted Corporate bonds and sukuk	-	-	-	199,551	10,001	173,592	74,361	457,505
Total financial assets at FVTPL	-	-	-	199,551	20,180	173,592	74,361	467,684
Financial investments at FVOCI								
Money Market Securities	-	-	-	-	-	-	-	-
Unquoted Corporate bonds and sukuk	464,165	8,317	135,906	989,361	1,425,259	179,733	724,168	3,926,909
Total financial investments at FVOCI	464,165	8,317	135,906	989,361	1,425,259	179,733	724,168	3,926,909
Financial investments at amortised cost								
Money Market Securities	-	-	-	-	-	-	-	-
Unquoted Corporate bonds and sukuk	25,010	41,439	250,000	210,474	516,202	-	1,425,966	2,469,091
Allowances for ECL	-	-	-	-	-	-	-	-
Total financial investments at amortised cost	25,010	41,439	250,000	210,474	516,202	-	1,425,966	2,469,091
Loans and advances								
Retail banking	3,264	2,016	51,177	4,400	41,351	117,831	64,448	284,487
Wholesale banking	243,941	1,529,995	3,057,936	798,678	772,065	1,280,324	754,048	8,436,987
Business banking	958,907	365,193	9,116,066	886,435	2,970,435	8,838,669	1,488,699	24,624,404
Others	-	-	54,183	-	15,369	4,945	-	74,497
Allowances for ECL	-	-	-	-	-	-	-	-
Total loans and advances	1,206,112	1,897,204	12,279,362	1,689,513	3,799,220	10,241,769	2,307,195	33,420,375
Statutory deposit with Bank Negara Malaysia	-	-	-	-	-	-	-	-
Other financial assets	10,671	1,335	11,011	27,037	46,554	7,748	21,463	125,819
Commitments	293,869	346,318	3,970,220	195,842	2,965,624	2,448,949	274,284	10,495,106
Contingent liabilities	84,599	197,175	2,224,408	654,106	3,318,276	399,827	261,077	7,139,468
Total commitments and contingent liabilities	378,468	543,493	6,194,628	849,948	6,283,900	2,848,776	535,361	17,634,574

50. RISK MANAGEMENT (CONT'D.)

50.2 CREDIT RISK MANAGEMENT (CONT'D.)

(a) Industry Analysis (Cont'd.)

Bank	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
2025										
Cash and short-term funds	-	3,985,482	348,688	-	-	-	-	-	(2,292)	4,331,878
Deposits and placements with banks and other financial institutions	-	587,545	-	-	-	-	-	-	-	587,545
Investment account placement	-	1,194,172	-	-	-	-	-	-	(2,490)	1,191,682
Derivative financial assets	68,853	580,550	-	672	2,303	2	861	574	-	653,815
Financial assets at FVTPL										
Money Market Securities	-	-	2,828,548	-	-	-	-	-	-	2,828,548
Quoted Sukuk	10,179	-	-	-	-	-	-	-	-	10,179
Unquoted Corporate bonds and sukuk	457,505	763,497	-	27,810	-	-	-	15,136	-	1,263,948
Total financial assets at FVTPL	467,684	763,497	2,828,548	27,810	-	-	-	15,136	-	4,102,675
Financial investments at FVOCI										
Money Market Securities	-	-	8,803,273	-	-	-	-	-	-	8,803,273
Unquoted Corporate bonds and sukuk	3,926,909	5,100,628	-	417,922	-	142,842	-	341,133	-	9,929,434
Total financial investments at FVOCI	3,926,909	5,100,628	8,803,273	417,922	-	142,842	-	341,133	-	18,732,707
Financial investments at amortised cost										
Money Market Securities	-	-	1,738,940	-	-	-	-	-	-	1,738,940
Unquoted Corporate bonds and sukuk	2,469,091	4,207,189	-	-	10,000	10,433	-	20,026	-	6,716,739
Allowances for ECL	-	-	-	-	-	-	-	-	(58,918)	(58,918)
Total financial investments at amortised cost	2,469,091	4,207,189	1,738,940	-	10,000	10,433	-	20,026	(58,918)	8,396,761
Loans and advances										
Retail banking	284,487	3,228	-	54,271	43,287	17,783	42,079,192	-	-	42,482,248
Wholesale banking	8,436,987	1,179,101	-	2,667,251	28,764	825,284	78,375	-	-	13,215,762
Business banking	24,624,404	895,827	-	6,369,687	1,124,128	1,031,245	126,805	-	-	34,172,096
Others	74,497	5,270	-	89,803	24,898	3,386	1,024,020	-	-	1,221,874
Allowances for ECL	-	-	-	-	-	-	-	-	(1,191,803)	(1,191,803)
Total loans and advances	33,420,375	2,083,426	-	9,181,012	1,221,077	1,877,698	43,308,392	-	(1,191,803)	89,900,177
Statutory deposit with Bank Negara Malaysia	-	-	1,834,225	-	-	-	-	-	-	1,834,225
Other financial assets	125,819	1,355,299	241,046	8,261	629	1,242	42,084	87,685	(19,546)	1,842,519
Commitments	10,495,106	653,340	496,024	589,308	154,934	569,745	7,435,406	-	-	20,393,863
Contingent liabilities	7,139,468	891,821	-	1,128,533	94,563	163,579	2,006	-	-	9,419,970
Total commitments and contingent liabilities	17,634,574	1,545,161	496,024	1,717,841	249,497	733,324	7,437,412	-	-	29,813,833

50. RISK MANAGEMENT (CONT'D.)

50.2 CREDIT RISK MANAGEMENT (CONT'D.)

(a) Industry Analysis (Cont'd.)

Bank	Agriculture	Mining and Quarrying	Manufacturing	Electricity, Gas and Water	Construction	Wholesale and Retail Trade and Hotel and Restaurants	Transport, Storage and Communication	Subtotal
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2024								
Cash and short-term funds	-	-	-	-	-	-	-	-
Deposits and placements with banks and other financial institutions	-	-	-	-	-	-	-	-
Investment account placement	-	-	-	-	-	-	-	-
Derivative financial assets	18,892	145,119	88,483	149	290	8,487	1,798	263,218
Financial assets at FVTPL								
Money Market Securities	-	-	-	-	-	-	-	-
Quoted Sukuk	-	-	-	-	10,249	-	-	10,249
Unquoted Corporate bonds and sukuk	-	-	-	2,332	4,074	-	197,616	204,022
Total financial assets at FVTPL	-	-	-	2,332	14,323	-	197,616	214,271
Financial investments at FVOCI								
Money Market Securities	-	-	-	-	-	-	-	-
Unquoted Corporate bonds and sukuk	411,891	8,674	111,088	1,397,610	1,600,275	273,328	725,477	4,528,343
Total financial investments at FVOCI	411,891	8,674	111,088	1,397,610	1,600,275	273,328	725,477	4,528,343
Financial investments at amortised cost								
Money Market Securities	-	-	-	-	-	-	-	-
Unquoted Corporate bonds and sukuk	25,019	41,439	300,000	266,020	880,087	1,805,000	568,402	3,885,967
Allowances for ECL	-	-	-	-	-	-	-	-
Total financial investments at amortised cost	25,019	41,439	300,000	266,020	880,087	1,805,000	568,402	3,885,967
Loans and advances								
Retail banking	7,085	1,933	62,146	3,373	52,316	153,970	26,357	307,180
Wholesale banking	254,836	1,466,943	2,904,254	453,471	973,823	873,055	754,785	7,681,167
Business banking	1,181,872	211,148	8,414,708	643,618	2,886,371	8,542,418	1,629,497	23,509,632
Others	5,380	-	58,926	-	150	-	8,592	73,048
Allowances for ECL	-	-	-	-	-	-	-	-
Total loans and advances	1,449,173	1,680,024	11,440,034	1,100,462	3,912,660	9,569,443	2,419,231	31,571,027
Statutory deposit with Bank Negara Malaysia	-	-	-	-	-	-	-	-
Other financial assets	1,233	3,687	13,735	37,415	47,409	19,936	18,526	141,941
Commitments	386,150	147,308	4,054,989	117,329	2,549,667	2,328,572	478,132	10,062,147
Contingent liabilities	89,534	163,589	1,444,276	362,878	2,877,545	421,217	409,075	5,768,114
Total commitments and contingent liabilities	475,684	310,897	5,499,265	480,207	5,427,212	2,749,789	887,207	15,830,261

50. RISK MANAGEMENT (CONT'D.)

50.2 CREDIT RISK MANAGEMENT (CONT'D.)

(a) Industry Analysis (Cont'd.)

Bank	Subtotal from previous page	Finance and Insurance	Government and Central Banks	Real Estate	Business Activities	Education and Health	Household	Others	Allowances for ECL	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2024										
Cash and short-term funds	-	4,741,917	1,363,229	-	-	-	-	-	(1,293)	6,103,853
Deposits and placements with banks and other financial institutions	-	1,784,033	-	-	-	-	-	-	-	1,784,033
Investment account placement	-	1,366,363	-	-	-	-	-	-	(1,830)	1,364,533
Derivative financial assets	263,218	740,904	-	1,749	2,950	6	784	492	-	1,010,103
Financial assets at FVTPL										
Money Market Securities	-	-	3,811,453	-	-	-	-	-	-	3,811,453
Quoted Sukuk	10,249	-	-	-	-	-	-	-	-	10,249
Unquoted Corporate bonds and sukuk	204,022	833,032	-	66,913	-	-	-	-	-	1,103,967
Total financial assets at FVTPL	214,271	833,032	3,811,453	66,913	-	-	-	-	-	4,925,669
Financial investments at FVOCI										
Money Market Securities	-	200,013	8,347,615	-	-	-	-	-	-	8,547,628
Unquoted Corporate bonds and sukuk	4,528,343	4,831,634	-	400,933	-	93,386	-	523,922	-	10,378,218
Total financial investments at FVOCI	4,528,343	5,031,647	8,347,615	400,933	-	93,386	-	523,922	-	18,925,846
Financial investments at amortised cost										
Money Market Securities	-	-	1,741,723	-	-	-	-	-	-	1,741,723
Unquoted Corporate bonds and sukuk	3,885,967	1,247,190	-	40,129	15,000	10,482	-	501,223	-	5,699,991
Allowances for ECL	-	-	-	-	-	-	-	-	(50,421)	(50,421)
Total financial investments at amortised cost	3,885,967	1,247,190	1,741,723	40,129	15,000	10,482	-	501,223	(50,421)	7,391,293
Loans and advances										
Retail banking	307,180	1,585	-	60,534	93,381	17,848	42,914,015	622	-	43,395,165
Wholesale banking	7,681,167	926,182	-	2,325,246	228,738	175,683	82,025	-	-	11,419,041
Business banking	23,509,632	697,841	-	4,407,979	1,524,359	902,453	264,866	-	-	31,307,130
Others	73,048	32,013	-	159,065	32,326	3,592	1,187,798	-	-	1,487,842
Allowances for ECL	-	-	-	-	-	-	-	-	(1,371,185)	(1,371,185)
Total loans and advances	31,571,027	1,657,621	-	6,952,824	1,878,804	1,099,576	44,448,704	622	(1,371,185)	86,237,993
Statutory deposit with Bank Negara Malaysia	-	-	1,678,024	-	-	-	-	-	-	1,678,024
Other financial assets	141,941	1,649,638	259,133	13,847	512	587	50,811	11,792	(21,509)	2,106,752
Commitments	10,062,147	584,451	561,518	676,570	291,239	366,044	7,805,302	16,852	-	20,364,123
Contingent liabilities	5,768,114	903,226	-	564,629	229,764	93,843	876	-	-	7,560,452
Total commitments and contingent liabilities	15,830,261	1,487,677	561,518	1,241,199	521,003	459,887	7,806,178	16,852	-	27,924,575

50. RISK MANAGEMENT (CONT'D.)

50.2 CREDIT RISK MANAGEMENT (CONT'D.)

(b) Geographical Analysis

Group	In Malaysia RM'000	Outside Malaysia RM'000	Total RM'000
2025			
Cash and short-term funds	1,966,315	2,411,722	4,378,037
Less: Allowances for ECL	(1,366)	(926)	(2,292)
Total cash and short-term funds	1,964,949	2,410,796	4,375,745
Deposits and placements with banks and other financial institutions	587,545	-	587,545
Investment account placement	1,194,172	-	1,194,172
Less: Allowances for ECL	(2,490)	-	(2,490)
Total investment account placement	1,191,682	-	1,191,682
Derivative financial assets	420,609	233,206	653,815
Financial assets at FVTPL			
Money Market Securities	2,828,548	-	2,828,548
Quoted Sukuk	10,179	-	10,179
Unquoted Corporate bonds and sukuk	1,263,948	-	1,263,948
Total financial assets at fair value through profit or loss	4,102,675	-	4,102,675
Financial investments at FVOCI			
Money Market Securities	8,790,160	13,113	8,803,273
Unquoted Corporate bonds and sukuk	9,929,434	-	9,929,434
Total financial investments at fair value through other comprehensive income	18,719,594	13,113	18,732,707
Financial investments at amortised cost			
Money Market Securities	1,738,940	-	1,738,940
Unquoted Corporate bonds and sukuk	6,716,739	-	6,716,739
Less: Allowances for ECL	(58,918)	-	(58,918)
Total financial investments at amortised cost	8,396,761	-	8,396,761
Loans and advances			
Retail banking	42,805,309	-	42,805,309
Wholesale banking	12,490,612	400,607	12,891,219
Business banking	34,169,395	2,701	34,172,096
Others	1,220,312	1,562	1,221,874
Less: Allowances for ECL	(1,190,401)	(1,521)	(1,191,922)
Total loans and advances	89,495,227	403,349	89,898,576
Statutory deposit with Bank Negara Malaysia	1,834,225	-	1,834,225
Other financial assets	1,728,106	134,257	1,862,363
Less: Allowances for ECL	(19,517)	(321)	(19,838)
Total other financial assets	1,708,589	133,936	1,842,525
Commitments	20,289,004	97,859	20,386,863
Contingent liabilities	9,397,810	22,160	9,419,970
Total commitments and contingent liabilities	29,686,814	120,019	29,806,833

50. RISK MANAGEMENT (CONT'D.)

50.2 CREDIT RISK MANAGEMENT (CONT'D.)

(b) Geographical Analysis (Cont'd.)

Group	In Malaysia RM'000	Outside Malaysia RM'000	Total RM'000
2024			
Cash and short-term funds	3,138,692	3,003,568	6,142,260
Less: Allowances for ECL	(593)	(700)	(1,293)
Total cash and short-term funds	3,138,099	3,002,868	6,140,967
Deposits and placements with banks and other financial institutions	1,784,033	-	1,784,033
Investment account placement	1,366,363	-	1,366,363
Less: Allowances for ECL	(1,830)	-	(1,830)
Total investment account placement	1,364,533	-	1,364,533
Derivative financial assets	651,615	358,488	1,010,103
Financial assets at FVTPL			
Money Market Securities	3,811,453	-	3,811,453
Quoted Sukuk	10,249	-	10,249
Unquoted Corporate bonds and sukuk	1,103,967	-	1,103,967
Total financial assets at fair value through profit or loss	4,925,669	-	4,925,669
Financial investments at FVOCI			
Money Market Securities	8,533,697	13,931	8,547,628
Unquoted Corporate bonds and sukuk	10,378,218	-	10,378,218
Total financial investments at fair value through other comprehensive income	18,911,915	13,931	18,925,846
Financial investments at amortised cost			
Money Market Securities	1,741,723	-	1,741,723
Unquoted Corporate bonds and sukuk	5,699,991	-	5,699,991
Less: Allowances for ECL	(50,421)	-	(50,421)
Total financial investments at amortised cost	7,391,293	-	7,391,293
Loans and advances			
Retail banking	43,747,901	-	43,747,901
Wholesale banking	10,951,802	125,103	11,076,905
Business banking	31,287,957	19,171	31,307,128
Others	1,482,252	5,592	1,487,844
Less: Allowances for ECL	(1,371,318)	(99)	(1,371,417)
Total loans and advances	86,098,594	149,767	86,248,361
Statutory deposit with Bank Negara Malaysia	1,678,024	-	1,678,024
Other financial assets	1,983,503	145,950	2,129,453
Less: Allowances for ECL	(21,497)	(347)	(21,844)
Total other financial assets	1,962,006	145,603	2,107,609
Commitments	20,271,901	32,622	20,304,523
Contingent liabilities	7,536,847	23,605	7,560,452
Total commitments and contingent liabilities	27,808,748	56,227	27,864,975

50. RISK MANAGEMENT (CONT'D.)

50.2 CREDIT RISK MANAGEMENT (CONT'D.)

(b) Geographical Analysis (Cont'd.)

Bank	In Malaysia RM'000	Outside Malaysia RM'000	Total RM'000
2025			
Cash and short-term funds	1,922,448	2,411,722	4,334,170
Less: Allowances for ECL	(1,366)	(926)	(2,292)
Total cash and short-term funds	1,921,082	2,410,796	4,331,878
Deposits and placements with banks and other financial institutions	587,545	-	587,545
Investment account placement	1,194,172	-	1,194,172
Less: Allowances for ECL	(2,490)	-	(2,490)
Total investment account placement	1,191,682	-	1,191,682
Derivative financial assets	420,609	233,206	653,815
Financial assets at FVTPL			
Money Market Securities	2,828,548	-	2,828,548
Quoted Sukuk	10,179	-	10,179
Unquoted Corporate bonds and sukuk	1,263,948	-	1,263,948
Total financial assets at fair value through profit or loss	4,102,675	-	4,102,675
Financial investments at FVOCI			
Money Market Securities	8,790,160	13,113	8,803,273
Unquoted Corporate bonds and sukuk	9,929,434	-	9,929,434
Total financial investments at fair value through other comprehensive income	18,719,594	13,113	18,732,707
Financial investments at amortised cost			
Money Market Securities	1,738,940	-	1,738,940
Unquoted Corporate bonds and sukuk	6,716,739	-	6,716,739
Less: Allowances for ECL	(58,918)	-	(58,918)
Total financial investments at amortised cost	8,396,761	-	8,396,761
Loans and advances			
Retail banking	42,482,248	-	42,482,248
Wholesale banking	12,815,155	400,607	13,215,762
Business banking	34,169,395	2,701	34,172,096
Others	1,220,312	1,562	1,221,874
Less: Allowances for ECL	(1,190,282)	(1,521)	(1,191,803)
Total loans and advances	89,496,828	403,349	89,900,177
Statutory deposit with Bank Negara Malaysia	1,834,225	-	1,834,225
Other financial assets	1,727,987	134,078	1,862,065
Less: Allowances for ECL	(19,225)	(321)	(19,546)
Total other financial assets	1,708,762	133,757	1,842,519
Commitments	20,296,004	97,859	20,393,863
Contingent liabilities	9,397,810	22,160	9,419,970
Total commitments and contingent liabilities	29,693,814	120,019	29,813,833

50. RISK MANAGEMENT (CONT'D.)

50.2 CREDIT RISK MANAGEMENT (CONT'D.)

(b) Geographical Analysis (Cont'd.)

Bank	In Malaysia RM'000	Outside Malaysia RM'000	Total RM'000
2024			
Cash and short-term funds	3,101,578	3,003,568	6,105,146
Less: Allowances for ECL	(593)	(700)	(1,293)
Total cash and short-term funds	3,100,985	3,002,868	6,103,853
Deposits and placements with banks and other financial institutions	1,784,033	-	1,784,033
Investment account placement	1,366,363	-	1,366,363
Less: Allowances for ECL	(1,830)	-	(1,830)
Total investment account placement	1,364,533	-	1,364,533
Derivative financial assets	651,615	358,488	1,010,103
Financial assets at FVTPL			
Money Market Securities	3,811,453	-	3,811,453
Quoted Sukuk	10,249	-	10,249
Unquoted Corporate bonds and sukuk	1,103,967	-	1,103,967
Total financial assets at fair value through profit or loss	4,925,669	-	4,925,669
Financial investments at FVOCI			
Money Market Securities	8,533,697	13,931	8,547,628
Unquoted Corporate bonds and sukuk	10,378,218	-	10,378,218
Total financial investments at fair value through other comprehensive income	18,911,915	13,931	18,925,846
Financial investments at amortised cost			
Money Market Securities	1,741,723	-	1,741,723
Unquoted Corporate bonds and sukuk	5,699,991	-	5,699,991
Less: Allowances for ECL	(50,421)	-	(50,421)
Total financial investments at amortised cost	7,391,293	-	7,391,293
Loans and advances			
Retail banking	43,395,165	-	43,395,165
Wholesale banking	11,293,938	125,103	11,419,041
Business banking	31,287,959	19,171	31,307,130
Others	1,482,250	5,592	1,487,842
Less: Allowances for ECL	(1,371,086)	(99)	(1,371,185)
Total loans and advances	86,088,226	149,767	86,237,993
Statutory deposit with Bank Negara Malaysia	1,678,024	-	1,678,024
Other financial assets	1,982,512	145,749	2,128,261
Less: Allowances for ECL	(21,162)	(347)	(21,509)
Total other financial assets	1,961,350	145,402	2,106,752
Commitments	20,331,501	32,622	20,364,123
Contingent liabilities	7,536,847	23,605	7,560,452
Total commitments and contingent liabilities	27,868,348	56,227	27,924,575

50. RISK MANAGEMENT (CONT'D.)

50.2 CREDIT RISK MANAGEMENT (CONT'D.)

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.

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 proposals is 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, amortisation schedules and loan 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 assets.

Concentrations of Credit Risk Mitigation

The Group carefully monitors collateral concentrations via portfolio management reporting and amendments as necessary to its RAF.

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). The following categories based on the descriptions are appended below.

50. RISK MANAGEMENT (CONT'D.)

50.2 CREDIT RISK MANAGEMENT (CONT'D.)

Credit Quality (Cont'd.)

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 to 14	Strong	0.5943% to 1.0159%	• Good credit risk profile with low PD of <1.1%. • Exhibit willingness to meet its financial commitments as evidenced by good repayment track record. • Generally in a 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 a position to resolve any apparent shortcoming within an acceptable time frame in view of its satisfactory employment profile and track record.
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 a 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.

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
21 to 24	Substandard	>= 8.2932%	• Substandard credit risk profile with poor PD of >= 8.2932%. • Exhibit 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/guideline.

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.
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.

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
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 fulfillment 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 counter party 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 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 time 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.

50. RISK MANAGEMENT (CONT'D.)

50.2 CREDIT RISK MANAGEMENT (CONT'D.)

Measurement of ECL

The following diagram summarises the impairment requirements under MFRS 9 (other than purchased or originated credit-impaired financial assets):

Change in credit quality since initial recognition

Stage 1	Stage 2	Stage 3
(Initial recognition)	(SICR 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.

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. Factors determining credit risk grades vary depending on nature of exposures and type of borrowers. 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 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 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 and the Bank.

50. RISK MANAGEMENT (CONT'D.)

50.2 CREDIT RISK MANAGEMENT (CONT'D.)

Measurement of ECL (Cont'd.)

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 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 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 meets unlikeliness to pay criteria, which indicates the borrower is in significant financial difficulty. These include instances where:

- the borrower has ceased operations due to financial distress;
- the borrower/corporate guarantor is classified as PN4/PN16/PN17/GN3 by Bursa Malaysia;
- a winding up petition has been lodged against borrower;
- bankruptcy proceeding has been initiated by creditors/other lenders; or
- a Receiver and Manager has been appointed.

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 conduct for at least a 6-month observation period;
- Assessment of the viability of the borrower'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 and 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.

50. RISK MANAGEMENT (CONT'D.)

50.2 CREDIT RISK MANAGEMENT (CONT'D.)

Measurement of ECL (Cont'd.)

Measuring ECL – Explanation of Inputs, Assumptions and Estimation Techniques (Cont'd.)

LGD is the magnitude of the likely loss if there is a default. The Bank 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 effective interest rate as the discount factor.

EAD represents the expected exposure in the event of default. The Bank 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.

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 and 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 includes establishing the forward-looking macroeconomic conditions into ECL as required under MFRS 9. The allowance for ECL is sensitive to the input used and economic assumption underlying the estimate.

50. RISK MANAGEMENT (CONT'D.)

50.2 CREDIT RISK MANAGEMENT (CONT'D.)

Measurement of ECL (Cont'd.)

Key Variables/Assumptions for ECL Calculations (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.

31 March 2025

Macroeconomy 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

31 March 2024

Macroeconomy Variable List	Forward-Looking Scenario	Assigned Probabilities (%)	2024	2025	2026	2027	2028
Consumer Price Index (%)	Base	60%	2.95	2.53	2.25	2.45	2.33
	Optimistic	10%	3.25	2.78	2.48	2.70	2.56
	Pessimistic	30%	2.51	2.15	1.91	2.08	1.98
GDP Growth (%)	Base	60%	4.53	4.75	4.50	4.40	4.33
	Optimistic	10%	4.98	5.23	4.95	4.84	4.76
	Pessimistic	30%	3.85	4.04	3.83	3.74	3.68
House Price Index (%)	Base	60%	3.84	4.47	3.08	2.83	2.83
	Optimistic	10%	4.22	4.91	3.38	3.11	3.11
	Pessimistic	30%	3.26	3.80	2.62	2.40	2.40
USD/MYR Exchange Rate	Base	60%	4.59	4.36	4.34	4.28	4.16
	Optimistic	10%	3.90	3.71	3.69	3.64	3.53
	Pessimistic	30%	5.05	4.80	4.77	4.71	4.57
Brent Crude Oil Price (USD/barrel)	Base	60%	90.08	93.41	90.00	87.50	85.55
	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)

50. RISK MANAGEMENT (CONT'D.)

50.2 CREDIT RISK MANAGEMENT (CONT'D.)

Measurement of ECL (Cont'd.)

Write-off Governance

(i) Stage 1 write-off

The Group may partially/fully write-off 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 current financial year was RM549.3 million (31 March 2024: RM604.7 million). The Group still seeks legal recovery action, as such, credit exposures for these continue unabated.

(ii) Stage 2 write-off

The Group writes 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.

Modified Financial Assets

The Group sometimes modifies the terms of loans provided to borrowers due to commercial renegotiations, or for distressed loans, 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 and the Bank's restructuring activities and their respective effect on the Group’s and of the Bank's financial performance:

	Group and Bank	
	2025	2024
	RM'000	RM'000
Loans and advances		
Amortised cost before modification	1,018,585	679,608
Net modification (loss)/gain included under interest income	(4,503)	243

50. RISK MANAGEMENT (CONT'D.)

50.2 CREDIT RISK MANAGEMENT (CONT'D.)

(c) Credit Quality By Class of Financial Assets

The table below shows the 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	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL not credit-impaired RM'000	Total RM'000
2025			
Risk grade			
Exceptionally strong	2,303,095	-	2,303,095
Very strong	2,026,744	-	2,026,744
Strong	2,280	-	2,280
Satisfactory	44,539	-	44,539
Substandard	-	1,379	1,379
Gross exposure	4,376,658	1,379	4,378,037
Less: Allowances for ECL	(1,668)	(624)	(2,292)
Net exposure	4,374,990	755	4,375,745

	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL not credit-impaired RM'000	Total RM'000
2024			
Risk grade			
Exceptionally strong	3,943,908	-	3,943,908
Very strong	2,195,872	-	2,195,872
Strong	2,185	-	2,185
Satisfactory	239	-	239
Substandard	-	56	56
Gross exposure	6,142,204	56	6,142,260
Less: Allowances for ECL	(1,262)	(31)	(1,293)
Net exposure	6,140,942	25	6,140,967

50. RISK MANAGEMENT (CONT'D.)

50.2 CREDIT RISK MANAGEMENT (CONT'D.)

(c) Credit Quality By Class of Financial Assets (Cont'd.)

The table below shows the 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.)

Bank	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL not credit-impaired RM'000	Total RM'000
2025			
Risk grade			
Exceptionally strong	2,303,095	-	2,303,095
Very strong	1,982,876	-	1,982,876
Strong	2,280	-	2,280
Satisfactory	44,539	-	44,539
Substandard	-	1,380	1,380
Gross exposure	4,332,790	1,380	4,334,170
Less: Allowances for ECL	(1,668)	(624)	(2,292)
Net exposure	4,331,122	756	4,331,878

	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL not credit-impaired RM'000	Total RM'000
2024			
Risk grade			
Exceptionally strong	3,943,908	-	3,943,908
Very strong	2,158,758	-	2,158,758
Strong	2,185	-	2,185
Satisfactory	239	-	239
Substandard	-	56	56
Gross exposure	6,105,090	56	6,105,146
Less: Allowances for ECL	(1,262)	(31)	(1,293)
Net exposure	6,103,828	25	6,103,853

50. RISK MANAGEMENT (CONT'D.)

50.2 CREDIT RISK MANAGEMENT (CONT'D.)

(c) Credit Quality By Class of Financial Assets (Cont'd.)

The table below shows the 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 and Bank	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
2025				
Risk grade				
Exceptionally strong	2,064,428	-	-	2,064,428
Very strong	3,900,101	-	-	3,900,101
Strong	826,145	110,000	-	936,145
Satisfactory	1,363,566	-	-	1,363,566
Marginal	150,000	-	-	150,000
Impaired	-	-	41,439	41,439
Gross exposure	8,304,240	110,000	41,439	8,455,679
Less: Allowances for ECL	(22,024)	(386)	(36,508)	(58,918)
Net exposure	8,282,216	109,614	4,931	8,396,761

	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
2024				
Risk grade				
Exceptionally strong	3,416,294	-	-	3,416,294
Very strong	1,966,076	-	-	1,966,076
Strong	1,435,629	-	-	1,435,629
Satisfactory	582,276	-	-	582,276
Impaired	-	-	41,439	41,439
Gross exposure	7,400,275	-	41,439	7,441,714
Less: Allowances for ECL	(13,787)	-	(36,634)	(50,421)
Net exposure	7,386,488	-	4,805	7,391,293

50. RISK MANAGEMENT (CONT'D.)

50.2 CREDIT RISK MANAGEMENT (CONT'D.)

(c) Credit Quality By Class of Financial Assets (Cont'd.)

The table below shows the 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 and Bank	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL not credit-impaired RM'000	Total RM'000
2025			
Risk grade			
Exceptionally strong	10,023,241	-	10,023,241
Very strong	5,661,660	-	5,661,660
Strong	2,264,805	-	2,264,805
Satisfactory	221,568	296,467	518,035
Moderate	264,966	-	264,966
Gross exposure	18,436,240	296,467	18,732,707
Less: Allowances for ECL	(23,545)	(4,218)	(27,763)
Net exposure	18,412,695	292,249	18,704,944

	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL not credit-impaired RM'000	Total RM'000
2024			
Risk grade			
Exceptionally strong	9,874,242	-	9,874,242
Very strong	5,608,960	-	5,608,960
Strong	2,202,526	-	2,202,526
Satisfactory	809,370	370,037	1,179,407
Moderate	-	60,711	60,711
Gross exposure	18,495,098	430,748	18,925,846
Less: Allowances for ECL	(17,526)	(3,496)	(21,022)
Net exposure	18,477,572	427,252	18,904,824

50. RISK MANAGEMENT (CONT'D.)

50.2 CREDIT RISK MANAGEMENT (CONT'D.)

(c) Credit Quality By Class of Financial Assets (Cont'd.)

The table below shows the 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 and advances

Group	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
2025				
Risk grade				
Exceptionally strong	61,830	-	-	61,830
Very strong	42,751,856	131,820	-	42,883,676
Strong	17,562,000	121,562	-	17,683,562
Satisfactory	11,585,583	1,161,642	-	12,747,225
Moderate	6,231,835	1,003,071	-	7,234,906
Marginal	2,556,490	765,716	-	3,322,206
Substandard	1,427,415	4,241,524	-	5,668,939
Impaired	-	-	1,488,154	1,488,154
Gross exposure	82,177,009	7,425,335	1,488,154	91,090,498
Less: Allowances for ECL	(217,481)	(615,712)	(358,729)	(1,191,922)
Net exposure	81,959,528	6,809,623	1,129,425	89,898,576

	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
2024				
Risk grade				
Exceptionally strong	44,369	-	-	44,369
Very strong	42,166,691	126,004	-	42,292,695
Strong	15,166,941	210,871	-	15,377,812
Satisfactory	12,402,140	819,635	-	13,221,775
Moderate	5,097,231	968,219	-	6,065,450
Marginal	2,772,916	766,701	-	3,539,617
Substandard	1,631,202	3,891,318	-	5,522,520
Impaired	-	-	1,555,540	1,555,540
Gross exposure	79,281,490	6,782,748	1,555,540	87,619,778
Less: Allowances for ECL	(224,192)	(691,248)	(455,977)	(1,371,417)
Net exposure	79,057,298	6,091,500	1,099,563	86,248,361

50. RISK MANAGEMENT (CONT'D.)

50.2 CREDIT RISK MANAGEMENT (CONT'D.)

(c) Credit Quality By Class of Financial Assets (Cont'd.)

The table below shows the 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 and advances (Cont'd.)

Bank	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
2025				
Risk grade				
Exceptionally strong	61,830	-	-	61,830
Very strong	42,702,886	131,820	-	42,834,706
Strong	17,294,313	121,562	-	17,415,875
Satisfactory	11,908,266	1,161,642	-	13,069,908
Moderate	6,230,278	1,003,071	-	7,233,349
Marginal	2,556,490	765,716	-	3,322,206
Substandard	1,427,062	4,240,923	-	5,667,985
Impaired	-	-	1,486,121	1,486,121
Gross exposure	82,181,125	7,424,734	1,486,121	91,091,980
Less: Allowances for ECL	(217,860)	(615,698)	(358,245)	(1,191,803)
Net exposure	81,963,265	6,809,036	1,127,876	89,900,177

	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
2024				
Risk grade				
Exceptionally strong	44,369	-	-	44,369
Very strong	42,111,769	126,004	-	42,237,773
Strong	14,874,708	210,871	-	15,085,579
Satisfactory	12,744,270	819,635	-	13,563,905
Moderate	5,095,422	968,219	-	6,063,641
Marginal	2,772,916	766,701	-	3,539,617
Substandard	1,630,820	3,889,782	-	5,520,602
Impaired	-	-	1,553,692	1,553,692
Gross exposure	79,274,274	6,781,212	1,553,692	87,609,178
Less: Allowances for ECL	(224,423)	(691,198)	(455,564)	(1,371,185)
Net exposure	79,049,851	6,090,014	1,098,128	86,237,993

50. RISK MANAGEMENT (CONT'D.)

50.2 CREDIT RISK MANAGEMENT (CONT'D.)

(c) Credit Quality By Class of Financial Assets (Cont'd.)

The table below shows the 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	**Lifetime ECL not credit-impaired RM'000**	**Lifetime ECL credit-impaired RM'000**	**Total RM'000**
2025			
Risk grade			
Exceptionally strong	358,966	-	358,966
Very strong	1,162,417	-	1,162,417
Strong	221,098	-	221,098
Satisfactory	25,789	-	25,789
Moderate	22,902	-	22,902
Marginal	309	-	309
Substandard	22,284	-	22,284
Unrated	6,519	-	6,519
Impaired	-	42,079	42,079
Gross exposure	1,820,284	42,079	1,862,363
Less: Allowances for ECL	-	(19,838)	(19,838)
Net exposure	1,820,284	22,241	1,842,525

	Lifetime ECL not credit-impaired RM'000	**Lifetime ECL credit-impaired RM'000**	**Total RM'000**
2024			
Risk grade			
Exceptionally strong	353,536	-	353,536
Very strong	1,342,198	-	1,342,198
Strong	277,638	-	277,638
Satisfactory	38,959	-	38,959
Moderate	27,797	-	27,797
Marginal	5,034	-	5,034
Substandard	56,247	-	56,247
Unrated	6,200	-	6,200
Impaired	-	21,844	21,844
Gross exposure	2,107,609	21,844	2,129,453
Less: Allowances for ECL	-	(21,844)	(21,844)
Net exposure	2,107,609	-	2,107,609

50. RISK MANAGEMENT (CONT'D.)

50.2 CREDIT RISK MANAGEMENT (CONT'D.)

(c) Credit Quality By Class of Financial Assets (Cont'd.)

The table below shows the 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) (Cont'd.)

Bank	**Lifetime ECL not credit-impaired RM'000**	**Lifetime ECL credit-impaired RM'000**	**Total RM'000**
2025			
Risk grade			
Exceptionally strong	358,966	-	358,966
Very strong	1,162,411	-	1,162,411
Strong	221,098	-	221,098
Satisfactory	25,789	-	25,789
Moderate	22,902	-	22,902
Marginal	309	-	309
Substandard	22,284	-	22,284
Unrated	6,519	-	6,519
Impaired	-	41,787	41,787
Gross exposure	1,820,278	41,787	1,862,065
Less: Allowances for ECL	-	(19,546)	(19,546)
Net exposure	1,820,278	22,241	1,842,519

	Lifetime ECL not credit-impaired RM'000	**Lifetime ECL credit-impaired RM'000**	**Total RM'000**
2024			
Risk grade			
Exceptionally strong	353,536	-	353,536
Very strong	1,341,341	-	1,341,341
Strong	277,638	-	277,638
Satisfactory	38,959	-	38,959
Moderate	27,797	-	27,797
Marginal	5,034	-	5,034
Substandard	56,247	-	56,247
Unrated	6,200	-	6,200
Impaired	-	21,509	21,509
Gross exposure	2,106,752	21,509	2,128,261
Less: Allowances for ECL	-	(21,509)	(21,509)
Net exposure	2,106,752	-	2,106,752

50. RISK MANAGEMENT (CONT'D.)

50.2 CREDIT RISK MANAGEMENT (CONT'D.)

(c) Credit Quality By Class of Financial Assets (Cont'd.)

The table below shows the 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 commitments and financial guarantee contracts

Group	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
2025				
Risk grade				
Exceptionally strong	56,574	-	-	56,574
Very strong	13,636,979	49,860	-	13,686,839
Strong	6,739,519	112,817	-	6,852,336
Satisfactory	5,205,145	442,504	-	5,647,649
Moderate	1,113,911	226,749	-	1,340,660
Marginal	151,941	139,383	-	291,324
Substandard	920,192	275,112	-	1,195,304
Impaired	-	-	146,977	146,977
Gross exposure	27,824,261	1,246,425	146,977	29,217,663
Less: Allowances for ECL	(31,899)	(8,404)	(42,918)	(83,221)
Net exposure	27,792,362	1,238,021	104,059	29,134,442

	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
2024				
Risk grade				
Exceptionally strong	49,102	-	-	49,102
Very strong	13,545,176	42,101	-	13,587,277
Strong	5,826,719	303,427	-	6,130,146
Satisfactory	4,803,034	184,250	-	4,987,284
Moderate	1,068,413	284,569	-	1,352,982
Marginal	170,739	132,765	-	303,504
Substandard	244,614	260,638	-	505,252
Impaired	-	-	257,910	257,910
Gross exposure	25,707,797	1,207,750	257,910	27,173,457
Less: Allowances for ECL	(32,717)	(12,499)	(108,814)	(154,030)
Net exposure	25,675,080	1,195,251	149,096	27,019,427

50. RISK MANAGEMENT (CONT'D.)

50.2 CREDIT RISK MANAGEMENT (CONT'D.)

(c) Credit Quality By Class of Financial Assets (Cont'd.)

The table below shows the 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 commitments and financial guarantee contracts (Cont'd.)

Bank	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
2025				
Risk grade				
Exceptionally strong	56,574	-	-	56,574
Very strong	13,643,979	49,860	-	13,693,839
Strong	6,739,519	112,817	-	6,852,336
Satisfactory	5,205,145	442,505	-	5,647,650
Moderate	1,113,911	226,749	-	1,340,660
Marginal	151,941	139,383	-	291,324
Substandard	920,191	275,112	-	1,195,303
Impaired	-	-	146,977	146,977
Gross exposure	27,831,260	1,246,426	146,977	29,224,663
Less: Allowances for ECL	(31,907)	(8,404)	(42,918)	(83,229)
Net exposure	27,799,353	1,238,022	104,059	29,141,434

	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
2024				
Risk grade				
Exceptionally strong	49,102	-	-	49,102
Very strong	13,604,776	42,101	-	13,646,877
Strong	5,826,719	303,427	-	6,130,146
Satisfactory	4,803,034	184,250	-	4,987,284
Moderate	1,068,413	284,569	-	1,352,982
Marginal	170,739	132,765	-	303,504
Substandard	244,614	260,638	-	505,252
Impaired	-	-	257,910	257,910
Gross exposure	25,767,397	1,207,750	257,910	27,233,057
Less: Allowances for ECL	(32,765)	(12,499)	(108,814)	(154,078)
Net exposure	25,734,632	1,195,251	149,096	27,078,979

50. RISK MANAGEMENT (CONT'D.)

50.2 CREDIT RISK MANAGEMENT (CONT'D.)

(c) Credit Quality By Class of Financial Assets (Cont'd.)

The table below shows the 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.).

	Deposits and placements with banks and other financial institutions RM'000	Investment account placement RM'000	Statutory deposit with Bank Negara Malaysia RM'000
Stage 1			
Group and Bank			
2025			
Exceptionally strong	-	-	1,834,225
Very strong	587,545	1,069,010	-
Satisfactory	-	125,162	-
Gross exposure	587,545	1,194,172	1,834,225
Less: Allowances for ECL	-	(2,490)	-
Net exposure	587,545	1,191,682	1,834,225

	Deposits and placements with banks and other financial institutions RM'000	Investment account placement RM'000	Statutory deposit with Bank Negara Malaysia RM'000
Stage 1			
Group and Bank			
2024			
Exceptionally strong	-	-	1,678,024
Very strong	1,784,033	1,214,851	-
Satisfactory	-	151,512	-
Gross exposure	1,784,033	1,366,363	1,678,024
Less: Allowances for ECL	-	(1,830)	-
Net exposure	1,784,033	1,364,533	1,678,024

50. RISK MANAGEMENT (CONT'D.)

50.2 CREDIT RISK MANAGEMENT (CONT'D.)

(c) 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:

	Financial assets at fair value through profit or loss RM'000	Derivative financial assets RM'000
Group and Bank		
2025		
Exceptionally strong	2,978,974	228,178
Very strong	687,796	308,134
Strong	435,905	93,413
Satisfactory	-	5,832
Moderate	-	5,241
Marginal	-	356
Sub-standard	-	12,661
Carrying amount	4,102,675	653,815

	Financial assets at fair value through profit or loss RM'000	Derivative financial assets RM'000
2024		
Exceptionally strong	4,084,363	351,564
Very strong	604,878	539,567
Strong	236,428	100,034
Satisfactory	-	3,573
Moderate	-	4,640
Marginal	-	750
Sub-standard	-	9,975
Carrying amount	4,925,669	1,010,103

50. RISK MANAGEMENT (CONT'D.)

50.2 CREDIT RISK MANAGEMENT (CONT'D.)

(d) 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 and advances:

	Gross exposure to credit risk		Financial effect of collateral		Unsecured portion of credit exposure	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Group						
Gross loans and advances						
Retail banking	42,805,309	43,747,901	40,331,290	41,277,034	2,474,019	2,470,867
Wholesale banking	12,891,219	11,076,905	4,502,172	3,477,652	8,389,047	7,599,253
Business banking	34,172,096	31,307,128	22,728,971	20,121,931	11,443,125	11,185,197
Others	1,221,874	1,487,844	1,214,495	1,476,191	7,379	11,653
Total	91,090,498	87,619,778	68,776,928	66,352,808	22,313,570	21,266,970
Bank						
Gross loans and advances						
Retail banking	42,482,248	43,395,165	40,008,880	40,927,039	2,473,368	2,468,126
Wholesale banking	13,215,762	11,419,041	4,502,172	3,477,652	8,713,590	7,941,389
Business banking	34,172,096	31,307,130	22,728,971	20,121,931	11,443,125	11,185,199
Others	1,221,874	1,487,842	1,214,495	1,476,191	7,379	11,651
Total	91,091,980	87,609,178	68,454,518	66,002,813	22,637,462	21,606,365

(e) Collateral Repossessed

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Properties:				
Residential, net of impairment	150	150	-	-

The above assets are accounted for as foreclosed properties under other assets (Note 19). There were no new assets obtained for the financial year 2025 and 2024.

50. RISK MANAGEMENT (CONT'D.)

50.2 CREDIT RISK MANAGEMENT (CONT'D.)

(f) Collateral held for credit-impaired financial assets

The Group and the Bank closely monitor collateral held for financial assets considered to be credit-impaired, as it becomes more likely that the Group and the Bank 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:

	Gross exposure RM'000	Impairment allowance RM'000	Carrying amount RM'000	Fair value of collateral RM'000
Group				
2025				
Credit-impaired financial assets				
Loans and advances				
Retail banking	721,224	136,554	584,670	686,139
Wholesale banking	86,866	43,883	42,983	48,550
Business banking	668,128	170,481	497,647	516,853
Others	11,936	7,811	4,125	12,600
Total credit-impaired financial assets	1,488,154	358,729	1,129,425	1,264,142
2024				
Credit-impaired financial assets				
Loans and advances				
Retail banking	769,934	162,005	607,929	721,212
Wholesale banking	129,612	83,775	45,837	73,536
Business banking	637,678	198,546	439,132	465,617
Others	18,316	11,651	6,665	14,430
Total credit-impaired financial assets	1,555,540	455,977	1,099,563	1,274,795
Bank				
2025				
Credit-impaired financial assets				
Loans and advances				
Retail banking	719,191	136,070	583,121	684,106
Wholesale banking	86,866	43,883	42,983	48,550
Business banking	668,128	170,481	497,647	516,853
Others	11,936	7,811	4,125	12,600
Total credit-impaired financial assets	1,486,121	358,245	1,127,876	1,262,109
2024				
Credit-impaired financial assets				
Loans and advances				
Retail banking	768,085	161,592	606,493	719,363
Wholesale banking	129,612	83,775	45,837	73,536
Business banking	637,679	198,546	439,133	465,617
Others	18,316	11,651	6,665	14,430
Total credit-impaired financial assets	1,553,692	455,564	1,098,128	1,272,946

50. RISK MANAGEMENT (CONT'D.)

50.2 CREDIT RISK MANAGEMENT (CONT'D.)

(g) Overlays and adjustments for ECL continues, stemming from emerging risks on the Consumer and Retail SME portfolios as well as vulnerable borrowers

Management overlay has been provided in anticipation of potential deterioration of credit risk for loans for:

1. Higher cost of living after subsidy rationalisation; and
2. Vulnerable borrowers.

The overlays adjustments were generally made to specific borrowers and at portfolio level in determining the sufficient level of ECL.

The overlays adjustments continues into financial year 2026 ("FY2026") amounting RM330.6 million as at 31 March 2025 (31 March 2024: RM490.1 million).

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 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	• LCR • NSFR • Depositor Concentration Ratios • Other Detailed Controls
Control/ Mitigation	• LCR Limits/Triggers • NSFR Limits/Triggers • Depositor Concentration Ratios • Other Detailed Triggers/Targets
Monitoring/ Review	• Monitor controls • Periodical review and reporting

The liquidity risk management of the Bank is aligned to the LCR policy document and NSFR policy document issued by BNM. The primary objective of the Bank’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.

50. RISK MANAGEMENT (CONT'D.)

50.3 LIQUIDITY RISK AND FUNDING MANAGEMENT (CONT'D.)

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 Bank.

The Bank 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 Bank 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 Bank’s liquidity at risk. The Bank further stresses the importance of the stable funding sources to finance placement and loans and advances to borrowers. They are monitored using the loans to funds ratio, which compares loans and advances to borrowers as a percentage of the Bank's total funds.

50. RISK MANAGEMENT (CONT'D.)

50.3 LIQUIDITY RISK AND FUNDING MANAGEMENT (CONT'D.)

(a) Analysis of Assets and Liabilities By Remaining Contractual Maturities as per requirement of BNM's policy document *Financial Reporting*

Group	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
2025								
Assets								
Cash and short-term funds	4,375,745	-	-	-	-	-	-	4,375,745
Deposits and placements with banks and other financial institutions	-	300,000	200,000	-	87,545	-	-	587,545
Investment account placement	-	-	-	-	1,191,682	-	-	1,191,682
Derivative financial assets	107,147	97,245	44,902	24,885	271,986	107,650	-	653,815
Financial assets at FVTPL	422,020	433,666	611,090	757,187	980,836	897,876	1,423,980	5,526,655
Financial investments at FVOCI	276,506	1,332,638	908,380	1,927,495	8,857,984	5,429,704	881,109	19,613,816
Financial investments at amortised cost	-	77,067	1,872,205	189,084	3,976,123	2,282,282	-	8,396,761
Loans and advances	249,124	298,672	370,287	22,105,888	12,565,924	54,308,681	-	89,898,576
Statutory deposit with Bank Negara Malaysia	-	-	-	-	-	1,834,225	-	1,834,225
Deferred tax assets	-	-	-	-	-	-	197,860	197,860
Investment in associate	-	-	-	-	-	-	19,263	19,263
Other assets	1,719,164	221,686	116,669	451,580	134,912	92,941	10	2,736,962
Property and equipment	-	-	-	-	-	-	125,776	125,776
Right of use assets	-	-	-	-	-	-	141,458	141,458
Intangible assets	-	-	-	-	-	-	149,252	149,252
Total Assets	7,149,706	2,760,974	4,123,533	25,456,119	28,066,992	64,953,359	2,938,708	135,449,391
Liabilities								
Deposits from customers	49,611,181	17,267,188	11,328,947	13,242,993	565,016	-	-	92,015,325
Deposits and placements of banks and other financial institutions	3,102,609	1,852,946	122,965	33,833	1,138,340	519,945	-	6,770,638
Securities sold under resale agreements	3,623,600	2,327,949	-	-	-	-	-	5,951,549
Financial liabilities at FVTPL	3,996	20,215	77,495	77,112	-	-	-	178,818
Recourse obligation on loans sold to Cagamas Berhad	-	700,007	1,000,006	200,008	2,445,022	-	-	4,345,043
Derivative financial liabilities	45,022	66,428	38,071	63,398	279,379	116,557	-	608,855
Term funding	194,453	544,628	455,913	49,700	3,799,582	1,300,000	-	6,344,276
Debt capital	-	-	-	-	-	3,095,000	-	3,095,000
Other liabilities	1,272,457	745,287	86,938	395,133	448,858	83,433	-	3,032,106
Total Liabilities	57,853,318	23,524,648	13,110,335	14,062,177	8,676,197	5,114,935	-	122,341,610
Net Gap	(50,703,612)	(20,763,674)	(8,986,802)	11,393,942	19,390,795	59,838,424	2,938,708	13,107,781

50. RISK MANAGEMENT (CONT'D.)

50.3 LIQUIDITY RISK AND FUNDING MANAGEMENT (CONT'D.)

(a) Analysis of Assets and Liabilities By Remaining Contractual Maturities as per requirement of BNM's policy document *Financial Reporting* (Cont'd.)

Group	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
2024								
Assets								
Cash and short-term funds	6,140,967	-	-	-	-	-	-	6,140,967
Deposits and placements with banks and other financial institutions	-	900,000	-	800,000	42,975	41,058	-	1,784,033
Investment account placement	-	-	-	-	1,209,346	155,187	-	1,364,533
Derivative financial assets	58,199	201,854	194,379	59,204	353,838	142,629	-	1,010,103
Financial assets at FVTPL	1,482,833	1,231,828	377,617	753,727	448,484	631,180	1,841,013	6,766,682
Financial investments at FVOCI	686,983	583,913	1,227,406	1,746,208	10,931,422	3,749,914	774,283	19,700,129
Financial investments at amortised cost	-	82,620	174,428	249,898	2,912,978	3,971,369	-	7,391,293
Loans and advances	842,250	225,612	252,905	19,643,421	12,548,531	52,735,642	-	86,248,361
Statutory deposit with Bank Negara Malaysia	-	-	-	-	-	1,678,024	-	1,678,024
Deferred tax assets	-	-	-	-	-	-	192,707	192,707
Investment in associate	-	-	-	-	-	-	17,745	17,745
Other assets	1,747,128	167,484	144,811	716,023	117,347	142,753	-	3,035,546
Property and equipment	-	-	-	-	-	-	129,645	129,645
Right of use assets	-	-	-	-	-	-	196,449	196,449
Intangible assets	-	-	-	-	-	-	123,528	123,528
Total Assets	10,958,360	3,393,311	2,371,546	23,968,481	28,564,921	63,247,756	3,275,370	135,779,745
Liabilities								
Deposits from customers	52,479,928	15,747,599	14,061,261	10,374,828	1,673,794	-	-	94,337,410
Deposits and placements of banks and other financial institutions	2,025,750	3,081,784	430,671	577,619	913,673	590,633	-	7,620,130
Securities sold under resale agreements	1,776,886	4,551,449	-	-	-	-	-	6,328,335
Recourse obligation on loans sold to Cagamas Berhad	-	800,002	-	750,001	3,715,014	-	-	5,265,017
Derivative financial liabilities	115,735	132,418	121,776	171,798	378,049	102,002	-	1,021,778
Term funding	101,104	32,447	30,611	146,244	1,304,585	-	-	1,614,991
Debt capital	-	-	-	-	-	3,095,000	-	3,095,000
Other liabilities	2,643,797	469,752	197,309	407,004	273,619	128,649	-	4,120,130
Total Liabilities	59,143,200	24,815,451	14,841,628	12,427,494	8,258,734	3,916,284	-	123,402,791
Net Gap	(48,184,840)	(21,422,140)	(12,470,082)	11,540,987	20,306,187	59,331,472	3,275,370	12,376,954

50. RISK MANAGEMENT (CONT'D.)

50.3 LIQUIDITY RISK AND FUNDING MANAGEMENT (CONT'D.)

(a) Analysis of Assets and Liabilities By Remaining Contractual Maturities as per requirement of BNM's policy document *Financial Reporting* (Cont'd.)

Bank	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
2025								
Assets								
Cash and short-term funds	4,331,878	-	-	-	-	-	-	4,331,878
Deposits and placements with banks and other financial institutions	-	300,000	200,000	-	87,545	-	-	587,545
Investment account placement	-	-	-	-	1,191,682	-	-	1,191,682
Derivative financial assets	107,147	97,245	44,902	24,885	271,986	107,650	-	653,815
Financial assets at FVTPL	422,020	433,666	611,090	757,187	980,836	897,876	1,423,948	5,526,623
Financial investments at FVOCI	276,506	1,332,638	908,380	1,927,495	8,857,984	5,429,704	881,109	19,613,816
Financial investments at amortised cost	-	77,067	1,872,205	189,084	3,976,123	2,282,282	-	8,396,761
Loans and advances	568,249	298,469	370,007	22,105,226	12,555,772	54,002,454	-	89,900,177
Statutory deposit with Bank Negara Malaysia	-	-	-	-	-	1,834,225	-	1,834,225
Deferred tax assets	-	-	-	-	-	-	197,860	197,860
Investment in subsidiaries	-	-	-	-	-	-	13,477	13,477
Investment in associates	-	-	-	-	-	-	19,598	19,598
Other assets	1,718,656	221,686	116,669	451,437	134,912	92,941	10	2,736,311
Property and equipment	-	-	-	-	-	-	119,068	119,068
Right of use assets	-	-	-	-	-	-	141,668	141,668
Intangible assets	-	-	-	-	-	-	149,252	149,252
Total Assets	7,424,456	2,760,771	4,123,253	25,455,314	28,056,840	64,647,132	2,945,990	135,413,756
Liabilities								
Deposits from customers	49,611,181	17,267,188	11,332,252	13,242,993	565,016	-	-	92,018,630
Deposits and placements of banks and other financial institutions	3,102,609	1,852,946	157,415	33,833	1,138,340	519,945	-	6,805,088
Securities sold under resale agreements	3,623,600	2,327,949	-	-	-	-	-	5,951,549
Financial liabilities at FVTPL	3,996	20,215	77,495	77,112	-	-	-	178,818
Recourse obligation on loans sold to Cagamas Berhad	-	700,007	1,000,006	200,008	2,445,022	-	-	4,345,043
Derivative financial liabilities	45,022	66,428	38,071	63,398	279,379	116,557	-	608,855
Term funding	194,453	544,628	455,913	49,700	3,799,582	1,300,000	-	6,344,276
Debt capital	-	-	-	-	-	3,095,000	-	3,095,000
Other liabilities	1,272,309	745,103	86,886	395,113	447,933	65,872	-	3,013,216
Total Liabilities	57,853,170	23,524,464	13,148,038	14,062,157	8,675,272	5,097,374	-	122,360,475
Net Gap	(50,428,714)	(20,763,693)	(9,024,785)	11,393,157	19,381,568	59,549,758	2,945,990	13,053,281

50. RISK MANAGEMENT (CONT'D.)

50.3 LIQUIDITY RISK AND FUNDING MANAGEMENT (CONT'D.)

(a) Analysis of Assets and Liabilities By Remaining Contractual Maturities as per requirement of BNM's policy document *Financial Reporting* (Cont'd.)

Bank	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
2024								
Assets								
Cash and short-term funds	6,103,853	-	-	-	-	-	-	6,103,853
Deposits and placements with banks and other financial institutions	-	900,000	-	800,000	42,975	41,058	-	1,784,033
Investment account placement	-	-	-	-	1,209,346	155,187	-	1,364,533
Derivative financial assets	58,199	201,854	194,379	59,204	353,838	142,629	-	1,010,103
Financial assets at FVTPL	1,482,833	1,231,828	377,617	753,727	448,484	631,180	1,840,980	6,766,649
Financial investments at FVOCI	686,983	583,913	1,227,406	1,746,208	10,931,422	3,749,914	774,283	19,700,129
Financial investments at amortised cost	-	82,620	174,428	249,898	2,912,978	3,971,369	-	7,391,293
Loans and advances	1,177,585	225,265	252,572	19,642,989	12,536,900	52,402,682	-	86,237,993
Statutory deposit with Bank Negara Malaysia	-	-	-	-	-	1,678,024	-	1,678,024
Deferred tax assets	-	-	-	-	-	-	192,707	192,707
Investment in subsidiaries	-	-	-	-	-	-	13,477	13,477
Investment in associates	-	-	-	-	-	-	19,598	19,598
Other assets	1,745,708	167,484	144,811	715,749	117,347	142,753	-	3,033,852
Property and equipment	-	-	-	-	-	-	123,472	123,472
Right of use assets	-	-	-	-	-	-	197,072	197,072
Intangible assets	-	-	-	-	-	-	123,528	123,528
Total Assets	11,255,161	3,392,964	2,371,213	23,967,775	28,553,290	62,914,796	3,285,117	135,740,316
Liabilities								
Deposits from customers	52,479,928	15,747,599	14,065,292	10,374,828	1,673,697	97	-	94,341,441
Deposits and placements of banks and other financial institutions	2,051,812	3,081,784	430,671	577,619	913,673	590,633	-	7,646,192
Securities sold under resale agreements	1,776,886	4,551,449	-	-	-	-	-	6,328,335
Recourse obligation on loans sold to Cagamas Berhad	-	800,002	-	750,001	3,715,014	-	-	5,265,017
Derivative financial liabilities	115,735	132,418	121,776	171,798	378,049	102,002	-	1,021,778
Term funding	101,104	32,447	30,611	146,244	1,304,585	-	-	1,614,991
Debt capital	-	-	-	-	-	3,095,000	-	3,095,000
Other liabilities	2,644,024	469,710	197,309	406,984	272,851	111,000	-	4,101,878
Total Liabilities	59,169,489	24,815,409	14,845,659	12,427,474	8,257,869	3,898,732	-	123,414,632
Net Gap	(47,914,328)	(21,422,445)	(12,474,446)	11,540,301	20,295,421	59,016,064	3,285,117	12,325,684

50. RISK MANAGEMENT (CONT'D.)

50.3 LIQUIDITY RISK AND FUNDING MANAGEMENT (CONT'D.)

(b) Analysis of Liabilities By Remaining Contractual Maturities on Undiscounted basis

Group	Up to 1 month	>1 month to 3 months	>3 months to 6 months	>6 months to 12 months	>1 year to 5 years	Over 5 years	No maturity specified	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2025								
Liabilities								
Deposits from customers	50,218,950	17,478,722	11,467,735	13,405,228	571,937	-	-	93,142,572
Deposits and placements of banks and other financial institutions	3,140,620	1,875,646	124,483	34,252	1,152,267	526,316	-	6,853,584
Securities sold under resale agreements	3,642,026	2,347,589	-	-	-	-	-	5,989,615
Financial liabilities at FVTPL	4,187	20,573	77,847	77,410	-	-	-	180,017
Recourse obligation on loans sold to Cagamas Berhad	20,475	723,029	1,063,399	253,256	2,500,034	-	-	4,560,193
Derivative financial liabilities	54,506	72,759	57,524	125,130	362,650	17,951	-	690,520
Term funding	198,917	597,796	467,109	84,771	4,277,452	1,442,558	-	7,068,603
Debt capital	11,753	23,896	36,041	71,300	572,352	3,464,197	-	4,179,539
Other liabilities*	1,052,007	141,319	31,597	163,588	257,845	55,334	-	1,701,690
Total Undiscounted Liabilities	58,343,441	23,281,329	13,325,735	14,214,935	9,694,537	5,506,356	-	124,366,333
Commitments								
Irrevocable commitments to extend credit	836,638	1,149,017	2,075,470	2,711,996	56,088	8,510,587	-	15,339,796
Unutilised credit card lines	4,457,897	-	-	-	-	-	-	4,457,897
Forward asset purchase	589,170	-	-	-	-	-	-	589,170
Contingent Liabilities								
Direct credit substitutes	535,067	51,601	460,843	93,093	194,477	-	-	1,335,081
Certain transaction-related contingent items	425,261	652,555	717,629	1,384,231	3,426,081	361,279	-	6,967,036
Short-term self liquidating trade-related contingencies	839,825	216,440	54,075	6,574	939	-	-	1,117,853
Total commitments and contingent liabilities	7,683,858	2,069,613	3,308,017	4,195,894	3,677,585	8,871,866	-	29,806,833

* The balances had included the undiscounted contractual payments for lease liabilities and excluded the non-financial liabilities. Detail maturity analysis for lease commitment is disclosed in Note 29(a).

50. RISK MANAGEMENT (CONT'D.)

50.3 LIQUIDITY RISK AND FUNDING MANAGEMENT (CONT'D.)

(b) Analysis of Liabilities By Remaining Contractual Maturities on Undiscounted basis (Cont'd.)

Group	Up to 1 month	>1 month to 3 months	>3 months to 6 months	>6 months to 12 months	>1 year to 5 years	Over 5 years	No maturity specified	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2024								
Liabilities								
Deposits from customers	53,211,094	15,967,016	14,257,237	10,519,385	1,697,016	98	-	95,651,846
Deposits and placements of banks and other financial institutions	2,053,977	3,124,724	436,672	585,667	926,404	598,862	-	7,726,306
Securities sold under resale agreements	1,790,820	4,586,025	-	-	-	-	-	6,376,845
Recourse obligation on loans sold to Cagamas Berhad	-	839,037	66,199	839,687	3,867,866	-	-	5,612,789
Derivative financial liabilities	121,038	173,864	215,922	171,870	491,137	2,704	-	1,176,535
Term funding	101,749	43,393	30,650	162,510	1,348,170	-	-	1,686,472
Debt capital	11,753	23,896	36,041	71,300	572,352	3,607,187	-	4,322,529
Other liabilities*	2,000,748	67,988	117,681	198,340	208,722	63,140	-	2,656,619
Total Undiscounted Liabilities	59,291,179	24,825,943	15,160,402	12,548,759	9,111,667	4,271,991	-	125,209,941
Commitments								
Irrevocable commitments to extend credit	501,050	1,160,677	1,713,525	2,683,093	247,747	9,289,304	-	15,595,396
Unutilised credit card lines	4,017,609	-	-	-	-	-	-	4,017,609
Forward asset purchase	691,518	-	-	-	-	-	-	691,518
Contingent Liabilities								
Direct credit substitutes	21,390	109,041	133,560	942,578	191,942	200	-	1,398,711
Certain transaction-related contingent items	283,509	497,187	579,273	1,103,074	2,773,426	211,175	-	5,447,644
Short-term self liquidating trade-related contingencies	416,274	285,372	11,173	1,278	-	-	-	714,097
Total commitments and contingent liabilities	5,931,350	2,052,277	2,437,531	4,730,023	3,213,115	9,500,679	-	27,864,975

* The balances had included the undiscounted contractual payments for lease liabilities and excluded the non-financial liabilities. Detail maturity analysis for lease commitment is disclosed in Note 29(a).

50. RISK MANAGEMENT (CONT'D.)

50.3 LIQUIDITY RISK AND FUNDING MANAGEMENT (CONT'D.)

(b) Analysis of Liabilities By Remaining Contractual Maturities on Undiscounted basis (Cont'd.)

Bank	Up to 1 month	>1 month to 3 months	>3 months to 6 months	>6 months to 12 months	>1 year to 5 years	Over 5 years	No maturity specified	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2025								
Liabilities								
Deposits from customers	50,218,950	17,478,722	11,471,080	13,405,228	571,937	-	-	93,145,917
Deposits and placements of banks and other financial institutions	3,140,620	1,875,646	159,355	34,252	1,152,267	526,316	-	6,888,456
Securities sold under resale agreements	3,642,026	2,347,589	-	-	-	-	-	5,989,615
Financial liabilities at FVTPL	4,187	20,573	77,847	77,410	-	-	-	180,017
Recourse obligation on loans sold to Cagamas Berhad	20,475	723,029	1,063,399	253,256	2,500,034	-	-	4,560,193
Derivative financial liabilities	54,506	72,759	57,524	125,130	362,650	17,951	-	690,520
Term funding	198,917	597,796	467,109	84,771	4,277,452	1,442,558	-	7,068,603
Debt capital	11,753	23,896	36,041	71,300	572,352	3,464,197	-	4,179,539
Other liabilities*	1,053,473	141,399	31,719	163,831	258,585	56,731	-	1,705,738
Total Undiscounted Liabilities	58,344,907	23,281,409	13,364,074	14,215,178	9,695,277	5,507,753	-	124,408,598
Commitments								
Irrevocable commitments to extend credit	836,638	1,149,017	2,075,470	2,718,996	56,088	8,510,587	-	15,346,796
Unutilised credit card lines	4,457,897	-	-	-	-	-	-	4,457,897
Forward asset purchase	589,170	-	-	-	-	-	-	589,170
Contingent Liabilities								
Direct credit substitutes	535,067	51,601	460,843	93,093	194,477	-	-	1,335,081
Certain transaction-related contingent items	425,261	652,555	717,629	1,384,231	3,426,081	361,279	-	6,967,036
Short-term self liquidating trade-related contingencies	839,825	216,440	54,075	6,574	939	-	-	1,117,853
Total commitments and contingent liabilities	7,683,858	2,069,613	3,308,017	4,202,894	3,677,585	8,871,866	-	29,813,833

* The balances had included the undiscounted contractual payments for lease liabilities and excluded the non-financial liabilities. Detail maturity analysis for lease commitment is disclosed in Note 29(a).

50. RISK MANAGEMENT (CONT'D.)

50.3 LIQUIDITY RISK AND FUNDING MANAGEMENT (CONT'D.)

(b) Analysis of Liabilities By Remaining Contractual Maturities on Undiscounted basis (Cont'd.)

Bank	Up to 1 month	>1 month to 3 months	>3 months to 6 months	>6 months to 12 months	>1 year to 5 years	Over 5 years	No maturity specified	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2024								
Liabilities								
Deposits from customers	53,211,150	15,967,016	14,261,269	10,519,385	1,697,016	98	-	95,655,934
Deposits and placements of banks and other financial institutions	2,080,401	3,124,724	436,672	585,667	926,404	598,862	-	7,752,730
Securities sold under resale agreements	1,790,820	4,586,025	-	-	-	-	-	6,376,845
Recourse obligation on loans sold to Cagamas Berhad	-	839,037	66,199	839,687	3,867,866	-	-	5,612,789
Derivative financial liabilities	121,038	173,864	215,922	171,870	491,137	2,704	-	1,176,535
Term funding	101,749	43,393	30,650	162,510	1,348,170	-	-	1,686,472
Debt capital	11,753	23,896	36,041	71,300	572,352	3,607,187	-	4,322,529
Other liabilities*	2,002,813	68,068	117,802	198,584	209,622	64,864	-	2,661,753
Total Undiscounted Liabilities	59,319,724	24,826,023	15,164,555	12,549,003	9,112,567	4,273,715	-	125,245,587
Commitments								
Irrevocable commitments to extend credit	501,050	1,160,677	1,713,525	2,742,693	247,747	9,289,304	-	15,654,996
Unutilised credit card lines	4,017,609	-	-	-	-	-	-	4,017,609
Forward asset purchase	691,518	-	-	-	-	-	-	691,518
Contingent Liabilities								
Direct credit substitutes	21,390	109,041	133,560	942,578	191,942	200	-	1,398,711
Certain transaction-related contingent items	283,509	497,187	579,273	1,103,074	2,773,426	211,175	-	5,447,644
Short-term self liquidating trade-related contingencies	416,274	285,372	11,173	1,278	-	-	-	714,097
Total commitments and contingent liabilities	5,931,350	2,052,277	2,437,531	4,789,623	3,213,115	9,500,679	-	27,924,575

* The balances had included the undiscounted contractual payments for lease liabilities and excluded the non-financial liabilities. Detail maturity analysis for lease commitment is disclosed in Note 29(a).

50. RISK MANAGEMENT (CONT'D.)

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 rates, credit spreads, equity prices and foreign exchange rates. The Bank differentiates between two categories of market risk: Traded Market Risk and Non-Traded Market Risk. 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

TMR arises from transactions in which the Bank 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 Bank 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 Bank 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 values due to changes in risk factors under different market conditions.

50. RISK MANAGEMENT (CONT'D.)

50.4 MARKET RISK MANAGEMENT (CONT'D.)

Traded Market Risk ("TMR") (Cont'd.)

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 Bank 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 in the banking book including those arising from balance sheet management activities as covered under the risk appetite.

Interest Rate Risk in Banking Book ("IRRBB")

The IRRBB risk management process is depicted in the table below:

Identification	• Identify IRRBB within existing and new products • Review market-related information such as market trend and economic data
Assessment/ Measurement	• ICAAP IRRBB Economic Value of Equity ("EVE") • ICAAP IRRBB Earnings-at-Risk ("EaR")
Control/ Mitigation	• ICAAP IRRBB EVE / Tier 1 Capital Triggers • ICAAP IRRBB EaR / Total Net Interest Income ("NII") Triggers
Monitoring/ Review	• Monitor limits • Periodical review and reporting

IRRBB arises from changes in market interest rates that impact core net interest 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 margins and implied volatilities on interest rate options. The provision of retail and wholesale banking products and services (primarily lending and deposit taking activities) creates interest rate-sensitive positions in the Bank's statement of financial position.

The principal objectives of balance sheet risk management are to manage interest income sensitivity while maintaining acceptable levels of IRRBB and funding risk, and to manage the economic value of Bank's capital.

The Board's oversight of IRRBB is supported by GALCO and GMRC. The Board and GMRC are responsible for the alignment of Bank-wide risk appetite. GALCO reviews strategies to ensure a comfortable level of IRRBB is maintained, taking into consideration the Bank's business strategies and is responsible for overseeing the Bank's gapping positions, asset growth and liability mix against the interest rate outlook. The Bank has successfully engaged long-term borrowings and written interest rate swaps to manage IRRBB and maintained an acceptable gapping profile as a result. In accordance with the Bank's policy, IRRBB positions are monitored on a monthly basis and hedging strategies are employed to ensure risk exposures are maintained within Management-established limits.

50. RISK MANAGEMENT (CONT'D.)

50.4 MARKET RISK MANAGEMENT (CONT'D.)

Non-Traded Market Risk (Cont'd.)

Interest Rate Risk in Banking Book (“IRRBB”) (Cont'd.)

The Bank measures the IRRBB 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 income due to movement in market interest rates. The Bank complements EVE and EaR by stress testing IRRBB 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 rates and spreads, changes in loans and deposit product balances due to behavioural characteristics under different interest rate environments. Material assumptions include the repricing characteristics and the stability of indeterminate or non-maturity deposits and loans.

The rate scenarios may include rapid ramping of interest rates, gradual ramping of interest rates, and narrowing or widening of spreads. Usually each analysis incorporates what management deems the most appropriate assumptions about customer behaviour in an interest rate scenario. However, in certain cases, assumptions are deliberately changed to test the Bank’s exposure to a specified event.

The Bank’s strategy seeks to optimise exposure to IRRBB within Management-approved limits. This is achieved through the ability to reposition the interest rate exposure of the statement of financial position using various product and funding strategies, supported by interest rate hedging activities using interest rate swaps and other derivatives. These approaches are governed by the Bank’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 Rate Risk Framework.

IRRBB exposures are monitored by IBMR and positions reported to the GALCO, GMRC, RMC and Board.

Market Risk Sensitivity

(i) Interest Rate Risk

Interest rate risk (“IRR”) is the risk that the value of a financial instrument will fluctuate due to changes in market interest rate and is managed through gap and sensitivity analysis. Interest rate movements also affect the Group’s income and expense from assets and liabilities as well as capital fund. The Group has adopted IRR hedging measures to cushion the interest rate volatility.

The following table demonstrates the sensitivity of the Group’s and the Bank’s profit before taxation and equity to a reasonable possible change in interest rate with all other variables remaining constant.

Traded Market Risk:

	2025		2024	
Group and Bank	**Interest rate + 100 bps RM'000**	**Interest rate - 100 bps RM'000**	**Interest rate + 100 bps RM'000**	**Interest rate - 100 bps RM'000**
Impact on profit before taxation	(57,053)	61,100	(41,779)	44,698

50. RISK MANAGEMENT (CONT'D.)

50.4 MARKET RISK MANAGEMENT (CONT'D.)

Market Risk Sensitivity (Cont'd.)

(i) Interest Rate Risk (Cont'd.)

Non-Traded Market Risk:

	2025		2024	
	Interest rate + 100 bps RM'000	**Interest rate - 100 bps RM'000**	**Interest rate + 100 bps RM'000**	**Interest rate - 100 bps RM'000**
Group and Bank				
Impact on profit before taxation	628,032	(628,032)	591,242	(591,242)
Impact on equity	(577,906)	622,032	(510,557)	543,686

(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 exposure to excessive foreign exchange risk.

The following table demonstrates the sensitivity of the Group's and the Bank's profit before taxation and equity to a reasonable possible change in foreign exchange rates with all other variables remaining constant.

Impact on profit before taxation:

	2025		2024	
Currency	**Foreign exchange rate + 10 % RM'000**	**Foreign exchange rate - 10 % RM'000**	**Foreign exchange rate + 10 % RM'000**	**Foreign exchange rate - 10 % RM'000**
Group and Bank				
USD	36,455	(36,455)	(40,643)	40,643
SGD	(2,886)	2,886	4,435	(4,435)
EUR	4,738	(4,738)	(877)	877
AUD	1,997	(1,997)	2,823	(2,823)
JPY	112	(112)	5,088	(5,088)
GBP	980	(980)	(186)	186
HKD	8,321	(8,321)	94,582	(94,582)
Others	(17)	17	(2,940)	2,940

50. RISK MANAGEMENT (CONT'D.)

50.4 MARKET RISK MANAGEMENT (CONT'D.)

Market Risk Sensitivity (Cont'd.)

(ii) Foreign Exchange Risk (Cont'd.)

Impact on equity:

	2025		2024	
Currency	Foreign exchange rate + 10 % RM'000	Foreign exchange rate - 10 % RM'000	Foreign exchange rate + 10 % RM'000	Foreign exchange rate - 10 % RM'000
Group				
USD	27,852	(27,852)	29,913	(29,913)
EUR	58	(58)	85	(85)
Bank				
USD	27,830	(27,830)	29,892	(29,892)
EUR	58	(58)	85	(85)

(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 limit, loss limits and VaR limits.

The following table demonstrates the sensitivity of the Group's and of the Bank's profit before taxation and equity to a reasonable possible change in prices with all other variables remaining constant:

	2025		2024	
	Prices + 10 % RM'000	Prices - 10 % RM'000	Prices + 10 % RM'000	Prices - 10 % RM'000
Group				
Impact on profit before taxation	141,958	(141,958)	180,995	(180,995)
Impact on equity	5,321	(5,321)	5,872	(5,872)
Bank				
Impact on profit before taxation	141,958	(141,958)	180,994	(180,994)
Impact on equity	5,321	(5,321)	5,872	(5,872)

50. RISK MANAGEMENT (CONT'D.)

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 • Regulator's and Auditor's 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, KRI breaches and KCT exceptions and operational risk framework adherence • Challenging the periodical review or updating of 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 and technology (including cyber) risk and fraud risk. 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 Bank 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 Bank'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 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.

50. RISK MANAGEMENT (CONT'D.)

50.5 OPERATIONAL RISK MANAGEMENT ("ORM") (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 assessments 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; and

- Scenario analysis is a forward-looking assessment tool to assess the severity impact on the Bank's profitability and capital adequacy should the plausible and worse case scenarios materialise.

The GMRC, RMCD and Board are the main reporting and escalation committees for operational risk matters including outsourcing risk, information technology ("IT") (including cyber) risk, legal risk, fraud risk and business continuity management.

(i) **Business Continuity Management ("BCM")**

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

50. RISK MANAGEMENT (CONT'D.)

50.5 OPERATIONAL RISK MANAGEMENT (CONT'D.)

(i) Business Continuity Management ("BCM") (Cont'd.)

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 business functions through BIA exercise, for the development of recovery strategy. BCM builds the resilience and recovery capability to safeguard the interest of 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 arrangement 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' information.

The Group continues to monitor its cyber resilience posture to enhance its cyber security controls framework, execute internal assessment reviews, build defense 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 defenses to mitigate risks. Creating a security mindset for employees and borrowers 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.

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 judgements, failure to respond to changes in regulatory requirements and failure to protect assets (including intellectual property) 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. RISK MANAGEMENT (CONT'D.)

50.8 REGULATORY COMPLIANCE RISK

AMMB Group has zero tolerance for any form of regulatory breaches (including bribery or corruption and Shariah non-compliance events). AMMB Group is committed to always maintain the highest integrity and ethical standards by complying with the Code of Conduct and the applicable laws and regulations to ensure the protection of our business and promote operational excellence through ethical behaviour.

AMMB Group has in place a compliance framework to promote the safety and soundness of AMMB 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 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 AMMB Group’s processes and increasing awareness on the role of every employee to be compliant and safeguard AMMB 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 ("GMGCC"), comprising of 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.

AMMB 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.

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 investment in subsidiaries and other investments and deferred 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.

The estimated fair values of the Group's and of the Bank's financial instruments are as follows:

a) Financial instruments not measured at fair value (excluding those financial instruments where the carrying amounts are reasonable approximation of their fair values).

	Group		Bank	
	Carrying value RM'000	**Fair value RM'000**	**Carrying value RM'000**	**Fair value RM'000**
2025				
Financial Assets				
Financial investments at amortised cost	8,396,761	8,472,112	8,396,761	8,472,112
Loans and advances*	7,696,302	7,009,061	7,373,969	6,761,406
	16,093,063	15,481,173	15,770,730	15,233,518
Financial Liabilities				
Recourse obligation of loans sold to Cagamas Berhad	4,345,043	4,400,550	4,345,043	4,400,550
Term funding	6,344,276	6,139,289	6,344,276	6,139,289
Debt capital	3,095,000	3,148,281	3,095,000	3,148,281
	13,784,319	13,688,120	13,784,319	13,688,120
2024				
Financial Assets				
Financial investments at amortised cost	7,391,293	7,473,722	7,391,293	7,473,722
Loans and advances*	9,191,083	8,275,989	8,839,042	7,981,579
	16,582,376	15,749,711	16,230,335	15,455,301
Financial Liabilities				
Recourse obligation of loans sold to Cagamas Berhad	5,265,017	5,305,102	5,265,017	5,305,102
Term funding	1,614,991	1,493,643	1,614,991	1,493,643
Debt capital	3,095,000	3,157,611	3,095,000	3,157,611
	9,975,008	9,956,356	9,975,008	9,956,356

Note:

* Excluding loans and advances of RM82,202.3 million and RM82,526.2 million for the Group and the Bank respectively (2024: RM77,057.3 million and RM77,399.0 million for the Group and the Bank respectively) where the carrying amounts are reasonable approximation of their fair values.

51. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONT'D.)

(b) The following table provides the fair value measurement hierarchy of the Group's and of the Bank's assets and liabilities:

	Group				Bank			
	Valuation techniques				Valuation techniques			
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2025								
Financial assets measured at fair value								
Derivative financial assets	538	653,277	-	653,815	538	653,277	-	653,815
Financial assets at fair value through profit or loss								
- Money market securities	-	2,828,548	-	2,828,548	-	2,828,548	-	2,828,548
- Quoted shares	1,391,734	-	-	1,391,734	1,391,733	-	-	1,391,733
- Unquoted shares	-	-	31	31	-	-	-	-
- Quoted unit trust	32,215	-	-	32,215	32,215	-	-	32,215
- Quoted sukuk	-	10,179	-	10,179	-	10,179	-	10,179
- Unquoted corporate bond and sukuk	-	1,263,948	-	1,263,948	-	1,263,948	-	1,263,948
Financial investments at fair value through other comprehensive income								
- Money market securities	-	8,803,273	-	8,803,273	-	8,803,273	-	8,803,273
- Unquoted shares	-	-	827,897	827,897	-	-	827,897	827,897
- Quoted unit trust	53,212	-	-	53,212	53,212	-	-	53,212
- Unquoted corporate bond and sukuk	-	9,929,434	-	9,929,434	-	9,929,434	-	9,929,434
Financial assets for which fair values are disclosed								
Financial investments at amortised cost	-	8,472,112	-	8,472,112	-	8,472,112	-	8,472,112
Loans and advances	-	7,009,061	-	7,009,061	-	6,761,406	-	6,761,406
	1,477,699	38,969,832	827,928	41,275,459	1,477,698	38,722,177	827,897	41,027,772
Financial liabilities measured at fair value								
Financial liabilities at FVTPL	-	178,818	-	178,818	-	178,818	-	178,818
Derivative financial liabilities	7,918	600,937	-	608,855	7,918	600,937	-	608,855
Financial liabilities for which fair values are disclosed								
Recourse obligation of loans sold to Cagamas Berhad	-	4,400,550	-	4,400,550	-	4,400,550	-	4,400,550
Term funding	-	6,139,289	-	6,139,289	-	6,139,289	-	6,139,289
Debt capital	-	3,148,281	-	3,148,281	-	3,148,281	-	3,148,281
	7,918	14,467,875	-	14,475,793	7,918	14,467,875	-	14,475,793

51. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONT'D.)

(b) The following table provides the fair value measurement hierarchy of the Group’s and of the Bank's assets and liabilities (Cont'd.):

	Group				Bank			
	Valuation techniques				Valuation techniques			
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2024								
Financial assets measured at fair value								
Derivative financial assets	359	1,009,744	-	1,010,103	359	1,009,744	-	1,010,103
Financial assets at fair value through profit or loss								
- Money market securities	-	3,811,453	-	3,811,453	-	3,811,453	-	3,811,453
- Quoted shares	1,796,109	-	-	1,796,109	1,796,105	-	-	1,796,105
- Unquoted shares	-	-	29	29	-	-	-	-
- Quoted unit trust	44,875	-	-	44,875	44,875	-	-	44,875
- Quoted sukuk	-	10,249	-	10,249	-	10,249	-	10,249
- Unquoted corporate bond and sukuk	-	1,103,967	-	1,103,967	-	1,103,967	-	1,103,967
Financial investments at fair value through other comprehensive income								
- Money market securities	-	8,547,628	-	8,547,628	-	8,547,628	-	8,547,628
- Unquoted shares	-	-	715,566	715,566	-	-	715,566	715,566
- Quoted unit trust	58,717	-	-	58,717	58,717	-	-	58,717
- Unquoted corporate bond and sukuk	-	10,378,218	-	10,378,218	-	10,378,218	-	10,378,218
Financial assets for which fair values are disclosed								
Financial investments at amortised cost	-	7,473,722	-	7,473,722	-	7,473,722	-	7,473,722
Loans and advances	-	8,275,989	-	8,275,989	-	7,981,579	-	7,981,579
	1,900,060	40,610,970	715,595	43,226,625	1,900,056	40,316,560	715,566	42,932,182
Financial liabilities measured at fair value								
Derivative financial liabilities	30,502	991,276	-	1,021,778	30,502	991,276	-	1,021,778
Financial liabilities for which fair values are disclosed								
Recourse obligation of loans sold to Cagamas Berhad	-	5,305,102	-	5,305,102	-	5,305,102	-	5,305,102
Term funding	-	1,493,643	-	1,493,643	-	1,493,643	-	1,493,643
Debt capital	-	3,157,611	-	3,157,611	-	3,157,611	-	3,157,611
	30,502	10,947,632	-	10,978,134	30,502	10,947,632	-	10,978,134

There is no transfer between level 1 and level 2 during the current and previous financial year for the Group and the Bank.

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 and advances

The fair value of variable rate loans and advances are estimated to approximate their carrying amounts. For fixed rate loans and advances, 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 and advances, 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 sold to Cagamas Berhad

The fair value for recourse obligation on loans 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, investment 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 unquoted 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 of the Bank. Therefore, unobservable inputs reflect the Group’s and the Bank's own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk). These inputs are developed based on the best information available, which might include the Group’s and the Bank's own data, as well as financial information of the counterparties. Unquoted equity instruments at FVOCI was revalued using adjusted net assets method.

About 3.2% of the Group's and of the Bank's (2024: 2.6% of the Group's and of the Bank's) total financial assets recorded at fair value, are based on estimates and recorded as Level 3 investments. Where estimates are used, these are based on a combination of independent third-party evidence and internally developed models, calibrated to market observable data where possible. While such valuations are sensitive to estimates, it is believed that changing one or more of the assumptions to reasonably possible alternative assumptions would not change the fair value significantly.

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:

Group	Financial assets at FVTPL RM'000	Financial investments at FVOCI RM'000	Total RM'000
2025			
Balance at beginning of the financial year	29	715,566	715,595
Gain on revaluation of financial assets taken up in profit or loss and other comprehensive income	2	112,331	112,333
Balance at end of the financial year	31	827,897	827,928
2024			
Balance at beginning of the financial year	33	677,258	677,291
(Loss)/gain on revaluation of financial assets taken up in profit or loss and other comprehensive income	(4)	38,308	38,304
Balance at end of the financial year	29	715,566	715,595

Bank	Financial investments at FVOCI RM'000
2025	
Balance at beginning of the financial year	715,566
Gain on revaluation of financial assets taken up in statement of other comprehensive income	112,331
Balance at end of the financial year	827,897
2024	
Balance at beginning of the financial year	677,258
Gain on revaluation of financial assets taken up in statement of other comprehensive income	38,308
Balance at end of the financial year	715,566

51. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONT'D.)

Total gains or losses included in the statements of profit or loss and statements of other comprehensive income for financial instruments held at the end of the reporting year:

	Group		Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Financial assets at FVTPL				
Total losses included in:				
- profit or loss	2	(4)	-	-
Financial investments at FVOCI				
Total gains included in:				
- other comprehensive income	112,331	38,308	112,331	38,308

There are no transfers between Level 2 and Level 3 during the current and previous financial year for the Group and the Bank.

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.

52. OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial assets and financial liabilities subject to offsetting, enforceable master netting arrangements excluding financial assets not subject to offset and that are only subject to collateral arrangements (e.g. loans and advances) and similar agreements are as follows:

	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
Group and Bank						
2025						
Derivative financial assets (Note 10)	653,815	-	653,815	(283,101)	(275,274) (Note 29)	95,440
Derivative financial liabilities (Note 10)	608,855	-	608,855	(283,101)	(309,082) (Note 19)	16,672
2024						
Derivative financial assets (Note 10)	1,010,103	-	1,010,103	(216,389)	(321,081) (Note 29)	472,633
Derivative financial liabilities (Note 10)	1,021,778	-	1,021,778	(216,389)	(790,167) (Note 19)	15,222

53. 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, 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 includes proprietary trading as well as providing full range of products and services relating to treasury activities, including foreign exchange, derivatives, fixed income and structured warrants. It also offers customised investment solutions for customers.

(d) Investment Banking

Under the Investment Banking division of AmBank, the core products are capital markets group, private banking and equity markets.

Capital Markets focuses on providing integrated financing solutions to our corporate and institutional clients. It offers a full suite of customised debt and capital financing solutions which include corporate bond issuances, loan syndication, structured finance, capital and project advisory services and primary syndication and underwriting services. Private Banking primarily services high net worth clients and offers financing and deposit products. Equity markets offers margin financing to retail and corporate clients.

53. BUSINESS SEGMENT ANALYSIS (CONT'D.)

(e) Others

Others comprise activities to support operations of its main business units and non-core operations of the Group.

Measurement of segment performance

The segment performance is measured on income, expenses and profit basis. These are shown after allocation of certain centralised cost, funding income and expenses 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.

Notes:

(i) The Chief Operating Decision Maker relies primarily on the net finance income information to assess the performance of, and to make decisions about resources to be allocated to these operating segments.

(ii) The financial information by geographical segment is not presented as the Group's activities are principally conducted in Malaysia.

(iii) The comparatives have been restated to conform with current business realignment between the business segments.

53. BUSINESS SEGMENT ANALYSIS (CONT'D.)

Group	Retail Banking RM'000	Business Banking RM'000	Wholesale Banking: Corporate and Transaction Banking RM'000	Wholesale Banking: Group Treasury and Markets RM'000	Investment Banking RM'000	Others RM'000	Total RM'000
2025							
External net income	1,175,149	1,549,543	640,753	(218,568)	30,875	(17,888)	3,159,864
Intersegments net income	(239,476)	(218,633)	(281,591)	772,583	6,962	(39,845)	-
Net income/(loss)	935,673	1,330,910	359,162	554,015	37,837	(57,733)	3,159,864
Net interest income/(loss)	768,325	995,344	304,357	358,369	27,667	(75,604)	2,378,458
Other operating income	165,830	335,566	54,805	195,646	10,170	17,871	779,888
Share in results of associate	1,518	-	-	-	-	-	1,518
Total income/(loss)	935,673	1,330,910	359,162	554,015	37,837	(57,733)	3,159,864
Other operating expenses	(656,771)	(442,612)	(149,740)	(120,904)	(7,741)	(22,350)	(1,400,118)
of which:							
Depreciation of Property and Equipment	(16,131)	(1,519)	(931)	(469)	(14)	(23,319)	(42,383)
Depreciation of Right-of-Use Assets	-	-	-	-	-	(65,694)	(65,694)
Amortisation of Intangible Assets	(11,438)	(881)	(3,628)	(5,789)	-	(15,624)	(37,360)
Profit/(loss) before impairment losses and provision	278,902	888,298	209,422	433,111	30,096	(80,083)	1,759,746
(Allowance for)/writeback of impairment on loans and advances	(133,563)	(98,770)	45,858	-	3,841	-	(182,634)
(Provision for)/writeback of commitments and contingencies	(117)	11,569	59,305	-	-	(866)	69,891
(Allowances for)/writeback of impairment on financial investments, other financial assets and non-financial assets	-	(1,276)	(7,896)	(5,795)	-	17,436	2,469
Other recoveries, net	-	-	-	-	-	32	32
Profit/(loss) before taxation	145,222	799,821	306,689	427,316	33,937	(63,481)	1,649,504
Taxation	(34,489)	(189,591)	(73,004)	(101,109)	(7,112)	16,628	(388,677)
Profit/(loss) for the financial year	110,733	610,230	233,685	326,207	26,825	(46,853)	1,260,827
Other information							
Total segment assets	44,394,701	36,002,883	16,555,674	35,177,986	1,219,577	2,098,570	135,449,391
Total segment liabilities	40,739,493	29,113,563	9,001,482	41,564,894	1,258,035	664,143	122,341,610
Cost to income ratio	70.2%	33.3%	41.7%	21.8%	20.5%	(38.7%)	44.3%
Gross loans and advances	42,805,309	34,172,096	12,891,219	-	1,221,874	-	91,090,498
Net loans and advances	42,122,383	33,758,859	12,803,271	-	1,214,063	-	89,898,576
Impaired loans and advances	721,224	668,128	86,866	-	11,936	-	1,488,154
Deposits	40,172,010	28,555,309	8,808,971	20,002,023	1,247,650	-	98,785,963
Additions to:							
Property and equipment	10,946	3,239	253	79	343	23,230	38,090
Intangible assets	19,927	4,049	2,390	624	584	18,489	46,063

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53. BUSINESS SEGMENT ANALYSIS (CONT'D.)

Group	Retail Banking RM'000	Business Banking RM'000	Wholesale Banking: Corporate and Transaction Banking RM'000	Wholesale Banking: Group Treasury and Markets RM'000	Investment Banking RM'000	Others RM'000	Total RM'000
2024 (Restated)							
External net income	1,130,880	1,357,951	613,809	(116,311)	46,049	(19,206)	3,013,172
Intersegments net income	(152,447)	(134,267)	(250,734)	588,157	(11,448)	(39,261)	-
Net income/(loss)	978,433	1,223,684	363,075	471,846	34,601	(58,467)	3,013,172
Net interest income/(loss)	829,562	908,875	304,549	232,600	29,859	(80,159)	2,225,286
Other operating income	149,523	314,808	58,526	239,245	4,742	21,692	788,536
Share in results of associate	(650)	-	-	-	-	-	(650)
Total income/(loss)	978,435	1,223,683	363,075	471,845	34,601	(58,467)	3,013,172
Other operating expenses	(631,946)	(448,925)	(140,674)	(123,090)	(7,465)	27,504	(1,324,596)
of which:							
Depreciation of Property and Equipment	(16,135)	(1,953)	(1,192)	(486)	(12)	(27,464)	(47,242)
Depreciation of Right-of-Use Assets	-	-	-	-	-	(68,344)	(68,344)
Amortisation of Intangible Assets	(12,983)	(1,365)	(4,869)	(5,449)	-	(25,186)	(49,852)
Profit/(loss) before impairment losses and provision	346,489	774,758	222,401	348,755	27,136	(30,963)	1,688,576
(Allowance for)/writeback of impairment on loans and advances	(337,476)	(213,486)	76,818	-	(11,639)	-	(485,783)
Writeback of commitments and contingencies	8,910	8,961	21,307	-	-	434	39,612
Allowances for impairment on financial investments, other financial assets and non-financial assets	-	(8,934)	(9,626)	(20,770)	-	(110,811)	(150,141)
Other recoveries, net	26	2,329	-	-	-	24	2,379
Provision for restructuring expenses	-	-	-	-	-	(80,000)	(80,000)
Profit/(loss) before taxation	17,949	563,628	310,900	327,985	15,497	(221,316)	1,014,643
Taxation	(4,464)	(134,491)	(72,762)	(72,133)	(2,447)	533,360	247,063
Profit for the financial year	13,485	429,137	238,138	255,852	13,050	312,044	1,261,706
Other information							
Total segment assets	44,552,861	31,404,776	13,995,319	42,052,573	1,699,975	2,074,241	135,779,745
Total segment liabilities	41,399,762	31,074,558	8,556,679	39,239,753	1,565,594	1,566,445	123,402,791
Cost to income ratio	64.6%	36.7%	38.7%	26.1%	21.6%	47.0%	44.0%
Gross loans and advances	43,747,901	31,307,128	11,076,905	-	1,487,844	-	87,619,778
Net loans and advances	43,012,698	30,855,023	10,904,446	-	1,476,194	-	86,248,361
Impaired loans and advances	769,934	637,678	129,612	-	18,316	-	1,555,540
Deposits	40,781,864	30,578,507	8,337,281	20,713,443	1,546,445	-	101,957,540
Additions to:							
Property and equipment	14,592	1,070	700	134	1,256	10,028	27,780
Intangible assets	39,887	3,515	2,423	3,972	255	33,789	83,841

54. SIGNIFICANT SUBSEQUENT EVENT

The US tariffs were announced in April 2025, subsequent to the Group's and the Bank'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 and the Bank's customers on their ability to meet financial obligations to the Group and the Bank will continue to affect the ECL allowances in the next financial year ending 31 March 2026. The Group and the Bank continue to monitor these developments and their estimated financial impacts and to implement appropriate measures to mitigate any adverse effects on its credit portfolio.